CoAsia Electronics Corp.
Financial Statements and CPAs' Report
For the Years Ended December 31, 2021 and 2020
(Stock Code: 8096)

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CoAsia Electronics Corp.

Financial Statements and CPAs' Report for 2021 and 2020

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Independent Auditors' Report

(111) C.S.B.Z. No. 21004380

To: CoAsia Electronics Corp.,

Opinions

The Balance Sheets of CoAsia Electronics Corp. (hereinafter “CoAsia Electronics Corp.”) as of December 31, 2021 and 2020, in addition to the Composite Income Sheets, Statements of Changes in Equity, Statements of Cash Flows, and Notes to the Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2021 and 2020, have been audited by the CPAs.

In the opinion of the CPAs, the above financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers, and are sufficient to give a fair representation of the financial position of CoAsia Electronics Corp. as at December 31, 2021 and 2020, and the financial performance and cash flow from January 1 to December 31, 2021 and 2020.

Basis for Opinions

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

Key Audit Matters

Key audit matters refer to those which, in accordance with the professional judgment of the CPAs, are most important for the audit of the financial statements of CoAsia Electronics Corp. for the year 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the financial statements of CoAsia Electronics Corp. for the year 2021 are listed as follows:

Inventory Evaluation

Description

Please refer to Note IV (XI) of the financial report for the accounting policy of inventory evaluation; please refer to Note V(II) of the financial report for the uncertainty of accounting estimates and assumptions of inventory evaluation; and refer to Note VI(IV) to the financial report for the description of allowance for inventory impairment loss. The inventory balance of CoAsia Electronics Corp. on December 31, 2021 was NT$348,297 thousand (including NT$16,269 thousand after deducting allowance for inventory impairment loss).

CoAsia Electronics Corp. operates the wholesale sales of electronic components and materials. Due to the short life cycle of its related products and the fierce market competition, there is a high risk of inventory impairment loss or obsolescence. CoAsia Electronics Corp.'s inventories are measured at the lower of cost and net realizable value; for inventories that are outdated and obsolete beyond a certain period of time, the net realizable value is calculated based on historical information on the extent of inventory depletion and discount rate.

Due to the rapid technological changes in the industry in which CoAsia Electronics Corp. operates, and because the net realizable value used in evaluating outdated and obsolete inventories often involves subjective judgments and therefore has a high degree of estimation uncertainty, considering that the inventory of CoAsia Electronics Corp. and its allowance for inventory impairment loss have a significant impact on the financial statements, the CPAs believe that the assessment of the inventory of CoAsia Electronics Corp. and its allowance for inventory impairment loss is one of the most important matters in this year's audit.

Response audit procedures

The CPAs' response procedures for the above-mentioned aspects are summarized as follows:

1. In accordance with the requirements of accounting principles and the understanding of CoAsia Electronics Corp.'s operation and industry nature, assess the rationality of the policies and procedures adopted in assessing the provision for impairment losses on inventories, including the classification of inventories based on the net realizable value, and the degree of expiry of inventories Sources of historical information and discount margins and the rationality of judging obsolete and obsolete inventory items.
2. Identify the warehouse management process of CoAsia Electronics Corp., review its annual inventory plan and participate in the annual inventory checking to evaluate the effectiveness of management in distinguishing and controlling obsolete inventory.
3. Verify the properness of the inventory age report used by CoAsia Electronics Corp. for evaluation, and estimate the net realizable value of the inventory that exceeds a certain period

of time, estimate its net reliable value based on the historical information on the extent of inventory depletion and discount rate, so as to evaluate the rationality of the allowance for inventory impairment loss determined by CoAsia Electronics Corp..

4. Execute the verification of the calculation logic of the net realizable value of inventories, and then evaluate the rationality of the allowance for impairment loss determined by CoAsia Electronics Corp..

Evaluation on the Allowance for Losses of Accounts Receivable

Description

Please refer to Note IV (IX) of the financial report for the evaluation on the allowance for losses of accounts receivable; please refer to Note V(II) of the financial report for the uncertainty of accounting estimates and assumptions of the allowance for losses of accounts receivable; and refer to Note VI(II) to the financial report for the description of the allowance for losses of accounts receivable. The balance of accounts receivable of CoAsia Electronics Corp. as at December 31, 2021 was NT$1,230,807 thousand (including the deducted allowance for loss of NT$304 thousand).

The accounts receivable of CoAsia Electronics Corp. are based on historical experience, forward-looking information and other known reasons or existing objective evidence to estimate the expected credit impairment losses that may occur, and are listed as deduction from accounts receivable in the current period when the accounts receivable may not be recovered, and CoAsia Electronics Corp. regularly reviews the rationality of its loss estimates. Because the evaluation of allowance losses often involves the subjective judgment of the management, various industrial prosperity indicators or the possibility of account recovery after the period, and the amount to be set aside is estimated accordingly, considering that the accounts receivable of CoAsia Electronics Corp. and its allowance for loss have a significant impact on the financial statements, the CPAs believe that the assessment of the allowance for loss of accounts receivable of CoAsia Electronics Corp. is one of the most important matters in this year's audit.

Response audit procedures

The CPAs' response procedures for the above-mentioned aspects are summarized as follows:

1. In accordance with the requirements of accounting principles and the understanding of the

operation of CoAsia Electronics Corp. and the credit quality of customer credit standards, assess the rationality of the policies and procedures for the provision of allowance losses of accounts receivable, including the rationality of group classification and aging analysis to determine the credit quality of customer credit standards.

2. Obtain the overdue aging data sheet used by the management to evaluate the expected credit loss rate of accounts receivable, confirm that the logic of the data source is consistent, and test the relevant forms to confirm the correctness of the aging data.
3. Evaluate the rationality of the estimates used by management to estimate the expected credit losses of accounts receivable and obtain relevant supporting documents, including: Long overdue accounts, collections after the period, and signs that customers are unable to repay on time, etc.
4. Post-period collection test to support the adequacy of the provision of allowance losses.

Authenticity of Revenue Recognition

Description

Please refer to Note IV (XXVI) to the financial report for the accounting policy for revenue recognition.

CoAsia Electronics Corp. is mainly engaged in the wholesale sales of electronic components and is an agent of Samsung Electronics. The sales revenue in 2021 was NT$14,564,375 thousand. CoAsia Electronics Corp.'s sales targets include consumer electronics manufacturers and distributors at home and abroad, and due to changes in the consumer electronics product end market and changes in Samsung Electronics' sales strategy, as well as the huge amount and volume of sales revenue, which have an impact on the financial statements. Therefore, the CPAs considers that the authenticity of CoAsia Electronics Corp.'s revenue recognition is one of the most important matters in this year's audit.

Response audit procedures

The CPAs' response procedures for the above-mentioned aspects are summarized as follows:

1. In accordance with the requirements of accounting principles and the understanding of the internal control of CoAsia Electronics Corp. to obtain significant sales targets, including the relevant credit investigation procedures and accounting policies for revenue recognition.
2. Identify the rationality of the credit investigation and related approval procedures carried out by CoAsia Electronics Corp. for important transaction partners.
3. Perform spot checks on sales revenue transactions, including checking the date and amount of sales invoices and the delivery orders which have been properly approved and signed to confirm that the transactions have indeed occurred and belonged to the appropriate period.
4. For a certain period before and after the balance sheet date, identify the reasons for the significant return of sales and evaluate the rationality of the vesting period.

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

To ensure that the financial statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent financial statements in accordance with the Financial Reporting Standards for Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the financial statements.

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

Those in charge with CoAsia Electronics Corp.’s governance (including the Audit Committee) are responsible for overseeing its financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CoAsia Electronics Corp.'s internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CoAsia Electronics Corp.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause CoAsia Electronics Corp. to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the financial statements (including relevant Notes), and whether the financial statements fairly present relevant transactions and

items.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within CoAsia Electronics Corp. to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the financial statements.

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

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

From the communication with the management unit, the accountant decided on the key audit matters for the financial statements of CoAsia Electronics Corp. for 2021. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Hsu, Yung-Chien

CPA

Wu, Han-Chi

Former Securities Regulatory Commission of the Ministry of Finance
Approval File No.: (84) T.C.Z. (L) No. 13377
Former Securities and Futures Commission of the Ministry of Finance
Approval File No.: (90) T.C.Z. (L.) Z. No. 157088

March 8, 2022

CoAsia Electronics Corp.
Parent Company Only Balance Sheets
December 31, 2021 and 2020

Unit: NT$ thousand

	Assets	Note	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current Assets					
1100	Cash and Cash Equivalents	VI(I)	$ 82,947	2	$ 90,169	2
1110	Financial assets at fair value through profit or loss - current	VI(V)	4,734	-	4,880	-
1136	Financial assets at amortized cost - current	VI(I) and VIII	122,003	2	79,651	2
1170	Accounts receivable, net	VI(II)(III) and VIII	1,230,807	23	868,469	18
1180	Accounts receivable - related parties, net	VII	1,509,061	28	1,627,617	34
1200	Other receivables	VI(III)	28,509	1	12,870	-
1210	Other receivables - related parties	VII	5,972	-	55,328	1
130X	Inventories	VI(IV)	348,297	6	360,653	8
1410	Prepayments	VII	47,600	1	215,568	5
1470	Other Current Assets	VI(VII)	460,783	9	902	-
11XX	**Total current assets**		3,840,713	72	3,316,107	70
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	VI(V)	21,685	-	25,481	-
1550	Investments Accounted for Using the Equity Method	VI(VI) and VII	1,259,846	23	1,195,438	25
1600	Property, Plant, and Equipment	VI(VIII) and VIII	150,061	3	127,525	3
1755	Right-of-use assets	VI(IX)	5,233	-	3,409	-
1780	Intangible Assets	VI(X)	30,610	1	32,905	1
1840	Deferred income tax assets	VI(XXII)	36,288	1	57,525	1
1900	Other non-current assets		4,388	-	4,062	-
15XX	**Total non-current assets**		1,508,111	28	1,446,345	30
1XXX	**Total assets**		$ 5,348,824	100	$ 4,762,452	100

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CoAsia Electronics Corp.
Parent Company Only Balance Sheets
December 31, 2021 and 2020

Unit: NT$ thousand

	Liabilities and Equity	Note	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current Liabilities					
2100	Short-term Loans	VI(XII) and VIII	$ 2,350,465	44	$ 1,993,751	42
2110	Short-term notes and bills payable		100,000	2	-	-
2130	Contract liabilities - current	VI(XVIII)	51,859	1	35	-
2170	Accounts Payable		132,661	2	74,985	2
2180	Accounts payable - related parties	VII	83,738	2	72,751	1
2200	Other payables	VI(XIII)	133,067	3	88,559	2
2220	Others payables - related parties	VI(XIII) and VII	174	-	109,462	2
2230	Current income tax liabilities	VI(XXII)	30	-	852	-
2280	Lease liabilities - current		2,657	-	2,288	-
2300	Other current liabilities		1,660	-	1,865	-
21XX	**Total current liabilities**		2,856,311	54	2,344,548	49
	Non-current liabilities					
2570	Deferred income tax liabilities	VI(XXII)	632	-	1,421	-
2580	Lease liabilities - non-current		2,685	-	1,217	-
2600	Other non-current liabilities	VI(VI)	5,395	-	11,528	1
25XX	**Total non-current liabilities**		8,712	-	14,166	1
2XXX	**Total liabilities**		2,865,023	54	2,358,714	50
	Equity					
	Capital Stock	VI(XV)				
3110	Capital stock - common shares		1,452,648	27	1,424,165	30
	Capital Surplus	VI(XVI)				
3200	Capital Surplus		837,054	16	836,817	18
	Retained Earnings	VI(XVII)				
3310	Legal reserve		66,161	1	56,053	1
3320	Special reserve		84,408	2	52,594	1
3350	Unappropriated earnings		183,946	3	118,517	2
	Other equity					
3400	Other equity		(140,416)	(3)	(84,408)	(2)
3XXX	**Total equity**		2,483,801	46	2,403,738	50
	Significant Contingent Liabilities and Unrecognized Contract Commitments	IX				
	Significant Events after the Balance Sheet Date	XI				
3X2X	**Total liabilities and equity**		$ 5,348,824	100	$ 4,762,452	100

Please refer to also the accompanying notes to the financial statements, which are an integral part of the financial statements.

Chairman: Lee Hee Jun

Managerial officer: Shin Dong Soo

Accounting Manager: Wang, Peng-Cheng

CoAsia Electronics Corp.
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand
(Except earnings per share in NT$)

Code	Item	Note	2021 Amount	2021 %	2020 Amount	2020 %
4000	Operating Revenue	VI(XVIII) and VII	$ 14,564,375	100	$ 9,855,383	100
5000	Operating Costs	VI(IV) and VII	(14,222,536)	(97)	(9,638,504)	(98)
5900	Gross profit		341,839	3	216,879	2
5910	Unrealized sales profits	VI(VI)	(14,289)	-	(11,151)	-
5920	Realized gains from sales	VI(VI)	11,151	-	8,520	-
5950	Gross profit, net		338,701	3	214,248	2
	Operating expenses	VI(XX) (XXI) and VII				
6100	Selling and Marketing Expenses		(111,422)	(1)	(72,801)	(1)
6200	General and Administrative Expenses		(116,660)	(1)	(99,860)	(1)
6300	Research and development expenses		(17,927)	-	(28,013)	-
6450	Expected credit impairment gains (losses)	XII(II)	24	-	(328)	-
6000	Total operating expenses		(245,985)	(2)	(201,002)	(2)
6900	Operating gains		92,716	1	13,246	-
	Non-operating income and expenses					
7100	Interest income		1,176	-	732	-
7010	Other income	VII	37,698	-	24,394	-
7020	Other gains or losses	VI(XIX)	(38,994)	(1)	(51,816)	-
7050	Finance costs	VII	(36,960)	-	(37,821)	-
7070	Share of profit or loss of subsidiaries, associates, and joint ventures recognized using the equity method	VI(VI)	129,251	1	139,781	1
7000	Total non-operating income and expenses		92,171	-	75,270	1
7900	**Net income before tax**		184,887	1	88,516	1
7950	Income tax (expenses) incomes	VI(XXII)	(20,570)	-	12,569	-
8200	**Net profit for the period**		$ 164,317	1	$ 101,085	1
	Other comprehensive income (net)					
	Components that may be reclassified to profit or loss					
8361	Exchange differences on translation of financial statements of foreign operations		($ 56,008)	-	($ 34,040)	-
8300	**Other comprehensive income (net)**		($ 56,008)	-	($ 34,040)	-
8500	**Total comprehensive income (loss) for the period**		$ 108,309	1	$ 67,045	1
	Basic earnings per share					
9750	Net profit for the period	VI(XXIII)	$ 1.13		$ 0.70	
	Diluted earnings per share					
9850	Net profit for the period	VI(XXIII)	$ 1.12		$ 0.69	

Please refer to also the accompanying notes to the financial statements, which are an integral part of the financial statements.

Chairman: Lee Hee Jun | Managerial officer: Shin Dong Soo | Accounting Manager: Wang, Peng-Cheng

CoAsia Electronics Corp.

Parent Company Only Statements of Changes in Equity

For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand

	Note		Capital Surplus				Retained Earnings			Other equity	
	Note	Capital stock - common shares	Capital surplus - share premium	Capital surplus - treasury share transactions	Capital surplus - recognized value of changes in equity of ownership of subsidiaries	Capital surplus - others	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Total Equity
2020											
Balance as of January 1, 2020		$ 1,396,240	$ 744,222	$ 60,466	$ 32,129	$ -	$ 47,910	$ 52,594	$ 81,425	($ 50,368)	$ 2,364,618
Net income in 2020		-	-	-	-	-	-	-	101,085	-	101,085
Other comprehensive income in 2020		-	-	-	-	-	-	-	-	(34,040)	(34,040)
Total comprehensive income (loss) for the period		-	-	-	-	-	-	-	101,085	(34,040)	67,045
Distribution of earnings in 2019	VI(XVII)										
Legal reserve		-	-	-	-	-	8,143	-	(8,143)	-	-
Cash dividends		-	-	-	-	-	-	-	(27,925)	-	(27,925)
Stock dividends		27,925	-	-	-	-	-	-	(27,925)	-	-
Balance as of December 31, 2020		$ 1,424,165	$ 744,222	$ 60,466	$ 32,129	$ -	$ 56,053	$ 52,594	$ 118,517	($ 84,408)	$ 2,403,738
2021											
Balance as of January 1, 2021		$ 1,424,165	$ 744,222	$ 60,466	$ 32,129	$ -	$ 56,053	$ 52,594	$ 118,517	($ 84,408)	$ 2,403,738
Net income in 2021		-	-	-	-	-	-	-	164,317	-	164,317
Other comprehensive income in 2021		-	-	-	-	-	-	-	-	(56,008)	(56,008)
Total comprehensive income (loss) for the period		-	-	-	-	-	-	-	164,317	(56,008)	108,309
Distribution of earnings in 2020	VI(XVII)										
Legal reserve		-	-	-	-	-	10,108	-	(10,108)	-	-
Provision of special reserve		-	-	-	-	-	-	31,814	(31,814)	-	-
Cash dividends		-	-	-	-	-	-	-	(28,483)	-	(28,483)
Stock dividends		28,483	-	-	-	-	-	-	(28,483)	-	-
Dividends not received by shareholders beyond the time limit converted to capital surplus		-	-	-	-	237	-	-	-	-	237
Balance as of December 31, 2021		$ 1,452,648	$ 744,222	$ 60,466	$ 32,129	$ 237	$ 66,161	$ 84,408	$ 183,946	($ 140,416)	$ 2,483,801

Please refer to also the accompanying notes to the financial statements, which are an integral part of the financial statements.

Chairman: Lee Hee Jun　　Managerial officer: Shin Dong Soo　　Accounting Manager: Wang, Peng-Cheng

CoAsia Electronics Corp.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand

	Note	From January 1 to December 31, 2021	From January 1 to December 31, 2020
Cash flows from operating activities			
Net profit before tax of the period		$ 184,887	$ 88,516
Adjustment item			
Income (expense) items			
Depreciation expenses (including right-of-use assets)	VI(VIII)(IX)(XX)	7,551	5,304
Amortization expenses	VI(X)(XX)	5,810	4,516
Expected credit impairment (gains) losses	XII(II)	(24)	328
Interest expenses		36,960	37,821
Interest income		(1,176)	(732)
Net loss (gain) on financial assets at fair value through profit or loss	VI(XIX)	3,942	(18,423)
Share of gains of subsidiaries, affiliates, and joint ventures recognized using the equity method	VI(VI)	(129,251)	(139,781)
Losses (gains) on disposal of property, plant, and equipment	VI(XIX)	173	(37)
Loss from disposal of non-current assets to be sold	VI(XI)(XIX)	-	435
Unrealized sales profits	VI(VI)	14,289	11,151
Realized gains from sales	VI(VI)	(11,151)	(8,520)
Changes in operating assets and liabilities			
Net change in assets related to operating activities			
Notes receivable		-	4,910
Accounts Receivable		(362,314)	(262,823)
Accounts receivable - related parties		118,556	(41,830)
Other receivables		(15,640)	(46)
Other receivables - related parties		2,397	2,296
Inventories		12,356	(226,187)
Prepayments		167,968	12,252
Other Current Assets		(459,881)	(837)
Net change in liabilities related to operating activities			
Contract Liabilities		(35)	(454)
Accounts Payable		57,676	35,949
Accounts payable - related parties		10,987	54,681
Other payables		95,908	3,650
Other payables - related parties		(1,064)	(688)
Other current liabilities		(205)	(83)
Cash outflow generated from operations		(261,281)	(438,632)
Interest received		1,177	776
Interest paid		(36,501)	(39,648)
Income tax (paid) returned		(944)	81
Net cash flows use in operating activities		(297,549)	(477,423)

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CoAsia Electronics Corp.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand

	Note	From January 1 to December 31, 2021	From January 1 to December 31, 2020
Cash flows from investing activities			
Decrease (increase) in other receivables - related parties		$ 31,328	($ 31,328)
(Increase) decrease in financial assets at amortized cost		(42,352)	5,895
Acquisition of investments accounted for using the equity method	VI(VI)	(1,400)	-
Acquisition of property, plant, and equipment	VI(VIII)	(27,146)	(556)
Acquisition of financial assets at fair value through profit or loss		-	(5,000)
Price of asset disposal		15,631	47,294
Price of disposal of non-current assets to be sold	VI(XI)	-	5,238
Proceeds from disposal of property, plant, and equipment		2	58
Acquisition of intangible assets	VI(X)	(3,524)	(3,136)
Increase in prepayments for equipment		(326)	-
Decrease in refundable deposits		-	965
Net cash (outflows) inflows from investing activities		(27,787)	19,430
Cash flows from financing activities			
Increase in short-term loans	VI(XXIV)	356,714	221,400
Increase in short-term notes and bills payable	VI(XXIV)	100,000	-
Repayment of the principal portion of leases	VI(XXIV)	(3,103)	(3,170)
(Decrease) increase in other payables - related parties		(108,224)	108,224
Cash dividends paid	VI(XVII)	(28,483)	(27,925)
Dividends not received by shareholders beyond the time limit converted to capital surplus		237	-
Net cash flows generated from financing activities		317,141	298,529
Effect of exchange rate		973	1,014
Decrease in cash and cash equivalent in the period		(7,222)	(158,450)
Beginning balance of cash and cash equivalents	VI(I)	90,169	248,619
Ending balance of cash and cash equivalents	VI(I)	$ 82,947	$ 90,169

Please refer to also the accompanying notes to the financial statements, which are an integral part of the financial statements.

Chairman: Lee Hee Jun		Managerial officer: Shin Dong Soo		Accounting Manager: Wang, Peng-Cheng	

CoAsia Electronics Corp.
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand
(Unless Stated Otherwise)

I. Company History

CoAsia Electronics Corp. (hereinafter referred to as the "Corporation") was established in November 1997. The main business activities of the Corporation are research, development and design of integrated circuits, international trade, electronic component manufacturing, product design, electronic material wholesale and intellectual property rights, etc. The Corporation's stock has been listed for trading on the Taipei Exchange (TPEx) since July 15, 2004.

II. Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

The financial statements were reported to and issued by the Corporation's Board of Directors on March 8, 2022.

III. Application of New and Amended Standards and Interpretations

(I) The impact of adopting new and revised IFRSs recognized by the Financial Supervisory Commission ("FSC")

The following table summarizes the new, amended and revised standards and interpretations of the applicable IRFSs for 2021 recognized by the FSC:

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Phase 2 "Interest Rate Benchmark Reform"	January 1, 2021
Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021"	April 1, 2021 (Note)

Note: FSC allows earlier application on January 1, 2021.

Note: FSC allows earlier application on January 1, 2021.

The Corporation found through assessment that the above standards and interpretations have no material impact on the Corporation's financial condition and financial performance.

(II) The impact of not adopting new and revised IFRSs recognized by the FSC

The following table summarizes the new, amended and revised standards and interpretations of the applicable IRFSs for 2022 recognized by the FSC:

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the 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 Contracts - Cost of Fulfilling a Contract"	January 1, 2022
Annual Improvements to IFRSs 2018-2020 Cycle	January 1, 2022

The Corporation found through assessment that the above standards and interpretations have no material impact on the Corporation's financial condition and financial performance.

(III) Impact of IFRSs issued by the IASB but not yet endorsed by the FSC

The following table summarizes the new, amended and revised standards and interpretations that have been issued by the IASB but have not yet been incorporated into the FSC-approved IFRS standards and interpretations:

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined by 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 Corporation found through assessment that the above standards and interpretations have no material impact on the Corporation's financial condition and financial performance.

IV. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial standards are described below. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

(I) Compliance declaration

The financial statements have been prepared in accordance with the Financial Reporting Standards for Securities Issuers.

(II) Preparation basis

1. Except for financial assets at fair value through profit or loss, these financial statements have been prepared at historical cost.
2. The preparation of financial statements in compliance with the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations (hereinafter referred to as IFRSs) recognized by the FSC requires the use of certain critical accounting estimates and the use of management's judgment in the process of applying the Corporation's accounting policies. For items involving a high degree of judgment or complexity, or involving significant assumptions and estimates in the financial statements, please refer to Note V for details.

(III) Foreign currency conversion

Items included in the financial statements of the Corporation are measured in the currency of the primary economic environment in which the Corporation operates (i.e., the functional currency). The financial statements are presented in the New Taiwan dollar, the Corporation's functional currency.

1. Foreign currency transactions and balances
   (1) Foreign currency transactions are translated into the functional currency using the spot exchange rate on the transaction date or measurement date, and translation differences arising from the translation of these transactions are recognized as current gains or losses.
   (2) The balance of monetary assets and liabilities denominated in foreign currencies shall be evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment shall be recognized as the current profit and loss.
   (3) The balance of foreign currency non-monetary assets and liabilities, which are measured at fair value through gains or losses, is adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as the current gains or losses; for those measured at fair value through other

composite gains or losses, the adjustment is evaluated at the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in other composite gains or losses; those not measured at fair value are measured at the historical exchange rate on the initial transaction date.

(4) All exchange gains or losses are reported under “Other gains or losses” of the statement of gains or losses.

2. Translation of foreign operating entities

(1) For all entities and affiliates of the Corporation whose functional currency is different from the expression currency, the operating results and financial position are converted into the expression currency in the following manner:

A. Assets and liabilities expressed on each balance sheet are translated at the closing exchange rate on that balance sheet date;

B. The gains or losses expressed in each consolidated statement of gains or losses are translated at the average exchange rate for the period; and

C. All exchange differences arising from translation are recognized in other composite gains or losses.

(2) When the foreign operating institution that is partially disposed of or sold is an affiliate, the exchange difference under other composite gains or losses will be reclassified as the current gains or losses proportionally as part of the sale gain or loss. However, if the Corporation still retains part of the rights and interests in the former affiliate, but has lost its significant influence on the foreign operating organization that is an affiliate, it will be dealt with as a punishment for all the rights and interests of the foreign operating organization.

(3) When a partially disposed or sold foreign operating institution is a subsidiary, the accumulated exchange differences recognized as other composite gains or losses shall be re-attributed to the non-controlling interests of the foreign operating institution on a pro rata basis. However, if the Corporation still retains part of the rights and interests in the former subsidiary, but has lost its control over the foreign operating organization that is a subsidiary, it will be dealt with as a punishment for all the rights and interests of the foreign operating organization.

(IV) Classification criteria for distinguishing current and non-current assets and liabilities

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

(1) Those expected to be realized in the normal operating cycle, or intended to be sold or consumed.

(2) Those held primarily for trading purposes;

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

(4) Cash or cash equivalents, unless exchanged at least twelve months after the balance

sheet date or restricted from being used to settle liabilities.

The Corporation classifies all assets that do not meet the above criteria as non-current.

2. Liabilities that meet one of the following conditions are classified as current liabilities:
   (1) Those expected to be settled in the normal business cycle.
   (2) Those held primarily for trading purposes;
   (3) Those expected to be due and repaid within 12 months after the balance sheet date.
   (4) Those with a repayment schedule that cannot be unconditionally deferred till at least 12 months after the publication of the balance sheet. The terms of liabilities, which may be settled by issuing equity instruments according to the counterparty's choice, do not affect their classification.

   The Corporation classifies all liabilities that do not meet the above criteria as non-current.

(V) Cash Equivalents

Cash equivalents are short-term, highly liquid investments that can be converted into fixed amounts of cash at any time with minimal risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments for operations are classified as cash equivalents.

(VI) Financial Assets at Fair Value through Profit or Loss

1. Financial assets that are not measured at amortized cost or at fair value through other composite gains or losses.
2. The Corporation uses trade-date accounting for financial assets at fair value through gains or losses in customary transactions.
3. The Corporation measures them at fair value at the time of initial recognition, with the relevant transaction costs recognized in gains or losses, and subsequently measured at fair value, with its profits or losses recognized in gains or losses.
4. The Corporation recognizes dividend income in gains or losses when the right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow in and the amount of the dividend can be measured reliably.

(VII) Financial Assets at Amortized Cost

1. Refer to those which meet the following conditions at the same time:
   (1) The financial asset is held under an operating model whose purpose is to collect contractual cash flows.
   (2) The cash flow generated by the terms of the contract of the financial asset on a specified date is solely for the payment of principal and interest on the principal amount outstanding.

2. The Corporation uses trade date accounting for financial assets measured at amortized cost in accordance with trading conventions.
3. The Corporation measure it at its fair value plus transaction costs at the time of original recognition, and subsequently uses the effective interest method to recognize interest income and impairment losses during the circulation period using the effective interest method and amortization procedure, and recognizes the profits or losses as gains or losses at de-recognition.
4. The Corporation holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounting is not significant and is measured by the investment amount.

(VIII) Accounts Receivable

1. Refer to the account that has the right to unconditionally receive the consideration amount in exchange for the transfer of goods or services according to the contract.
2. Short-term accounts receivable with no interest paid are measured by the Corporation at the original invoice amount as the effect of discounting is insignificant.

(IX) Impairment of Financial Assets

With respect to financial assets at fair value through gains or losses which have not significant increased in credit risk since original recognition, the Corporation measures the allowance loss according to the 12-month expected credit loss amount on each balance sheet date after considering all reasonable and corroborative information (including forward-looking ones); for those whose credit risk has increased significantly since the original recognition, the Corporation measures the allowance loss according to the expected credit loss amount during the duration; for accounts receivable that do not include significant financial components, the allowance losses are measured according to the expected credit loss amount during the duration.

(X) De-recognition of Financial Assets

The Corporation will de-recognize financial assets when one of the following conditions is met:

1. The contractual right to receive cash flows from the financial asset lapses.
2. The contractual right to receive cash flows from a financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.
3. The contractual right to receive cash flows from a financial asset has been transferred, but the control over the financial asset does not retain.

(XI) Inventories

Inventories are measured at the lower of cost and net realizable value, and cost carry-forward is calculated using the weighted average method. When comparing the lower of the cost and the net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the balance after deducting the estimated selling price in the normal course of business to the estimated cost to be invested in completion and related variable selling expenses.

(XII) Non-current Assets for Sale

When the carrying amount of a non-current asset is mainly recovered through a sale transaction rather than continued use, and the sale is highly probable, they are classified as assets for sale and measured at the lower of the book value and the fair value less cost of selling.

(XIII) Investments Accounted for Using the Equity Method - Subsidiaries and Affiliates

1. Subsidiary means an entity (including structured entity) that is controlled by the Corporation when the Corporation is exposed to or entitled to variable remuneration arising from participation in such entity and is able to influence such remuneration through its power over such entity.
2. All unrealized gains or losses arising from transactions between the Corporation and its subsidiaries have been written off. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with those adopted by the Corporation.
3. The Corporation recognizes the share of gains or losses of the subsidiaries as current gains or losses, and recognizes the share of other composite gains or losses as other composite gains or losses. When the shares of losses of a subsidiary recognized by the Corporation equal or exceed its equity in that subsidiary, the Corporation continues recognizing its losses according to the ownership proportion.
4. Affiliates refer to all entities over which the Corporation has significant influence and no control, generally by directly or indirectly holding more than 20% of their voting shares. The Corporation's investment in affiliates is dealt with by equity method and is recognized according to cost at the time of acquisition.
5. The Corporation recognizes the share of gains or losses of the affiliates as current gains or losses, and recognizes the share of other composite gains or losses as other composite gains or losses. If the Corporation's share of loss to any affiliate equals or exceeds its equity in that affiliate (including any other unsecured receivables), the Corporation does not recognize further losses unless the Corporation has a statutory obligation, a constructive

obligation or has made payments on behalf of the affiliate.

6. When there is a change in the equity of an affiliate that is not gains or losses or other composite gains or losses, which does not affect the shareholding ratio of the affiliate, the Corporation recognizes the change in equity attributable to the Corporation's share of the affiliate as "capital surplus" according to the shareholding ratio.
7. Unrealized gains or losses arising from transactions between the Corporation and its affiliates are eliminated in proportion to its equity in the affiliates; unrealized losses are also eliminated unless evidence shows that the assets transferred by the transaction have been impaired. The accounting policies of affiliates have been adjusted as necessary to be consistent with those adopted by the Corporation.
8. According to the Financial Reporting Standards for Securities Issuers, the current gains or losses and other composite gains or losses of the financial statements shall be the same as the share of the current gains or losses and other composite gains or losses attributable to the owners of the parent company in the financial statements prepared on a consolidated basis. Equity attributable to the owners of financial statements should be the same as the equity attributable to the owners of the parent company in the financial statements prepared on a consolidated basis.

(XIV) Property, Plant, and Equipment

1. Property, plant and equipment are recorded on the basis of acquisition cost, and the relevant interest during the period of acquisition and construction is capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. The carrying amount of the part being reset should be de-recognized. All other maintenance costs are recognized as gains or losses for the period when incurred.
3. Subsequent measurement of property, plant and equipment adopts the cost model, except for land, other depreciation is provided on a straight-line basis over the estimated useful life. The depreciation of each component of property, plant and equipment is provided separately if it is significant.
4. The Corporation reviews the residual value, useful life and depreciation method of each asset at the end of each financial year. If the expected value of residual value and useful life is different from previous estimates, or if there is a material change in the expected consumption pattern of future economic benefits contained in the asset, the change in accounting estimates will be treated as per the provisions of IAS No. 8 "Changes in Accounting Policies, Estimates and Errors" from the date of change. The useful life of each

major asset are as follows:

Housing and Construction	50 years
Computer and Communication Equipment	3-9 years
Office Equipment	2-12 years
Testing Equipment	3-10 years
Other Equipment	2-5 years

(XV) Lessee's Lease Transaction - Right-of-Use Asset/Lease Liability

1. Lease assets are recognized as right-of-use assets and lease liabilities when they become available for use by the Corporation. When the lease contract is for a short-term lease or a lease of a low-value underlying asset, lease payments are recognized as an expense on a straight-line basis over the lease term.
2. On the commencement date of the lease, the outstanding lease payments shall be recognized as the present value after discounting at the interest rate of the Corporation's increased loan. The lease payments include fixed payments minus any lease inducements that may be collected.
   Subsequently, the interest method is adopted to measure by the amortized cost method, and the interest expenses is provided during the lease period. The lease liabilities will be reassessed and the right-of-use asset will be remeasured when there is a change in the lease term or lease payments due to non-contractual modification.
3. Right-of-use assets are recognized at costs on the lease commencement date. Costs include:
   (1) The original measure of the lease liability.
   (2) Any lease payments paid on or before the commencement date.
   Subsequently, cost model is adopted to measure. The depreciation of right-of-use assets is provided on a straight-line basis from lease commencement date to the end of the useful life or the end of the lease term. When the lease liability is reassessed, the right-of-use asset will adjust any remeasurement of the lease liability.
4. For lease modifications that reduce the scope of lease, the lessee will reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and will recognize the difference between it and the remeasured amount of the lease liability in gains or losses.

(XVI) Intangible Assets

Computer software is recognized at cost of acquisition and amortized on a straight-line basis over an estimated useful life of 3 to 8 years.

(XVII) Impairment of Non-Financial Assets

The Corporation estimates the recoverable amount of assets with signs of impairment on the balance sheet date, and recognizes impairment losses when the recoverable amount is lower than its book value. The recoverable amount is the fair value of an asset less the cost of disposal or its use value, whichever is higher.

(XVIII) Loans

Short-term loans from banks. They are measured by the Corporation at their fair value less transaction costs at the time of initial recognition, and with respect to any difference between the price after deducting transaction costs and the redemption value, the interest expenses are subsequently recognized as gains or Losses during the circulation period using the effective interest method and amortization procedures.

(XIX) Accounts Payable

1. The debts incurred for purchasing raw materials, commodities or services on credit.
2. Short-term accounts payable with no interest paid are measured by the Corporation at the original invoice amount as the effect of discounting is insignificant.

(XX) De-recognition of Financial Liabilities

The Corporation de-recognizes financial liabilities when its contractual obligations are fulfilled, cancelled or expired.

(XXI) Offset of Financial Assets and Liabilities

Financial assets and financial liabilities may be offset against each other and expressed as net in the balance sheet only when there is a legally enforceable right to offset the recognized amount of financial assets and liabilities and there is an intention to settle the assets on a net basis or to realize both assets and liabilities simultaneously.

(XXII) Employee Benefits

1. Short-term employee benefits

   Short-term employee benefits are measured at the undiscounted amount expected to be paid and are recognized as an expense when the related services are rendered.

2. Pensions

   Defined contribution plans

   The amount of the retirement fund to be contributed is recognized as the current pension cost on an accrual basis for determining the contribution plan. Advance contribution is recognized as asset to the extent of refundable cash or reduced future payments.

3. Termination benefits

   Termination benefits are benefits provided when the employment of an employee is terminated before the normal retirement date or when the employee decides to accept the Corporation's offer of benefits in exchange for termination of employment. The Corporation recognizes expenses when the offer of termination benefits can no longer be withdrawn or when the associated restructuring costs are recognized, whichever is earlier. Benefits that are not expected to be fully settled within 12 months after the balance sheet date should be discounted.

4. Remunerations of employees and directors

   Remunerations of employees and directors are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate.

(XXIII) Income Tax

1. Income tax expense includes current and deferred income taxes. Income tax is recognized as gains or losses, except for income tax relating to items included in other composite gains or losses or directly included in equity, respectively.
2. The Corporation calculates current income tax based on the tax rates enacted or substantively enacted on the balance sheet date in the countries in which it operates and generates its chargeable income. Management periodically evaluates the status of income tax returns in respect of applicable income tax regulations and, where applicable, estimates income tax liabilities based on the taxes expected to be paid to tax authorities. The income tax imposed on undistributed earnings under the Income Tax Act shall not be recognized for the distribution of undistributed earnings until the year next to the year in which the surplus is generated after the shareholders' meeting has approved the distribution of surplus.
3. Deferred income tax is recognized using the balance sheet method on temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the balance sheet. Deferred income tax is not recognized if it arises from the original recognition of an asset or liability in a transaction (other than a business combination) that does not affect accounting profit or taxable income (taxable loss) at the time of transaction. Temporary differences arising from investments in subsidiaries and affiliates are not recognized if it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax is subject to the tax rates (and tax

laws) that are enacted or substantively enacted at the balance sheet date and that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred income tax assets are recognized to the extent that temporary differences are likely to be used to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.
5. The current income tax assets and current income tax liabilities can be offset only when there is a legal enforcement right to offset the recognized amount of current income tax assets and liabilities, and there is an intention to realize the assets and pay off the liabilities on a net basis; Only when the current income tax assets and current income tax liabilities can be offset against each other by a statutory enforcement right, and the deferred income tax assets and liabilities are generated by the same taxpayer subject to taxation by the same tax authority, or by different taxpayers but each entity intends to pay off the liabilities on a net basis or simultaneously realize the assets and pay off the liabilities, can the deferred income tax assets and liabilities be offset against each other.

(XXIV) Capital Stock

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options, net of income tax, are recognized as a deduction in equity.

(XXV) Dividend Distribution

Dividends distributed to shareholders of the Corporation are recognized in the financial statements when the Corporation's shareholders' meeting resolves to distribute dividends, when cash dividends are recognized as liabilities, and stock dividends are recognized as undistributed stock dividends, and are converted to ordinary shares on the base date of issuance.

(XXVI) Revenue Recognition

1. The Corporation is mainly engaged in the wholesale of electronic components related to mobile communications. Its sales revenue is recognized when the control of product is transferred to customer, that is, when the product is delivered to the customer, the customer has the discretion on the product sales channel and the price, and the Corporation has no outstanding performance obligations that may affect the customer's acceptance of the product. Product delivery occurs only when the product has been shipped to the designated location and the risk of obsolescence and loss has passed to the customer and the customer has accepted the products pursuant to the sales contract or there is objective evidence that all acceptance criteria have been met.
2. Revenue from the sale of electronic components is recognized at the contract price net

of estimated sales tax, returns of sales, quantity discounts and allowances. Quantity discounts and sales discounts given to customers are estimated by the Corporation based on historical experience and relevant agreements with customers. The recognized amount of revenue is limited to the portion that is highly probable that there will not be a significant reversal in the future, and the estimate is updated on each balance sheet date. Estimated discounts payable to customers in relation to sales up to the balance sheet date are recognized as a liability for refunds (other payables listed in the statements).

3. Accounts receivable are recognized when the goods are delivered to the customer, as the Corporation has an unconditional right to the contract price from that point on, and it only takes time for the consideration to be received from the customer.

(XXVII) Government subsidy

Government subsidies are recognized only when it is reasonably certain that the Corporation will comply with the conditions attached to the government subsidies and such subsidies will be received. If the nature of the government subsidy is to indemnify expenses incurred by the Corporation, the government subsidy will be recognized as current gains or losses on a systematic basis during the period in which the relevant expenses are incurred.

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

In preparing the financial statements of the Corporation, the management has used its judgment to determine the accounting policies to be adopted and has made accounting estimates and assumptions based on reasonable expectations of future events based on the conditions prevailing at the balance sheet date. Significant accounting estimates and assumptions made may differ from actual results and will be continuously evaluated and adjusted taking into account historical experience and other factors. Such estimates and assumptions carry risks that will result in a material adjustment to the carrying amounts of assets and liabilities in the next financial year. Please refer to the following explanations on the uncertainty of significant accounting judgments, estimates and assumptions:

(I) Important Judgments on Accounting Policies

Recognition of gross or net incomes

Based on the transaction type and its economic substance, the Corporation determines that the nature of its commitment to customers is its own performance obligation to provide specific goods (that is, the Corporation as the principal), or it is a performance obligation to arrange for the supply of such goods for another party (i.e., the Corporation as the agent). When the Corporation controls specific goods before it transfers it to a customer, the Corporation is the principal and revenue is recognized for the total consideration to which it is expected to be entitled to transfer the specific goods. If the Corporation does not have control over the specific goods prior to their transfer to the customer, the Corporation is the agent, making arrangements for the other party to supply the specific goods to the customer, and any charges or commissions to which the arrangement is entitled are recognized as incomes.

The Corporation controls specific goods prior to its transfer to the customer based on the following criteria:

(1) Assume primary responsibility for fulfilling commitments to provide specific goods.

(2) Bear the inventory risk before the specific goods are transferred to the customer or after the transfer of control.

(3) Has the discretion to set prices for specific goods.

(II) Significant Accounting Estimates and Assumptions

1. Inventory Evaluation

Since inventories are to be valued at the lower of cost and net realizable value, the Corporation must use judgment and estimates to determine the net realizable value of inventories at the balance sheet date. Due to the rapid changes in technology, the Corporation assesses the amount of inventories at the balance sheet date due to normal wear and tear, obsolescence or no market value, and writes down the cost of inventories to net realizable value. Such inventory evaluation is made primarily based on product demand for specific periods in the future and is therefore subject to material change.

The carrying amount of the Corporation's inventory on December 31, 2021 was $348,297.

2. Impairment loss estimates of accounts receivable

The amount of impairment loss is the expected credit impairment loss evaluated after considering various indicators such as forward-looking information. If the indicators such as forward-looking information slow down or decline in the future, there may be significant impairment losses.

The carrying amount of the Corporation's accounts receivable on December 31, 2021 was $1,230,807.

VI. Details of Significant Accounts

(I) Cash and Cash Equivalents

	December 31, 2021	December 31, 2020
Cash on Hand and Petty Cash	$ 685	$ 773
Time Deposits	19,653	20,221
Demand Deposits	184,612	148,826
	204,950	169,820
Transfer to Financial Assets at Amortized Cost	(122,003)	(79,651)
	$ 82,947	$ 90,169

1. The financial institutions with which the Corporation is engaged with are of good credit standing, and the Corporation has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low.
2. As at December 31, 2021 and 2020, the time deposits (with annual interest rates of 0.10% and 0.15%, respectively) and demand deposits of the Corporation, which are provided as guarantee margin for short-term borrowing facilities, had been transferred to financial assets measured at costs after amortization according to their natures.
3. Please refer to Note VIII for the details of the cash and cash equivalents provided by the Corporation as pledged security.

(II) Accounts Receivable

	December 31, 2021	December 31, 2020
Accounts Receivable	$ 1,231,111	$ 868,797
Less: Loss allowances	(304)	(328)
	$ 1,230,807	$ 868,469

1. Please refer to Note XII(II) for the aging analysis of the Corporation's accounts receivable and related credit risk information.
2. The balances of accounts receivable as at December 31, 2021 and 2020 all arose from customer contracts, and the balances of accounts receivable (including notes receivable) under customer contracts as at January 1, 2020 was $623,520.
3. Please refer to Note VIII for information on guarantees provided by accounts receivable.

(III) Transfer of Financial Assets

1. Transferred financial assets de-recognized as a whole

The Corporation has signed accounts receivable sales contracts with domestic financial institutions. According to the contracts, the Corporation does not have to bear the risk that the transferred accounts receivable cannot be recovered, but only needs to bear the losses caused by commercial disputes. In addition, the Corporation has not engaged in such transferred receivables in any way, so the Corporation de-recognizes such accounts receivable for sale and the relevant information about them not yet due is as follows:

	December 31, 2021	December 31, 2020
Factored accounts receivable (derecognized amount)	$ 142,498	$ 63,179
Advanced price	$ 113,998	$ 50,543
Unadvanced price ("Other receivables" listed in the statement)	$ 28,500	$ 12,636

(1) The financial institutions with which the Corporation is engaged with are of good credit standing, and the Corporation has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low.

(2) As of December 31, 2021 and 2020, the amounts of accounts receivable sales contracts signed by the Corporation and banks were $3,321,600 and $341,760, respectively.

(3) As of December 31, 2021 and 2020, the Corporation had issued promissory notes of $3,321,600 and $341,760 respectively in accordance with the agreements with banks as a guarantee for the inability to perform the contracts due to commercial disputes.

2. Transferred financial assets not de-recognized as a whole

(1) The Corporation has signed accounts receivable sales contracts with domestic financial institutions. According to the contracts, each bank still has recourse rights for these financial assets. Therefore, the Corporation does not de-recognize the accounts receivable for sale as a whole. The relevant advance payments are recognized under short-term borrowings.

(2) As at December 31, 2021 and 2020, the Corporation continued to recognize the related information and fair value of the transferred factored accounts receivable as follows, and within the scope of the Corporation's continued participation, the total carrying amount of the transferred factored receivables and the carrying amount of the related liabilities before the transfer of the original assets (i.e., the carrying amount of the continuously recognized assets) are the same as the fair value of the factored receivables and the fair value of the advanced price.

	December 31, 2021	December 31, 2020
Book value of factored accounts receivable (fair value)	$ 360,503	$ 78,449
Book value of advanced price (fair value)	(324,437)	(70,573)
Net position	$ 36,066	$ 7,876

3. As at December 31, 2021 and 2020, the accounts receivable of $162,083 and $39,670 the Corporation had entered into and is expected to execute in the future are financial assets measured at fair value through other composite gains or losses.

(IV) Inventories

	December 31, 2021	December 31, 2020
Work in process	$ -	$ -
Inventory	364,566	383,238
Allowance for inventory impairment loss	(16,269)	(23,318)
	$ 348,297	$ 360,653

Cost of inventories recognized by the Corporation as expense or loss:

	December 31, 2021	December 31, 2020
Cost of inventories sold	$ 14,220,246	$ 9,548,01,
Slow moving inventories and recovery benefit from write-down	(7,026)	(15,137)
Loss on retirement of inventories	1,914	-
Others	7,402	105,631
	$ 14,222,536	$ 9,638,504

Note: In 2021 and 2020, the net realizable value rebounded due to the inventory depletion, resulting in a recovery benefit.

(V) Financial Assets at Fair Value through Profit or Loss

	December 31, 2021	December 31, 2020
Current:		
Financial assets mandatorily measured at fair value through profit or loss		
Trust fund beneficiary certificates	$ 5,000	$ 5,000
Assessment adjustment	(266)	(120)
	$ 4,734	$ 4,880
Non-current:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	$ 18,259	$ 18,259
Assessment adjustment	3,426	7,222
	$ 21,685	$ 25,481

Please refer to Note VI (XIX) for details of financial assets at fair value through gains or losses recognized in gains or losses.

(VI) Investments Accounted for Using the Equity Method

	December 31, 2021	December 31, 2021
CoAsiaInternationalCorp.	$ 625,660	$ 565,562
CoAsiaInternationalCorp.(Singapore)Pte.Ltd.	558,279	517,324
CoAsiaInternationalCorp.	61,511	99,985
Studybank Co., Ltd.	13,072	12,567

CoAsiaInternationalCorp.(CoAsiaUS)	1,324	-
CoAsia Technology Co., Ltd. (CoAsia Technology)	-	(6,133)
PointchipsCo.,Ltd	(5,395)	(5,395)
	1,254,451	1,183,910
Credit balance of investments accounted for using equity method (Recognized as other non-current liabilities)	5,395	11,528
	$ 1,259,849	$ 1,195,438

1. For information about the subsidiaries of the Corporation, please refer to Note IV (III) to the consolidated financial statements of the Corporation for 2021.
2. The Corporation established CoAsia US in the year 2021 with $1,400 in cash.
3. On May 31, 2021, the Corporation donated 100% equity of CoAsia Technology, a subsidiary directly held by the Corporation with 100% shares, to CoAsia Electronics Corporation (Hong Kong) Limited (hereinafter "CoAsia Hong Kong"), a subsidiary in which the Corporation indirectly held 100% of the shares, CoAsia Hong Kong and CoAsia Technology merged and took CoAsia Hong Kong as the surviving company. The merger base date was May 31, 2021, and the accounting treatment was carried out according to the reorganization.
4. In 2021 and 2020, the Corporation's shares of gains or losses of subsidiaries, affiliates and joint ventures recognized using the equity method were $129,251 and $139,781 respectively.
5. In 2021 and 2020, the investee companies in which the Corporation held 50% or more of the shares and had control ability have been included in the preparation of the consolidated financial statements.
6. On December 31, 2021 and 2020, the unrealized gross sales profit of $14,289 and $11,151 generated from downstream transactions were written off in accordance with regulations, which were written off and recorded as a deduction in the item "Investment using the equity method".
7. 7. Associate

   The book amounts of the Corporation's insignificant affiliates and their share of operating results are summarized as follows:
   The book amounts of the Corporation's insignificant affiliates as of December 31, 2021 and 2020 were ($5,395) (recognized as other non-current liabilities).

	2021	2020
Net loss for the current period from continuing operations (Total comprehensive income (loss) for the period)	($ 2,218)	$ 1,242

(VII) Other Current Assets

Item	December 31, 2021	December 31, 2020
Asset not attributable to the principal	$ 460,711	$ -
Others	72	902
	$ 460,783	$ 902

Note: In the purchase transaction model between the Corporation and some suppliers, it is determined to be an agent, mainly because the Corporation only holds these assets for a short time before the transfer of specific goods to customers, and does not bear the inventory risk of these goods, and is not entitled to such goods. Therefore, the Corporation has no control over these goods, which are therefore accounted for under other current assets until the goods are transferred to customers.

(Blank below)

(VIII) Property, Plant, and Equipment

	2021						
	Land	Housing and Construction	Computer and Communication Equipment	Office Equipment	Testing Equipment	Other Equipment	Total
January 1							
Cost	$ 52,744	$ 99,026	$ 3,283	$ 1,902	$ 2,384	$ 1,996	$ 161,335
Accumulated depreciation	-	(25,080)	(2,824)	(1,670)	(2,359)	(1,877)	(33,810)
	$ 52,744	$ 73,946	$ 459	$ 232	$ 25	$ 119	$ 127,525
January 1	52,744	$ 73,946	$ 459	$ 232	$ 25	$ 119	$ 127,525
Addition	-	-	228	4,129	-	22,789	27,146
Net disposal	-	-	-	(97)	-	78	175
Depreciation expenses	-	(1,941)	(146)	(392)	(17)	(1,939)	(4,435)
December 31	$ 52,744	$ 72,005	$ 541	$ 3,872	$ 8	$ 20,891	$ 150,061
December 31	$ 52,744	$ 99,026	$ 3,321	$ 5,432	$ 2,349	$ 22,789	$ 185,661
Cost	-	(27,021)	(2,780)	(1,560)	(2,341)	(1,898)	(35,600)
Accumulated depreciation	$ 52,744	$ 72,005	$ 541	$ 3,872	$ 8	$ 20,891	$ 150,061

	2020						
	Land	Housing and Construction	Computer and Communication Equipment	Office Equipment	Testing Equipment	Other Equipment	Total
January 1							
Cost	$ 52,744	$ 99,026	$ 3,596	$ 2,742	$ 11,511	$ 2,113	$ 171,732
Accumulated depreciation	0	(23,139)	(3,446)	(2,571)	(11,462)	(1,872)	(42,490)
	$ 52,744	$ 75,887	$ 150	$ 171	$ 49	$ 241	$ 129,242
January 1	52,744	$ 75,887	$ 150	$ 171	$ 49	$ 241	$ 129,242
Addition	0	0	447	109	0	0	556
Net disposal	0	0	(21)	(0)	0	0	(21)
Depreciation expenses	0	(1,941)	(117)	(48)	(24)	(122)	(2,252)
December 31	$ 52,744	$ 73,946	$ 459	$ 232	$ 25	$ 119	$ 127,525
December 31	$ 52,744	$ 99,026	$ 3,283	$ 1,902	$ 2,384	$ 1,996	$ 161,335
Cost	0	(25,080)	(2,824)	(1,670)	(2,359)	(1,877)	(33,810)
Accumulated depreciation	$ 52,744	$ 73,946	$ 459	$ 232	$ 25	$ 119	$ 127,525

1. The significant components of the property, plant and equipment of the Corporation and their useful lives are as follows:

Item	Significant components	Useful life
Housing and Construction	Office	50 years
Computer and Communication Equipment	Computer Equipment	3-9 years
Office Equipment	Equipment for Conference, Office and Access Control Systems	2-12 years
Testing Equipment	Oscilloscopes and test fixtures	3-10 years
Other Equipment	Leasehold improvements	2-5 years

2. Please refer to Note VIII for information on guarantees provided with property, plant and equipment.

(IX) Lease Transactions - Lessee

1. The underlying assets leased by the Corporation include buildings and official vehicles, etc. The terms of the lease contracts usually range from 2 to 5 years. The lease contracts are negotiated individually and contain different terms and conditions, and no other restrictions are imposed except that the leased assets shall not be used as loan guarantees.

2. The lease terms of some offices leased by the Corporation do not exceed 12 months.

3. The information on the book value of the right-of-use assets and the recognized depreciation expense is as follows:

	December 31, 2021 Carrying amount	December 31, 2020 Carrying amount
Transportation Equipment (Official Vehicle)	$ 4,234	$ 2,760
Buildings	528	119
Production Equipment (Photocopier)	417	530
	$ 5,233	$ 3,409

	2021 Depreciation expenses	2020 Depreciation expenses
Transportation Equipment (Official Vehicle)	$ 2,754	$ 2,588
Buildings	248	314
Production Equipment (Photocopier)	114	150
	$ 3,116	$ 3,052

4. The increases in the Corporation's right-of-use assets in 2021 and 2020 were $4,940 and $1,470, respectively.

5. Information on the items of gains or losses related to the lease contracts is as follows:

	2021	2020
Items affecting profit or loss for the period		
Interest expense on lease liabilities	$ 82	$ 129
Expense relating to short-term leases	1,372	1,822
Expense relating to leases of low-value assets	736	-
Expense relating to variable lease payment	7,942	1,566

6. The Corporation's total lease cash outflows in 2021 and 2020 were $13,235 and $6,687, respectively.

7. Impacts of variable lease payments on lease liabilities

The subject matters of the Corporation's lease contracts with variable lease payment terms are linked to the usage of housings and buildings. This type of lease object is based on the variably priced payment terms, and is mainly related to the land use for housings and buildings. The variable lease payments related to changes in land use for housings and buildings are recognized as an expense in the period in which these related payment terms are triggered.

8. Option to extend lease

(1) The Corporation's lease agreements for premises and construction and transport equipment, including an option for the Corporation to exercise for extension, which are entered into in the lease agreements to enhance the flexible management of the Corporation's operations.

(2) In determining the lease term, the Corporation takes into account all facts and circumstances that would give rise to economic incentives to exercise the extension option or not exercise the termination option. The lease term is re-estimated when a significant event occurs that assesses the exercise of the extension option or the non-exercise of the termination option.

(X) Intangible Assets

	2021		
January 1	Computer Software	Others	Total
Cost	$ 44,251	$ 4,800	$ 49,051
Accumulated amortization	(16,146)	( )	(16,146)
	$ 28,105	$ 4,800	$ 32,905

	Computer Software	Others	Total
January 1	$ 28,105	$ 4,800	$ 32,905
Addition	3,234	290	3,524
Amortization expenses	(5,724)	(86)	(5,810)
Net Exchange Differences (Note)		(9)	9
December 31	$ 25,615	$ 4,995	$ 30,610
December 31			
Cost	$ 47,485	$ 5,081	$ 52,566
Accumulated amortization	(21,870)	(86)	(21,956)
	$ 25,615	$ 4,995	$ 30,610

Note: The exchange difference arising from the merger of overseas branches.

	2020		
January 1	Computer Software	Others	Total
Cost	$ 42,425	$ 4,800	$ 47,225
Accumulated amortization	(12,940)	-	(12,940)
	$ 29,485	$ 4,800	$ 34,285
January 1	$ 29,485	$ 4,800	$ 34,285
Addition	3,136	-	3,136
Amortization expenses	(4,516)	-	(4,516)
December 31	$ 28,105	$ 4,800	$ 32,905
December 31			
Cost	$ 44,251	$ 4,800	$ 49,051
Accumulated amortization	(16,146)	-	(16,146)
	$ 28,105	$ 4,800	$ 32,905

The details of amortization of intangible assets are as follows:

	2021	2020
Selling and Marketing Expenses	$ 3,085	$ 1,962
General and Administrative Expenses	2,725	2,554
	$ 5,810	$ 4,516

(XI) Non-current Assets/Liabilities for Sale

The Corporation planned to adjust the functions of its investee companies on December 13, 2019, to make the positioning of each business unit more clear and consider the overall resources as a whole. The Board of Directors approved the sale of the original R&D unit of the Corporation to CoAsia SEMI Ltd. In the future, the Corporation will be specialized in the wholesale, manufacture and trading of various electronic components. The transaction was implemented in two stages. As of December 31, 2019, some non-current assets had been sold, and the remaining assets and liabilities had been disposed of in 2020. The relevant instructions are as follows:

Non-current assets sold:

The Corporation had disposed of part of its assets in accordance with the business transfer agreement in December 2019 to CoAsia SEMI Ltd. The main objects of its transfer were customer relationship, operation rights, wafer product design technology and employees of various units. The difference between the appraisal amount and the book value of the operating value of the R&D unit as a whole was $62,958 (recognized as other profits or losses in 2019).

The assets and liabilities of the remaining disposal group for sold had been disposed of in 2020, and the transaction object was CoAsia SEMI (Taiwan) Co., Ltd. The transaction amount was $5,238. The profits from disposition was $435 (recognized as other gains or losses).

(XII) Short-term Loans

	December 31, 2021		December 31, 2021	
Loans for material purchase (Note 1)	$	1,793,028	$	1,665,585
Secured loans (Note 2)		324,437		70,573
Credit loans		233,000		257,593
	$	2,350,465	$	1,993,751
Interest Rate		1.13%~1.56%		1.16%~1.75%

Note 1: Part of the loan is secured by land and housing.

Note 2: Loans secured by accounts receivable.

As of December 31, 2021 and 2020, the collaterals provided by the Corporation were referred to in Note VIII. In addition, the Corporation's endorsement and guarantee information for the subsidiaries as of December 31, 2021 can be found in the attached Table 2.

(XIII) Other Payables (Including Related Parties)

	December 31, 2021	December 31, 2020
Sales discounts and allowances payable	$ 65,895	$ 37,751
Salaries payable	33,317	24,682
Remunerations of employees and directors	23,083	14,271
Interest payable	2,036	1,577
Borrowings from related parties (Note)	-	108,224
Others	8,910	11,516
	$ 133,241	$ 198,021

Note: Please refer to Note VII for the transactions with related parties.

(XIV) Pensions

Since July 1, 2005, the Corporation has formulated a retirement method with certain contributions in accordance with the "Labor Pension Regulations", which is applicable to employees of their own nationalities. Where the Corporation chooses to apply the labor pension system for their employees stipulated in the "Labor Pension Regulations", the labor pension shall be paid at 6% of the salary to the employee's personal account at the Labor Insurance Bureau.The employee's pension shall be paid on a monthly pension basis or on a lump sum basis according to the dedicated pension account and the amount of accumulated incomes.

In 2021 and 2020, the Corporation's pension costs recognized by the above-mentioned pension methods were $3,086 and $3,092, respectively.

(XV) Capital Stock

On June 19, 2020, the shareholders' meeting passed the resolution to convert the surplus into capital to issue 2,792,000 new shares. The base date for capital increase was August 31, 2020. On July 27, 2021, the shareholders' meeting approved the conversion of surplus to capital to issue 2,848,000 new shares. The capital increase base date was September 28, 2021.

As of December 31, 2021, the nominal and paid-in share capitals under the Corporation's Articles of Incorporation were $2,000,000 and $1,452,648, respectively, with a par value of NT$10 per share, divided into 145,265,000 shares, and all the issued shares of the Corporation have been paid up.

(XVI) Capital Surplus

In accordance with the provisions of the Company Act, in addition to being used to make up for losses, the surplus from the issuance of shares in excess of the par value and the capital reserves received from them can be issued with new shares or cash in proportion to the shareholders' existing shares when the Corporation has no accumulated losses. In addition, in accordance with the relevant regulations of the Securities Exchange Act, when the above-mentioned capital reserve is allocated to increase the capital, the total increased amount shall not exceed 10% of the paid-in capital each year. The Corporation may not supplement its capital reserve unless surplus reserve is insufficient to cover its capital loss.

(XVII) Retained Earnings

1. According to the Articles of Incorporation amended by the resolution of the shareholders' meeting on June 19, 2020, if there is any pre-tax net profit for the current period before deducting the remunerations of employees and directors, no less than 10% shall be contributed as employee remuneration and no more than 5% as director remuneration; however, if the Corporation still has accumulated losses, it should reserve the amount in advance to make up for them.

   Employee compensation can be paid in stock or in cash. The recipients include employees of controlled or affiliated companies meeting the conditions set by the Board of Directors. Director remuneration can only be paid in cash.

2. If there is a surplus in the annual final accounts of the Corporation, after paying taxes in accordance with the law and making up for previous losses, 10% shall be contributed as statutory surplus reserve, except when the statutory surplus reserve has reached the total capital of the Corporation. The special surplus reserve is contributed or reversed in accordance with the regulations of the competent authority. If there is still surplus and accumulated undistributed surplus at the beginning of the same period, the Board of Directors shall formulate a distribution proposal; when it is done by issuing new shares, it shall be submitted to the shareholders' meeting for resolution and distribution; in the case of cash, it shall be subject to a resolution of the Board of Directors.

3. The Corporation's dividend policy is determined by the Board of Directors based on the Corporation's capital and financial structure, operating conditions, capital budget and changes in internal and external environments. The Corporation is currently in the stage of operating growth, and must use the surplus to meet the needs of operating growth and investment funds. At this stage, a residual dividend policy is adopted. The principles of surplus distribution are as follows: Allocate no less than 20% of the distributable surplus of the year, determine the ratios of stock dividend and cash dividend according to the Corporation's capital needs, provided that the ratio of cash dividend shall not be less than 50%.

4. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25%

of the Corporation's paid-in capital.

5. In accordance with the regulations, the Group shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

6.

(1) On June 19, 2020, the Corporation passed the resolution of the shareholders' meeting to approve the surplus distribution plan. The surplus distribution plan for the year 2019 was as follows:

	2019	
	Amount	Dividends Per Share (NT$)
Legal reserve	$ 8,143	
Stock dividends	27,925	$ 0.20
Cash dividends	27,925	0.20
	$ 63,993	

(2) On July 27, 2021, the Corporation passed the resolution of the shareholders' meeting to approve the surplus distribution plan. The surplus distribution plan for the year 2020 was as follows:

	2020	
	Amount	Dividends Per Share (NT$)
Legal reserve	$ 10,108	
Special reserve	31,814	
Stock dividends	28,483	0.20
Cash dividends	28,483	$ 0.20
	$ 98,888	

(3) On March 8, 2022, the Corporation passed the resolution of the Board of Directors to approve the surplus distribution plan for the year 2021 as follows:

	2021	
	Amount	Dividends Per Share (NT$)
Legal reserve	$ 16,432	
Special reserve	56,008	
Stock dividends	36,316	0.25
Cash dividends	36,316	$ 0.25
	$ 145,072	

As of March 8, 2022, the above-mentioned proposal for distribution of surplus in 2021 has not been resolved by the shareholders' meeting.

(XVIII) Operating Revenue

	2021	2020
Net sales revenue	$ 14,564,375	$ 9,855,383

1. The Corporation's revenue is derived from goods transferred at a certain point in time, and its main product lines are key components for mobile communication products, wafers and thin film liquid crystal displays.

	2021	2020
Key components for mobile communication products (Mobile)	$ 9,132,584	$ 7,820,369
Thin film liquid crystal displays (SDC)	4,056,390	928,161
Wafers (Foundry)	1,172,018	638,035
Others	203,383	468,818
	$ 14,564,375	$ 9,855,383

2. Contract Liabilities

The contract liabilities in relation to revenue from contracts with customers recognized by the Corporation are as follows:

	December 31, 2021	December 31, 2020	January 1, 2020
Contract Liabilities			
Contract Liabilities - Advance Payment	$ 51,859	$ 35	$ 489

3. The recognized income for the current period of the contract liabilities:

	2021	2020
Net sales revenue	$ 35	$ 489

(XIX) Other gains or losses

	2021	2020
Foreign exchange losses	($ 34,879)	($ 70,514)
Net gain (loss) on financial assets at fair value through profit or loss	(3,942)	18,423
Gains (losses) on disposal of property, plant, and equipment	(173)	37
Disposal losses of non-current assets for sale (Note)	-	(435)
Others	-	673
	($ 38,994)	($ 51,816)

Note: Please refer to Note VI (XI) for details of the disposal losses of non-current assets for sale.

(XX) Additional Information on the Nature of Fees

	2021	2020
Employee Benefits Expenses	$ 135,457	$ 108,929
Amortization Expenses for Intangible Assets	5,810	4,516
Depreciation Expenses for Property, Plant, and Equipment	4,435	2,252
Depreciation Expenses for Right-of-use Assets	3,116	3,052
	$ 148,818	$ 118,749

(XXI) Employee Benefits Expenses

	2021	2020
Salary Expenses	$ 116,155	$ 92,653
Expenses for Labor and Health Insurance	6,417	5,555
Pension Expenses	3,086	3,092
Personnel Service Expenses	9,799	7,629
	$ 135,457	$ 108,929

1. According to the Corporation's Articles of Incorporation, the Corporation shall contribute no less than 10% as the remuneration of employees and no more than 5% as the remuneration of directors if there is any balance after deducting the accumulated losses according to the profit status of the current year.

2. The estimated amounts of employee remuneration of the Corporation in 2021 and 2020 were $20,797 and $11,045, respectively. The estimated amounts of director remuneration were $2,286 and $1,104, respectively, and the aforementioned amounts were charged to the remuneration expenses.

   The estimation in 2021 was done according to the profit status as of the year based on the percentage stipulated in the Articles of Incorporation. The remunerations of employees and directors for 2021 as resolved by the Board of Directors were $20,797 and $2,286 respectively, of which the employee remuneration will be paid in cash.

   The Board of Directors of the Corporation decided on March 5, 2021 to pay the actual remunerations of employees and directors for 2020 in cash at $11,045 and $1,104, respectively, which were consistent with the amounts recognized in the 2020 Financial Statements.

3. Information on employee remuneration and director remuneration approved by the Board of Directors of the Corporation can be found at the Market Observation Post System.

(XXII) Income Tax

1. Income tax expenses (gains)

Components of income tax expenses (gains):

	2021	2020
Current income tax:		
Refundable Income Tax on Current Income	($ 80)	($ 20)
Surtax on Unappropriated Earnings	110	872
Withholding Tax	80	20
Prior Years' Income Tax Adjustments	12)	54
Total Current Income Tax	(122)	926
Deferred Income Tax:		
Relating to Origination and Reversal of Temporary Differences	20,448	(13,495)
Income Tax Expenses (Benefits)	$ 20,570	($ 12,569)

2. The relationship between income tax expenses (gains) and accounting profits

	2021	2020
Income Tax Calculated at Statutory Rate	$ 36,977	17,703
Impact of Items Not Recognized by Statutory Regulations	(26,229)	($ 27,956)
Change in Realizability Assessment of Deferred Income Tax Assets	26,914	(3,242)
Prior Years' Income Tax Adjustments	12	54
Surtax on Unappropriated Earnings	110	872
Income Tax Effect of Loss Carryforwards	(17,214)	-
Income Tax Expenses (Benefits)	$ 20,570	($ 12,569)

3. The amount of each deferred tax asset or liability arising from the temporary difference is as follows:

	2021		
	January 1	Recognized in profit or loss	December 31
Deferred Income Tax Assets:			
- Temporary Differences:			
Unrealized slow moving inventories and write-down	$ 4,664	($ 1,405)	$ 3,259
Future Depreciation Impact of Fixed Assets Lease-to-purchase	2,690	(73)	2,617
Unrealized Losses on Exchange	7,301	3,759	11,060
Loss Carryforwards	40,007	(26,881)	13,126
Others	2,863	3,363	6,226
	57,525	21,237	36,288
Deferred Income Tax Liabilities:			
Unrealized Gains on Financial Assets	(1,421)	(789)	(632)
	$ 56,104	$ 20,448	$ 35,656

	2020		
	January 1	Recognized in profit or loss	December 31
Deferred Income Tax Assets:			
- Temporary Differences:			
Unrealized slow moving inventories and write-down	$ 7,691	($ 3,027)	$ 4,664
Future Depreciation Impact of Fixed Assets Lease-to-purchase	2,763	(73)	2,690
Unrealized Losses on Exchange	3,409	3,892	7,301
Unrealized Losses on Financial Assets	2,265	(2,265)	-
Loss Carryforwards	24,309	15,698	40,007
Others	2,172	691	2,863
	42,609	14,916	57,525
Deferred Income Tax Liabilities:			
Unrealized Gains on Financial Assets	-	(1,421)	(1,421)
	$ 42,609	$ 13,495	$ 56,104

4. The effective periods of the Corporation's unused tax losses and the relevant amounts of unrecognized deferred tax assets are as follows:

December 31, 2021

Year	Amount Filed/Assessed	Unused Amount	Unrecognized Deferred Tax Assets	Usable until Year
2017	Amount Assessed	$ 150,139	$ 150,139	2027
2018	Amount Assessed	320,121	252,899	2028
2020	Amount Estimated	68,321	53,618	2030
		$ 538,581	$ 456,656	

December 31, 2020

Year	Amount Filed/Assessed	Unused Amount	Unrecognized Deferred Tax Assets	Usable until Year
2017	Amount Assessed	$ 236,964	$ 166,431	2027
2018	Amount Assessed	320,121	252,899	2028
2020	Amount Estimated	62,278	-	2030
		$ 619,363	$ 419,330	

5. Deductible temporary differences not recognized as deferred tax assets:

	December 31, 2021	December 31, 2020
Deductible Temporary Difference	$ 179,609	$ 222,131

6. The Corporation's profit-seeking business income tax settlement declaration was audited by the tax authority until 2019.

(XXIII) Earnings per Share

Basic and diluted earnings per share

	2021		
	After-tax Amount	Number of Outstanding Shares (in Thousands)	Earnings per Share (NT$)
Basic Earnings per Share			
Net Profit For the Period Attributable to Common Shareholders of the Parent	$ 164,317	145,265	$ 1.13
Diluted earnings per share			
Net Profit For the Period Attributable to Common Shareholders of the Parent	$ 164,317	145,265	
Effect of Potentially Dilutive Common Shares			
Employee Compensation		1,486	
Profit Attributable to Common Shareholders of the Parent Plus Effect of All Potentially Dilutive Common Shares			
Net Profit Plus Effect of Potentially Dilutive Common Shares	$ 164,317	146,751	$ 1.12

	2020		
	After-tax Amount	Number of Outstanding Shares (in Thousands)	Earnings per Share (NT$)
Basic Earnings per Share			
Net Profit For the Period Attributable to Common Shareholders of the Parent	$ 101,085	145,265	$ 0.70
Diluted earnings per share			
Net Profit For the Period Attributable to Common Shareholders of the Parent	$ 101,085	145,265	
Effect of Potentially Dilutive Common Shares			
Employee Compensation		1,034	
Profit Attributable to Common Shareholders of the Parent Plus Effect of All Potentially Dilutive Common Shares			
Net Profit Plus Effect of Potentially Dilutive Common Shares	$ 101,085	146,299	$ 0.69

The above-mentioned retrospective adjustment of the number of outstanding shares in 2020 had been retrospectively adjusted in accordance with the ratio of surplus to capital increase in 2020.

(XXIV) Changes in liabilities arising from financing activities

Fund-raising activities that affect cash flow

	2021			
	Short-term Loans	Short-term notes and bills payable	Lease liabilities	Liabilities Arising from Financing Activities
January 1	$ 1,993,751	$ -	$ 3,505	$ 1,997,256
Change in Cash Flows from Financing Activities	356,714	100,000	(3,103)	453,611
Other Non-cash Changes	-	-	4,940	4,940
December 31	$ 2,350,465	$ 100,000	$ 5,342	$ 2,455,807

	2020			
	Short-term Loans	Short-term notes and bills payable	Lease liabilities	Liabilities Arising from Financing Activities
January 1	$ 1,772,351	$ -	$ 5,077	$ 1,777,428
Change in Cash Flows from Financing Activities	221,400	-	(3,170)	218,230
Other Non-cash Changes	-	-	1,598	1,598
December 31	$ 1,993,751	$ -	$ 3,505	$ 1,997,256

VII. Related Party Transactions

(I) Names and relations of related parties

Related Party	Relationship with the
Lee Hee Jun	Chairman of the Company
CoAsiaCorporation	Individuals who Have a Significant
CoAsiaInternationalCorp.	Subsidiary
CoAsia Technology Co., Ltd. (CoAsia Technology) (Note1)	Subsidiary
CoAsiaKoreaCo.,Ltd.(CoAsiaKorea)	Subsidiary
Studybank Co., Ltd.	Subsidiary
CoAsiaElectronicsCorp.(Singapore) Pte.Ltd.(CoAsiaSingapore)	Subsidiary
CoAsiaElectronics(US)Corp.(CoAsiaUS)(Note 2)	Subsidiary
CoAsia Electronics Corporation (Hong Kong) Limited	Second-tier Subsidiary
CoAsiaElectronicsCorp.LLP	Second-tier Subsidiary
Taiwan Interactive Education Co., Ltd.	Second-tier Subsidiary
CoAsia Electronics (Shanghai) Co., Ltd.	Third-tier Subsidiary
Coasia Electronics Corporation (Shenzhen) Limited (Note1)	Third-tier Subsidiary
Samsung Electronics Taiwan Co., Ltd. (Samsung Taiwan)	Other related party
Samsung Semiconductor (Xi'an) Co., Ltd.	Other related party
Shanghai Samsung Semiconductor Co., Ltd. (Shanghai	Other related party
SamsungSemiconductorInc.	Other related party

Related Party	Relationship with the
CoAsia SEMI Ltd. (CoAsia SEMI)	Other related party
SamsungElectronicsCo.,Ltd.	Other related party
CoAsia SEMI (Taiwan) Co., Ltd. (CoAsia SEMI Taiwan)	Other related party
CoAsia SEMI (Shanghai) Co., Ltd.	Other related party
CoAsiaNexellCo.,Ltd.	Other related party

Note 1: Please refer to Note VI (VI)3 for merger of CoAsia Technology and CoAsia Hong Kong.
Note 2: CoAsia US was approved to be established on June 16, 2021.

(II) Significant transactions with related party

1. Operating Revenue

	2021	2020
－Subsidiary		
CoAsia Hong Kong	$ 6,237,530	$ 5,972,503
Others	1,989	507
－Other related party	409	101,289
	$ 6,239,928	$ 6,074,299

The Corporation's collection conditions for the related parties are by monthly settlement 60 days, OA 1~30 days, and advance payment, which are not significantly different from those of ordinary customers.

2. Purchase of goods

	2021	2020
－Other related party		
Shanghai Samsung	$ 7,866,222	$ 5,836,598
Samsung Taiwan	5,634,487	2,171,942
Others	889	874,270
－Subsidiary	234,131	221,700
	$ 13,735,729	$ 9,104,510

The purchase price is based on the regional agency price of affiliates, and the payment is made in prepayment, monthly settlement 60 days, and OA1~OA30 days.

3. Receivables from related parties, net

	December 31, 2021	December 31, 2020
Receivables from related parties:		
－Subsidiary		
CoAsia Hong Kong	$ 1,509,061	$ 1,627,617

Receivables from related parties are mainly from sales transactions, and their payments are mainly due 60 days after the monthly settlement. The accounts receivable are free of mortgage and interest.

4. Other receivables, net

	December 31, 2021	December 31, 2020
Other receivables from related parties:		
—Subsidiary		
CoAsiaKorea	$ -	$ 7,974
Others	5,874	8124
Less: Allowance for doubtful accounts	-	(8,705)
—Other related party		
CoAsia SEMI	-	15,664
Others	98	943
	$ 5,972	$ 24,000

Mainly the purchase allowances to be collected from other related parties and subsidiaries, as well as the subsidiaries' interest receivables of capital lending and endorsement guarantees. In addition, it was mainly the receivables for the sale of our R&D unit to CoAsia SEMI in the year of 2020 (please refer to Note VI (XI)).

5. Prepayments

	December 31, 2021	December 31, 2020
—Other related party		
Shanghai Samsung	$ 19,317	$ 141,708
Samsung Taiwan	15,890	4,930
—Subsidiary	-	3,673
	$ 35,207	$ 150,311

Mainly the prepayments for goods.

6. Payables to related parties

	December 31, 2021	December 31, 2020
Accounts Payable:		
—Subsidiary		
CoAsia Singapore	$ 36,012	$ 27,285
CoAsia Hong Kong	28,023	-
—Other related party		
Samsung Taiwan	19,703	44,576
Others	-	890
	83,738	72,751
Other Payables:		
—Subsidiary		
CoAsia Hong Kong	174	1,238
	$ 83,912	$ 73,989

Payables to related parties are mainly derived from purchase transactions and are not interest-bearing.

7. Financing provided to related parties

(1) Make loans to related parties

Ending balance:

	December 31, 2021	December 31, 2020
Other Payables:		
—Other related party		
CoAsia SEMI Taiwan	$ -	$ 31,328

The loan to CoAsia SEMI Taiwan was due to business transactions, and the condition of making the loan was to repay the loan within one year after the loan.

(2) Borrowings from related parties

Ending balance:

	December 31, 2021	December 31, 2020
Other Payables:		
—Subsidiary		
CoAsia Hong Kong	$ -	$ 108,224

The borrowings from CoAsia Hong Kong are conditioned by repayment within one year.

8. Asset transaction

(1) In 2020, the property transactions with CoAsia SEMI Taiwan and CoAsia SEMI, please refer to Note VI (XI) for details.

(2) Acquisition of financial assets

	Accounting Subject	Trading shares	Trading subject	Price acquisition in 2021
Subsidiary CoAsiaUS	Investments Accounted for Using the Equity	250 thousand shares	Common stock	$ 1,400

The Corporation established CoAsia US in the year 2021 with $1,400 in cash. In addition, the Company did not acquire financial assets from related parties during 2020.

9. Research and development expenses

	2021	2020
Product development cost:		
—Other related party		
CoAsia SEMI	$ 17,927	$ 28,013

The Corporation signed a product development contract with CoAsia SEMI in the third quarter of 2020. After the development was completed, the relevant patent rights belonged to the Corporation. The total contract price was US$1,580 thousand and paid in five installments. From the third quarter of 2020 to the end of the second quarter of 2021, the Corporation had paid US$1,580 thousand (approximately NT$45,940 thousand) in five installments.

CoAsia SEMI had completed related product development work at the end of the second quarter of 2021.

10. Finance costs

	2021	2020
－Subsidiary		
Others	$ 646	$ 2,024

The expenses incurred by the Corporation in borrowing money from subsidiaries in 2021 and 2020.

11. Other income

	2021	2020
Endorsement/Guarantee handling fee		
－Subsidiary	$ 15,040	$ 10,901
CoAsiaSingapore	7,737	7,399
CoAsia Hong Kong	$ 22,777	$ 18,300

	2021	2020
Service revenue		
－Subsidiary		
Others	$ 824	$ 156

	2021	2020
System usage fee income		
－Subsidiary		
Others	$ 2,780	$ 2,873

12. Guarantee

As of December 31, 2021 and 2020, the Chairman of the Corporation provided joint guarantees for part of the Corporation's short-term loans. In addition, please refer to Table 2 for the details of the guarantees provided by the Corporation to its subsidiaries as of December 31, 2021.

(III) Information on Remuneration to the Management

	2021	2020
Salary and benefits for short-term employees	$ 48,166	$ 10,901
Termination benefits	-	2,001
Retirement benefits	324	333
	$ 48,490	$ 39,727

VIII. Pledged Assets

The details of the guarantee provided for the assets of the Corporation are as follows:

	Book value		
Assets	December 31, 2021	December 31, 2020	Purpose of guarantee
Bank deposits (Recognized as financial assets at amortized cost)	$ 122,003	$ 79,651	Short-term loan
Land and housing	124,749	126,690	Short-term loan facilities
Assigned accounts receivable - with recourse	360,503	78,449	Short-term loan facilities
	$ 607,255	$ 284,790	

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2021 and 2020, the Corporation's major commitments and contingent liabilities are as follows:

1. The letters of guarantee issued by the Corporation to banks for the import of goods are all counted as $2,000.
2. Please refer to Note VII for the product development contracts entered into by the Corporation with related parties in 2020 and relevant commitments.

X. Significant Disaster Loss

None.

XI. Significant Events after the Balance Sheet Date

Please refer to Note VI (XVII) 6.(3) for the details of the surplus distribution for 2021 proposed by the Board of Directors on March 8, 2022.

XII. Others

(I) Capital Management

The Corporation's capital management objectives are to ensure that the Corporation can continue to operate as a going concern, maintain an optimal capital structure to reduce capital costs, and provide remunerations to shareholders. In order to maintain or adjust the capital structure, the Corporation may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Corporation monitors its capital using the debt-to-equity ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' reported in the balance sheet plus net debt.

The Corporation's strategy in 2021 was the same as in 2020. As at December 31, 2021 and 2020, the Corporation's debt-to-equity ratios were as follows:

	December 31, 2021	December 31, 2020
Total loans	$ 2,450,465	$ 1,993,751
Less: Cash and Cash Equivalents	(82,947)	(90,169)
Net debt	$ 2,367,518	$ 1,903,582
Total equity	2,483,801	2,403,738
Total capital	$ 4,851,319	$ 4,307,320
Debt-to-equity ratio	48.80%	44.19%

(II) Financial Instruments

1. Category of financial instruments

	December 31,	December 31,
Financial assets		
Financial Assets at Fair Value through Profit or Loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 26,419	$ 30,361
Financial assets at fair value through other comprehensive income (Note 1)	162,083	39,670
Financial assets at amortized cost (Note 2)	2,821,278	2,698,496
	$ 3,009,780	$ 2,768,527
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	$ 2,800,105	$ 2,339,508
Lease liabilities	5,342	3,505
	$ 2,805,447	$ 2,343,013

Note 1: It is an account receivable that is expected to execute a fostering in the future.

Note 2: Note: Financial assets measured by amortized cost include cash and cash equivalents, financial assets measured by amortized cost, accounts receivable (including related parties), other receivables (including related parties) and guarantee deposits paid; financial liabilities measured by amortized cost include short-term borrowings, short-term bills payable, accounts payable (including related parties) and other payables (including related parties).

2. Risk management policies

(1) The risk control undertaken by the Corporation is influenced by the needs of the customer-oriented consumer electronics industry and the supply of products by suppliers. In order to meet the above requirements, the Corporation adopts a comprehensive risk management and control system to identify all risks of the Corporation (including market risk, credit risk and operational risk) and measure various risks, so that the Corporation's management can effectively control and measure market risk, credit risk and operational risk.

(2) Risk management is carried out by the Finance Department of the Corporation in accordance with the policies approved by the Board of Directors. The Corporation's Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with the Corporation's operating units. The Board of Directors has written principles for overall risk management and written policies on specific areas and matters such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus liquidity.

3. The natures and extents of material financial risks

(1) Market risk

Foreign Exchange Risk

A. The Corporation's main purchases and sales are denominated in U.S. dollars, and the fair value will vary with market exchange rate fluctuations. However, the Corporation's holdings of foreign currency assets and liabilities and the timing of receipt and payment can offset market risks. If there is a short-term position gap, option trading will be conducted to avoid possible risks, so it is not expected to generate significant market risks.

B. The Corporation's business involves certain non-functional currencies (the functional currency of the Corporation is New Taiwan dollar). Information on foreign currency assets and liabilities affected by fluctuations is as follows:

	December 31, 2021		
	Foreign currencies (NT$ thousand)	Exchange Rate	Carrying amount (NT$)
Financial assets			
Monetary items			
US$: NT$	$ 135,658	27.68	$ 3,755,013
Non-monetary items			
Investments Accounted for Using the Equity Method			
US$: NT$	22,651	27.68	626,984
SG$: NT$	27,286	20.46	558,279
Financial liabilities			
Monetary items			
US$: NT$	94,055	27.68	2,603,442

	December 31, 2020		
	Foreign currencies (NT$ thousand)	Exchange Rate	Carrying amount (NT$)
Financial assets			
Monetary items			
US$: NT$	$ 95,942	28.48	$ 2,732,428
Non-monetary items			
Investments Accounted for Using the Equity Method			
US$: NT$	19,643	28.48	559,433
SG$: NT$	23,995	21.56	517,324
Financial liabilities			
Monetary items			
US$: NT$	70,109	28.48	1,996,704

C. The total exchange losses (including realized and unrealized) of the Corporation's monetary items due to fluctuations in exchange rates were aggregated in 2021 and 2020 to $34,879 and $70,514, respectively.

D. The foreign currency market risk analysis of the Corporation due to significant exchange rate fluctuations is as follows:

	2021		
	Range of change	Effect on profit and loss	Effect on other comprehensive income
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
US$: NT$	1%	$ 37,550	$ -
Non-monetary items			
Investments Accounted for Using the Equity Method			
US$: NT$	1%	-	6,270
SG$: NT$	1%	-	5,583
Financial liabilities			
Monetary items			
US$: NT$	1%	26,034	-

	2020			
	Range of change	Effect on profit and loss		Effect on other comprehensive income
(Foreign currency: Functional currency)				
Financial assets				
Monetary items				
US$: NT$	1%	$	27,324	$ -
Non-monetary items				
Investments Accounted for Using the Equity Method				
US$: NT$	1%		-	5,594
SG$: NT$	1%		-	5,173
Financial liabilities				
Monetary items				
US$: NT$	1%		19,967	-

Price Risk

Equity commodities invested by the Corporation are affected by changes in market prices, but the positions held by the Corporation are not significant, and a stop loss point has been set, so no significant market risk is expected.

Cash Flow and Fair Value Interest Rate Risk

In 2021 and 2020, some of the Corporation's short-term borrowings were debts with floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of short-term borrowings to fluctuate, which will cause fluctuations in future cash flows. When the market interest rate increases by 1%, it will increase the Corporation's cash outflows by $23,505 and $19,938, respectively.

(2) Credit risk

A. The Corporation's credit risk is the risk of financial loss to the Corporation due to the failure of the customer or counterparty to a financial instrument to perform its contractual obligations, mainly arising from the counterparty's inability to settle accounts receivable paid on terms of collection and the contractual cash flows reclassified as investment with debt instruments measured at amortized costs.

B. The Corporation establishes credit risk management from a Corporation perspective. For banks and financial institutions, only those with an independent credit rating of at least "A" can be accepted as transaction counterparties. According to the internal credit policy, each operating entity and each new customer within the Corporation must conduct management and credit risk analysis before setting the terms and conditions for payment and delivery. Internal risk control is to assess the credit quality of customers by taking into account their financial status, past experience and other factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and the use of credit lines is regularly monitored.

C. The Corporation adopts the following premises as the bases for judging whether the credit risk of financial instruments has increased significantly since original recognition:

When the contract payment is overdue for more than 30 days according to the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the original recognition.

D. The Corporation is deemed to have breached the contract when the payment is overdue for more than 90 days according to the agreed payment terms.

E. The Corporation uses a simplified approach to estimate expected credit losses on the basis of an allowance matrix for accounts receivable from customers based on the characteristics of the type of customers.

F. The Corporation is included in the prosperity observation report of the Taiwan Economic Research Institute and the prosperity indicators of the National Development Commission, respectively. Consideration of future forward-looking adjustment of the loss rate established according to historical and current information in a specific period to estimate the allowance losses of accounts receivable (including related parties), and the preparation matrices as at December 31, 2021 and 2020 were as follows:

	Not Past Due	Up to 30 days past due	Up to 60 days past due	Up to 90 days past due	Total
December 31, 2021					
Expected loss rate	0.03%	0.07%	0.77%	27.35%	
Total book value	$ 2,740,106	$ 24	$ 42	-	$ 2,740,106
Loss allowances	304	-	-	-	304

	Not Past Due	Up to 30 days past due	Up to 60 days past due	Up to 90 days past due	Total
December 31, 2020					
Expected loss rate	0.01%	0.07%	0.78%	9.36%	
Total book value	$ 2,468,404	$ 27,428	$ 37	545	$ 2,496,414
Loss allowances	257	20	-	51	328

G. The aging analysis of the Corporation's accounts receivable is as follows:

	December 31, 2021 Accounts Receivable	December 31, 2020 Accounts Receivable
Not Past Due	$ 2,740,106	$ 2,468,404

Up to 30 days past due	24	27,428
31-60 days	42	37
60-90 days	-	545
	$ 2,740,172	$ 2,496,414

The above aging schedule was based on the number of days past due from the end of the credit term.

H. The Table of Changes in Allowance Losses of Accounts Receivable (Including Related Parties) that the Corporation adopts a simplified practice is as follows:

	2021
	Accounts Receivable
January 1	$ 328
Reversal of impairment loss	(24)
December 31	$ 304

	2020
	Accounts Receivable
January 1	$ -
Reversal of impairment loss	328
December 31	$ 328

(3) Liquidity risk

A. Cash flow forecasting is performed by each operating entity of the Corporation and compiled by the Corporation’s Finance Department. The Corporation's Finance Department monitors rolling forecasts of the group’s liquidity requirements to ensure it has sufficient cash to meet operational needs, so as to avoid the Corporation to violate the relevant borrowing limits or terms. Such forecasting takes into consideration the Corporation’s debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.

B. When the remaining cash held by the Corporation exceeds the need for the management of working capital, the Corporation's Finance Department will invest the remaining funds in interest-bearing demand deposits, time deposits, money market deposits and marketable securities, and the instruments of its choice have an appropriate maturity date or sufficient liquidity to meet the above forecast and provide sufficient dispatch levels.

C. The following table shows the Corporation's non-derivative financial liabilities, grouped by relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

December 31, 2021	Within 1 year	1-2 year(s)	2-3 years	Over 3 years
Non-derivative financial liabilities:				
Lease liabilities	$ 2,715	$ 2,228	$ 386	$ 95

December 31, 2020	Within 1 year	1-2 year(s)	2-3 years	Over 3 years
Non-derivative financial liabilities:				
Lease liabilities	$ 2,340	$ 654	$ 348	$ 238

Except as stated above, the Corporation's non-derivative financial liabilities are due within one year.

The Corporation does not expect that the timing of the cash flows for the maturity analysis will occur significantly earlier, or that the actual amounts will be significantly different.

(III) Information on Fair Value

1. The levels of evaluation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

   Level 1: Quotes (unadjusted) in active markets for identical assets or liabilities on the measurement date. An active market is one in which transactions of assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

   Level 2: Direct or indirect observable inputs for assets or liabilities other than those included in level 1 quotes.

   Level 3: An unobservable input for an asset or liability.

2. Financial instruments not measured at fair value

   The carrying amounts of cash and cash equivalents, financial assets measured at amortized cost, net accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, short-term notes payable, accounts payable (including related parties) and other payables (including related parties) are reasonable approximations of fair value.

3. Financial instruments measured at fair value are classified by the Corporation on the basis of the nature, characteristics and risks of the assets and the level of fair value. The relevant information is as follows:

	December 31, 2021		
	Fair value		
	Level 1	Level 2	Level 3
Financial Assets at Fair Value through Profit or Loss	$ 4,734	$ -	$ 21,685
Financial Assets at Fair Value through Other Comprehensive Income			
Accounts receivable from expected excecution	-	162,083	-
	$ 4,734	$ 162,083	$ 21,685

	December 31, 2020		
	Fair value		
	Level 1	Level 2	Level 3
Financial Assets at Fair Value through Profit or Loss	$ 4,880	$ -	$ 25,481
Financial Assets at Fair Value through Other Comprehensive Income			
Accounts receivable from expected excecution	-	39,670	-
	$ 4,880	$ 39,670	$ 25,481

4. The methods and assumptions used by the Corporation to measure fair value are described below:

    (1) The fair value of financial instruments is obtained by evaluation techniques or by reference to counterparty quotations. The fair value obtained through evaluation techniques may be calculated by referring to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method or other evaluation techniques, including the use of models based on market information available on the balance sheet date.

    (2) The Corporation incorporates credit risk assessment adjustments into the calculation of the fair value of financial instruments and non-financial instruments to reflect counterparty credit risk and the Corporation's credit quality, respectively.

5. In 2021 and 2020, there was no transfer between the first class and the second class.

6. Changes in level 3 in 2021 and 2020:

	2021 Non-derivative financial instruments	2020 Non-derivative financial instruments
January 1	$ 25,481	$ 6,938
Recognized as other gains and losses	(3,796)	(18,543)
December 31	$ 21,685	$ 25,481

7. There was no transfer in or out from level 3 in 2021 and 2020.

8. The quantitative information about the significant unobservable input value of the evaluation model used in level 3 fair value measurement item and the sensitivity analysis of the change in the significant unobservable input value are explained as follows:

	Fair value on December 31, 2021	Valuation technique	Significant unobservable input value	Relationship between input value and fair value
Non-derivative equity instruments: Shares from unlisted companies	$ 21,685	Comparable to the price-to-book multiplier and	the price-to-earning multiplier of listed companies	The higher the multiplier, the higher the fair value

	Fair value on December 31, 2020	Valuation technique	Significant unobservable input value	Relationship between input value and fair value
Non-derivative equity instruments: Shares from unlisted companies	$ 25,481	Comparable to the price-to-book multiplier and	the price-to-earning multiplier of listed companies	The higher the multiplier, the higher the fair value

9. The Corporation selects the evaluation model and evaluation parameters after careful evaluation, but the use of different evaluation models or evaluation parameters may lead to different evaluation results. For financial assets and financial liabilities classified as Level 3, if the evaluation parameters change, the impacts on the current gains or losses or other composite gains or losses are as follows:

	Input value	Change	December 31, 2021 Recognized in profit or loss Favorable change	 Unfavorable change	 Recognized in other comprehensive income Favorable change	 Unfavorable change
Financial assets						
Equity instruments	the price-to-earning multiplier of listed companies	±1%				
			$ 217	($ 217)	$ -	$ -

	Input value	Change	December 31, 2020 Recognized in profit or loss Favorable change	 Unfavorable change	 Recognized in other comprehensive income Favorable change	 Unfavorable change
Financial assets						
Equity instruments	the price-to-earning multiplier of listed companies	±1%				
			$ 255	($ 255)	$ -	$ -

XIII.Supplementary Disclosures

(I) Information on Significant Transactions

According to the provisions of the Financial Reporting Standards for Issuers of Securities, the relevant matters related to the Corporation's major transactions in 2021 are as follows. In addition, the information to be disclosed by the investee companies is partly prepared based on the financial statements of the companies that have been audited by the CPAs for the same period, and the following transactions with subsidiaries have been written off when the financial statements were prepared. The following disclosure information is for reference.

1. Loans provided for others: Please refer to Table 1 for details.
2. Endorsements/guarantees provided for others: Please refer to Table 2 for details.
3. Securities held at end of period (excluding investments in subsidiaries, associates, and joint ventures): Please refer to Table 3 for details.
4. Accumulated purchase or sale of the same securities amounting to NT$300 million or 20% of paid-in capital or more: None.

5. Acquisition of property amounting to NT$300 million or 20% of the paid-in capital or more: None.
6. Disposal of property amounting to NT$300 million or 20% of the paid-in capital or more: None.
7. Purchases or sales with related parties amounting to NT$100 million or 20% of the paid-up capital or more: Please refer to Table 4 for details.
8. Receivables from related parties amounting to NT$100 million or 20% of the paid-up capital or more: Please refer to Table 5 for details.
9. Derivatives transactions: None.
10. Relationships and significant transactions between the parent company and subsidiaries and their amounts: Please refer to Table 6 for details.

(II) Information on Investee Companies

Information on the name, region and so on of the investee companies (excluding investee companies in mainland China): Please refer to Table 7 for details.

(III) Information on Investments in Mainland China

1. Basic information: Please refer to Table 8 for details.
2. Significant transactions directly or indirectly through third-region businesses and investee companies that have reinvested in mainland China: None.

(IV) Information on Major Shareholders

Information on major shareholders: Please refer to Table 9 for details.

XIV. Division Information

N/A.

CoAsia Electronics Corp. and Its Subsidiaries

Loans provided for others

For the Year Ended December 31, 2021

Table 1

Unit: NT$ thousand (unless stated otherwise)

No. (Note 1)	Financing Company	Borrower	Transaction Item	Related Party	Maximum outstanding balance for the period	Ending balance	Actual Amount Drawn	Interest Rate	Nature for Financing (Note 2)	Business Transaction Amount	Reason for Short-term Financing	Allowance for Bad Debt	Collateral		Limit on Loans Provided to a Single Party (Note 3)	Total Limit on Loans Provided (Note 3)	Remark
													Name	Value			
0	CoAsia Electronics Corp.	CoAsia Korea Co., Ltd.	Other receivables - related party	Yes	$ 83,580	$ 83,040	$ -	To comply with the contract	2	$ -	Operating capital	$ -	-	$ -	$ 248,380	$ 993,520	
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Other receivables - related party	Yes	199,745	193,760	-	To comply with the contract	2	-	Operating capital	-	-	-	248,380	993,520	
0	CoAsia Electronics Corp.	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	199,745	193,760	-	To comply with the contract	2	-	Operating capital	-	-	-	248,380	993,520	
0	CoAsia Electronics Corp.	Studybank Co., Ltd.	Other receivables - related party	Yes	200	200	-	To comply with the contract	2	-	Operating capital	-	-	-	248,380	993,520	
0	CoAsia Electronics Corp.	Coasia Semi Taiwan Limited	Other receivables - related party	Yes	45,085	-	-	To comply with the contract	1	-	Operating capital	-	-	-	248,380	993,520	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Technology Co., Ltd.	Other receivables - related party	Yes	24,991	-	-	To comply with the contract	2	-	Accounts receivable beyond the normal credit period are transferred to be loans provided	-	-	-	639,702	639,702	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	142,675	138,400	-	To comply with the contract	2	-	Operating capital	-	-	-	639,702	639,702	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp.	Other receivables - related party	Yes	285,350	276,800	-	To comply with the contract	2	-	Operating capital	-	-	-	639,702	639,702	
1	CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other receivables - related party	Yes	30,448	30,448	-	To comply with the contract	1	152,331	Operating capital				152,331	639,702	
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Other receivables - related party	Yes	142,675	138,400	-	To comply with the contract	2	-	Operating capital	-	-	-	556,225	556,225	
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corp.	Other receivables - related party	Yes	142,675	138,400	-	To comply with the contract	2	-	Operating capital	-	-	-	556,225	556,225	

Note 1: The numbers filled are described as follows:

(1). For the issuer, fill in 0.

(2). The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2： The nature of the loans provided are explained as follows:

(1). Fill in 1 for those who has business relationship.

(2). Fill in 2 for those who needs short-term financing.

Note 3: (1). The Company' s aggregate amount of loans to others is limited to 40% of the net worth, and the amount of loans to others shall not exceed 10% of the net worth to an individual enterprise. Net worth amounted to 2,483,801 as of December 31, 2021.

(2). For the foreign companies with 100% voting shares directly and indirectly held by CoAsia Electronics Corporation (Hong Kong) Limited to the parent company of the group, the aggregate amount of loans to others is limited to 100% of the net worth, and the amount of loans to others shall not exceed 100% of the net worth to an individual enterprise.

(3). For the foreign companies with 100% voting shares directly and indirectly held by CoAsia Electronics Corp.(Singapore) Pte. Ltd to the parent company of the group, the aggregate amount of loans to others is limited to 100% of the net worth, and the amount of loans to others shall not exceed 100% of the net worth to an individual enterprise.

CoAsia Electronics Corp. and Its Subsidiaries

Endorsements/Guarantees Provided for Others

For the Year Ended December 31, 2021

Table 2

Unit: NT$ thousand
(unless stated otherwise)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee Name of Company	Endorsee/Guarantee Relationship (Note 2)	Limit on Endorsements/ Guarantees Provided for Single Entity	Maximum Endorsement/ Guarantee Balance for the Period	Endorsement and Guarantee Ending Balance	Actual Amount Drawn	Amount of Endorsements/ Guarantees Collateralized by Property	Ratio of Accumulated Endorsements/ Guarantees to Net Worth per Latest Financial Statements	Endorsement/ Guarantee Ceiling (Note 3)	Endorsements/ Guarantees Provided by Parent for Subsidiary	Endorsements/ Guarantees Provided by Subsidiary for Parent	Endorsements/ Guarantees Provided for Subsidiary in Mainland China	Remark
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1,3	$ 2,483,801	$ 1,624,440	$ 1,624,440	$ 849,400	$ -	65.40%	$ 3,725,702	Y	N	N	
0	CoAsia Electronics Corp.	CoAsia Electronics Corp.(Singapore) Pte. Ltd.	1,2	2,483,801	1,719,540	1,702,320	1,702,320	-	68.54%	3,725,702	Y	N	N	

Note 1: The numbers filled are described as follows:
(1). For the issuer, fill in 0.
(2). The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: The relationships between endorsers/guarantors and endorsees/guarantees are categorized into the following 6 types. Please specify the type:
(1). Companies with which the Company conducts business.
(2). Subsidiaries in which the Group directly holds more than 50% of their common stocks.
(3). Investee companies in which the Company and its subsidiaries collectively hold more than 50% of their common stocks.
(4). The parent company which holds, directly or indirectly through a subsidiary, more than 50% of its outstanding common stocks.
(5). Companies in same type of business and providing mutual endorsements/guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
(6). Shareholders making endorsements/guarantees for their mutually invested company in proportion to their shareholding ratio.

Note 3: The Company's aggregate amount of limit of endorsement for external entities is limited to 150% of the net worth, and the amount of limit of endorsement for single enterprise shall not exceed 10% of the net worth to an individual enterprise while not more than 100% for a single affiliate.

Note 4: In 2021, the handling fee charged by the Company to CoAsia Electronics Corporation (Hong Kong) Limited for the above-mentioned endorsement guarantee amounted to $7,737 (recorded as other income), and the outstanding amount as of December 31, 2021 amounted to $2,072.

Note 5: In 2021, the handling fee charged by the Company to CoAsia Electronics Corp.(Singapore) Pte. Ltd. for the above-mentioned endorsement guarantee amounted to $15,040 (recorded as other income), and the outstanding amount as of December 31, 2021 amounted to $2,547.

CoAsia Electronics Corp. and Its Subsidiaries

Securities held at end of period (excluding investments in subsidiaries, associates, and joint ventures)

December 31, 2021

Table 3

Unit: NT$ thousand

(unless stated otherwise)

Company Holding Securities	Type and Name of Securities	Relationship with Issuer of Securities	Ledger Account	Ending Balance				Remark
				Number of Shares	Carrying amount	Shareholding %	Fair value	
CoAsia Electronics Corp.	Merian Global Dynamic Bond Fund B USD Acc	-	Financial assets at fair value through profit or loss - current	-	$ 4,734	-	$ 4,734	
CoAsia Electronics Corp.	Common and preferred stocks of Insignal Co. Ltd	-	Financial assets at fair value through profit or loss - non-current	10,770	21,685	12.5%	21,685	
CoAsia Korea Co. Ltd.	Stocks of Bobbintel Inc.	-	Financial assets at fair value through profit or loss - non-current	425,000	-	14%	-	

CoAsia Electronics Corp. and Its Subsidiaries

Purchases or Sales with Related Parties Amounting to NT$100 Million or 20% of Paid-up Capital or More

For the Year Ended December 31, 2021

Table 4

Unit: NT$ thousand
(unless stated otherwise)

			Transaction Situation				Unusual Transaction Terms and Reasons (Note 1)		Notes and Accounts Receivable (Payable)		
Purchasing (Selling) Company	Counterparty	Relationship	Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes and Accounts Receivable (Payable)	(Notes 2)
CoAsia Electronics Corp.	Shanghai Samsung Semiconductor Co.,Ltd.	Other related party	Purchase of goods	$ 7,866,222	52%	Prepayments for goods	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	$ -	-	
CoAsia Electronics Corp.	Samsung Electronics Taiwan Co., Ltd.	Other related party	Purchase of goods	5,634,487	37%	OA 1 day; prepayments for goods	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	19,703	(9%)	
CoAsia Electronics Corporation (Hong Kong) Limited	Shanghai Samsung Semiconductor Co.,Ltd.	Other related party	Purchase of goods	8,483,585	51%	Prepayments for goods	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	-	-	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	Samsung Electronics Singapore Pte. Ltd.	Other related party	Purchase of goods	2,880,852	46%	OA 2 days	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	316	(1%)	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	Samsung India Electronics Pvt Ltd.	Other related party	Purchase of goods	3,082,236	49%	OA 2 days	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	-	-	
CoAsia Korea Co., Ltd	Samsung Electronics Co., Ltd.	Other related party	Purchase of goods	241,482	22%	75 days from end of month	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	23,540	(10%)	
CoAsia Korea Co., Ltd	CoAsia CM Co., Ltd.	Other related party	Sales	(930,154)	81%	30 days from end of month	-	-	(105,827)	94%	
CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other related party	Sales	(152,331)	1%	90 days from end of month			(111,696)	4%	
CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	Sister company of the same group	Sales	(221,208)	1%	60 days from end of month	-	-	(43,350)	2%	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Sister company of the same group	Sales	(1,696,951)	27%	60 days from end of month	-	-	(570,836)	67%	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corp.	Subsidiaries	Sales	(140,820)	2%	60 days from end of month	-	-	(36,012)	4%	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd.	Sister company of the same group	Sales	(726,532)	11%	40 days from end of month	-	-	(202,377)	24%	
CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Subsidiaries	Sales	(6,237,530)	41%	60 days from end of month	-	-	(1,509,061)	55%	

Note 1: If the related party transaction terms are different from the normal transaction terms, the differences and reasons shall be stated in the column of unit price and credit period.
Note 2: For those who have advance receipt (prepayment), the reason, contract terms, amount and the difference from the normal transaction type should be stated in the remarks column.
Note 3: The paid-in capital is the paid-in capital of the parent company. For issuers with shares of no-par value or of par value which is not NT$10 per share, the regulation regarding the 20% of the paid-in capital is calculated by the 10% equity attributable to owners of the parent company on the balance sheet.
Note 4: The disclosure method of the transactions between the Company and its subsidiaries is in terms of assets and income, and its relative transactions are no longer disclosed.

CoAsia Electronics Corp. and Its Subsidiaries

Receivables from related parties reached NT$ 100 million or 20% and above of paid-in capital

December 31, 2021

Table 5

Unit: NT$ thousand

(unless stated otherwise)

Company recorded under account receivables	Counterparty	Relationship	Receivables from related parties (Note 1)	Turnover rate	Overdue receivables from related parties		Receivables from related parties (Note 3)	Allowance for Bad Debt
					Amount	Action taken		
CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other related party	$ 111,696	2.73	$ -	-	$ 9,210	$ -
CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Subsidiary	1,509,061	3.98	-	-	465,316	-
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Sister company of the same group	570,836	2.64	-	-	-	-
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd.	Sister company of the same group	202,377	5.52	-	-	83,935	-
CoAsia Korea Co., Ltd.	CoAsia CM Co., Ltd.	Other related party	105,827	13.57	-	-	105,827	-

Note 1: Please fill in separately according to related party' s accounts receivable , notes receivable, other receivables...etc.
Note 2: The paid-in capital is the paid-in capital of the parent company. For issuers with shares of no-par value or of par value which is not NT$10 per share, the regulation regarding the 20% of the paid-in capital is calculated by the 10% equity attributable to owners of the parent company on the balance sheet.
Note 3: It mainly refers to other receivables arising from the loan provided, so there is no need to calculate the turnover rate.
Note 4: It refers to the amount repatriated after the period as of February 16, 2022.

CoAsia Electronics Corp. and Its Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions Between Parent and Subsidiaries and Between Subsidiaries

For the Year Ended December 31, 2021

Table 6

Unit: NT$ thousand
(unless stated otherwise)

				Description of Transactions			
No.(Note 1)	Name of Trader	Counterparty	Relationship with the Trader (Note 2)	Ledger Account	Amount	Transaction Term	Percentage of Consolidated Total Revenue or Total Assets (Note 3)
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1	Sales revenue (cost)	$ 6,237,530	Same as normal transactions	21%
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1	Accounts receivable	1,509,061	Same as normal transactions	18%
1	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	3	Sales revenue (cost)	1,696,951	Same as normal transactions	6%
1	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	3	Accounts receivable	570,836	Same as normal transactions	7%
1	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd	3	Sales revenue (cost)	726,532	Same as normal transactions	2%

Note 1: The information on business dealings between the parent company and subsidiaries should be numbered according to the following method:

(1). For the parent company, fill in 0.

(2). Subsidiaries are numbered sequentially starting from Arabic number 1 according to the company type.

Note 2： Three types of the relationship with the trader as below and remark it by type only. (There is no need to repeat disclosure if it is the same transaction between parent and subsidiary or between subsidiaries. For example: For transactions between the parent company and subsidiaries, if the parent company has already disclosed, the subsidiary does not need to disclose it repeatedly; for transactions between subsidiaries and subsidiaries, if one of its subsidiaries has been disclosed, the other subsidiary does not need to disclose it repeatedly):

(1). The parent company to subsidiaries.

(2). Subsidiaries to the parent company.

(3). Subsidiaries to subsidiaries.

Note 3: For calculation on the ratio of transaction amount to consolidated total revenue or total assets, ending balance to consolidated total assets is used to calculate for those belongs to items on the balance sheet; mid-term cumulative balance to consolidated total revenue is used to calculate for those belongs to items on the income statement.

Note 4: It is up to the company to decide whether the important transactions in this table should be listed or not based on the principle of materiality.

Note 5: Individual transactions not exceeding NT$300 million will not be disclosed.

CoAsia Electronics Corp. and Its Subsidiaries

Names, Locations And Relevant Information of Investee Companies (excluding mainland China investee companies)

For the Year Ended December 31, 2021

Table 7

Unit: NT$ thousand

(unless stated otherwise)

Name of Investor	Name of Investee (Note 1, 2)	Location	Primary Business Activities	Initial Investment Amount		Ending Balance			Profit (Loss) of Investee for the Period (Note 2(2))	Investment Profit (Loss) Recognized for the Period (Note 2(3))	Remark
				Balance for the Period	End of last year	Number of Shares	Ratio	Carrying Amount			
CoAsia Electronics Corp.	CoAsia International Corp.	Mauritius	Professional investment company	$ 432,977	$ 432,977	1,329,612	100.00%	$ 625,660	$ 81,719	$ 81,719	
CoAsia Electronics Corp.	Pointchips Co.,Ltd.	South Korea	Semiconductor design	73,102	73,102	983,049	20.14%	(5,395)	(2,218)	-	
CoAsia Electronics Corp.	CoAsia Technology Co., Ltd.	Hong Kong	International trade, re-export trade	-	85,991	-	-	-	7,178	7,178	
CoAsia Electronics Corp.	CoAsia Korea Co.,Ltd.	South Korea	Manufacturing and trading of peripheral products for semiconductors and development of software and hardware technologies, etc.	171,902	171,902	1,320,000	100.00%	61,511	(28,896)	(28,896)	
CoAsia Electronics Corp.	Studybank Co., Ltd.	Taiwan	Electronic equipment, data processing business and online learning courses, etc.	358,000	358,000	9,204,851	89.10%	13,072	567	505	
CoAsia Electronics Corp.	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	Singapore	International trade, re-export trade	30,202	30,202	1,000,000	100.00%	558,279	66,254	68,806	
CoAsia Electronics Corp.	CoAsia Electronics (US) Corp.	USA	International trade, re-export trade	1,400	-	250,000	100.00%	1,324	(61)	(61)	
CoAsia International Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Hong Kong	Wholesaling, designing and manufacturing of electronic components	435,837	435,837	10,293,200	100.00%	639,702	82,030	82,030	
Studybank Co., Ltd.	Taiwan Interactive Education Co., Ltd.	Taiwan	Academic tutoring, afterschool teaching, other sound recording and music publishing	50,000	50,000	1,600,000	100.00%	1,077	(459)	(459)	
CoAsia Electronics Corp.(Singapore) Pte.Ltd	CoAsia Electronics Corp.LLP	India	International trade, re-export trade	4,623	4,623	-	100.00%	(1,749)	(2,048)	(2,048)	Note 3

Note 1: A public offering company that has a foreign holding company and uses consolidated financial statements as its main financial statements in accordance with local laws and regulations may only disclose

Note 2: According to the following rules, fill in for those who are not in the situation described in Note 1:

(1) Fill in "Name of Investee", "Location", "Primary business" and "Original Investment Amount" and "Shareholding at the end of the period", etc. in order according to the reinvestment situation of the Company (public offering) and the reinvestment situation of each directly or indirectly controlled investee company, and indicate the relationship between each investee company and the Company (public offering) (if it is a subsidiary or a sub-company) in the remarks column.

(2) In the column of "Profit (Loss) of Investee for the Period", the profit (loss) for the period of each investee company should be filled in.

(3) The column of "Investment Profit (Loss) Recognized for the Period" only needs to be filled with the profit and loss amount of each subsidiary recognized by the Company (public offering) for direct reinvestment and each investee company accounted for using the equity method, and the rest is not required to be filled. When filling in "Profit (Loss) of Recognition of Each Subsidiary for Direct Reinvestment for the Period", it should be confirmed that the amount of profit and loss of each subsidiary for the period includes the investment profit and loss that should be recognized for reinvestment according to the regulations.

Note 3: CoAsia Electronics Corp.LLP is a limited partnership and no stocks are issued.

CoAsia Electronics Corp. and Its Subsidiaries

Information on Investments in Mainland China - Basic Data

For the Year Ended December 31, 2021

Table 8

Unit: NT$ thousand
(unless stated otherwise)

Investee Company	Primary Business Activities	Paid-in Capital	Method of Investments (Note 1)	Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted from Taiwan at End of Period	Profit (Loss) of Investee for the Period	The Company's Direct or Indirect Shareholding Ratio	Investment Profit (Loss) Recognized for the Period (Note 2. (2)B)	Carrying Amount of Investments at End of Period	Accumulated Investment Income Repatriated at End of Period	Remark
					Remitted	Repatriated							
CoAsia Electronics Corporation(Shanghai) Limited	International trade, re-export trade, and commercial simple processing in the bonded area	$ 155,520	2	$ 151,004	$ -	$ -	$ 151,004	$ 1,026	100.00%	$ 1,026	$ 32,764	$ -	2.1
CoAsia Electronics Corporation (Shenzhen) Limited	International trade and re-export trade	31,291	2	20,082	-	-	20,082	(5,844)	100.00%	(5,844)	6,655	-	2.1

Name of Company	Accumulated Amount of Investments Remitted from Taiwan to Mainland China at End of Period	Amount of Investments Authorized by Investment Commission, M.O.E.A.	Ceiling on Amount of Investments Stipulated by Investment Commission, M.O.E.A.
CoAsia Electronics Corp.	$ 171,086	$ 171,086	$ 1,490,281

Note 1: Methods of investments are divided into the following three types:
(1). Direct investment in mainland China
(2). Reinvestment in Mainland China through companies registered in a third region. (please specify the investment company in a third region)
2.1 Reinvest in the companies in the Mainland Chinese through CoAsia Electronics Corporation (Hong Kong) Limited established in third regions.
(3). Others

Note 2： Investment profit (loss) recognized for the period:
(1) Indicate if no investment profit (loss) is recognized as an investee is under preparation
(2) Indicate if investment profit (loss) is recognized on the following three types of basis
A. Financial statements audited by international accounting firms cooperating with accounting firms in the Republic of China
B. Financial statements audited and certified by the parent company's certified public accountant in Taiwan
C. Others.

Note 3: Figures related to this table should be listed in New Taiwan Dollars.

CoAsia Electronics Corp.

Information on Major Shareholders

December 31, 2021

Table 9

Name of Major Shareholders	Shareholding	
	Number of Shares Held	Percentage of Ownership
Investment account of BSE Holdings Co., Ltd entrusted custody by CTBC Bank Co., Ltd.	17,739,028	12.21%
CoAsia Corporation of Korea Company	11,673,652	8.03%

CoAsia Electronics Corp.

Cash and Cash Equivalents

December 31, 2021

Statement 1 Unit: NT$ thousand

Item	Summary		Amount
Cash on hand			$ 580
Petty cash			105
Bank deposits			
Demand Deposits			17,369
Time Deposits	US$	710 thousand, exchange rate 1: 27.68	19,653
Foreign currency demand deposits	US$	6,042 thousand, exchange rate 1: 27.68	167,243
	VND	7 thousand, exchange rate 1: 0.0012	-
			204,950
(Recognized as financial assets at amortized cost)			(122,003)
			$ 82,947

(Blank below)

CoAsia Electronics Corp.

Accounts Receivable, Net

December 31, 2021

Statement 2 | Unit: NT$ thousand

Customer name	Summary	Amount	Remark
Non-related party			
Company A		$ 444,991	
Company B		179,411	
Company C		110,160	
Other occasional customers		496,549	The balance of each occasional customer does not exceed 5% of the balance of this account
		1,231,111	
Less: Allowance for doubtful accounts		(304)	
		$ 1,230,807	
Related party			
CoAsia Electronics Corporation (Hong Kong) Limited		$ 1,509,061	

CoAsia Electronics Corp.

Inventories

December 31, 2021

Statement 3 | Unit: NT$ thousand

Item	Summary	Amount		Remark
		Cost	Net realizable value (Note)	
				Measured by net realizable value
Inventory		$ $364,566	$363,022	
Less: Allowance of slow moving inventories and write-down		(16,269)		
		$ $348,297		

CoAsia Electronics Corp.

Changes in Investments Accounted for Using the Equity Method

From January 1, 2021 to December 31, 2021

Statement 4

Unit: NT$ thousand

	Beginning balance		Increase		Decrease		Ending balance			Market value/Net equity value		
Name	Shares	Amount	Shares	Amount (Note 1)	Shares	Amount (Note 2)	Shares	Percentage of Ownership	Amount	Unit price	Total	Guarantee or Pledge
CoAsia International Corp.	1,329,612	$ $565,562	-	$ 82,768	-	($ 22,670)	1,329,612	100%	$ 625,660	$ 471	$ 625,660	None
CoAsia Electronics (US) Corp.	-	-	250,000	1,400	-	(76)	250,000	100%	1,324	5	1,324	None
Pointchips Co., Ltd.	983,049	(5,395)	-	-	-	-	983,049	20.14%	(5,395)	(5)	(5,395)	None
CoAsia Technology Co., Ltd.	2,597,752	6,133	-	7,182	(2,597,752)	(1,049)	-	-	-	-	-	None
CoAsia Korea Co., Ltd.	1,320,000	99,985	-	-	-	(38,474)	1,320,000	100%	61,511	47	61,511	None
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	1,000,000	517,324	-	68,806	-	(27,851)	1,000,000	100%	558,279	558	558,279	None
Studybank Co., Ltd.	9,204,851	12,567	-	505	-	-	9,204,851	89.10%	13,072	1	13,072	None
		1,183,910		$ 160,661		$ 90,120)			1,254,451			
Credit balance of investments accounted for using equity method (recognized as other non-current liabilities)		11,528							5,395			
		$1,195,438							$ 1,259,846			

Note 1. For the year ended December 31, 2021, the investment income and cumulative translation adjustments were recognized under the equity method for the new investments accounted for under the equity method and for the unremunerated transfers of equity interests.

Note 2. For the year ended December 31, 2021, the Company disposed of investment loss recognized under the equity method, unrealized gross profit on sales, organizational restructuring, and cumulative translation adjustments

CoAsia Electronics Corp.
Short-term Loans
December 31, 2021

Statement 5

Unit: NT$ thousand

Type of Loans	Institutions	Description	Ending balance	Contract Period (YYYY/MM/DD)	Interest Rate	Line of credit		Pledge or guarantee	Remark
Loans for material purchase	Jih Sun International Bank		$ 55,360	2021/12/7-2022/3/7	1.34%	US$	2,000 thousand	Note 1	
Loans for material purchase	Mega International Commercial Bank		98,264	2021/10/30-2022/10/29	1.35%~1.42%	NT$	100,000 thousand	Note 1	
Loans for material purchase	Taiwan Business Bank		276,800	2021/11/17-2022/11/16	1.27%~1.33%	NT$	300,000 thousand	Note 1	
Loans for material purchase	Taiwan Cooperative Bank		192,376	2021/7/9-2022/7/2	1.29%~1.40%	NT$	250,000 thousand	Note 1	
Loans for material purchase	Entie Commercial Bank		138,400	2021/12/13-2022/12/13	1.34%~1.39%	NT$	150,000 thousand	Note 1	
Loans for material purchase	Far Eastern International Bank		163,035	2021/3/12-2022/3/12	1.22%~1.25%	US$	6,000 thousand	Note 1	
Loans for material purchase	DBS Bank		166,080	2021/12/26-2022/12/26	1.25%~1.40%	US$	6,000 thousand	Note 1	
Loans for material purchase	Bank of Panhsin		83,040	2021/8/4-2022/8/4	1.40%	NT$	84,000 thousand	Note 1	
Loans for material purchase	Shin Kong Commercial Bank		301,297	2021/7/12-2022/7/12	1.30%~1.56%	US$	12,000 thousand	Note 1, Note 2	
Loans for material purchase	Hua Nan Commercial Bank		77,227	2021/6/17-2022/6/17	1.37%	NT$	200,000 thousand	Note 1	
Loans for material purchase	KGI Bank		241,149	2021/12/2-2022/12/1	1.28%~1.38%	NT$	300,000 thousand	Note 1	
Accounts receivable financing	KGI Bank		324,437	2021/12/2-2022/12/1	1.13%~1.39%	US$	100,000 thousand	Note 1	
Credit loans	Hua Nan Commercial Bank		120,000	2021/6/17-2022/6/17	1.50%	NT$	200,000 thousand	Note 1	

Credit loans	Taiwan Cooperative Bank	30,000	2021/7/9-2022/7/2	1.27%	NT$	250,000 thousand	Note 1
Credit loans	Shin Kong Commercial Bank	83,000	2021/7/12-2022/7/12	1.50%~1.52%	NT$	90,000 thousand	Note 1
		$ 2,350,465					

Note 1. The Company has issued $2,684,240 in guaranteed notes for the above short-term loan facilities.

Note 2. The loans are secured by land and buildings with a book value of $124,749.

CoAsia Electronics Corp.

Operating Revenue, Net

From January 1, 2021 to December 31, 2021

Statement 6 Unit: NT$ thousand

Item	Quantity		Amount
Sales revenue			
Key components for mobile communication products (Mobile)	197,488(thousand pieces)	$	9,132,584
Thin film liquid crystal displays (SDC)	1,974(thousand PCS)		4,056,390
Wafers (Foundry)	89(thousand PCS)		1,172,018
Others			203,383
		$	14,564,375

CoAsia Electronics Corp.

Operating Costs

From January 1, 2021 to December 31, 2021

Statement 7 Unit: NT$ thousand

Item	Amount
Inventory at beginning of period	$ 383,238
Add: Purchase (net)	14,194,177
Work-in-process transfer	733
Others	5,258
Less: Inventory at end of period	(364,566)
Loss on retirement of inventories	(1,914)
Purchases (sales) cost	14,216,926
Work-in-process at beginning of period	733
Less: Transfer of work-in-process to inventory	(733)
Work-in-process at end of period	-
Slow moving inventories and write-down	(7,026)
Other operating costs	12,636
Operating Costs	$ 14,222,536

CoAsia Electronics Corp.

Selling and Marketing Expenses

From January 1, 2021 to December 31, 2021

Statement 8 Unit: NT$ thousand

Item	Summary	Amount	Remark
Salary expenses		$ 56,444	
Lease expenses		9,130	
Freight		7,913	
Bank fee		5,609	
Other fee		32,326	The balance of each fractional account does not exceed 5% of the balance of this account
		111,422	

CoAsia Electronics Corp.

General and Administrative Expenses

From January 1, 2021 to December 31, 2021

Statement 9 | Unit: NT$ thousand

Item	Summary	Amount	Remark
Salary expenses		$ 59,711	
Service fee		12,240	
Bank fee		6,801	
Other fee		37,908	The balance of each fractional account does not exceed 5% of the balance of this account
		116,660	

CoAsia Electronics Corp.
STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION BY FUNCTION
From January 1, 2021 to December 31, 2021

Statement 10

Unit: NT$ thousand

Function / Property	2021			2020		
	Operation Costs	Operation Expenses	Total	Operation Costs	Operation Expenses	Total
Employee Benefits Expenses						
Salary Expenses	$ -	$ 113,869	$ 113,869	$ -	$ 91,549	$ 91,549
Expenses for Labor and Health	-	6,417	6,417	-	5,555	5,555
Pension Expenses	-	3,086	3,086	-	3,092	3,092
Remuneration Paid to Directors	-	2,286	2,286	-	1,104	1,104
Others Employee Benefits Expenses	-	9,799	9,799	-	7,629	7,629
Depreciation expenses (including right-of-	-	7,551	7,551	-	5,304	5,304
Amortization expenses	-	5,810	5,810	-	4,516	4,516

1 The average number of employees per month-end for the current year and the previous year were 65 and 62, respectively, of which the number of directors who were not also employees was 3.

2

(1) The average employee benefit expense for 2021 was NT$2,148 thousand.
The average employee benefit expense for 2020 was NT$1,828 thousand.

(2) The average employee salary expense for 2021 was NT$1,837 thousand.
The average employee salary expense for 2020 was NT$1,552 thousand.

(3) Change in average employee salary expense was 18.36%.

(4) The remuneration of the supervisors for the current year is NT$0. The remuneration of the supervisor for the previous year was NT$350 thousand. The Company has established an Audit Committee on June 19, 2020, so there is no supervisor for the current year.

(5) The Company's remuneration policy (including directors, managerial officers, and employees)

A. Principles of Personnel Remuneration Policy

a. Salaries are determined with reference to the salary market, the Company's operating conditions and organizational structure, and are subject to timely adjustment in accordance with market salary dynamics, changes in the overall economic and industrial prosperity, and government regulations.

b. Salaries and compensation for employees are based on their academic experience, professional knowledge, professional experience, and personal performance, and do not differ based on age, gender, race, religion, political affiliation, or marital status.

c. Bonus is paid based on the performance of the Company's operations and the performance of individual employees.

B. The relationship between the remuneration policy, the procedure of remuneration determination and the operating performance or results

a. The percentage or range of remuneration for employees and directors as set forth in the Company's Articles of Incorporation: If there is any profit in the year, the Company shall allocate not less than 10% as remuneration to employees and not more than 5% as remuneration to directors. If the Corporation still has accumulated losses, it should reserve the amount in advance to make up for them.

b. The remuneration policy for the President, Vice President and equivalent managerial officers is based on the Company's business strategy, profitability, performance and contribution, and other factors with reference to the salary level of the market. The Remuneration Committee makes a recommendation for implementation after approval by the Board of Directors. c. The Company uses an employee bonus system to motivate performance, and provides annual performance bonuses and other project bonuses based on business and other operational performance targets set by the Company.