The English version is the translated version, without an accountant's review or verification.

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020
(Stock Code: 8938)

Company Address: No.26, Zhonglin Rd., Xiaogang Dist., Kaohsiung City

Tel: (07)872-1410

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

Advanced International Multitech Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report for 2021 and 2020

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Advanced International Multitech Co., Ltd.

Letter of Representation for Consolidated Financial Statements

For the year 2021 (from January 1 to December 31, 2021), the Company's entities that are required to be included in the consolidated financial statements of affiliated enterprises under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included in the parent-subsidiary consolidated financial statements under the International Financial Reporting Standards 10. Moreover, the related information required to be disclosed for the consolidated financial statements of affiliated enterprises has been fully disclosed in the aforementioned parent-subsidiary consolidated financial statements. Therefore, consolidated financial statements of affiliated enterprises will not be prepared.

Represented by

Company Name: Advanced International Multitech Co., Ltd.

Responsible person: Hsi-Chien Cheng

February 25, 2022

Independent Auditors' Report

To Advanced International Multitech Co., Ltd.

Auditors' Opinions

Advanced International Multitech Co., Ltd. and Subsidiaries' ("the Group" hereinafter) consolidated balance sheets ended December 31, 2021 and 2020, consolidated statements of comprehensive income, the consolidated statements of changes in equity, consolidated statements of cash flows from January 1 to December 31, 2021 and 2020, and the notes to the consolidated financial statements (including the summary of significant accounting policies) have been reviewed by the auditor.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of Advanced International Multitech Co., Ltd. as of December 31, 2021 and 2020, and its consolidated financial performance and consolidated cash flows from January 1 to December 31, 2021 and 2020 in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations endorsed and effected by the Financial Supervisory Commission.

Basis for Audit Opinion

We planned and conducted our audits in accordance with the "Rules Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants" and Generally Accepted Auditing Standards 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 have stayed independent from Advanced Group as required by the Code of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities as stipulated by the Code. We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 consolidated financial statements of Advanced Group. Such matters have been dealt with in the course of auditing and compiling the consolidated financial statements and in the preparation of our audit opinion. As such, we do not respond to each key matter individually.

Key Audit Matters for the consolidated financial statements of Advanced Group for 2021 are stated as follows:

Assessment of Impairment of Accounts Receivable

Descriptions

Please refer to Note IV(X) and (XI) to the consolidated financial statements for accounting policies regarding accounts receivables and impairment assessment; please refer to Note V(II) to the consolidated financial statements for critical accounting estimates and assumptions regarding accounts receivables; and please refer to Note VI(IV) to the consolidated financial statements for net accounts receivables.

In measuring the expected credit losses, Advanced Group must use its judgment to identify the factors that affect the future recoverability of the accounts receivable, and consider the time value of money, the information that is reasonable and available to prove the forecast of future economic conditions, and the supporting documents obtained by the management. Therefore, we identified the evaluation of impairment for accounts receivables as a key audit matter for Advanced Group.

Audit Procedures

The procedures we have performed on the afore-mentioned key audit matter are summarized as follows:

1. Based on our understanding of Advanced Group's operation and its sales counter-party, we have determined the reasonableness of the policy and procedures regarding provision of loss allowance for accounts receivables, including the objective evidence that determine the loss rate, e.g. characters of customers, assessment of past payment collection experience, and future economic conditions. We have also compared whether the policy for provision of loss allowance for accounts receivables is consistent throughout the reporting period.
2. We have assessed the reasonableness of the supporting documents based on the expected loss rates for different days past due as provided by the management.
3. We have also verified the correctness of the aging of accounts receivables in order to ensure the agreement of the financial information with its policy.
4. We have also tested the recovery of accounts receivables after the audit period so as to evaluate the possibility of recovery.

Inventory Valuation

Descriptions

Refer to Note IV(XIII) to the consolidated financial statements for accounting policies regarding inventory valuation; Note V(II) for uncertainty of accounting estimates and assumptions regarding inventory valuation; and Note VI(V) for details of inventory accounting subjects.

The main business of Advanced Group is to undertake the production of consumer products for the world's major brands. The inventory of such products, owing to rapid changes in technology and a high degree of customization, possesses higher risk of Inventory valuation loss or obsolescence. Advanced Group measures the value of inventory through the employment of an item by item approach which recognizes the value at the lower of cost and net realizable value. Advance Group also evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date and writes down the cost of inventories to the net realizable value. Since the assessment process may involve the management's judgment based on the relevant supporting documents obtained, which is an area to be determined in an audit, we have identified the inventory valuation as the key audit matter for Advanced Group.

Audit Procedures

The procedures we have performed on the afore-mentioned key audit matter are summarized as follows:

1. We have compared whether the policy for provision of allowance of inventory valuation loss is consistent throughout the reporting period and assessed the reasonableness of its provision policy.
2. We have examined the inventory management process, reviewed the annual inventory plan and participated in

annual inventory counts in order to assess the effectiveness of management's judgment and control of obsolete inventory.

3. We have sampled and tested the net realizable value of individual inventory item to assess the reasonableness of the allowance to reduce inventory to market.

Other Matters - parent company only financial statements

Advanced International Multitech Co., Ltd. has also compiled parent company only financial statements for 2021 and 2020, and issued an unqualified audit opinion from our CPA for reference.

Responsibility of the management and the governing body for the consolidated financial statements

It is the management's responsibility to fairly present the Consolidated Financial Statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations endorsed by the Financial Supervisory Commission, and to maintain internal controls which are necessary for the preparation of the Consolidated Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the consolidated financial statements, the responsibility of management includes assessing Advanced Group's ability to continue as a going concern, disclosing going concern matters, as well as adopting going concern accounting, unless the management intends to liquidate Advanced Group or terminate the business, or no practicable measure other than liquidation or termination of the business can be taken.

The governing bodies of Advanced Group (including Audit Committee) have the responsibility to oversee the financial reporting process.

The Accountants' Responsibility in Auditing the Consolidated Financial Statements

The purpose of our audit is to provide reasonable assurance that the consolidated financial statements as a whole contains no material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. "Reasonable assurance" refers to a high level of assurance. Nevertheless, our audit, which was carried out in accordance with the Generally Accepted Auditing Standards in the Republic of China does not guarantee that a material misstatement(s) in the consolidated financial statements will be detected. There may still be material misstatements due to fraud or errors, which are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of the consolidated financial statements.

We have exercised professional judgment and maintained professional skepticism while abiding by the Generally Accepted Auditing Standards in the Republic of China in our audit. The following tasks have also been performed:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the consolidated financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or violations of internal controls, the risk of an undetected material misstatement due to fraud is greater than that due to errors.

2. Acquired necessary understanding of internal controls pertaining to the audit in order to develop audit procedures appropriate under the circumstances. Nevertheless, the purpose of such understanding is not to provide any opinion on the effectiveness of the internal controls of Advanced Group.

3. Assess the appropriateness of the accounting policies adopted by the management level, as well as the reasonableness of their accounting estimates and relevant disclosures.

4. Concluded, based on the audit evidence acquired, on the appropriateness of the management's use of the going-concern basis of accounting, and determined whether a material uncertainty exists where events or conditions that might cast significant doubt on the ability of Advanced Group to continue as going concerns. If we believe there are events or conditions indicating the existence of a material uncertainty, we are required to remind the users of the consolidated financial statements in our audit report of the relevant disclosures therein, or to amend our audit opinion in the event that any inappropriate disclosure was found. Our conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause Advanced Group to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the consolidated financial statements (including relevant Notes), and whether the consolidated financial statements fairly present relevant transactions and items.

6. Acquired sufficient and appropriate audit evidence regarding the financial information of entities within Advanced Group in order to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of auditing the Group, and for formation of an audit opinion.

Communications between us and the company's governing body take account of the scope and timing of the planned audit and significant audit findings, including any significant deficiencies in the internal controls during the audit process.

We have also provided the governing body with our statement of independence in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China, and communicated with the governing body all relationships and other matters that may be deemed to have an influence on our independence (including safeguard measures).

From the matters communicated with those charged with governance, we determined the key audit matters of the 2021 consolidated financial statements of Advanced Group. Such matters have been explicitly stated in our audit report, unless laws or regulations prevent their disclosures, or, in extremely rare cases, we decide not to communicate such matters in our audit report in consideration that the reasonably anticipated adverse impacts of such communication would be greater than the public interest it would promote.

PwC Taiwan

CPA: A-Shen Liao
Chien-Chih Wu

Approval No. by the former Financial Supervisory Commission of the Executive Yuan:
Jin Guan Zheng Shen Zi No. 1010015969
Financial Supervisory Commission
Approval No.: Jin Guan Zheng Shen Zi No. 1030027246

February 25, 2022

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	Assets	Notes	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets					
1100	Cash and cash equivalents	VI(I)	$ 833,023	7	$ 930,555	9
1110	Financial assets at fair value through profit or loss - current	VI(II)	139	-	472	-
1136	Financial assets at amortized cost - current	VI(III) and VIII	283,323	2	465,088	4
1150	Notes receivable - net	VI(IV)	9,567	-	7,808	-
1170	Accounts receivable - net	V and VI(IV)	4,132,586	32	3,152,746	29
1200	Other receivables		17,169	-	17,789	-
130X	Inventories	V and VI(V)	3,178,869	24	2,245,667	21
1410	Prepayments	VI(VII)	319,016	3	200,180	2
1470	Other current assets		29,617	-	7,988	-
11XX	**Total current assets**		8,803,309	68	7,028,293	65
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	VI(VI)	55	-	55	-
1535	Financial assets at amortized cost - non-current	VI(III) and VIII	3,860	-	44,649	-
1550	Investments accounted for using the equity method	VI(VIII)	3,200	-	51,708	1
1600	Property, plant and equipment	VI(IX) and VIII	3,099,062	24	2,607,969	24
1755	Right-of-use assets	VI(X)	768,513	6	840,786	8
1780	Intangible assets	VI(XI)	12,539	-	7,533	-
1840	Deferred income tax assets	VI(XXVIII)	65,354	-	72,182	1
1915	Prepayments for business facilities		128,540	1	46,548	-
1990	Other non-current assets - others	VIII	146,575	1	116,517	1
15XX	**Total non-current assets**		4,227,698	32	3,787,947	35
1XXX	**Total assets**		$ 13,031,007	100	$ 10,816,240	100

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Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	Liabilities and Equity	Notes	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities					
2100	Short-term loans	VI (XII) and VIII	$ 1,901,873	15	$ 1,016,201	10
2120	Financial liabilities at fair value through profit or loss - current	VI(II)	-	-	21	-
2150	Notes payable		3,821	-	3,248	-
2170	Accounts payable		2,088,622	16	1,867,748	17
2200	Other payables	VI(XIII)	1,874,926	14	1,474,545	14
2230	Income tax liabilities		348,802	3	226,004	2
2280	Lease liabilities - current		30,639	-	121,022	1
2300	Other current liabilities	VI(XIV)(XV) (XX) and VIII	224,617	2	240,404	2
21XX	**Total current liabilities**		6,473,300	50	4,949,193	46
	Non-current liabilities					
2540	Long-term loans	VI(XV) and VIII	137,536	1	212,055	2
2570	Deferred income tax liabilities	VI(XXVIII)	164,860	1	137,785	1
2580	Lease liabilities - non-current		528,689	4	559,583	5
2630	Long-term deferred income	VI(XXIII)	159	-	6,152	-
2640	Net defined benefit liabilities - non-current	VI(XVI)	73,348	1	82,050	1
2670	Other non-current liabilities - others	VI(XV)	632	-	548	-
25XX	**Total non-current liabilities**		905,224	7	998,173	9
2XXX	**Total liabilities**		7,378,524	57	5,947,366	55
	Equity					
	Equity attributable to shareholders of the parent company					
	Share capital	VI(XVII)				
3110	Capital of common shares		1,353,127	10	1,353,127	12
	Capital surplus	VI(XVIII)				
3200	Capital surplus		781,236	6	781,236	7
	Retained earnings	VI(XIX)				
3310	Legal reserve		929,358	7	861,536	8
3320	Special reserve		142,996	1	133,828	1
3350	Undistributed earnings		2,376,835	18	1,473,609	14
	Other equity					
3400	Other equity		(167,766)	(1)	(142,996)	(1)
3500	Treasury stock	VI(XVII)	(258,235)	(2)	-	-
31XX	**Total equity attributable to shareholders of the parent company**		5,157,551	39	4,460,340	41
36XX	**Non-controlling interests**	IV(III)	494,932	4	408,534	4
3XXX	**Total equity**		5,652,483	43	4,868,874	45
	Significant Contingent Liabilities and Unrecognized Contractual Commitments	IX				
	Significant Subsequent Events	XI				
3X2X	**Total liabilities and equity**		$ 13,031,007	100	$ 10,816,240	100

The accompanying Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements. Please refer to them as well.

Chairman：Hsi-Chien Cheng　　Manager：Hsi-Chien Cheng　　Accounting Manager：Yi-Miao Kuo

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars
(Except for Earnings Per Share Presented in New Taiwan Dollars)

	Item	Note	2021 Amount	2021 %	2020 Amount	2020 %
4000	Operating revenue	VI(XX)	$ 16,908,024	100	$ 12,075,353	100
5000	Operating costs	VI(V)(XI) (XXVI) (XXVII)	(13,691,412)	(81)	(9,907,788)	(82)
5900	Gross operating profit		3,216,612	19	2,167,565	18
	Operating expenses	VI(XI) (XXVI) (XXVII)				
6100	Selling expenses		(259,389)	(2)	(190,294)	(1)
6200	Administrative expenses		(518,665)	(3)	(432,337)	(4)
6300	Research and development expenses		(669,909)	(4)	(522,740)	(4)
6450	Expected credit impairment loss	XII(II)	(369)	-	(942)	-
6000	Total operating expenses		(1,448,332)	(9)	(1,146,313)	(9)
6500	Other income and expenses - net	VI(XXI)	178,394	1	117,807	1
6900	Operating income		1,946,674	11	1,139,059	10
	Non-operating income and expenses					
7100	Interest income	VI(XXII)	3,787	-	17,787	-
7010	Other income	VI(XXIII)	24,796	-	84,774	-
7020	Other gains and losses	VI(II)(XXIV)	(122,637)	(1)	(268,345)	(2)
7050	Finance costs	VI(IX)(XXV)	(28,578)	-	(34,947)	-
7060	Share of the profit (loss) of associates and joint ventures accounted for using the equity method	VI(VIII)	(2,469)	-	(3,765)	-
7000	Total non-operating income and expenses		(125,101)	(1)	(204,496)	(2)
7900	**Profit before tax**		1,821,573	10	934,563	8
7950	Income tax expense	VI(XXVIII)	(369,733)	(2)	(220,600)	(2)
8200	**Net income**		$ 1,451,840	8	$ 713,963	6

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Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars
(Except for Earnings Per Share Presented in New Taiwan Dollars)

	Item	Note	2021 Amount	2021 %	2020 Amount	2020 %
	Other comprehensive income					
	Items that are not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit plans	VI(XVI)	($ 2,381)	-	($ 3,099)	-
8349	Income tax-related items that are not reclassified subsequently to profit or loss	VI(XXVIII)	476	-	620	-
8310	Items that are not reclassified subsequently to profit or loss - total		(1,905)	-	(2,479)	-
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign financial statements		(24,770)	-	(9,168)	-
8300	**Other comprehensive income loss - net**		($ 26,675)	-	($ 11,647)	-
8500	**Total comprehensive income (loss)**		$ 1,425,165	8	$ 702,316	6
	Net income (loss) attributable to:					
8610	Owners of the parent company		$ 1,347,465	7	$ 680,705	6
8620	Non-controlling interests		104,375	1	33,258	-
	Total		$ 1,451,840	8	$ 713,963	6
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent company		$ 1,320,790	7	$ 669,058	6
8720	Non-controlling interests		104,375	1	33,258	-
	Total		$ 1,425,165	8	$ 702,316	6
	Earnings per share	VI(XXIX)				
9750	Basic		$	10.01	$	5.03
9850	Diluted		$	9.92	$	4.98

The accompanying Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements. Please refer to them as well.

Chairman：Hsi-Chien Cheng Manager：Hsi-Chien Cheng Accounting Manager：Yi-Miao Kuo

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

		Equity attributable to shareholders of the parent company											
			Capital surplus			Retained earnings							
	Notes	Capital of common shares	Share premium	Recognized value of changes in equity of ownership of subsidiaries	Others	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Treasury stock	Total	Non-controlling interests	Total equity
2020													
Balance as of January 1, 2020		$ 1,353,127	$ 739,866	$ 16,480	$ 24,890	$ 799,969	$ 75,285	$ 1,226,712	($ 133,828)	$ -	$ 4,102,501	$ 404,489	$ 4,506,990
Net income		-	-	-	-	-	-	680,705	-	-	680,705	33,258	713,963
Other comprehensive income (loss)		-	-	-	-	-	-	(2,479)	(9,168)	-	(11,647)	-	(11,647)
Total comprehensive income (loss)		-	-	-	-	-	-	678,226	(9,168)	-	669,058	33,258	702,316
Earnings appropriation and allocation for 2019:	VI(XIX)												
Provision of legal reserve		-	-	-	-	61,567	-	(61,567)	-	-	-	-	-
Provision of special reserve		-	-	-	-	-	58,543	(58,543)	-	-	-	-	-
Cash dividends for common shares		-	-	-	-	-	-	(311,219)	-	-	(311,219)	-	(311,219)
Non-controlling interests		-	-	-	-	-	-	-	-	-	-	(29,213)	(29,213)
Balance as of December 31, 2020		$ 1,353,127	$ 739,866	$ 16,480	$ 24,890	$ 861,536	$ 133,828	$ 1,473,609	($ 142,996)	$ -	$ 4,460,340	$ 408,534	$ 4,868,874
2021													
Balance as of January 1, 2021		$ 1,353,127	$ 739,866	$ 16,480	$ 24,890	$ 861,536	$ 133,828	$ 1,473,609	($ 142,996)	$ -	$ 4,460,340	$ 408,534	$ 4,868,874
Net income		-	-	-	-	-	-	1,347,465	-	-	1,347,465	104,375	1,451,840
Other comprehensive income (loss)		-	-	-	-	-	-	(1,905)	(24,770)	-	(26,675)	-	(26,675)
Total comprehensive income (loss)		-	-	-	-	-	-	1,345,560	(24,770)	-	1,320,790	104,375	1,425,165
Earnings appropriation and allocation for 2020:	VI(XIX)												
Provision of legal reserve		-	-	-	-	67,822	-	(67,822)	-	-	-	-	-
Provision of special reserve		-	-	-	-	-	9,168	(9,168)	-	-	-	-	-
Cash dividends for common shares		-	-	-	-	-	-	(365,344)	-	-	(365,344)	-	(365,344)
Non-controlling interests		-	-	-	-	-	-	-	-	-	-	(17,977)	(17,977)
Treasury stock buyback	VI(XVII)	-	-	-	-	-	-	-	-	(258,235)	(258,235)	-	(258,235)
Balance as of December 31, 2021		$ 1,353,127	$ 739,866	$ 16,480	$ 24,890	$ 929,358	$ 142,996	$ 2,376,835	($ 167,766)	($ 258,235)	$ 5,157,551	$ 494,932	$ 5,652,483

The accompanying Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements. Please refer to them as well.

Chairman：Hsi-Chien Cheng　　Manager：Hsi-Chien Cheng　　Accounting Manager：Yi-Miao Kuo

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	Notes	2021	2020
Cash flows from operating activities			
Net profit before tax		$ 1,821,573	$ 934,563
Adjustments			
Income and expense item			
Depreciation expenses	VI(IX)(X)(XXVI)	523,384	436,031
Amortization expenses	VI(XXVI)	25,256	23,919
Expected credit impairment loss	XII(II)	369	942
Net gains from financial assets and liabilities at fair value through profit or loss	VI(II)(XXIV)	(1,857)	(4,350)
Interest expense	VI(XXV)	28,391	34,729
Interest income	VI(XXII)	(3,787)	(17,787)
Share of the profit (loss) of associates and joint ventures accounted for using the equity method	VI(VIII)	2,469	3,765
Impairment loss of non-financial assets	VI(VIII)(XXIV)	42,407	-
Loss on disposal and retirement of property, plant and equipment	VI(XXIV)	7,950	23,409
Reclassification of property, plant and equipment to expense	VI(XXX)	1,002	64
Gains on lease modification	VI(X)	(204)	(422)
Proceeds from disposal of subsidiaries	VI(XXX)	-	(8,509)
Changes in operating assets and liabilities			
Net changes in operating assets			
Financial assets at fair value through profit or loss - current		7,462	3,981
Notes receivable		(1,759)	(2,119)
Accounts receivable		(1,001,056)	(514,293)
Other receivables		599	(2,518)
Inventories		(949,792)	(347,927)
Prepayments		(119,476)	(69,298)
Other current assets		(21,638)	(1,077)
Net changes in operating liabilities			
Financial liabilities at fair value through profit or loss - current		(5,295)	(67)
Notes payable		573	949
Accounts payable		237,193	608,081
Other payables		407,379	337,676
Other current liabilities		(21,810)	89,802
Long-term deferred income		159	6,152
Net defined benefit liabilities - non-current		(14,854)	(1,397)
Cash provided by operating activities		964,638	1,534,299
Income tax paid		(212,610)	(172,512)
Net cash provided by operating activities		752,028	1,361,787

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Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

Cash provided by investing activities			
Decrease (Increase) in financial assets at amortized cost - current		$ 181,765	($ 465,088)
Decrease (Increase) in financial assets at amortized cost - non-current		40,789	(44,649)
Acquisition of investments accounted for using the equity method		-	(49,212)
Net cash provided by disposal of subsidiaries	VI(XXX)	-	10,505
Acquisition of property, plant and equipment	VI(XXX)	(930,363)	(607,474)
Increase in prepayments for business facilities		(121,826)	(149,511)
Proceeds from disposal of property, plant and equipment		3,964	2,396
Acquisition of intangible assets	VI(XI)	(10,410)	(2,119)
Increase in refundable deposits		(6)	(55,096)
Decrease in refundable deposits		12,306	3,114
Increase in other non-current assets - others		(61,844)	(44,884)
Interest received		3,787	17,787
Net cash used in investing activities		(881,838)	(1,384,231)
Cash provided by (used in) financing activities			
Increase in short-term loans	VI(XXXI)	15,432,107	18,746,846
Decrease in short-term loans	VI(XXXI)	(14,533,888)	(18,244,994)
Repayment of the principal amount of rentals	VI(XXXI)	(128,438)	(193,829)
Increase in long-term loans	VI(XXXI)	27,700	110,310
Repayment of long-term loans	VI(XXXI)	(96,012)	(54,445)
Increase in deposits received		87	-
Decrease in deposits received		-	(750)
Interest paid		(21,668)	(27,479)
Cash dividends distributed	VI(XIX)	(365,344)	(311,219)
Cash dividends distributed by subsidiary		(17,977)	(29,213)
Treasury stock buyback cost	VI(XVII)	(258,235)	-
Net cash provided by (used in) financing activities		38,332	(4,773)
Effect of exchange rate changes on cash and cash equivalents		(6,054)	(10,994)
Net decrease in cash and cash equivalents		(97,532)	(38,211)
Cash and cash equivalents, beginning of the period		930,555	968,766
Cash and cash equivalents, end of the period		$ 833,023	$ 930,555

The accompanying Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements. Please refer to them as well.

Chairman：Hsi-Chien Cheng　　Manager：Hsi-Chien Cheng　　Accounting Manager：Yi-Miao Kuo

Advanced International Multitech Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars
(Unless Otherwise Specified)

I. Company History

(I) Established on July 20, 1987, Advanced International Multitech Co., Ltd. ("the Company" hereinafter) started operation in January 1988 under its former name as Advanced Composite Design Co., Ltd. The Company merged with its subsidiaries, namely Dian Precision Casting Co., Ltd. and Advanced International Co. Ltd., on July 1, 1998. The Company and subsidiaries ("the Group" hereinafter) are mainly engaged in manufacturing, processing, trading, import and export of carbon fiber prepackaged materials, and carbon fiber products (e.g., baseball bat, billiard stick, arrow target, golf club shaft and head, fishing tools, bicycle and accessories), as well as composite materials, namely carbon fiber fabrics, for the aviation industry.

(II) The Company's stocks have been traded on the Taipei Exchange ("TPEx" hereinafter) since December 2002.

II. Approval Date and Procedure of Financial Statements

The consolidated financial statements were released on February 25, 2022, after being approved by the Board of Directors.

III. Application of New and Amended Standards and Interpretations

(I) Effects of the Adoption of New and Amended IFRSs Endorsed by the Financial Supervisory Commission ("FSC")

The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2021:

New/Revised/Amended Standards and Interpretations	Effective date issued by the International Accounting Standards Board (IASB)
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	January 1, 2021
Phase II amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform"	January 1, 2021
Amendments to IFRS 16 "Covid-19-Related Rent Concessions After June 30, 2021"	April 1, 2021 (Note)

Note: The FSC allows early application on January 1, 2021.

The Group assessed the effects of adopting the aforementioned standards and interpretations and found no significant effects on the Group's financial position and financial performance.

(II) Effects of Not Yet Applying the Newly-announced and Revised IFRSs Endorsed by the FSC

The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2022:

New/Revised/Amended Standards and Interpretations	Effective date issued by the International Accounting Standards Board (IASB)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022
Amendments to IAS 37 “Onerous contract - the cost of fulfilling the contract”	January 1, 2022
Annual Improvements to IFRSs 2018-2020 Cycle	January 1, 2022

The Group assessed the effects of adopting the aforementioned standards and interpretations and found no significant effects on the Group’s financial position and financial performance.

(III) Effects of IFRSs Issued by IASB but Not Yet Endorsed by the FSC

The following table summarizes the new, amended, revised standards and interpretation of IFRSs that have been issued by IASB but not yet endorsed by the FSC:

New/Revised/Amended Standards and Interpretations	Effective date issued by the International Accounting Standards Board (IASB)
Amendments to IFRS 10 and IAS 28 "Sales or Contributions of Assets between Its Associate/Joint Venture"	Yet to be determined by the IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023

The Group assessed the effects of adopting the aforementioned standards and interpretations and found no significant effects on the Group’s financial position and financial performance.

IV. Summary of Significant Accounting Policies

Accounting policies applied in preparing this consolidated financial statement are listed below. Unless otherwise specified, the policies shall be applicable to all reporting periods presented.

(I) Statement of Compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC interpretations and SIC interpretations (collectively referred to as "IFRSs" hereinafter) endorsed by the FSC.

(II) Basis of Preparation

1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:

   (1) Financial assets and liabilities at fair value through profit or loss (including derivative instruments).

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

   (3) Defined benefit liability that is derived from retirement plan assets less the present value of net defined benefit obligation.

2. Critical accounting estimates are required when preparing financial statements in compliance with IFRSs. When the Group adopts the accounting policies, the management is required to exercise judgments on highly judgmental or complex items or significant assumptions and estimates with regards to this consolidated financial reports. Please refer to Note V for details.

(III) Basis of Consolidation

1. Principles for Preparation of Consolidated Financial Statements

   (1) The Group includes all subsidiaries as entities in the consolidated financial statements. Subsidiaries refer to entities controlled by the Group. Control is achieved when the Group is exposed, 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. Subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control, and are excluded from the consolidated financial statements from the date when such control ceases.

   (2) Transactions, balances and unrealized gains or losses between companies within the Group are eliminated. Accounting policies of subsidiaries are adjusted, when necessary, to remain consistent with those of the Group.

   (3) The profit or loss and each component of other comprehensive income is attributed to the owners of the parent company and to the non-controlling interest. Total comprehensive income is also attributed to the owners of the parent company and non-controlling interest even if this results in the non-controlling interests having a deficit balance.

(4) A change in the ownership interest of a subsidiary without a loss of control (transactions with non-controlling interests) is accounted for as an equity transaction, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

2. Subsidiaries included in the consolidated financial statements:

Name of investor company	Name of subsidiary	Main Business Activities	Ownership (%) December 31, 2021	Ownership (%) December 31, 2020	Note
Advanced International Multitech Co., Ltd.	Advanced Group International (BVI) Co., Ltd.	Overseas investment	100	100	
Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	Engaged in the production and sales of various golf club shafts and heads, golf sets	100	100	

Name of investor company	Name of subsidiary	Main Business Activities	Ownership (%) December 31, 2021	Ownership (%) December 31, 2020	Note
Advanced International Multitech Co., Ltd.	Launch Technologies Co., Ltd. (LTC)	Engaged in the production of sports products, other plastic products and international trade	55.93	55.93	
Advanced International Multitech Co., Ltd.	Advanced International Multitech (BVI) Co., Ltd.	Overseas investment	-	-	Note 1
Advanced Group International (BVI) Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	Engaged in the production, import and export of carbon fiber prepreg materials and sports products	100	100	
Advanced International Multitech (BVI) Co., Ltd.	Advanced Sporting Goods (Shatian, Dongguan) Co., Ltd.	Engaged in the production, import and export of carbon fiber prepare materials and sports products	-	-	Note 2

Note 1: The Group has liquidated this company on December 22, 2020 and ceased to include this company in the Group's consolidated financial statements.

Note 2: The Group disposed of 100% equity interest in this company on August 24, 2020 and ceased to include this company in the Group's consolidated financial statements.

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

4. Different accounting and adjustments adopted by subsidiaries in the accounting period: None.

5. Significant restrictions: None.

6. Subsidiaries with material non-controlling interests to the Group:

As of December 31, 2021 and 2020, the Group's non-controlling interests totaled $494,932 and $408,534, respectively. The information on the Group's material non-controlling interests and its subsidiaries were as below:

		Non-controlling interests			
		December 31, 2021		December 31, 2020	
Subsidiary Name	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
Launch Technologies Co., Ltd. (LTC)	Taiwan	$ 494,932	44.07	$ 408,534	44.07

Summary of the financial information of subsidiaries is as follows:

Balance Sheets

	Launch Technologies Co., Ltd. (LTC)	
	December 31, 2021	December 31, 2020
Current assets	$ 1,001,013	$ 732,655
Non-current assets	1,192,609	1,170,724
Current liabilities	(861,103)	(684,814)
Non-current liabilities	(209,474)	(291,565)
Total net assets	$ 1,123,045	$ 927,000

Statements of Comprehensive Income

	Launch Technologies Co., Ltd. (LTC)	
	2021	2020
Revenue	$ 2,608,496	$ 1,586,851
Profit before tax	289,580	74,857
Income tax gain (expense)	(52,743)	608
Net income	236,837	75,465
Other comprehensive income (net after tax)	-	-
Total comprehensive income (loss)	$ 236,837	$ 75,465

Statements of Cash Flows

	Launch Technologies Co., Ltd. (LTC)	
	2021	2020
Net cash provided by operating activities	$ 380,691	$ 135,780
Net cash used in investing activities	(176,838)	(260,550)
Net cash provided by (used in) financing activities	(136,831)	178,932
Increase in cash and cash equivalents for the current period	67,022	54,162
Cash and cash equivalents, beginning of the period	64,687	10,525
Cash and cash equivalents, end of the period	$ 131,709	$ 64,687

(IV) Foreign Currency Translation

All items on the financial statements of each entity of the Group are measured at the currency of the principal economic environment in which the entity operates (i.e., functional currency). The Consolidated Financial Statements are presented and reported in the Group's functional currency, New Taiwan Dollars (NT$).

1. Foreign Currency Transaction and Balance

   (1) Foreign currency transaction is translated to the functional currency by using the spot exchange rate on the trade date or measurement date. Any translation differences occurred are to be recognized in the current profit or loss.

   (2) Balances of monetary assets and liabilities denominated in foreign currencies are adjusted at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from such adjustments are recognized in profit or loss.

   (3) Balances of non-monetary assets and liabilities denominated in foreign currency, if they are measured at FVTPL, they are adjusted using the spot exchange rate prevailing at the balance sheet date and any exchange differences arising therefrom are recognized in profit or loss; if they are measured at FVOCI, they are adjusted using the spot exchange rate prevailing at the balance sheet date and any exchange differences arising therefrom are recognized in other comprehensive income; and if they are not measured at fair value, they are measured at the historical exchange rates on initial transaction dates.

   (4) All exchange gains and losses are presented as "Other gains and losses" on the statement of comprehensive income.

2. Translation from Foreign Operations

   The operating results and financial position of all entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency by applying the following approaches:

   (1) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the end of the financial reporting period;

   (2) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

   (3) All resulting exchange differences are recognized in other comprehensive income.

   (4) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

(V) Classification of Current and Non-current Assets and Liabilities

1. Assets that meet one of the following criteria are classified as current assets:

   (1) Assets that are expected to be realized, or are intended to be sold or consumed within

the normal operating cycle.

(2) Assets held primarily for trading purposes.

(3) Assets that are expected to be realized within 12 months after the balance sheet date.

(4) Cash and cash equivalents, excluding those that are restricted, or to be exchanged or used to settle liabilities at least twelve months after the balance sheet date.

Otherwise, they are classified as non-current assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

(1) Liabilities that are expected to be settled within the normal operating cycle.

(2) Assets held primarily for trading purposes.

(3) Liabilities that are expected to be settled within 12 months after the balance sheet date.

(4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after balance sheet date. Settlement by the issue of equity instruments based on transaction party's choice does not impact classification.

Otherwise, they are classified as non-current liabilities.

(VI) Cash equivalents

Cash equivalents refer to the investments that are short-term, highly liquid, subject to low risk of changes in value, and readily convertible to known amount of cash. Time deposits satisfying the afore-mentioned definition and for which the objective of holding is to meet the short-term operating cash commitment are classified as the cash equivalent.

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

1. Financial assets that are neither measured at amortized cost nor measured at FVTOCI.

2. On a regular way purchase or sale basis, financial assets at FVTPL are recognized and derecognized using settlement date accounting.

3. Financial assets at FVTPL are initially recognized at fair value with related transaction costs recognized in profit or loss, and subsequently measured at fair value with related gains or losses recognized in profit or loss.

4. The Group recognizes dividends income when the rights of shareholders to receive payment are established, provided that the economic benefits related to such dividends are probable to flow to the Group and the amount of such benefits can be reliably measured.

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

1. Refers to the irrevocable election made at initial recognition that allows the Group to present fair value changes of equity investment not held for trading in other comprehensive income; or debt investment that meets all the criteria simultaneously:

(1) Financial assets held within a business model of which the objective of holding is to collect the contractual cash flows and to sell.

(2) The cash flows on specific dates that are generated from the contractual terms of the financial assets are solely payments of the principle and interest on the principle

amount outstanding.

2. On a regular way purchase or sale basis, financial assets measured at FVTOCI are recognized and derecognized using settlement date accounting.

3. Financial assets measured at FVTOCI are initially measured at fair value plus transaction costs and subsequently measured at fair value with fair value changes in equity instruments recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income shall not be reclassified to profit or loss, but to be transferred to retained earnings. The Group recognizes dividends income when the rights of shareholders to receive payment are established, provided that the economic benefits related to such dividends are probable to flow to the Group and the amount of such benefits can be reliably measured.

(IX) Financial assets measured at amortized cost

1. Financial assets at amortized cost are those that meet all of the following criteria:

   (1) The objective of the Company's business model is achieved by collecting contractual cash flows of the financial assets;

   (2) The cash flows on specific dates that are generated from the contractual terms of the financial assets are solely payments of the principle and interest on the principle amount outstanding.

2. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using settlement date accounting by the Group.

3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. In subsequent periods, interest income is recognized using the effective interest method and impairment loss is accounted for. Upon derecognition, the gain or loss is recognized in profit or loss.

(X) Accounts receivables and notes receivables

1. Accounts receivables and notes receivables are receivables and notes of which the contractual right to consideration for goods sold or services rendered is unconditional.

2. However, short-term accounts/notes receivables without interest payment, given insignificant effects of their discounting, are subsequently measured at the invoice price.

(XI) Impairments of Financial Assets

The Group measures the loss allowance for financial assets measured at amortized cost after taking into account all reasonable and proving information (including foreseeing information) at each balance sheet date; where the credit risk has not significantly increased since initial recognition, the loss allowance is measured at the 12-month expected credit losses; where the credit risk has increased significantly since initial recognition, the loss allowance is measured at full lifetime expected credit losses; and where they are accounts receivables or contract assets that do not comprise any significant financing components, the loss allowance is measured at full lifetime expected credit losses.

(XII) Derecognition of financial assets

The Group derecognizes an asset when its contractual rights to receive cash flows from the financial asset expire.

(XIII) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted moving average method. The costs of work in progress and finished goods include the cost of raw materials, direct labor, other direct cost and a proportion of manufacturing overheads (based on normal operating capacity), excluding borrowing cost. The item by item approach is employed when evaluating the lower of costs and net realizable value. Net realizable value is the balance of estimated selling price in the normal operating course less the estimated cost of completion and applicable variable selling expenses.

(XIV) Investments accounted for using the equity method

1. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
2. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
3. Any changes in equity of associates are recognized as "capital surplus" by the Group in proportion to its shareholding ratio, provided that such changes are not attributable to profit or loss, or to other comprehensive income, or affect the Group's shareholding percentage.
4. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are adjusted, when necessary, to remain consistent with those of the Group.
5. When the Group disposes its investment in an associate and loses significant influence over this associate, the accounting treatment for amounts previously recognized in other comprehensive income in relation to the associate are the same as the one required if the relevant assets or liabilities were directly disposed of. That is, if gain/loss previously recognized in other comprehensive income will be reclassified to profit or loss upon disposal of relevant assets or liabilities, such gain/loss will be reclassified from equity to profit or loss when the Group loses significant influence over the associate. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(XV) Property, plant and equipment

1. Property, plant, and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are recognized in profit or loss when incurred.
3. Except for land which is not depreciated, other property, plant, and equipment are subsequently measured using the cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If the property, plant, and equipment comprise any significant components, they are depreciated individually.
4. The Group reviews each assets' residual values, useful lives and depreciation methods at the end of each financial year. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Housing and structures	1 year to 56 years
Machinery and equipment	1 year to 15 years
Utility equipment	2 years to 41 years
Transportation equipment	1 year to 6 years
Office equipment	1 year to 5 years
Other equipment	1 year to 21 years

(XVI) Lease transaction in the capacity of a lessee - Right-of-use assets/Lease liabilities

1. A right-of-use asset and a lease liability are recognized for a leased asset on the date when it becomes readily available for the Group's use. When a lease contract is a short-term lease or when it is a lease of which the underlying asset is of low value, lease payments are recognized as an expense on a straight-line basis over the lease term.
2. A lease liability is recognized at the commencement date of the lease in the amount equal to the present value of the remaining lease payments (i.e. the remaining lease payments discounted at the Group's incremental borrowing rate.) Lease payments include:
   (1) Fixed payments, less any lease incentives receivables;
   (2) Variable lease payments that based on the current value of an index or a rate;
   (3) Lease payments expected to be payable by the Group under the residual value guarantee; and
   (4) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

   Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is allocated over the lease term. When a change in the lease term or lease payments occurs due to reasons other than lease modifications, lease liabilities are reassessed and the remeasurements are adjusted to the right-of-use assets.

3. At the commencement date, the right-of-use asset should be measured at cost. Cost comprises:
   (1) The amount of the initial measurement of the lease liability;
   (2) Any lease payments made at or before the commencement date;
   (3) Any initial direct costs incurred; and
   (4) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

   A right-of-use asset is subsequently measured using the cost model and depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset and the end of the lease term. When a lease liability is reassessed, the right-of-use asset is adjusted for any remeasurements of the lease liability.

(XVII) Intangible assets

Computer software is recognized at acquisition cost, amortized by the straight-line method, with an estimated useful life of 3 to 5 years.

(XVIII) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the greater of its 'fair value minus costs to sell' and its 'value in use'. When circumstances contributed to the recognition of impairment loss of an asset in the previous period do not exist or are decreased, the recognized impairment loss is reversed to the carrying amount of an asset to the extent that it does not exceed the carrying amount (net of depreciation and amortization) if the impairment loss had not been recognized.

(XIX) Borrowings

Borrowings are short-term and long-term loans borrowed from banks. Borrowings are recognized initially at fair value, net of transaction costs incurred. Subsequently, borrowing expenses are recognized in profit or loss based on the difference amounts between the proceeds (net of any transaction costs) and the redemption value that are amortized over the lives of borrowings using the effective interest method.

(XX) Notes payables and accounts payables

1. These refer to the debts incurred by purchase of materials, goods, or services on credit, and the notes payable incurred by both operating and non-operating activities.
2. However, short-term accounts/notes payable without interest payment, given insignificant effects of their discounting, are subsequently measured at the invoice price.

(XXI) Financial liabilities at fair value through profit or loss

1. Financial liabilities at FVTPL refer to financial liabilities designated upon initial recognition to be measured at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated to be measured at FVTPL on initial recognition:
   (1) Hybrid (combined) contracts; or

(2) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(3) They are managed and their performance is evaluated on a fair value basis in accordance with a documented risk management policy.

2. Financial assets at FVTPL are initially recognized at fair value with related transaction costs recognized in profit or loss, and subsequently measured at fair value with related gains or losses recognized in profit or loss.

(XXII) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities may be offset and the net amount presented in the balance sheet only when an entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(XXIII) Non-hedging derivatives

Non-hedging derivatives are initially measured at the fair value of the date when contracts are executed and presented as financial assets or liabilities measured at FVTPL. Subsequently, they are measured at fair value with gains or losses recognized in profit or loss.

(XXIV) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and should be recognized as expenses in the period when the employees render service.

2. Pensions

(1) Defined contribution plan

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(2) Defined benefit plans

A. The net obligation under a defined benefit plan is defined as the present value of pension benefits that employees will receive on retirement for their services with the Company in the current period or prior periods. The amount recognized is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is computed by independent actuaries every year using the projected unit credit method. The discount rate employed is by reference either to the market yields on high quality corporate bonds of which the currency and duration are consistent with the currency and duration of the defined benefit plan, or to the market yields on government bonds (on the balance sheet date) in countries where there is no deep market for high quality corporate bonds.

B. The remeasured amount of defined benefit plans is recognized in other comprehensive income as it arises and presented in retained earnings.

3. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company’s decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expenses at the earlier of when it can no longer withdraw the termination contracts or when it recognizes relevant restructuring costs. Benefits due more than 12 months after balance sheet date are discounted to their present value.

4. Employees' compensation, and directors and supervisors' remuneration

   Compensation to employees and remuneration to directors and supervisors are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. If the accrued amounts are different from the actual distributed amounts resolved by the shareholders subsequently, the differences should be accounted for as changes in accounting estimates.

(XXV) Income Tax

1. Income tax expense includes current income tax and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
3. Deferred income tax adopts the balance sheet approach. It is recognized as the temporary difference between the tax bases of assets and liabilities and their carrying amounts on the consolidated balance sheet at the reporting date. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
5. Current income tax assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXVI) Share capital

1. Common shares are classified as equity.
2. When the Group buys back the issued shares, the consideration paid and the directly attributable incremental costs are recognized as a deduction from shareholders' equity (net of tax). On subsequent reissues of the repurchased shares, the difference between the consideration received, net of any directly attributable incremental costs and the effect of income taxes, and the carrying amount is recognized as an adjustment to shareholders' equity.

(XXVII) Dividend distribution

Dividends to be distributed to shareholders of the Company are recognized when they are resolved by the Shareholders' Meeting; Distribution in cash dividends is recognized as a liability, whilst distribution in stock dividends is recognized as stock dividends to be distributed, which is transferred to common share on the date when new shares are issued.

(XXVIII) Revenue recognition

1. The Group manufactures and sells consumer related products and recognizes sales revenue when the control of products is passed to customers, i.e. when products are delivered to customers and the Group doesn’t have further performance obligations that might affect the acceptance of goods by customers. Goods are deemed delivered when the risk of delivery, obsolescence and loss is transferred to customers and customers has accepted the goods in accordance with the contractual terms, or when any objective evidence suggests that all criteria for acceptance have been satisfied.
2. Sales revenue is recognized at the contract price, net of business tax, and sales returns, discounts and allowances. The payment terms of most sales transaction are usually due within 60~90 days after the shipping date. Since the time interval between when the committed goods or services are transferred to customers and when customers pay is shorter than one year, the Group does not adjust the transaction price to reflect the time value of money.
3. The Group provides allowance for defective products sold and estimates discounts on a historical basis. A refund liability is recognized upon sales of products.
4. Accounts receivable is recognized when goods are delivered to customers because at which time the Group’s right to the consideration for contracts from customers is unconditional, except for passage of time.

(XXIX) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants to compensate the Group’s expense are recognized as profit or loss on a systematic basis when the expense occurs.

(XXX) Operating segments

Information on the operating segments is reported in a manner that is consistent with other information reported in the internal management reports for the chief operating decision makers. The chief operating decision makers are responsible for allocating resources to the operating segments and assessing their performance.

V. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

When preparing the consolidated financial statement, management of the Group had determined its accounting policies based on its judgments and made accounting estimates and assumptions based on a rational expectation of future events depending on the circumstances at the balance sheet date. If there is any difference between any major accounting estimates and assumptions made and actual results, the historical experience, the impact of COVID-19 and other factors will be taken into account in order to continue assessment and adjustment. Such estimates and assumptions may result in a risk of a material adjustment to the carrying amount of assets and liabilities in the next year. Description of the uncertainties in major accounting judgments, estimates, and assumptions is as follows:

(I) Major Judgments in Adopting the Accounting Policies

None.

(II) Major Accounting Estimates and Assumptions

1. Expected credit loss of accounts receivable

A loss allowance for accounts receivable is provided based on their full lifetime expected credit losses. In measuring the expected credit losses, the Group must use its judgment to identify the factors that affect the future recoverability of the accounts receivable (e.g., customers' operation condition and historical transaction records that may affect customers' ability to pay), and consider the time value of money, and the information that is reasonable and available to prove the forecast of future economic conditions. The said judgments and factors may significantly affect the measurement of the expected credit losses.

As of December 31, 2021, the carrying amount of the Group's accounts receivable was \$4,132,586.

2. Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Due to the rapid technological changes, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on the balance sheet date, and writes down the cost of inventories to the net realizable value. Since the inventory valuation is estimated based on demands for products in a specific future period, it may be subject to significant changes.

As of December 31, 2021, the carrying amount of the Group's inventory was \$3,178,869.

VI. Descriptions of Major Accounting Subjects

(I) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand and revolving funds	$ 895	$ 1,407
Checking deposits and demand deposits	757,128	457,028
Cash equivalents - time deposits	75,000	158,400
Cash equivalents - repo bonds	-	313,720
	$ 833,023	$ 930,555

1. The Group deals with financial institutions having high credit quality. The Group also deals with various financial institutions in order that credit risks can be diversified. Therefore, the expected risk of default is pretty low.
2. No cash or its equivalents were pledged as collateral by the Group.

(II) Financial assets and liabilities at fair value through profit or loss (FVTPL)

Item	December 31, 2021	December 31, 2020
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging derivatives	$ 139	$ 472
Adjustment for valuation	-	-
	$ 139	$ 472
Financial liabilities held for trading		
Non-hedging derivatives	$ -	$ 21
Adjustment for valuation	-	-
	$ -	$ 21

1. Financial assets and liabilities measured at FVTPL recognized in profit or loss are detailed as below:

	2021	2020
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging derivatives	$ 10,448	$ 4,438
Financial liabilities held for trading		
Non-hedging derivatives	(8,591)	(88)
	$ 1,857	$ 4,350

2. Below states the Group's engagement in transactions and contracts of derivative financial assets and liabilities that do not apply hedge accounting:

	December 31, 2021	
Derivative financial assets	Contract Amount (nominal principal)	Contract period
Current items:		
Forward foreign exchange contracts	USD 2,000 thousand	2021.12.15~2022.1.21
Derivative financial liabilities		
Current items: None.		

	December 31, 2020	
Derivative financial assets	Contract Amount (nominal principal)	Contract period
Current items:		
Forward foreign exchange contracts	USD 14,230 thousand	2020.11.30~2021.3.25
Derivative financial liabilities		
Current items:		
Forward foreign exchange contracts	USD 1,034 thousand	2020.12.16~2021.1.29

The Group entered into foreign exchange forward contracts to sell US dollars in order to hedge the risk arising from purchase and sales of goods. However, such transactions did not apply hedge accounting.

3. For information on the credit risks of financial assets at FVTPL, please refer to Note XII(II).

(III) Financial assets measured at amortized cost

Item	December 31, 2021	December 31, 2020
Current items:		
Restricted bank deposits	$ 283,323	$ 465,088
Non-current items:		
Restricted bank deposits	$ 3,860	$ 44,649

1. As of December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost was its carrying amount.
2. The Group had financial assets at amortized cost pledged as collateral to others, and please refer to Note VIII.
3. For information on the credit risk of financial assets measured by amortized cost, please refer to Note XII(II).

(IV) Notes receivable and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 9,567	$ 7,808
Accounts receivable	$ 4,134,762	$ 3,154,553
Less: Loss allowance	(2,176)	(1,807)
	$ 4,132,586	$ 3,152,746

1. Aging analysis of accounts receivable and notes receivable is stated as follows:

	December 31, 2021		December 31, 2020	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not overdue	$ 9,567	$ 3,962,561	$ 7,808	$ 3,079,476
Overdue:				
Within 30 days	-	120,904	-	70,712
31 to 90 days	-	48,787	-	4,324
91 to 180 days	-	2,510	-	41
Over 181 days	-	-	-	-
	$ 9,567	$ 4,134,762	$ 7,808	$ 3,154,553

The above aging analysis is based on the number of days past due.

2. As of December 31, 2021, December 31, 2020, and January 1, 2020, the Group's accounts receivable and contracts receivable (including notes receivable) amounted to $4,144,329, $3,162,361, and $2,652,129, respectively.

3. No accounts receivable or notes receivable were pledged as collateral by the Group.

4. As of December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes and accounts receivable was its carrying amount.

5. For information on the credit risks of notes receivables and accounts receivables, please refer to Note XII(II).

(V) Inventory

	December 31, 2021		
	Cost	Allowance for price decline	Carrying amount
Raw materials	$ 1,037,025	($ 28,075)	$ 1,008,950
Work in progress	651,980	(2,755)	649,225
Finished goods	1,459,919	(30,710)	1,429,209
Inventory in transit	91,485	-	91,485
	$ 3,240,409	($ 61,540)	$ 3,178,869

	December 31, 2020		
	Cost	Allowance for price decline	Carrying amount
Raw materials	$ 782,910	($ 38,250)	$ 744,660
Work in progress	476,109	(1,969)	474,140
Finished goods	985,059	(30,344)	954,715
Inventory in transit	72,152	-	72,152
	$ 2,316,230	($ 70,563)	$ 2,245,667

The Group's inventory cost recognized as an expense for the current period:

	2021	2020
Cost of inventories sold	$ 13,671,486	$ 9,889,218
(Recovery gain) loss from price decline	(8,640)	23,852
Idle cost	36,854	-
Disposition loss	6,270	9,571
Others	(14,558)	(14,853)
	$ 13,691,412	$ 9,907,788

In 2021, a decrease in the cost of sales was recognized due to the recovery of the net realizable value of inventories contributed by the well-performed liquidation of excess stocks and retirement of some inventories.

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

Item	December 31, 2021	December 31, 2020
Non-current items:		
Unlisted stocks	$ 55	$ 55
Adjustment for valuation	-	-
	$ 55	$ 55

1. The Group elects to classify strategic equity investments as financial assets at fair value through other comprehensive income (FVTOCI). The fair value of such investments as at December 31, 2021 and 2020 totaled $1,009 and $1,011, respectively.
2. No financial asset measured at FVTOCI was pledged by The Group as collateral.

(VII) Prepayments

	December 31, 2021	December 31, 2020
Input tax	$ 150,979	$ 102,094
Tax overpaid retain for offsetting the future tax payable	81,954	42,232
Prepaid expense	59,630	37,008
Prepayment for purchases	26,453	18,846
	$ 319,016	$ 200,180

(VIII) Investments accounted for using the equity method

	December 31, 2021	December 31, 2020
Munich Composites GmbH	$ -	$ 48,361
Baoji Zatech Material Co., Ltd.	3,200	3,347
	$ 3,200	$ 51,708

1. As at December 31, 2021 and 2020, the Group did not have any significant associates.
2. The carrying amount and operating results of the Group's individually insignificant associates are summarized as follows:

   As of December 31, 2021 and 2020, the carrying amounts of the Group's individually insignificant associates totaled $3,200 and $51,708, respectively.

	2021	2020
Net loss for the period	($ 2,469)	($ 3,765)
Other comprehensive income (net after tax)	-	-
Total comprehensive income (loss)	($ 2,469)	($ 3,765)

3. The Group holds 27.27% equity interest in Munich Composites GmbH and is the single largest shareholder of the Company. As it only holds one out of four seats of directors, the Group has no practical ability to direct the relevant activities, and thus it is judged that it has no control but only significant influence over the Company.
4. The Group assessed the recoverable value of Munich Composites GmbH's continued operations in accordance with the "IAS 36” with the discount rate of 11%. As a result of the assessment, the recoverable amount was less than the carrying amount, so an impairment loss of $42,407 was recognized in 2021 and listed under "other gains and losses".

(IX) Property, plant and equipment

	December 31, 2021	December 31, 2020
Land	$ 162,544	$ 162,544
Housing and structures	990,817	945,212
Machinery equipment	1,011,340	937,567
Utility equipment	117,555	141,404
Transportation equipment	2,047	1,470
Office equipment	23,845	27,566
Other equipment	193,482	175,061
Equipment to be inspected and construction in progress	597,432	217,145
	$ 3,099,062	$ 2,607,969

Cost	2021					
Name of assets	January 1	Additions	Disposals	Reclassifications	Net exchange differences	December 31
Land	$ 162,544	$ -	$ -	$ -	$ -	$ 162,544
Housing and structures	1,637,706	57,293	(107,921)	93,368	(10,174)	1,670,272
Machinery equipment	1,937,235	243,950	(194,714)	83,109	(11,341)	2,058,239
Utility equipment	331,957	2,344	(3,761)	433	(1,388)	329,585
Transportation equipment	4,005	1,168	(1,688)	-	(7)	3,478
Office equipment	77,617	6,719	(9,014)	-	(484)	74,838
Other equipment	422,610	86,604	(38,540)	6,933	(1,995)	475,612
Equipment to be inspected and construction in progress	217,145	527,602	-	(145,838)	(1,477)	597,432
	$ 4,790,819	$ 925,680	($ 355,638)	$ 38,005	($ 26,866)	$ 5,372,000

Accumulated depreciation and impairment

Name of assets	January 1	Depreciation expenses and impairment loss	Disposals	Reclassifications	Net exchange differences	December 31
Housing and structures	$ 692,494	$ 98,575	($ 107,378)	$ -	($ 4,236)	$ 679,455
Machinery equipment	999,668	239,933	(185,283)	-	(7,419)	1,046,899
Utility equipment	190,553	26,247	(3,754)	-	(1,016)	212,030
Transportation equipment	2,535	588	(1,688)	-	(4)	1,431
Office equipment	50,051	10,322	(9,007)	-	(373)	50,993
Other equipment	247,549	72,827	(36,614)	-	(1,632)	282,130
	$ 2,182,850	$ 448,492	($ 343,724)	$ -	($ 14,680)	$ 2,272,938
	$ 2,607,969					$ 3,099,062

	2020					
Cost						
Name of assets	January 1	Additions	Disposals	Reclassifications	Net exchange differences	December 31
Land	$ 162,544	$ -	$ -	$ -	$ -	$ 162,544
Housing and structures	1,550,681	94,263	(41,454)	40,897	(6,681)	1,637,706
Machinery equipment	1,581,219	323,445	(136,200)	177,435	(8,664)	1,937,235
Utility equipment	329,883	15,702	(18,497)	3,893	976	331,957
Transportation equipment	6,505	1,337	(3,852)	-	15	4,005
Office equipment	69,383	11,615	(3,510)	-	129	77,617
Other equipment	395,167	86,115	(69,384)	10,495	217	422,610
Equipment to be inspected and construction in progress	154,770	81,450	-	(18,849)	(226)	217,145
	$ 4,250,152	$ 613,927	($ 272,897)	$ 213,871	($ 14,234)	$ 4,790,819

Accumulated depreciation and impairment						
Name of assets	January 1	Depreciation expenses and impairment loss	Disposals	Reclassifications	Net exchange differences	December 31
Housing and structures	$ 640,908	$ 92,071	($ 41,289)	$ -	$ 804	$ 692,494
Machinery equipment	933,832	189,110	(120,112)	-	(3,162)	999,668
Utility equipment	173,595	25,680	(9,488)	-	766	190,553
Transportation equipment	5,836	549	(3,852)	-	2	2,535
Office equipment	43,178	10,357	(3,510)	-	26	50,051
Other equipment	255,351	60,916	(68,841)	(31)	154	247,549
	$ 2,052,700	$ 378,683	($ 247,092)	($ 31)	($ 1,410)	$ 2,182,850
	$ 2,197,452					$ 2,607,969

1. Capitalized amount and interest range of borrowing costs attributable to property, plant and equipment:

	2021	2020
Capitalization amounts	$ 1,141	$ 1,690
Range of capitalized interest rate	0.4392%~1.145%	0.476%~1.395%

2. Significant components of the Group's buildings and structures include buildings and air conditioning engineering works, which are respectively depreciated over the periods of 41~ 56 years and 3~21 years.

3. For the information about property, plant and equipment pledged as collateral, please refer to Note VIII for details.

(X) Lease transaction - lessee

1. The Group's leased underlying assets comprise lands and buildings, of which the lease term is usually between 2 years to 50 years. Lease contracts are individually negotiated and include various terms and conditions that impose no other restrictions except that the leased assets shall not be collateralized against any borrowings, nor shall they be subleased, co-leased, lent out for others' use, nor the right of lease be transferred to others.

2. Below is the carrying amounts of right-of-use assets and their recognized depreciation expenses:

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Land	$ 753,337	$ 787,285
Housing and structures	15,176	53,501
	$ 768,513	$ 840,786

	2021	2020
	Depreciation expenses	Depreciation expenses
Land	$ 28,095	$ 14,326
Housing and structures	46,797	43,022
	$ 74,892	$ 57,348

3. Additions to the Group's right-of-use assets for the years ended December 31, 2021 and 2020 amounted to $8,783 and $747,427, respectively.

4. Profit or loss items in connection with lease contracts are stated as follows:

	2021	2020
Items that affect current profit or loss		
Interest expense on lease liability	$ 7,078	$ 7,250
Expense on leases of low-value assets	26,842	26,028
Gains on lease modification	204	422

5. The cash outflow used in the Group's leases for the years ended December 31, 2021 and 2020 totaled $162,358 and $227,107, respectively.

6. The option to extend a lease and the option to terminate a lease

   (1) Contracts of which the underlying assets are types of land, buildings and structures contain a lease extension option exercisable by the Group.

   (2) The Group determines the lease term by taking into consideration all relevant facts and circumstances that create an economic incentive for the Group to exercise the extension option. The lease term is reassessed if there occur significant events that affect the assessment as to whether the Company would exercise the option to extend the lease or would not exercise the option to terminate the lease.

7. In 2020, The Group adopted the practical expedient of "leasing allowances related to lung inflammation in a new coronary viral" and recognized a gain or loss of $1,379 on the change in lease payments resulting from the rental reduction.

(XI) Intangible assets

	Computer software
January 1, 2021	
Cost	$ 19,829
Accumulated amortization	(12,296)
	$ 7,533
2021	
January 1	$ 7,533
Addition - separately acquired	10,410
Derecognition - cost reduction	(6,041)
Amortization expenses	(5,282)
Derecognition - reduction in accumulated amortization	6,041
Effect of exchange rate changes	(122)
December 31	$ 12,539
December 31, 2021	
Cost	$ 24,198
Accumulated amortization	(11,659)
	$ 12,539

	Computer software
January 1, 2020	
Cost	$ 29,919
Accumulated amortization	(16,713)
	$ 13,206
2020	
January 1	$ 13,206
Addition - separately acquired	2,119
Derecognition - cost reduction	(12,209)
Amortization expenses	(7,610)
Derecognition - reduction in accumulated amortization	12,209
Effect of exchange rate changes	(182)
December 31	$ 7,533
December 31, 2020	
Cost	$ 19,829
Accumulated amortization	(12,296)
	$ 7,533

Amortization of intangible assets is detailed as below:

	2021	2020
Operating costs	$ 415	$ 954
Administrative expenses	2,864	3,006
Research and development expenses	2,003	3,650
	$ 5,282	$ 7,610

(XII) Short-term loans

Type of loans	December 31, 2021	December 31, 2020
Bank credit loan	$ 1,822,451	$ 945,061
Loans against letter of credit	79,422	71,140
	$ 1,901,873	$ 1,016,201
Interest rate range	0%~ 1.35%	0%~3.70%

1. For collateral against the said short-term loans, please refer to Note VIII - Pledged Assets.
2. For information on the Group's interest expense of bank loans recognized in profit or loss, please refer to Note VI(XXV).

(XIII) Other payables

	December 31, 2021	December 31, 2020
Payroll and bonus payable	$ 832,490	$ 594,572
Expenses payable	437,826	400,504
Processing fee payable	410,950	323,930
Employee, directors and supervisors remuneration payable	113,601	68,292
Equipment expenses payable	62,948	67,631
Others	17,111	19,616
	$ 1,874,926	$ 1,474,545

(XIV) Other current liabilities

	December 31, 2021	December 31, 2020
Receipts under custody	$ 102,418	$ 120,597
Long-term loans due within one year	99,338	93,400
Contract liabilities – current	18,887	20,221
Others	3,974	6,186
	$ 224,617	$ 240,404

(XV) Long-term loans

Type of loans	Loan period and repayment method	Interest rate range	Collateral	December 31, 2021
Long-term bank loans				
Secured loan	Duration from June 2018 to June 2023 and interest paid on a monthly basis. In addition, from September 2020 onwards, the remaining amounts are paid back in 12 installments on a quarterly basis.	0.945%~ 1.145%	Machinery equipment	$ 91,982
Secured loan	Duration from July 2018 to July 2025 and interest paid on a monthly basis. In addition, from October 2020 onwards, the remaining amounts are paid back in 20 installments on a quarterly basis.	1.145%	Housing and structures	119,925
Secured loan	Duration from March 2021 to March 2026 and interest paid on a monthly basis. In addition, from May 2021 onwards, the remaining amounts are paid back in 59 installments on a monthly basis (Note).	0.500%	Demand deposits, buildings and structures	24,967
				236,874
Less: long-term loan due in one year				(99,338)
				$137,536

Type of loans	Loan period and repayment method	Interest rate range	Collateral	December 31, 2020
Long-term bank loans				
Secured loan	Duration from June 2018 to June 2023 and interest paid on a monthly basis. In addition, from September 2020 onwards, the remaining amounts are paid back in 12 installments on a quarterly basis.	0.945% ~1.145%	Machinery equipment	$ 153,550
Secured loan	Duration from July 2018 to July 2025 and interest paid on a monthly basis. In addition, from October 2020 onwards, the remaining amounts are paid back in 20 installments on a quarterly basis.	1.145%	Housing and structures	151,905
				305,455
Less: long-term loan due in one year				(93,400)
				$ 212,055

(Note) On March 15, 2021, the Group obtained a low-interest loan from the Root in Taiwan Enterprise Accelerated Investment Project granted by the Executive Yuan for a term of 5 years with a loan amount of $27,700 and a deferred government grant gain of $324 was recognized upon receipt of the loan amount. As of December 31, 2021, the balance of deferred government grants was $269 (separately shown under “Other current liabilities” of $111 and “Other non-current liabilities – others” of $158), and the government grants income of $55 was recognized in 2021 based on interest amortization over the loan term.

1. For collateral against the said long-term borrowings, please refer to Note VIII - Pledged Assets.

2. For information on the Group's interest expense of bank loans recognized in profit or loss, please refer to Note VI(XXV).

(XVI) Pensions

1.

(1) In compliance with the requirements set forth in the Labor Standards Law, the Company has stipulated a defined benefit pension plan, which is applicable to the years of service rendered by regular employees prior to, and after (if employees elect to continue to apply the Labor Standards Law), the implementation of the Labor Pension Act on July 1, 2005. Pension payments for employees qualified for the aforementioned retirement criteria are calculated in accordance with the years of service rendered and the average salaries or wages of the last 6 months prior to retirement. Two bases are given for each full year of service over the first 15 years, and one base is given for an additional year of service thereafter, provided that the total bases do not exceed forty-five (45). The Company contributes on a monthly basis 2% of the total salary (wages) as the pension fund, which is deposited in a designated account with the Bank of Taiwan under the name of the Supervisory Committee of Workers' Retirement Fund. Prior to the end of each annual period, the Company assesses the balance of the aforementioned designated account for the labor pension fund. If the balance is determined insufficient to pay off the pension amount computed by the aforementioned approach for employees qualified for retirement within the next year, the Company will make a lump sum contribution to make up the shortfall before the end of March of the following year.

(2) Amounts recognized on the balance sheets are as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	$ 111,955	$ 108,696
Fair value of planned assets	(38,607)	(26,646)
Net defined benefit liabilities	$ 73,348	$ 82,050

(3) Changes in net defined benefit liabilities are as follows:

2021	Present value of defined benefit obligations	Fair value of planned assets	Net defined benefit liabilities
Balance as of January 1	$ 108,696	($ 26,646)	$ 82,050
Current service cost	146	-	146
Interest expense (income)	326	(80)	246
	109,168	(26,726)	82,442
Remeasurement:			
Plan assets return (excluding amounts included in interest income or expenses)			
Effects of changes in population statistics assumptions	102	-	102
Effects of changes in financial assumptions	(4,567)	-	(4,567)
Experience adjustment	7,252	(406)	6,846
	2,787	(406)	2,381
Provision of pension fund	-	(11,475)	(11,475)
Pension paid	-	-	-
Balance as of December 31	$ 111,955	($ 38,607)	$ 73,348

2020	Present value of defined benefit obligations	Fair value of planned assets	Net defined benefit liabilities
Balance as of January 1	$ 113,940	($ 33,592)	$ 80,348
Current service cost	141	-	141
Interest expense (income)	800	(236)	564
	114,881	(33,828)	81,053
Remeasurement:			
Plan assets return (excluding amounts included in interest income or expenses)			
Effects of changes in financial assumptions	$ 4,521	$ -	$ 4,521
Experience adjustment	(275)	(1,147)	(1,422)
	4,246	(1,147)	3,099
Provision of pension fund	-	(2,102)	(2,102)
Pension paid	(10,431)	10,431	-
Balance as of December 31	$ 108,696	($ 26,646)	$ 82,050

(4) The fund asset of the Company's defined benefit pension plan (the "Fund") is entrusted to the Bank of Taiwan, which manages, or entrusts others to manage, the Fund in accordance with entrusted items enumerated in Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e. deposit in domestic or foreign institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, and investment in domestic or foreign real estate and its securitization products) to the extent of limitations on investment percentage and amount as stipulated in the Fund's annual utilization plan. The status of utilization of the Fund is subject to supervision by the Labor Pension Fund Supervisory Committee. With regard to utilization of the Fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. In case any deficiency in the earnings arises, Treasury Funds can be used to cover the deficits after the approval of the competent authority. Since the Company has no right to participate in the operation and management of the Fund, it is not able to disclose the classification of the fair value of plan assets as required in IAS 19 paragraph 142. For the fair value of the total retirement fund as at December 31, 2021 and 2020, please refer to the Labor Retirement Fund Utilization Report published by the government each year.

(5) Actuarial assumptions on pensions are summarized as follows:

	2021	2020
Discount rate	0.70%	0.30%
Future salary increase rate	2.50%	2.50%

Future mortality rate is estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Analysis of the present value of defined benefit obligation affected by changes in primary actuarial assumptions is as follows:

	Discount rate		Future salary increase rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2021 Effect on the present value of defined benefit obligation	($ 2,671)	$ 2,763	$ 2,428	($ 2,364)

	Discount rate		Future salary increase rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2020 Effect on the present value of defined benefit obligation	($ 2,856)	$ 2,966	$ 2,623	($ 2,543)

The sensitivity analysis presented above is an analysis of effects resulted from changes in a single assumption while other assumptions are held constant. In practice, quite a few changes in assumptions are correlated. The method employed for sensitivity analysis is the same as the method used to calculate the net pension liability presented on the balance sheet.

The method and assumptions used for the preparation of the sensitivity analysis for the current period are the same as those used in the previous period.

(6) The Company expects to make contributions of $2,249 to the pension plans within one year.

(7) As of December 31, 2021, the weighted average duration of the retirement plan is 10 years.

2. (1) Starting from July 1, 2005, the Company and subsidiaries have set up a defined contribution plan for all employees with ROC citizenship in accordance with the Labor Pension Act. Where the employees have elected to apply the labor pension system as stipulated in the Labor Pension Act, the Company and subsidiaries make a contribution in an amount equal to 6% of the employees' monthly salaries or wages to their individual accounts in the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(2) Advanced Sporting Goods (Dong Guan) Co., Ltd. and Advanced Sporting Goods (Sha Tian, Dong Guan) Co., Ltd. make a pension contribution on a monthly basis in an amount equal to a certain percentage of the employees' monthly salaries and wages in accordance with the requirements as set forth in the pension system of the People's Republic of China. The contribution percentage for 2021 and 2020 were both 13%. The pension for each employee is managed by the government, hence the Group doesn't have further obligations except for making a monthly contribution.

(3) As required by the Vietnamese government, Advanced International Multitech (VN) Corporation Ltd. makes a monthly contribution in an amount equal to one month of an employee's minimum wages to the retirement plan, which is managed by the various responsible departments of the Vietnamese government. Other than making a monthly contribution, the Company has no further obligations.

(4) For the years ended December 31, 2021 and 2020, the Group's net pension costs recognized under the defined contribution plan were $119,531 and $89,351, respectively.

(XVII) Capital

As of December 31, 2021, the Company had an authorized capital in the amount of $1,800,000, comprising 180,000 thousand shares (including 5,000 thousand shares of employee stock option certificates and 10,000 thousand shares of convertible corporate bonds), and a paid-in capital in the amount of $1,353,127 with each share priced at NT$10. Share payments for the Company's issued stocks have been collected in full.

1. Number of the Company's outstanding common shares at the beginning of periods and the end of the periods were adjusted as below (in thousand shares):

	2021	2020
January 1	135,313	135,313
Treasury stock buyback	(3,379)	-
December 31	131,934	135,313

2. Treasury stock

(1) Reasons for recovery of shareholding and its quantity:

		December 31, 2021	
Name of investor company	Reason for recovery	Number of shares (in thousand shares)	Carrying amount
The Company	Available for transfer of shares to employees (Note)	3,379	$ 258,235

Note: The company decided to buy back treasury stocks on September 22, 2021, through a resolution of the Board of Directors. It is estimated that the number of treasury shares to be bought back is 6,700 thousand shares, and the execution period is from September 23, 2021 to November 22, 2021. Considering capital planning and effective use, the Company will buy back in batches depending on the stock price changes. Therefore, the treasury stocks were not fully executed this time, and the actual number of treasury stocks bought back were 3,379 thousand shares in total.

January 1 to December 31, 2020: None.

(2) The Securities and Exchange Act stipulates that the proportion of the company's repurchase of outstanding shares shall not exceed 10% of the company's total issued shares. The total amount of shares purchased shall not exceed the retained earnings plus the premium of issued shares and the amount of capital reserve realized.

(3) The treasury stocks held by the Company shall not be pledged in accordance with the regulations of the Securities and Exchange Act, and shall not be entitled for shareholder rights before being transferred.

(4) According to the regulations of the Securities and Exchange Act, the shares purchased for the transfer of shares to employees shall be transferred within five years from the date of the repurchase. Those not transferred within the time limit shall be deemed to have not issued by the Company, and it shall carry on the change of registration to cancel the shares.

(XVIII) Capital surplus

Under the Company Act, capital surplus arising from shares issued at the premium or from donation may be used for offsetting the deficit. Furthermore, if the Company has no accumulated loss, the capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original holdings. In accordance with regulations in the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use the capital surplus to offset loss only when the number of earnings and reserves are insufficient to offset the loss.

(XIX) Retained earnings

1. The Articles of Incorporation requires that earnings after the final account, if any, be used in the first place to pay off the profit-seeking enterprise income tax and to offset the previous deficits according to law; and 10% of the remainder, if any, be set aside as its legal reserve, except in cases when the legal reserve has reached the capital amount. If there are any remaining earnings, a special reserve shall be provided or reversed in accordance with laws or regulations imposed by the competent authority; the remaining amount, if any, shall be added up to the undistributed earnings of the prior periods to serve as the allocable earnings, of which the amount of distribution and retention shall be indicated in the earnings distribution proposal which is made by the Board of Directors before submitting to the Shareholders' Meeting for approval. The cash dividends distributed shall not exceed 10% of the total dividends distributed.
2. The Company’s dividend policy is stated as below: The Company adopts a residual dividend policy in order to operate sustainably and increase profits.
3. Legal reserves may only be used for offsetting deficits and issuing new shares or distributing cash in proportion to shareholders’ original holdings. However, when new shares are issued or cash is distributed, the amount shall be limited to 25% of the reserves in excess of the paid-in capital.
4. The Company may allocate earnings only after providing a special reserve for debit balance in other equity on the date of the balance sheet, and the reversal of debit balance in other equity, if any, may be stated into allocable earnings.
5. The Company's shareholders' meeting on July 12, 2021 passed the resolution of the 2020 earnings distribution proposal, and on May 28, 2020, the shareholders' meeting passed the 2019 earnings distribution proposal as follows:

	2020		2019	
	Amount	Dividend per share ($)	Amount	Dividend per share ($)
Legal reserve	$ 67,822		$ 61,567	
Special reserve	9,168		58,543	
Cash dividends	365,344	$ 2.7	311,219	$ 2.3

The above-mentioned relevant shareholders' meeting resolutions on earnings distribution can be found at the Public Information Observatory (TWSE MOPS).

6. On February 25, 2022, the Company proposed by the Board of Directors that the 2021 earnings distribution proposal is as follows:

	2021	
	Amount	Dividend per share ($)
Legal reserve	$ 134,556	
Special reserve	24,770	
Cash dividends	727,835	$ 5.5

As of February 25, 2022, the above-mentioned 2021 earnings distribution proposal has not been resolved by the shareholders' meeting.

(XX) Operating revenue

1. Detailed contracts with customers

All the Group's revenue comes from contracts with customers under which revenue is generated by transferring goods at a point of time. Revenue can be sub-divided by geographical areas as follows:

Customer by geographical areas	2021	2020
Americas	$ 11,775,292	$ 7,628,847
Asia	4,674,320	4,250,428
Others	458,412	196,078
	$ 16,908,024	$ 12,075,353

2. Contract liabilities

(1) The contract liabilities in relation to contracts with customers recognized by the Group are as follows:

	December 31, 2021	December 31, 2020	January 1, 2020
Consumer products	$ 18,887	$ 20,221	$ 1,203

(2) Income recognized in the current period for opening contract liabilities

	2021	2020
Consumer products	$ 20,212	$ 719

(XXI) Other income and expenses - net

	2021	2020
Income from molds	$ 34,203	$ 50,578
Income from samples	21,429	15,403
Other income	122,762	51,826
	$ 178,394	$ 117,807

(XXII) Interest income

	2021		2020	
Interest from bank deposits	$	3,787	$	17,787

(XXIII) Other income

	2021		2020	
Government subsidy income	$	22,712	$	84,497
Others		2,084		277
	$	24,796	$	84,774

1. In May 2020, the Group applied to the Industrial Development Bureau of the Ministry of Economic Affairs for compensation and working capital subsidies for the manufacturing industry and its technical services industry due to severe and unusual communicable disease. After review and approval, the government subsidy income of $65,353 was recognized. There were no unfulfilled conditions and other contingencies.
2. In December 2020, the Group received government grants of $11,300 under the guidance of industrial upgrade and innovation platform, which was transferred to profit or loss upon expenses associated with the implementation of the plan. In 2021 and 2020, the government subsidy income recognized was $6,152 and $5,148.
3. In November and December 2020, the Group received government subsidies for traditional industry innovation and R&D as well as the construction plan of the golf smart manufacturing and supply chain integration platform. In 2020, as the Group is reasonably assured that it will comply with the conditions attached in the government subsidies, the government subsidy income recognized was $10,555.
4. In June and December 2021, the Group received government subsidies for traditional industry innovation and R&D as well as the construction plan of the golf smart manufacturing and supply chain integration platform. In 2021, as the Group is reasonably assured that it will comply with the conditions attached in the government subsidies, the government subsidy income recognized was $13,937.

(XXIV) Other gains and losses

	2021		2020	
Loss on disposal and retirement of property, plant and equipment	($	7,950)	($	23,409)
Loss on foreign exchange, net	(	98,872)	(	271,230)
Net gains from financial assets and liabilities at fair value through profit or loss		1,857		4,350
Impairment loss (Note)	(	42,407)		-
Others		24,735		21,944
	($	122,637)	($	268,345)

Note: please refer to Note VI(VIII).

(XXV) Finance costs

	2021	2020
Interest expense	$ 28,391	$ 34,729
Other financing costs	187	218
	$ 28,578	$ 34,947

(XXVI) Additional information regarding the nature of expense

	2021	2020
Employee benefits expense	$ 3,325,906	$ 2,650,081
Depreciation expenses	523,384	436,031
Amortization expenses	25,256	23,919
	$ 3,874,546	$ 3,110,031

(XXVII) Employee benefits expense

	2021	2020
Salary and wages	$ 2,850,263	$ 2,256,476
Labor and health insurance premiums	179,470	159,981
Pension expense	119,923	90,056
Remuneration to directors	12,700	9,090
Other personnel cost	163,550	134,478
	$ 3,325,906	$ 2,650,081

1. The Articles of Incorporation requires that the Company allocate no less than one percent (1%) of its annual earnings as employee compensation, and no greater than five percent (5%) of its annual earnings as remuneration for directors and supervisors. However, that a portion of earnings shall be reserved if the Company still has an accumulated deficit.

2. For the years ended December 31, 2021 and 2020, the Company recognized compensation to employees in the amounts equal to $80,090 and $52,218, respectively, and remuneration to directors and supervisors in the amounts equal to $11,600 and $9,000, respectively, all presented under payroll expense.

   The amounts for 2021 were estimated at certain percentages based on the profits earned by the end of the year.

   The amounts of compensation to employees and remuneration to directors and supervisors for 2020 that had been resolved by the Board of Directors are the same as the amounts stated on the 2020 financial statements. The above-mentioned employee compensation was distributed in cash.

   Information about employee compensation and remuneration to directors and supervisors approved by the Board of Directors is available on the Market Observation Post System.

(XXVIII) Income Tax

1. Income tax expense (gain)

(1) Components of income tax expense:

	2021	2020
Current income tax:		
Income tax arising from the current period	$ 382,696	$ 274,795
Overestimation of prior year's income taxes	(47,199)	(10,109)
Total current income tax	335,497	264,686
Deferred income tax:		
Originating and reversed temporary differences	34,236	(44,086)
Income tax expense	$ 369,733	$ 220,600

(2) Income tax amounts associated with other comprehensive income:

	2021	2020
Remeasurement of defined benefit obligation	($ 476)	($ 620)

2. Relation between income tax expense and accounting profit

	2021	2020
Income tax calculated by applying the statutory tax rate to net income before tax	$ 454,151	$ 268,300
Tax exempted income pursuant to the taxation law	(1,230)	(13,070)
Effects from items prohibited from being recognized by laws and regulations	(30,542)	(13,522)
Overestimation of prior year's income taxes	(47,199)	(10,109)
Effect of investment tax credit	(5,447)	(10,999)
Income tax expense	$ 369,733	$ 220,600

3. Deferred income tax assets or liabilities arising from temporary differences and tax losses are stated as follows:

	2021				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Net exchange differences.	December 31
Temporary differences:					
Deferred income tax assets:					
Inventory valuation and obsolescence loss	$ 13,821	($ 1,681)	$ -	($ 35)	$ 12,105
Pensions	16,410	(2,217)	476		14,669
Differences between financial and book depreciation	16,626	(1,103)	-	(88)	15,435
Unrealized exchange losses	10,939	(9,397)	-		1,542
Others	14,386	7,237	-	(20)	21,603
	72,182	(7,161)	476	(143)	65,354
Deferred income tax liabilities:					
Differences in investment gains or losses recognized	(125,851)	(27,094)	-	-	(152,945)
Liability of land value increment tax	(11,598)	-	-	-	(11,598)
Others	(336)	19	-	-	(317)
	(137,785)	(27,075)	-	-	(164,860)
	($ 65,603)	($ 34,236)	$ 476	($ 143)	($ 99,506)

	2020				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Net exchange differences.	December 31
Temporary differences:					
Deferred income tax assets:					
Inventory valuation and obsolescence loss	$ 7,513	$ 6,165	$ -	$ 143	$ 13,821
Pensions	16,070	(280)	620	-	16,410
Differences between financial and book depreciation	14,529	1,818	-	279	16,626
Unrealized exchange losses	8,479	2,460	-	-	10,939
Others	9,739	4,583	-	64	14,386
	56,330	14,746	620	486	72,182
Deferred income tax liabilities:					
Differences in investment gains or losses recognized	(155,230)	29,379	-	-	(125,851)
Liability of land value increment tax	(11,598)	-	-	-	(11,598)
Others	(297)	(39)	-	-	(336)
	(167,125)	29,340	-	-	(137,785)
	($ 110,795)	$ 44,086	$ 620	$ 486	($ 65,603)

4. The profit-seeking enterprise income tax of the Company is approved by the taxation authority through 2019.

(XXIX) Earnings per share

	2021		
	After-tax amount	Number of weighted average outstanding shares (thousand shares)	Earnings per share ($)
Basic earnings per share			
Net income attributable to common shares shareholders of the parent company	$ 1,347,465	134,654	$ 10.01
Diluted earnings per share			
Net income attributable to common shares shareholders of the parent company	$ 1,347,465	134,654	
Assumed conversion of all dilutive potential common shares - employees' compensation	-	1,214	
Profit attributable to ordinary shareholders of the parent company plus effect of potentially dilutive common stocks	$ 1,347,465	135,868	$ 9.92

	2020		
	After-tax amount	Number of weighted average outstanding shares (thousand shares)	Earnings per share ($)
Basic earnings per share			
Net income attributable to common shares shareholders of the parent company	$ 680,705	135,313	$ 5.03
Diluted earnings per share			
Net income attributable to common shares shareholders of the parent company	$ 680,705	135,313	
Assumed conversion of all dilutive potential common shares - employees' compensation	-	1,461	
Profit attributable to ordinary shareholders of the parent company plus effect of potentially dilutive common stocks	$ 680,705	136,774	$ 4.98

(XXX) Additional information regarding cash flows

1. Investing and financing activities with partial cash payments:

	2021	2020
Acquisition of property, plant and equipment	$ 925,680	$ 613,927
Add: Equipment payable, beginning (recognized in other payables)	67,631	61,178
Less: Equipment payable, end (recognized in other payables)	(62,948)	(67,631)
Amount paid in cash	$ 930,363	$ 607,474

	2021	2020
Proceeds from disposal of subsidiaries	$ -	$ 18,018
Less: Balance of cash and cash equivalents from disposal	-	(7,513)
Cash provided for the period	$ -	$ 10,505

2. Investing activities that do not affect cash flows:

	2021	2020
Equipment prepayments transferred to property, plant and equipment	$ 40,756	$ 217,363
Reclassification of property, plant and equipment to other non-current assets	$ 1,749	$ 3,397
Reclassification of property, plant and equipment to expense	$ 1,002	$ 64

3. The Group sold 100% of the equity of Advanced Sporting Goods (Shatian, Dongguan) Co., Ltd. on August 24, 2020, causing the Group to lose control of the subsidiary. The consideration received for the transaction and the relevant assets and liabilities of the subsidiary were as follows:

	August 24, 2020
Consideration received	$ 18,018
Carrying amount of assets and liabilities lost control	
Cash	$ 7,513
Other non-current assets	2,021
Other payables	(25)
Total net assets	$ 9,509

(XXXI) Changes in liabilities from financing activities

	Short-term loans	Long-term loans (including 1-year due)	Lease liabilities	Total liabilities from financing activities.
January 1, 2021	$ 1,016,201	$ 305,455	$ 680,605	$ 2,002,261
Changes in financing cash flows	898,219	(68,312)	(128,438)	701,469
Effect of exchange rate changes	(12,547)	-	(1,418)	(13,965)
Other non-cash changes	-	(269)	8,579	8,310
December 31, 2021	$ 1,901,873	$ 236,874	$ 559,328	$ 2,698,075

	Short-term loans	Long-term loans (including 1-year due)	Lease liabilities	Total liabilities from financing activities.
January 1, 2020	$ 531,141	$ 249,590	$ 150,321	$ 931,052
Changes in financing cash flows	501,852	55,865	(193,829)	363,888
Effect of exchange rate changes	(16,792)	-	(1,851)	(18,643)
Other non-cash changes	-	-	725,964	725,964
December 31, 2020	$ 1,016,201	$ 305,455	$ 680,605	$ 2,002,261

VII. Related-party Transactions

(I) Name and Relationship of Related Parties

Name of related party	Relationship with the Group
Baoji Zatech Material Co., Ltd. (hereinafter referred to as “Zatech”)	Associates of the Group
Munich Composites GmbH ("MC" hereinafter)	Associates of the Group

(II) Information about Remunerations to the Major Management:

	2021	2020
Salary and other employee benefits	$ 65,995	$ 43,107

VIII. Pledged Assets

Assets pledged as collateral by the Group are enumerated as follows:

Assets	Carrying amount December 31, 2021	Carrying amount December 31, 2020	Guarantee use
Demand deposits (presented as "financial assets at amortized cost - current" and "financial assets at amortized cost - non-current")	$ 5,048	$ -	Long-term loans and credit facility guarantee
Land	125,648	125,648	Short-term loans
Buildings and structures - net	235,171	251,206	Short-term and long-term loans and credit facility guarantee
Machinery and equipment - net	168,813	195,531	Long-term loans and credit facility guarantee
Other equipment - net	3,796	5,314	Long-term loans credit facility guarantee
Pledged time deposits (presented as "other non-current assets - others")	31,563	42,311	Customs deposits, performance security deposits, and lease deposit
	$ 570,039	$ 620,010	

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(I) Contingency

None.

(II) Commitments

1. Balance of outstanding letters of credit

	December 31, 2021	December 31, 2020
Raw materials imported	$ 114,370	$ 51,839

2. Capital expenditure committed but yet to incur

	December 31, 2021	December 31, 2020
Property, plant and equipment	$ 1,077,760	$ 286,680

3. Operating lease agreements

   Please refer to Note VI(X) for details.

X. Significant Losses from Disasters

None.

XI. Significant Subsequent Events

The Company's Board of Directors proposed on February 25, 2022 to distribute cash dividends of NT$5.5 to each common share using the undistributed earnings, and the dividends came to a total of $727,835. Please refer to Note VI(XIX) for details.

XII. Others

(I) Capital Management

The objective of the Group's capital management is to ensure that the Group can continue as a going concern, that an optimal capital structure is maintained to lower the cost of capital, and that rewards are provided to shareholders. To sustain or adjust the capital structure, the Group might adjust dividends paid to shareholders, refund capital to shareholders, or issue new shares or dispose of assets in order to lower its debt. The Group monitors its capital by looking at the debt-to-capital ratio, which is calculated by dividing the total debt by the total capital.

The Group's strategies employed for 2021 were the same as those for 2020, i.e., striving to strike a balance for the overall capital structure. The Group's debt-to-capital ratios as at December 31, 2021 and 2020 are stated below:

	December 31, 2021	December 31, 2020
Total liabilities	$ 7,378,524	$ 5,947,366
Total assets	$ 13,031,007	$ 10,816,240
Debt-to-capital ratio	57	55

(II) Financial Instruments

1. Types of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets measured at FVTPL		
Financial assets mandatorily measured at FVTPL	$ 139	$ 472
Financial assets measured at FVTOCI		
Election of the designated equity instrument investment	55	55
Financial assets measured at amortized cost		
Cash and cash equivalents	833,023	930,555
Financial assets measured at amortized cost	287,183	509,737
Notes receivable	9,567	7,808
Accounts receivable	4,132,586	3,152,746
Other receivables	17,169	17,789
Refundable deposits	51,574	64,049
	$ 5,331,296	$ 4,683,211

	December 31, 2021	December 31, 2020
Financial liabilities		
Financial liabilities at amortized costs		
Financial liabilities held for trading	$ -	$ 21
Short-term loans	1,901,873	1,016,201
Notes payable	3,821	3,248
Accounts payable	2,088,622	1,867,748
Other payables	1,874,926	1,474,545
Long-term loans (including 1-year due)	236,874	305,455
Deposits received	632	548
	$ 6,106,748	$ 4,667,766
Lease liabilities (including non-current)	$ 559,328	$ 680,605

2. Risk management policy

(1) The Group’s daily operations are affected by various financial risks, e.g. market risks (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management policy focuses on unpredictable matters on the financial markets, seeking to lower the potential adverse effects on the Group’s financial position and financial performance.

(2) Risk management is carried out by the Group’s finance department in compliance with relevant policies. Through cooperation with the Group's operating units, the finance department is responsible for identifying, evaluating and hedging financial risks. With respect to the overall risk management, the Group has established principles in writing, as well as policies in writing concerning specified scope and matters, e.g. exchange risk, credit risk, utilization of derivatives and non-derivatives, and investment of remaining liquidity.

3. The nature and degree of significant financial risks

(1) Market risk

Foreign exchange rate risk

A. Since the Group operates in different countries, it is subject to the foreign exchange risk arising from various currencies, mainly USD, RMB and EURO, among others. The foreign exchange risk mainly comes from future business transactions, recognized assets and liabilities, and net investment in foreign operations.

B. Management has set up a policy to require the Company to manage their foreign exchange risk against their functional currency. The Company is required to hedge their entire foreign exchange risk exposure through the finance department. To manage the foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, the Company's finance department uses forward foreign exchange contracts. When future commercial transactions, recognized assets, or liabilities are calculated in a foreign currency other than the functional currency of the entity; exchange rate risk may arise.

C. The Group's business involves use of various non-functional currencies (the Company and some subsidiaries' functional currency is NTD, whereas some subsidiaries' functional currency is RMB), as a consequence, it is subject to effects arising from changes in exchange rates. Assets and liabilities that are denominated in foreign currency and significantly affected by changes in exchange rates are stated as below:

	December 31, 2021		
	Foreign currency (in $ thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 170,550	27.68	$ 4,720,816
USD:RMB	54,289	6.3565	1,502,726
Financial liabilities			
Monetary items			
USD:NTD	83,215	27.68	2,303,391
USD:RMB	45,878	6.3565	1,269,903

	December 31, 2020		
	Foreign currency (in $ thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 140,861	28.43	$ 4,004,707
USD:RMB	47,597	6.5249	1,353,183
Non-monetary items			
EUR:NTD	1,389	34.82	48,361
Financial liabilities			
Monetary items			
USD:NTD	77,117	28.53	2,200,148
USD:RMB	29,994	6.5249	855,729

D. In 2021 and 2020, due to the exchange rate volatility, total exchange gains (losses) from the Group's monetary items amounted to $98,872 and $271,230, respectively.

E. The Group's analysis of the foreign currency market affected by significant exchange rate fluctuations is as follows:

	2021		
	Sensitivity analysis		
	Range of change	Effects on profit or loss	Effects on other comprehensive income
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 47,208	$ -
USD:RMB	1%	15,027	-
Financial liabilities			
Monetary items			
USD:NTD	1%	23,034	-
USD:RMB	1%	12,699	-

	2020		
	Sensitivity analysis		
	Range of change	Effects on profit or loss	Effects on other comprehensive income
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 40,047	$ -
USD:RMB	1%	13,532	-
Non-monetary items			
EUR:NTD	1%	-	484
Financial liabilities			
Monetary items			
USD:NTD	1%	22,001	-
USD:RMB	1%	8,557	-

Price risk

The Group is not exposed to price risks from products.

Cash flow interest rate risk and fair value interest rate risk

A. The Group's interest rate risk mainly comes from its issuance of short-term and long-term loans with floating interest rates that have resulted in the Group exposing to cash flow interest rate risks. The Group's policy aims to maintain at least 1.145% of the loans as fixed interests and, if necessary, achieves the target by means of interest rates swaps. For the years ended December 31, 2021 and 2020, the Group's issuance of short-term and long-term loans with floating interest rates was mainly denominated in New Taiwan Dollars.

B. If the borrowing interest rate of NTD increases or decreases by 0.25%, held other variables constant, the net income after tax for the years ended December 31, 2021 and 2020 will decrease or increase by $1,923 and $1,598, respectively, primarily due to changes in interest expense incurred by borrowings with floating interest rates.

(2) Credit risk

Credit risk refers to the risk of financial loss to the Group arising from default by customers or counterparties of financial instruments on the contract obligations. The internal risk control assesses customers' credit quality by taking into account their financial position, historical experience, and other factors.

Cash and cash equivalents and financial derivatives

Since the transaction policy adopted requires the Group to trade only with counter-parties having a good credit rating, there hasn't been any default on cash and cash equivalents or financial derivatives.

Accounts receivable

A. The Group has established a specific internal credit policy, which requires entities within the Group to manage and conduct credit analysis on every new customer before stipulating the terms and conditions for payments and delivery. The internal risk control assesses customers' credit quality by taking into account their financial position, historical experience, and other factors.

B. The Group adopts the presumption that the credit risk of a financial asset is deemed significantly increased since initial recognition when contractual payments are more than 90 days past due, and that a default is deemed to have occurred when the contractual payments are more than 180 days past due.

C. The Group's accounts receivables are due from ordinary enterprises. The Group assesses the credit quality of an individual customer by type by taking into account such customer's financial position, historical transaction records, and current economic status, and estimates the expected credit losses on the basis of the provision matrix using the simplified approach.

D. After the recourse process, the Group writes off the financial asset to the extent of the recovery amount that cannot be reasonably expected; nonetheless, the Group will keep legal recourse to secure its creditor's rights.

E. Expected credit losses on the Group's accounts receivable as of December 31, 2021 and 2020 were as follows:

		Overdue						
	Not overdue	Within to 30 days	31~60 days	61~90 days	91~120 days	121~150 days	151~180 days	180 days and more
December 31, 2021	0.00%~ 0.02%	0.02%~ 0.23%	0.02%~ 1.94%	0.04%~ 4.77%	0.19%~ 10.32%	1.86%~ 34.37%	22.31%~ 67.99%	100%
December 31, 2020	0.00%~ 0.04%	0.02%~ 0.51%	0.02%~ 3.39%	0.04%~ 7.35%	0.19%~ 14.47%	1.86%~ 58.06%	22.31%~ 93.69%	100%

The Group's balance of accounts overdue for 31 days and more as of December 31, 2021 and 2020 accounted for approximately 1.24% and 0.14% of the total, respectively.

F. Changes in loss allowance for notes receivable and accounts receivable using the simplified approach are stated as follows:

	2021	
	Notes receivable	Accounts receivable
January 1	$ -	$ 1,807
Provision of impairment loss	-	369
December 31	$ -	$ 2,176

	2020	
	Notes receivable	Accounts receivable
January 1	$ -	$ 865
Provision of impairment loss	-	942
December 31	$ -	$ 1,807

(3) Liquidity risk

A. Cash flows forecasting is carried out by the Group's Office of Finance and Accounting in order to ensure that sufficient funds are readily available, both for the operating needs and for the unused loan commitments.

B. The Group's remaining cash in excess of its operating needs is invested in demand deposits bearing interests, time deposits, bonds sold under repurchase agreements, and marketable securities, all of which are instruments either with appropriate maturity or with sufficient liquidity so as to satisfy the said forecasting and provide sufficient position for dispatching of funds. As of December 31, 2021 and 2020, the Group had a money market position in the amounts equal to $832,128 and $929,148.

C. The table below shows an analysis of the non-derivative financial liabilities held by the Group with defined repayment terms based on maturity dates and undiscounted payment at maturity:

	December 31, 2021		
	Less than 1 year	1-2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term loans	$ 1,907,718	$ -	$ -
Notes payable	3,821	-	-
Accounts payable	2,088,622	-	-
Other payables	1,874,926	-	-
Lease liabilities (including non-current)	35,619	24,759	577,775
Long-term loans	101,332	69,489	69,937

Derivative financial liabilities: None.

	December 31, 2020		
	Less than 1 year	1-2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term loans	$ 1,018,041	$ -	$ -
Notes payable	3,248	-	-
Accounts payable	1,867,748	-	-
Other payables	1,474,545	-	-
Lease liabilities (including non-current)	128,088	35,670	602,534
Long-term loans	96,279	95,283	120,116
Derivative financial liabilities:			
Forward foreign exchange contracts	21	-	-

D. The Group does not expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

(III) Fair Value Information

1. Below states the definition of different levels of valuation techniques used to measure the fair value of financial and non-financial instruments:

   Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

   Level 2: Inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair values of the Group’s investment in derivatives all belong to it.

   Level 3: Unobservable inputs for the asset or liability.

2. Financial instruments not measured at fair value

   The carrying amounts of the Group's financial instruments, including cash and cash equivalents, financial assets valued at amortized cost, notes receivables, accounts receivable, other receivables, refundable deposits, short-term borrowings, notes payable, accounts payable, other payables, lease liabilities, long-term borrowings (including those due within one year, and guarantee deposits), are reasonable approximation of fair value.

3. Below states the information regarding the Group’s financial instruments that have been classified in accordance with the nature, characteristics, risks and fair value hierarchy of such an asset or liability:

   (1) Classified by nature of assets or liabilities:

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets measured at FVTPL				
Forward foreign exchange contracts	$ -	$ 139	$ -	$ 139
Financial assets measured at FVTOCI				
Equity securities	-	-	55	55
	$ -	$ 139	$ 55	$ 194
Liabilities				
Recurring fair value				
Financial liabilities measured at FVTPL				
Forward foreign exchange contracts	$ -	$ -	$ -	$ -

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets measured at FVTPL				
Forward foreign exchange contracts	$ -	$ 472	$ -	$ 472
Financial assets measured at FVTOCI				
Equity securities	-	-	55	55
	$ -	$ 472	$ 55	$ 527
Liabilities				
Recurring fair value				
Financial liabilities measured at FVTPL				
Forward foreign exchange contracts	$ -	$ 21	$ -	$ 21

(2) Methods and assumptions adopted by the Group for measurement of fair value are stated as follows:

Valuation of derivative financial instruments adopts valuation models that are commonly used by market participants, e.g., discounted cash flows method and option pricing model. Forward foreign exchange contracts are usually evaluated based on the current forward exchange rates.

4. There was no transfer between Level 1 and Level 2 of the fair value hierarchy in 2021 and 2020.

5. There were no changes in Level 3 of the fair value hierarchy in 2021 and 2020.

6. Valuation process regarding fair value Level 3 is conducted by the Group's finance department, by which the independence of fair value of financial instruments is verified through the use of independent data source in order that such valuation results are close to market conditions, and that the data source is independent, reliable, consistent with other resources, and representative of the exercisable price. In addition, multiple actions are regularly taken to ensure the reasonableness of the fair value valuation, e.g., calibrating the valuation model, conducting retrospective testing, updating the inputs and data for the valuation model, and making any necessary fair value adjustments.

7. Below states the quantitative information about the significant unobservable inputs of the valuation model used in the measurements categorized within Level 3 of the fair value hierarchy, as well as the sensitivity analysis of changes in significant unobservable inputs:

	December 31, 2021	Valuation technique(s)	Significant unobservable inputs	Interval (weighted-average)	Relations between input value and fair value
Non-derivative equity instruments:					
Shares of venture capital company	$ 1,009	Net asset value method	Not applicable.	Not applicable.	Not applicable.

	December 31, 2020	Valuation technique(s)	Significant unobservable inputs	Interval (weighted-average)	Relations between input value and fair value
Non-derivative equity instruments:					
Shares of venture capital company	$ 1,011	Net asset value method	Not applicable.	Not applicable.	Not applicable.

8. The Group elects to adopt the valuation model and valuation parameters through cautious assessment. Nonetheless, using different valuation models or valuation parameters may lead to different valuation results. For financial assets categorized within Level 3 of the fair value hierarchy, changes in valuation parameters will not have a significant influence on either profit or loss or other comprehensive income.

(IV) Other Matters

1. The Group's major customers are in the United States and Japan, and the products are mainly outdoor recreational and sporting goods and composite materials used for 3C products which can keep appropriate social distance. The Group has complied with the disease control guidelines of the Ministry of Health and Welfare and the local government in various regions. It was assessed that the Group's operations and financial performance were not affected by the COVID-19 pandemic.

2. On July 19, 2021, the Group cooperated with the Vietnam government's pandemic prevention measures to suspend work, arranged a full COVID-19 screening for all factory staff, and fully disinfected the factory area. On July 23, 2021, the Group resumed production according to the Vietnam government's notice and continued to strengthen its pandemic prevention measures and its production on plant orders in line with the three-on-the-ground quarantine policies of "local accommodation, on-site production, and on-site catering" regulated by the Vietnam government. On August 3, 2021, all works were stopped until September 27, 2021 in coordination with the pandemic prevention measures of the industrial district bureau in Vietnam to ensure the employees' safety. Since that date, a letter of approval for resumption of work has been obtained from the local government, in line with the local government's three-in-one policy, and gradually resumed normal operations. It has been assessed that the incident has limited financial and business impact on the Group.

XIII. Additional Disclosures

(I) Information about Significant Transactions:

1. Loans to Others: None.
2. Endorsements and Guarantees: None.
3. Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates and Joint Ventures): Please refer to Table 1.
4. The Aggregate Trading Value on the Same Securities (Including Purchase and Sales) Reaching NT$300 Million or Exceeding 20% of the Paid-in Capital or More: None.
5. Acquisition of Property Amounting to at Least NT$300 Million or Exceeding 20% of Paid-in Capital: None.
6. Disposal of Property Amounting to at Least NT$300 Million or Exceeding 20% of Paid-in Capital: None.
7. Purchases from and Sales to Related Parties Amounting to at Least NT$100 Million or Exceeding 20% of Paid-in Capital: Please refer to Table 2.
8. Receivables from Related Parties Amounting to at Least NT$100 Million or Exceeding 20% of Paid-in Capital: Please refer to Table 3.
9. Engagement in Derivatives Transactions: Please refer to Notes VI(II) and XII(III).
10. Parent-Subsidiary and Subsidiary-Subsidiary Business Relations and Significant Transactions and Amounts Thereof: Please refer to Table 4.

(II) Reinvestment Information

Name, Location, and Information on Investee Companies (Excluding Investee Companies in China): Please refer to Table 5.

(III) Investments in Mainland China

1. Investee Information: Please refer to Table 6.
2. Significant Transactions between the Company and Investees in Mainland China Directly or Indirectly through Entities in a Third Area: Please refer to Table 7.

(IV) Major Shareholder Information

Please refer to Table 8.

XIV. Segment Information

(I) General Information

The Group is primarily engaged in manufacturing consumer products for prestigious brands around the world. The chief operating decision-makers conduct performance evaluation and resources allocation based on the operating profit (loss) of the Division of Consumer Products. According to the requirements as set forth in IFRS 8, the Group is a single reportable segment.

(II) Measurement of Segment Information

The Group evaluates the performance of an operating segment by examining the profit before tax of a continuing operation. Such measurement standard precludes the effects from non-recurring expenses of an operating segment. Management of interest income and expenses is not authorized to the operating segments but assigned to the Group's finance department that is responsible for the management of the status of cash.

(III) Information on Segment Profit or Loss, Assets, and Liabilities

The reportable segment information provided to the chief operating decision-makers is the financial statements prepared in accordance with the International Financial Reporting Standards (IFRSs).

(IV) Reconciliation of segment profit or loss

The measurement method used for revenue reported to the chief operating decision makers is the same as that used for revenue as stated on the statement of comprehensive income. The measurement method used for total amount of assets and liabilities reported to the chief operating decision makers is the same as that used for the total amount of assets and liabilities stated on the financial statements.

(V) Information by Product and Service

Revenue from external customers is mainly derived from the manufacturing of consumer products.

(VI) Geographical Information

Geographical information of the Group for years ended December 31, 2021 and 2020 is as follows:

	2021		2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Americas	$ 11,775,292	$ -	$ 7,628,847	$ -
Asia	4,674,320	4,103,655	4,250,428	3,555,304
Others	458,412	.	196,078	-
	$ 16,908,024	$ 4,103,655	$ 12,075,353	$ 3,555,304

Non-current assets comprise property, plant and equipment (PP&E), right-of-use asset, intangible assets, prepayments for business facilities, and other non-current assets, excluding refundable deposits.

(VII) Major Customer Information

The Group's major customers for the years ended December 31, 2021 and 2020 are as follows:

	2021		2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Customer No. 10986	$ 6,217,036	$ 37	$ 4,884,000	$ 40
Customer No. 10008	4,054,521	24	1,888,375	16
	$ 10,271,557	$ 61	$ 6,772,376	$ 56

Advanced International Multitech Co., Ltd. and Subsidiaries

Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates and Joint Ventures)

January 1 to December 31, 2021

Table 1

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

Investor	Type and name of securities	Relationship with the issuer	General ledger account	End of the period				Note
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
Advanced International Multitech Co., Ltd.	Hua Nan Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	57,438	$ 55	10.6	$ 1,009	

Advanced International Multitech Co., Ltd. and Subsidiaries

Purchases from and Sales to Related Parties Amounting to at Least $100 Million or Exceeding 20% of Paid-in Capital

January 1 to December 31, 2021

Table 2

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

			Transaction details				Situation and reason of why trading conditions are different from general trading		Notes or accounts receivable (payable)		
Name of company	Name of the counterparty	Relationship	Purchase (sale)	Amount	Ratio to total purchases (sales) (%)	Loan period	Unit price	Loan period	Balance	Ratio on total notes and accounts receivable (payable)	Note
Advanced International Multitech Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	Second-tier subsidiary	Purchases	$ 8,571,540	76%	Note 1	Note 1	Note 1	($ 1,477,878)	76%	Note 2
Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	Subsidiary	Purchases	2,588,657	23%	Note 1	Note 1	Note 1	(264,939)	14%	Note 2
Advanced Sporting Goods (Dongguan) Co., Ltd.	Advanced International Multitech Co., Ltd.	Ultimate parent company	Sales	(8,571,540)	100%	Note 3	Note 3	Note 3	1,477,878	100%	
Advanced International Multitech (VN) Corporation Ltd.	Advanced International Multitech Co., Ltd.	Parent company	Sales	(2,588,657)	100%	Note 3	Note 3	Note 3	264,939	100%	

Note 1: The prices and terms of payment of the Company’s purchases from Advanced Sporting Goods (Dongguan) Co., Ltd. and Advanced International Multitech (VN) Corporation Ltd. were agreed by both parties and were not comparable to the normal transactions as there were no transactions of similar products.

Note 2: The purchase (sales) amount comprises the sales revenue (sales of raw materials and work-in-progress) and operating costs (purchase of goods) arising from the Company’s sales to its subsidiaries and sub-subsidiaries, that's about processing of removal materials, offset by $1,539,748 for the period between January 1 to December 31, 2021.

Note 3: The price and collection terms of the company’s sales to Advanced International Multitech Co., Ltd. were agreed by both parties, which were not comparable to normal transactions as there were no similar counterparties or products.

Advanced International Multitech Co., Ltd. and Subsidiaries

Receivables from Related Parties Amounting to at Least NT$100 Million or Exceeding 20% of Paid-in Capital

January 1 to December 31, 2021

Table 3

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

Name of company	Name of the counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Amounts of receivables from related parties received in subsequent period	Allowance for doubtful accounts	Note
					Amount	Action taken			
Advanced Sporting Goods (Dongguan) Co., Ltd.	Advanced International Multitech Co., Ltd.	Ultimate parent company	$ 1,477,878	5.31	$ -	-	$ 373,965	$ -	
Advanced International Multitech (VN) Corporation Ltd.	Advanced International Multitech Co., Ltd.	Parent company	264,939	5.86	-	-	86,398	-	

Advanced International Multitech Co., Ltd. and Subsidiaries

Parent-subsidiary and Subsidiary-subsidiary Business Relations and Significant Transactions and Amounts Thereof

January 1 to December 31, 2021

Table 4

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

No. (Note 1)	Name of the company	Name of the transaction counterparty	Relationship with counterparty (Note 2)	Conditions of transactions			
				General ledger account	Amount	Transaction terms	Ratio to consolidated total revenue or total assets (%)
0	Advanced International Multitech Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	1	Purchases	$ 8,571,540	According to the agreement between both parties	51%
0	Advanced International Multitech Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	1	Accounts payable	1,477,878	According to the agreement between both parties	11%
0	Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	1	Purchases	2,588,657	According to the agreement between both parties	15%
0	Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	1	Accounts payable	264,939	According to the agreement between both parties	2%

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in “Number” column as below:

(1) The parent company is coded 0.

(2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Three kinds of relationship with counterparty are as follows:

(1) Parent company to its subsidiary.

(2) Subsidiary to its parent company.

(3) Subsidiary to another subsidiary.

Advanced International Multitech Co., Ltd. and Subsidiaries

Name, Location and Information on Investee Companies (Excluding Investee Companies in Mainland China)

January 1 to December 31, 2021

Table 5

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

Investor	Name of investee company	Location	Primary business	Original investment amount		Ownership, end of period			Net profit or loss of investee company	Recognized investment gain or loss for the period	Note
				End of this period	End of last year	Number of shares	Ownership (%)	Carrying amount			
Advanced International Multitech Co., Ltd.	ADVANCED GROUP INTERNATIONAL (BVI) CO., LTD.	British Virgin Islands	Investment in other regions	$ 149,434	$ 149,434	4,584,815	100	$ 694,421	$ 179,500	$ 179,994	Note 1
Advanced International Multitech Co., Ltd	ADVANCED INTERNATIONAL MULTITECH (VN) CORPORATION LTD.	Vietnam	Engaged in the production and sales of various golf club shafts and heads, golf sets.	447,331	447,331	14,000,000	100	530,902	24,042	25,841	Note 1, 2
Advanced International Multitech Co., Ltd	Launch Technologies Co., Ltd. (LTC)	Taiwan	Engaged in production of sports products, other plastic products and international trade	266,495	266,495	28,518,424	55.93	628,112	236,837	132,461	
Advanced International Multitech Co., Ltd	Munich Composites GmbH	Germany	Engaged in design, research, development and production of carbon fiber bicycle wheels and carbon fiber reinforced polymer product.	49,212	49,212	21,003	27.27	-	(8,579)	(2,340)	Note 2

Note 1: The difference between the profit or loss of the investee for the period and the investment profit or loss recognized by the Company is the unrealized gain or loss arising from inter-company transactions.
Note 2: Investment gain or loss recognized in the self-closing financial statements of the investee company.

Advanced International Multitech Co., Ltd. and Subsidiaries
Investments in Mainland China - General Information
January 1 to December 31, 2021

Table 6

Unit: In Thousands of New Taiwan Dollars
(Unless Otherwise Specified)

Investee company	Primary business	Actual paid-in capital	Method of investment	Beginning balance of accumulated outflow of investment from Taiwan	Remittance or recovery of investment amount: Remittance	Remittance or recovery of investment amount: Recovery	Ending balance of accumulated outflow of investment from Taiwan	Net profit or loss of investee company	Direct or indirect ownership of the Company (%)	Recognized investment gain or loss for the period	Carrying amount of investment, end	Ending balance of accumulated inward remittance of investment income	Note
Advanced Group International (BVI) Co., Ltd.: Advanced Sporting Goods (Dongguan) Co., Ltd.	Engaged in production and sale of carbon fiber prepare materials and sports products	$ 149,446	2	$ 149,434	$ -	$ -	$ 149,434	$ 189,646	100	$ 189,646	$ 698,034	$ 948,328	Note1, 2
Advanced Sporting Goods (Dongguan) Co., Ltd.: Baoji Zatech Material Co., Ltd.	Engaged in production of materials	17,744	3	-	-	-	-	(516)	25	(129)	3,200	-	Note1, 2, 3, 4

Note 1: Investment methods are classified into the following four categories:
1. Remittance to Mainland China through a third region
2. Investment in Mainland China company through company invested and established by third-party region.
3. Investment in Mainland China company through reinvestment in existing company in third-party region.
4. Other methods

Note 2: Investment gain or loss recognized in accordance with the financial statements reviewed by the parent company in Taiwan.
Note 3: the amount of paid-in capital is converted based on the RMB4,000 thousand exchange rate of 4.436.
Note 4: Being the subsidiary of the Company, Ming An Sports Equipment (Dong Guan) Co., Ltd. directly invested in the investee company in Mainland China, the Company does not have actual remittance amount.

Name of company	Accumulated investment remitted from Taiwan to Mainland China at the end of the period	Investment Amounts Authorized by Investment Commission, MOEA	Upper limit on investment authorized by the Investment Commission, M.O.E.A.
Advanced International Multitech Co., Ltd. (Note 5, 6, 7)	$ 149,434	$ 126,691	$ 2,260,994

Note 5: Accumulated outward remittance from Taiwan to Mainland China at the end of the period is translated at the spot exchange rate of USD4,577 thousand at the time of the remittance.
Note 6: The investment amount approved by the Investment Commission of the Ministry of Economic Affairs is USD4,577 thousand, which is translated using the USD exchange rate of 27.68 at the balance sheet date.
Note 7: According to the quota stipulated in letter No. 09704604680 of the Ministry of Economic Affairs on August 29, 2008.

Advanced International Multitech Co., Ltd. and Subsidiaries

Investments in Mainland China - Significant Transactions between the Company and Investee Companies in Mainland China Directly or Indirectly through Entities in a Third Area

January 1 to December 31, 2021

Table 7

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

Investee company	Sales (purchases)		Property transaction		Accounts receivable (payable)		Endorsement/guarantee or collateral provided		Financing				Others
	Amount	%	Amount	%	Balance	%	Ending balance	Purpose	Maximum balance	Ending balance	Interest rate range	Current interest	
Advanced Sporting Goods (Dongguan) Co., Ltd.	($ 8,571,540)	(76%)	$ -	-	($ 1,477,878)	(76%)	$ -	-	$ -	$ -	-	$ -	Note

Note: The purchase (sales) amount comprises the sales revenue (sales of raw materials and work-in-progress) and operating costs (purchase of goods) arising from related processing of the Company's sales to Advanced Sporting Goods (Dongguan) Co., Ltd., that's about processing of removal materials, offset by $1,539,748 for the period between January 1 to December 31, 2021.

Advanced International Multitech Co., Ltd. and Subsidiaries

Major Shareholder Information

December 31, 2021

Table 8

Major shareholder's name	Shareholding	
	Number of shares	Shareholding ratio
Ming An Investment Co., Ltd.	12,134,838	8.96%

Note: (1) The major shareholders in this table are shareholders holding more than 5% of the common and preference shares that have completed delivery of non-physical registration (incl. treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. However, the share capital recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to calculation bases.

(2) For the above are shares entrusted by the shareholders, the information thereto shall base on the shares disclosed by the individual trust account of opened by the trustees. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act and whose shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to the Market Observation Post System.