

**BULL WILL CO LTD**  
**Parent Company Only Financial Report and Independent**  
**Accountant's Report**  
2021 and 2020

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## **Accountant's Audit Report**

TO: BULL WILL CO LTD

### **Audit Opinion**

The Consolidated Balance Statement of BULL WILL Co., Ltd on December 31, 2021 and 2020, and the Composite Income Statement, Statement of Changes in Equity, Statement of Cash Flow, and Notes to Individual Financial Report (including summary of major accounting policies) on January 1 to December 31, 2021 and 2020, has been audited and concluded by our CPA.

In the opinion of the CPA, and on the basis of the audit report of the CPA, the above individual financial statements have been prepared in all material respects in accordance with the criteria for the preparation of financial statements of securities issuers and are sufficient to give the financial position of the Company as of 31 December 2021 and 2020, as well as the financial performance and cash flow for 2021 and 2020 from 1 January to 31 December.

### **Basis of Audit Opinion**

Our CPA conducted the audit in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. The accountant's responsibility under these standards will be further explained in the paragraph of responsibility of the accountant for examining the individual financial report. Personnel of our accounting firm subject to the independent requirements have complied with the code of professional ethics of certified public accountants, stayed fully independent of Bull Will Co., Ltd, and fulfilled other responsibilities in accordance with the code. Based on the audit report of our CPA, we believe that sufficient and appropriate verification evidence has been obtained to form the basis of our opinion.

### **Key Audit Items**

Key audit matters refer to the most significant matters, according to our professional judgment, in the 2021 and 2020 consolidated financial statements of Bull Will CO LTD. Such items have been taken into consideration in the process of auditing the overall financial reports and forming audit opinions. The accountant does not express opinions on such items separately. Our CPA determined to address the following key auditing matters in the accountant's report:

### Income Recognition

The main operating items of the BULL WILL Co., Ltd are the sales of electronic components related products and other businesses. Since the sales of goods are related to the ownership of material risks and rewards that have been transferred to the buyer, the amount of sales can be measured reliably and the future economic benefits are likely to flow into the enterprise, the impact on the financial statements is material. Therefore, the sales revenue of BULL WILL Co., Ltd is recognized as one of the main risks for our CPA to conduct the audit of the company's financial report.

Our CPA's primary audit procedures for the above critical items include understanding and testing the effectiveness of the internal control and implementation related to the revenue and collection cycle; analyze the revenue trends of the top ten sales customers and compare the relative changes or differences to evaluate if there are any material anomalies; examine whether management has obtained external evidence that risks and rewards have been transferred to the buyer and sample sales transactions before and after the end of the year to evaluate the correctness of the revenue recognition period.

Please refer to Appendix IV and VI to the financial reports for accounting policies and disclosure of relevant information regarding the recognition of income.

### **Responsibility of the Management and the Governing Body for the Individual Financial Reports**

The responsibility of the BULL WILL CO LTD management is to prepare individual financial reports in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain necessary internal controls related to the preparation of individual financial reports, so as to ensure that there is no material misrepresentation of individual financial reports due to fraud or error.

Management when preparing parent company only financial reports is also responsible for evaluating BULL WILL's ability to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting unless management intends to liquidate BULL WILL CO LTD to cease the operations, or to liquidate or to have no feasible alternatives but to do so.

Those charged with governance (including the supervisors) of BULL WILL CO LTD are responsible for supervising BULL WILL CO LTD's financial reporting procedure.

### **Responsibility of the Accountant to Audit Individual Financial Reports**

The purpose of the accountant's audit of the individual financial reports is to obtain reasonable assurance of whether the individual financial reports as a whole are substantially misrepresented due to fraud or error, and to issue an audit report.

Reasonable assurance refers to a high level of assurance, but there is no guarantee that accountants performing in accordance with the generally accepted auditing standards can detect any material misstatement from the parent company only financial reports. Misrepresentation may

be due to fraud or error. A misrepresentation of an individual amount or sum of transfers is considered significant if it is reasonably expected to affect the economic decisions made by individual users of financial reports.

In accordance with the generally accepted auditing standards, our CPA exercised professional judgment and maintained professional skepticism throughout the audit. Our CPA also performs the following tasks:

1. To identify and assess the risk of material misrepresentation in individual financial reports due to fraud or error. Design and implement appropriate countermeasures against the assessed risks. Sufficient and appropriate verification evidence shall be obtained as the basis of the audit opinion. Since fraud may involve collusion, forgery, intentional omission, misrepresentation, or violation of internal control, the risk of material misrepresentation due to fraud is higher than that due to error.
2. We obtained an understanding of internal control relevant to the audit in order to design audit procedures suitable for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BULL WILL CO LTD's internal control.
3. Assess the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
4. We concluded on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on BULL WILL Co., Ltd's ability to continue as a going concern based on the audit evidence we have obtained. If the accountant considers that there is significant uncertainty in such events or circumstances, he/she shall, in the audit report, alert the users of the individual financial reports to the disclosure of the individual financial reports or amend the audit opinion if such disclosure is inappropriate. The accountant's conclusions are based on the evidence obtained as of the audit report date. However, future events or conditions may cause BULL WILL CO LTD, to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial reports (including relevant notes), and whether the individual financial reports are adequate to express relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the BULL WILL CO LTD to express an opinion on the parent company only financial reports. Our CPA is responsible for guiding, supervising and executing the audit cases of the investee company, and for forming the audit opinions on individual financial reports.

Matters communicated between the accountant and the governing body, including the limits and time of the planned audit, and major audit findings (including significant deficiencies in internal control identified in the audit process).

The accountant also provides to the governing body that the persons subject to the independence standard of the affiliated CPA firm have complied with the declaration of independence in the code of professional ethics of accountants, and communicates with the governing body all the relations and other matters that may be considered to affect the independence of the accountant (including relevant protective measures).

We determined the key audit matters of the financial reports of 2021 of BULL WILL Co., Ltd according to matters communicated with those charged with governance. Unless the disclosure of a particular matter is prohibited by statute or, in very rare circumstances, the accountant has decided not to communicate a particular matter in the audit report, as it is reasonably expected that the negative impact of such communication will be greater than the public interest.

Moore Stephens DaHua (Taiwan) CPAs

Andrea Kuo

CPA:

Ian Yang

Securities Authority

Approved Certified Letter No: FSC Audit No. 1040019693

29 March 2022

**BULL WILL CO LTD**  
**Balance Sheet**  
**December 31, 2021 and 2020**

Unit: NT\$ 1,000

		2021.12.31		2020.12.31				2021.12.31		2020.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Assets</b>						<b>Liability and Equity</b>					
<b>Current Asset:</b>						<b>Current Liability:</b>					
1100	Cash and Cash Equivalents (Note VI (1))	\$ 65,529	19	9,669	3	2100	Short-Term Loans (Note VI (10))	\$ 8,000	2	8,000	3
1110	Financial Assets at Fair Value Through Profit or Loss - Current (Note VI (2))	6,478	2	2,345	1	2130	Contractual Liabilities - Current (Note VI (19))	-	-	705	-
1120	Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss Equity Instrument Investment - Current (Note VI (2))	-	-	49,767	16	2170	Accounts Payable	33,552	10	21,866	7
1150	Net Bills Receivable (Note VI (3))	809	-	255	-	2220	Other Payables	7,576	2	7,111	2
1170	Net Accounts Receivable (Note VI (3))	85,123	25	55,826	18	2230	Other Payables - Related Party (Note VII)	-	-	100	-
1180	Accounts Receivable - Receivable-Net Value of Related Parties (Note VI (3) & VII)	47,771	14	75,601	24	2250	Current Income Tax Liabilities (Note VI (15))	370	-	-	-
1200	Other Accounts Receivable (Note VI (4))	1,673	-	11,273	4	2280	Liability Reserve - Current (Note VI (11))	1,491	-	1,201	-
1210	Other Accounts Receivable - Affiliate (Note VI (5))	39,312	12	72,608	24	2320	Lease Liability - Current (Note VI (12))	86	-	339	-
1310	Inventory (Note VI (5))	4,088	1	4,406	1	2330	Long-Term Liabilities Due Within One Year (Note VI (13))	4,042	1	3,333	1
1410	Prepayments (Note VII)	44,545	13	106	-	2300	Other Current Liabilities	5,457	2	2,911	1
1476	Other Financial Assets - Current (Note VIII)	150	-	150	-			60,574	17	45,566	14
		295,478	86	282,006	91						
<b>Non-Current Asset:</b>						<b>Non-Current Liability:</b>					
1550	Investments Using Equity Method (Note VI (6))	22,440	7	3,891	1	2540	Long-Term Loans (Note VI (13))	13,235	4	5,278	2
1600	Real Estate, Plant, and Equipment (Note VI (7))	2,092	1	2,264	1	2570	Deferred Income Tax Liabilities (Note VI (15))	1,900	1	1,900	1
1755	Right-of-Use Assets (Note VI (8))	84	-	421	-	2580	Lease Liability - Non-Current (Note VI (12))	-	-	86	-
1760	Investment Real Estate - Net Amount (Note VI (9))	20,743	6	20,881	7	2645	Refundable Deposits (Note VII)	100	-	-	-
1920	Refundable Deposits (Note VII)	411	-	409	-	2650	Credit Balance of Investments Using Equity Method (Note VI (6))	20,715	6	42,941	14
		45,770	14	27,866	9			35,950	11	50,205	17
								96,524	28	95,771	31
						<b>Total Liabilities</b>					
						<b>Equity (Note VI (16)):</b>					
						3100	Share Capital	161,112	47	155,072	50
						3140	Advance Share Capital	22,650	7	-	-
						3200	Capital Surplus	47,298	14	44,054	14
						3300	Retained Earnings:				
						3310	Legal Surplus Reserve	822	-	-	-
						3350	Retained Earnings	7,931	3	8,221	3
								8,753	3	8,221	3
						3400	Other Equities	4,911	1	6,754	2
							<b>Total Equity</b>	244,724	72	214,101	69
<b>Total Assets</b>						<b>Total Liabilities and Equities</b>					
		\$ 341,248	100	309,872	100			\$ 341,248	100	309,872	100

(Please read the notes of the individual financial report in the end)

Chairman of the Board:

Manager:

Accounting Supervisor:

**Composite Income Statement**  
January 1 to December 31, 2021 and 2020

Unit: NT\$ 1,000

	2021		2020	
	Amount	%	Amount	%
4000 Operating Income (Note VI (19) & VII)	\$ 185,778	100	139,574	100
5000 Operating Cost (Note VI (5) & VII)	(164,244)	(88)	(106,203)	(76)
5900 <b>Operating Margin</b>	<u>21,534</u>	<u>12</u>	<u>33,371</u>	<u>24</u>
5910 Unrealized Loss From Sale	(867)	-	(849)	(1)
5920 Realized Profit From Sale	849	-	848	1
<b>Operating Margin</b>	<u>21,516</u>	<u>12</u>	<u>33,370</u>	<u>24</u>
6000 Operating Expenses (Note VI (3), (14), (17) & VII)				
6100 Selling Expenses	(10,563)	(6)	(10,941)	(8)
6200 Administration Expenses	(31,292)	(17)	(30,039)	(22)
6300 Research and Development Expenses	(2,300)	(1)	(2,231)	(2)
6450 Expected Credit Impairment Reversal Interest	1,785	1	-	-
<b>Total Operating Expenses</b>	<u>(42,370)</u>	<u>(23)</u>	<u>(43,211)</u>	<u>(32)</u>
6900 <b>Operating Net Loss</b>	<u>(20,854)</u>	<u>(11)</u>	<u>(9,841)</u>	<u>(8)</u>
Non-Operating Income and Expenditures (Note VI (21) & VII):				
7100 Interest Income	2,307	1	3,759	3
7010 Other Revenue	2,789	1	16,929	12
7020 Other Profits and Losses	(9,205)	(5)	(12,417)	(9)
7050 Financial Cost	(491)	-	(130)	-
7060 Share of Profits and Losses of Subsidiaries and Affiliated Enterprises Recognized by the Equity Method (Note VI (6))	26,354	14	9,914	7
<b>Total Non-Operating Income and Expenditure</b>	<u>21,754</u>	<u>11</u>	<u>18,055</u>	<u>13</u>
<b>Net Profit Before Tax on Continuing Operations</b>	<u>900</u>	<u>-</u>	<u>8,214</u>	<u>5</u>
7950 Less: Income Tax Expenses (Interest) (Note VI (15))	368	-	(7)	-
8000 <b>Current Net Profit</b>	<u>532</u>	<u>-</u>	<u>8,221</u>	<u>5</u>
8300 Other Consolidated Profit or Loss (Note VI (6) & (15)):				
8310 <b>Items Not to Be Reclassified Into Profit or Loss</b>				
8316 Unrealized Valuation of Profit or Loss on Equity	422	-	(422)	-
Unrealized Valuation of Profit or Loss				
<b>Total Items Not to Be Reclassified Into Profit or Loss</b>	<u>422</u>	<u>-</u>	<u>(422)</u>	<u>-</u>
8360 <b>Items That May Be Subsequently Reclassified as Profit or Loss</b>				
8361 Exchange Differences on Conversion of the Financial Statements of Foreign Operation	(2,265)	(1)	(1,256)	(1)
8399 Income Tax Relating to Items Which May Be Reclassified as Profit or Loss	-	-	228	-
<b>Total Items That May Be Subsequently Reclassified as Profit or Loss</b>	<u>(2,265)</u>	<u>(1)</u>	<u>(1,028)</u>	<u>(1)</u>
8300 Current Other Consolidated Profit or Loss (Net Amount After T	(1,843)	(1)	(1,450)	(1)
<b>Current Total Comprehensive Profit or Loss</b>	<u><u>\$ (1,311)</u></u>	<u><u>(1)</u></u>	<u><u>6,771</u></u>	<u><u>4</u></u>
Earnings Per Share (Unit: NT\$ 1,000) (Note VI (18))				
9750 <b>Basic Earnings Per Share</b>	<u><u>\$ 0.03</u></u>		<u><u>0.53</u></u>	
9850 <b>Diluted Earnings Per Share</b>	<u><u>\$ 0.03</u></u>		<u><u>0.53</u></u>	

(Please read the notes of the individual financial report in the end)

Chairman of the Board:

Manager:

Accounting Supervisor:



**BULL WILL CO LTD**  
**Statement of Changes in Equity**  
**January 1 to December 31, 2021 and 2020**

Unit: NT\$ 1,000

	Retained Earnings					Other Equity Items		
	Share Capital	Advance Share Capital	Capital Surplus	Statutory Special Surplus Reserve	Undistributed Surplus Earnings (Or Accumulated Deficits to Be Covered or to cover losses))	Difference of Conversion of Financial Statements of Foreign Operating Institutions Foreign Operations	Unrealized Profits (Losses) on Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss	Total Equity
<b>Balance as of January 1, 2020</b>	\$ 1,113,364	-	43,702	-	(958,292)	8,510	(306)	206,978
Current Net Profit	-	-	-	-	8,221	-	-	8,221
Current Other Comprehensive Profit or Loss	-	-	-	-	-	(1,028)	(422)	(1,450)
Current Total Comprehensive Profit or Loss	-	-	-	-	8,221	(1,028)	(422)	6,771
Capital Reduction to Cover Losses	(958,292)	-	-	-	958,292	-	-	-
Other Changes in Equity:								
Share-Based Payment	-	-	352	-	-	-	-	352
<b>Balance as of December 31, 2020</b>	<u>\$ 155,072</u>	<u>-</u>	<u>44,054</u>	<u>-</u>	<u>8,221</u>	<u>7,482</u>	<u>(728)</u>	<u>214,101</u>
<b>Balance as of January 1, 2021</b>	\$ 155,072	-	44,054	-	8,221	7,482	(728)	214,101
Distribution by Resolution of the Regular Shareholders' Meeting:								
Legal Surplus Reserve	-	-	-	822	(822)	-	-	-
Current Net Profit	-	-	-	-	532	-	-	532
Current Other Comprehensive Profit or Loss	-	-	-	-	-	(2,265)	422	(1,843)
Current Total Comprehensive Profit or Loss	-	-	-	-	532	(2,265)	422	(1,311)
Other Changes in Equity:								
Share-Based Payment	6,040	22,650	3,244	-	-	-	-	31,934
<b>Balance as of December 31, 2021</b>	<u>\$ 161,112</u>	<u>22,650</u>	<u>47,298</u>	<u>822</u>	<u>7,931</u>	<u>5,217</u>	<u>(306)</u>	<u>244,724</u>

(Please read the notes of the individual financial report in the end)

Chairman of the Board:

Manager:

Accounting Supervisor:

**BULL WILL CO LTD**  
**Statement of Cash Flow**  
**January 1 to December 31, 2021 and 2020**

Unit: NT\$ 1,000

	2021	2020
Cash Flow from Operating Activities:		
Net Profit Before Tax	\$ 900	8,214
Earning Expense Items That Do Not Affect Cash Flow		
Depreciation Expense	1,533	1,551
Expected Credit Impairment Reversal Interest	(1,785)	-
Financial Asset Loss Measured at Fair Value Through Profit and Loss	372	398
Interest Expense	491	130
Interest Income	(2,307)	(3,759)
Dividend Revenue	(179)	(13,409)
Share-based remuneration cost	164	352
Share of interests of Subsidiaries and Affiliated Enterprises Recognized by the Equity	(26,354)	(9,914)
Disposal of Investment Interests Under the Equity Method	-	(251)
Unrealized Profit From Sale	867	849
Realized Profit From Sale	(849)	(848)
Total Earning Expense Items	(28,047)	(24,901)
Net Changes in Operating Assets and Liabilities		
And Net Changes in Assets Related to Operating Activities		
Decrease (Increase) in Notes Receivable	(554)	650
Decrease (Increase) in Accounts Receivable (Including Related Parties)	318	37,577
Decrease in Accounts Receivable (Including Related Parties)	42,634	2,224
Decrease (Increase) in Inventories	318	(3,084)
Decrease (Increase) in Advance Payments	(44,439)	57
And Total Net Changes in Assets Related to Operating Activities	(1,723)	37,424
And Net Changes in Liabilities Related to Operating Activities		
Increase (Decrease) in Contractual Liabilities	(705)	696
Increase in Accounts Payable (Including Related Parties)	11,686	248
Increase (Decrease) in Other Accounts Payable (Including Related Part	356	(2,395)
Liability Reserve - Current Increased	290	107
Increase (Decrease) in Other Current Liabilities	2,546	(94)
And Total Net Changes in Liabilities Related to Operating Activities	14,173	(1,438)
And Total Net Changes in Assets and Liabilities Related to Operating	12,450	35,986
Total Adjusted Items	(15,597)	11,085
Cash Generated From Operations	(14,697)	19,299
Interest Received	2,564	3,759
Refund of Income Tax	7	7
Net Cash Inflows (Outflows) From Operating Activities	(12,126)	23,065
Cash Flow from Investment Activities:		
Obtain the Value of Financial Assets Measured at Fair Value Through	-	(50,189)
Other Consolidated Profit or Loss	50,189	-
Dispose of the Value of Financial Assets Measured at Fair Value Through	-	-
Profit or Loss	(22,016)	(19,039)
Obtain the Value of Financial Assets Measured at Fair Value Through	-	-
Profit or Loss	17,511	25,329
Dispose of the Value of Financial Assets Measured at Fair Value Through	-	-
Profit or Loss	-	30,080
Dispose of Financial Assets Measured at Amortized Cost	(16,704)	(37,371)
Investments Accounted for Using Equity Method Acquired	-	1,790
Dispose of Investments Using Equity Method	(886)	-
Purchase of Real Estate, Plant, and Equipment	(2)	-
Decrease in guarantee deposits paid	179	2,177
Collect Other Dividends	28,271	(47,223)
Net Cash Inflow (Outflow) From Investment Activities	-	-
Cash Flow from Financing Activities:		
Short-Term Loan Increased	8,000	18,000
Short-Term Loan Decreased	(8,000)	(10,000)
Long-Term Loan Borrowed	12,000	10,000
Long-Term Loan Repaid	(3,334)	(1,389)
Lease Principal Repaid	(339)	(335)
Employee Execution of Stock Options	31,770	-
Interest Paid	(482)	(128)
Increased Guarantee Deposits Received	100	-
Net Cash Inflows From Financing Activities	39,715	16,148
Current Cash and Cash Equivalents Increments (Reductions)	55,860	(8,010)
Beginning Cash and Cash Equivalents Balance	9,669	17,679
Ending Cash and Cash Equivalents Balance	<u>\$ 65,529</u>	<u>9,669</u>

(Please read the notes of the individual financial report in the end)

Chairman of the Board:

Manager:

Accounting Supervisor:

**BULL WILL CO LTD**  
**Notes to Individual Financial Report**  
**December 31, 2021 and 2020**

(Unless otherwise noted, the amounts are expressed in thousands of New Taiwanese Dollars)

**1. Company History**

Approved by the Ministry of Economics Affairs, Bull Will CO LTD (the Company) was established in December 20, 1993 and the registered address is 3F., No. 199, Ruihu St., Neihu Dist., Taipei City.

The Company's main business items are electronic materials and parts processing, import and export, trading businesses, and so on.

In July 2001, the Company was approved by Securities and Futures Commission, Ministry of Finance to go public and begin selling stock. In June 2003, Securities and Futures Commission, Ministry of Finance approved the Company's shares to be listed on the Over-the-Counter Markets. On September 17, 2003, the Company became listed on the Taiwan OTC Exchange.

**2. Approval Date and Procedures of Financial Reports**

This individual financial report has been approved and released by the Board of Directors on March 29, 2022.

**3. Application of Newly Issued and Revised Guidelines and Interpretations**

(1) The following revised International Financial Reporting Standards apply to the individual financial reports of the Company as of January 1, 2021, and there is no material impact.

- Revision of IFRS 4 - "Temporary Exemption From the Extension of IFRS 9"
- Revision of IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 - "Interest Rate Benchmark Reform - Phase Two"

The following revised International Financial Reporting Standards apply to the consolidated financial reports of the Company as of April 1, 2021, and there is no material impact.

- Revision of IFRS 16 "COVID-19 Related Rental Concession after June 30, 2021"

(2) The impact of IFRS recognition has not yet been adopted by the Financial Regulatory Commission.

The Company evaluates that the following revised IFRS, effective from 1 January 2021, will not cause a material change to the individual financial reports.

- Revision of IAS 16 - "Real Estate, Plant, and Equipment - Price Before Reaching the Intended Use Condition"
- Amendment to IAS 37 "Onerous Contract - Cost of Performing Contractual Obligations"
- Annual Improvements to IFRS 2018-2020 Cycle
- Revision of IFRS 3 "Reference to the Conceptual Framework"

(3) Newly published and revised standards and interpretations not yet endorsed by the FSC.

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

Newly Issued or Revised Standards	Major Amendments	Effective Date Announced by the Board
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	The amendment is intended to improve the consistency of the application of the standard to assist enterprises in determining whether debts or other liabilities on the balance sheet at the date of liquidation shall be classified as current (or likely to mature within one year) or non-current. The amendment also clarifies the classification of liabilities that may be converted into equity.	2023 January 1
Amendment to IAS 12 "Deferred Income Taxes Related to Assets and Liabilities Arising from a Single Transaction"	The amendment limits the scope of the recognition exemption so that it no longer applies where the initial recognition of the transaction results in an equivalent amount of tax and a temporary difference is deductible.	2023 January 1

The Company is continuously evaluating the impact of the above standards and interpretation on the Company's financial position and results of operations, and the impact will be disclosed upon completion of the evaluation.

The Company expects that the following new and revised standards, which have not yet been approved, will not have a material impact on the individual financial reports.

- Revision of IFRS 10 and IAS 28 "Sale or Contribution of Assets Between Investors and Their Affiliates or Joint Ventures"
- Revision of IFRS 17 "Insurance Contracts" and amendments to IFRS 17
- Amendment to IAS 37 "Onerous Contract - Cost of Performing Contractual Obligations"
- Amendment to IAS 1 "Disclosure of Accounting Policies"
- Amendment to IAS 8 "Definition of Accounting Estimates"

#### 4. Summary Statement of Major Accounting Policies

The major accounting policies adopted for preparing these parent company financial statements are described below.

### (1) Compliance Statement

The individual financial reports are prepared in accordance with the financial reporting standards of securities issuers.

### (2) Preparation Foundation

1. Aside from financial assets (liabilities), which are measured at fair value through profit or loss, financial assets available for sale, which are financial instruments measured at fair value, and the defined benefit liabilities, which are recognized by the net value of the pension fund assets less the current value of defined benefit obligation, this individual financial statements has been prepared on a historical cost basis.
2. The following critical accounting policies are consistently applicable to the entire period that this individual financial statement covers.
3. Some material accounting estimation are used in preparing financial statements based on IFRS and IAS approved by the Financial Supervisory Commission and the related interpretations, and interpretative bulletins. When applying the Company's accounting policies, management also needs to make judgment, which involves accounts of a high level of decision-making and complexity or accounts associated with material assumption and estimation in the parent company only financial statements. Please refer to Note 5 attached.

### (3) Foreign Currency Conversion

The Company uses the money (i.e., functional currency) of the primary economic environment of its operation for the measurement. This parent company only financial report is presented in New Taiwanese Dollars (NT\$), which is the Company's functional and presentation currency.

#### 1. Foreign Currency Transactions and Balances

- (1) For foreign currency transactions, spot rate of exchange on the trading day or the measurement date is used for functional currency translation, and aside from deferring those satisfying cash flow risk management and net investment investment to other consolidated income, the resulting exchange differences are recognized in profit or loss.
- (2) The balance of foreign currency monetary assets and liabilities shall be appraised and adjusted according to the spot exchange rate on the balance sheet date, conversion differences resulting from adjustments are recognized as current profits and losses.
- (3) Foreign currency monetary assets and liabilities balance is adjusted by the spot exchange rate on the balance sheet date, and it is measured at fair value through profit or loss, and therefore, exchange differences generated from the adjustment were recognized as profit or loss. For those measured at fair value through consolidated income, exchange differences generated from adjustments are recognized in other

consolidated income. As for those not measured at fair value, they are measured at the historical exchange rate on the initial transaction day.

## 2. Conversion of Foreign Operating Organizations

- (1) All the company's entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - A. The assets and liabilities presented in each balance sheet are exchanged using the spot rate of exchange of the balance sheet.
  - B. The income and expense losses expressed in each consolidated income statement are converted at the current average exchange rate; and
  - C. All conversion differences resulting from conversion are recognized as other consolidated profits and losses.
- (2) Exchange differences of loans of the net investment and long-term investment of foreign operations or other currency instruments designated to be the hedgers of an investment are recognized in other comprehensive income.
- (3) When a foreign operation is partially disposed of or sold, exchange difference under other comprehensive income will be proportionally reclassified in profit and loss to be part of the income or loss from sales.
- (4) Goodwill produced from acquiring foreign entities and the fair value adjustment are valued as the assets and liabilities of said foreign entities and the exchange is done using the period-end exchange rate.

## (4) Classification Criteria for Current and Non-current Assets and Liabilities

1. Assets shall be classified as current assets if they meet any of the following conditions:
  - (1) The asset is expected to be realized or intended to be sold or consumed during the normal operating cycle.
  - (2) Held primarily for trading purposes.
  - (3) Those expected to be realized in 12 months after the balance sheet date.
  - (4) Cash and cash equivalents, excluding assets to be exchanged or used to pay off liabilities in at least twelve months after the balance sheet date.

The Company classifies all assets not meeting the above criteria as non-current assets.

2. Liabilities shall be classified as current liabilities if they meet any of the following conditions:
  - (1) Expected to be settled in the normal operating cycle.
  - (2) Held primarily for trading purposes.
  - (3) Liabilities that are to be paid off within 12 months after the balance sheet date.
  - (4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. The terms of liabilities, which may lead to the issuance of equity instruments at the option of the counterparty, shall not affect its classification.

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

(5) Cash and Cash Equivalents

1. Cash and cash equivalents include cash on hand, cash in bank, and other short-term, highly liquid investments that are due in three months starting from the acquisition date.
2. Cash equivalents refer to short-term and highly liquid investments satisfying the following conditions:
  - (1) Those can be readily converted to fixed cash.
  - (2) Those whose value is minimally affected by interest rate fluctuation.

(6) Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss

1. It refers to an irrevocable choice made at the time of the original recognition to report changes in the fair value of equity instrument investments that are not held for trade to other consolidated profit or loss; or an investment in a debt instrument that simultaneously meets the following conditions:
  - (1) Financial assets held under the operating model with the purposes of collecting contract cash flow and for sales.
  - (2) Cash flows generated at specific dates by the contract terms and conditions of said financial assets and are fully used for paying the principals for outstanding principals.
2. The Company adopts settlement date accounting for financial assets that are measured at fair value through other comprehensive income and satisfying the transaction convention.
3. The Company at the initial recognition measures at fair value plus transaction costs. Afterward, it is measured at fair value.
  - (1) Changes in the fair value of equity instruments are recognized in other consolidated profit or loss, and before the de-recognition, the accumulated interest or lost previously recognized in other consolidated profit or loss should not be reclassified to income but to be transferred to retained earning. When the Company's right to receive dividends is established, economic benefits associated with the dividends may flow in, and when the amount of dividends can be reliably measured, the Company shall recognize the amount under profit or loss as dividend income.
  - (2) Changes in the fair value of debt instruments are recognized in other consolidated profit or loss, and the impairment losses, interest income, and profit or loss on exchange rate of foreign currency exchange are recognized in profit or loss, and at de-recognition, the accumulated profit or loss previously recognized in other consolidated profit or loss will be reclassified from equity to profit or loss.

(7) Financial Assets Measured at Fair Value Through Profit or Loss

It refers to financial assets not measured at amortized cost or measured at fair value through other consolidated profit or loss are measured at fair value through profit

or loss. In order to eliminate or materially reduce improper accounting matching at the time of original recognition, the Company may irrevocably designate financial assets that meet the requirements of measuring at fair value through after-amortized cost or other consolidated profit or loss as financial assets measured at fair value through profit or loss at the time of original recognition.

Such assets are subsequently measured at fair value and the net interest or loss (including any dividend and interest income) is recognized as profit or loss.

#### (8) Accounts Receivable and Bills

1. It refers to accounts and bills which, under contract, are entitled to receive unconditionally the amount of consideration for the transfer of goods or services.
2. Refers to short term accounts receivable and bills without interest payment, the Company will only use the original invoice amount as the measurement because the discount has little effect.

#### (9) Impairment of Financial Assets

For debt instrument investment measured at fair value through other consolidated profit or loss, financial assets measured at amortized cost, and accounts receivable or contract assets, rents receivable, loan commitments, financial guarantee contracts, and others containing a significant financial component, the Company on each balance sheet day will consider all reasonable and verifiable information (including prospective information) to routinely measure allowance losses for expected credit loss amount for 12 months for those without significant increase in credit risk after the original recognition. For those with a significant increase in the credit risk after the original recognition, the allowance losses are measured according to the expected credit loss amounts for the life time. For accounts receivable that does not contain a significant financing component, the Group measures the loss allowance at an amount equal to lifetime expected credit loss amounts.

#### (10) De-Recognition of Financial Assets

If the Company meets any of the following conditions, will derecognise the financial assets:

1. The contractual rights for cash flows from the financial asset expire.
2. Transfer of contractual rights to receive cash flows from financial assets, and transfer of almost all risks and rewards of ownership of financial assets.
3. Almost all risks and returns from financial asset ownerships are neither transferred nor retained but the control of the financial assets are not kept.



#### (11) Inventories

The Company's inventory carry-over is evaluated by the average method. The final inventory is evaluated by cost or the net realizable value whichever is lower. The net realizable value refers to the estimated sale price in the normal course of business, less relevant cost and sale expenses required until the completion of the work. When comparing the cost of inventories and the net realizable value, it is done item by item. The amount of inventory reduced from cost to net realized value is recognized as current cost of sold goods.

#### (12) Investments Using Equity Method

When preparing for parent only financial statements, the Company adopts the equity method rating for its controlled investment. Under the equity method, the current profit or loss and other comprehensive profit or loss reported by individual financial reports are the same as the current profit or loss and other comprehensive profit or loss attributable to the owner of the parent company in the financial reports prepared on this basis. The owner's equity in the individual financial reports is the same as the equity attributable to the owner of the parent company in the financial reports prepared on this basis. If the change of ownership equity of the subsidiary company does not result in loss of control, it shall be treated as an equity transaction between the owner and the company.

#### (13) Lease

##### 1. Judgment of Lease

The Company assesses at the date of formation whether the contract is or includes a lease, if the contract assigns control over the use of the identified asset for a period of time in exchange for consideration. To assess whether the contract is a lease, the Company will assess the following items:

- (1) The contract relates to the use of an identified asset which is specified in the contract or is implicitly specified by virtue of being available for use and whose entity can distinguish or represent substantially all of the capacity. An asset is not an identifiable asset if the supplier has a material right to replace it.
- (2) And has the right to obtain virtually all the economic benefits arising from the use of the identified assets throughout the life of the use.
- (3) And obtains the right to dominate the use of the identified assets if one of the following conditions is met:
  - The customer has the right to direct the use of the identified assets and the purposes for which they are used throughout the use life.
  - The relevant decisions regarding how and for what purpose the asset will be used are determined in advance, and:
    - The customer has the right to operate the asset throughout the life of its use, and the supplier has no right to change such operation instructions; or

- The way in which the customer designs the asset predetermines how and for what purpose it will be used throughout its life.

On the date of formation of the lease or when reassessing whether the contract covers the lease, the Company shall apportion the consideration in the contract to the individual lease components on a relatively separate price basis. However, in the case of leasing the land and the building, the Company elects not to distinguish between the non-leasehold components and treats the leasehold component and the non-leasehold component as a single leasehold component.

## 2. Lessee

The Company recognizes the right-of-use assets and lease liabilities on the commencement date of the lease. The right-of-use assets are initially measured at cost, which includes the original measured amount of the lease liability. Adjustment of any lease payments made on or before the commencement date of the lease, adding to the original direct costs incurred and the estimated costs of dismantling, removing and restoring the underlying asset to its location or the underlying asset, excluding any lease inducements received.

The subsequent depreciation of the right-of-use assets at the beginning of the lease is made by the straight-line method when the useful life of the right-of-use assets expires or when the lease term expires earlier. In addition, the Company regularly evaluates whether there is any impairment of the right-of-use assets and deals with any impairment losses that have been incurred, and adjusts the right-of-use assets in the event of re-measurement of the lease liabilities.

Lease liabilities are measured in terms of the present value of outstanding lease payments at the commencement date of the lease. If the implied lease rate is easy to determine, the discount rate is that rate; if not, the Company's incremental borrowing rate is used. In general, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measure of lease liabilities include:

- (1) Fixed payments, including substantial fixed payments;
- (2) Variable lease payments subject to an index or rate, the index or rate on the commencement date of the lease is used as the original measure;
- (3) Guarantee amount of salvage value expected to be paid; and
- (4) The price at which the purchase option or lease termination option is reasonably determined to be exercised or the penalty to be paid.

Lease liabilities are subsequently accrued interest on an effective interest basis and measured in the following circumstances:

- (1) There is a change in the index or rate used to determine lease payments result in changes in future lease payments;
- (2) There is a change in the expected residual value guaranteed amount paid;
- (3) There is a change in the evaluation of the purchase option of the underlying asset;

- (4) There is a change in the estimate of whether or not to exercise the extension or termination option changes the assessment of the duration of the lease;
- (5) Modification of the subject, scope or other terms of the lease.

When the lease liability is remeasured as a result of the foregoing changes in the index or rate used to determine lease benefits, changes in the guaranteed residual value amount, and changes in the evaluation of the option to purchase, extend, or terminate, if the book amount of the right-of-use assets is adjusted accordingly, and when the carrying amount of the right-of-use assets is reduced to zero, the remaining remeasured amount shall be recognized as the profit or loss.

For a lease modification that reduces the scope of the lease, the carrying amount of the right-of-use assets is reduced to reflect the partial or full termination of the lease, and the difference between this and the remeasured amount of the lease liability is recorded in the profit or loss.

The Company shall separately present the right-of-use assets and lease liabilities which do not meet the definition of investment real estate in the balance sheet as separate items.

For short-term leases and leases of low-value target assets, the Company chooses not to recognize the right-of-use assets and lease liabilities, but to recognize the relevant lease payments as expenses on a straight line basis during the lease life.

### 3. Lessor

The Company as a lessor involves the classification of almost all the risks and rewards of the lease contract on the date of the lease, depending on whether or not it is transferred to the ownership of the underlying asset. If so, it is classified as financial lease; otherwise, it is classified as business lease. In the evaluation, the Company considers certain relevant indicators, including whether the lease term covers a major part of the economic life of the target asset.

If the agreement contains leasehold and non-leasehold components, the Company will use the consideration in the apportionment agreement as specified in IFRS 15.

Assets held under a financial lease shall be expressed as financial lease receivable in terms of the net amount of leasing investment. The original direct costs arising from the negotiation and arrangement of the business lease are included in the net investment in the lease. Net leasing investment is apportioned as interest income over the lease term in a form that reflects a fixed rate of return over the term. For business leases, the Company shall recognize the lease payments received as rental income during the lease term on a straight line basis.

### (14) Real Estate, Plant, and Equipment

1. Real estate, plant and equipment shall be recorded on the basis of acquisition cost and capitalized relevant interest during the period of purchase and construction.

2. Subsequent cost may become a carrying amount of the assets or be recognized as a single asset only if future economic benefits associated with this item may flow into the Company, and the cost of this item can be reliably measured. The carrying amount of the reset portion shall be derecognized. All other assembly and maintenance costs are recognized as current profits and losses when incurred.
3. In the subsequent measurement of the cost of real estate, plant and equipment, except for the depreciation of land, depreciation shall be calculated on a straight-line method according to the estimated useful life. Depreciation of real estate, plant and equipment, if significant, shall be itemized separately. The Company reviews each asset's residual value, useful life, and depreciation method at the end of each fiscal year, and if the expected residual value and useful lives are different from the previous estimation or if the expected consumption type of future economic benefits of a given asset has any material change, the stipulation on changes in accounting estimates from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is adopted for treatment.

The useful lives of assets are listed below:

Machinery Equipment	3-5 Years
Transportation Equipment	5 Years
Office Equipment	3-10 Years
Leasehold Improvement	5 Years
Other Equipment	2-6 Years

#### (15) Investment Real Estate

Investment real estate is recognized by acquisition cost, and cost model is adopted for subsequent measurement. Except for land, depreciation shall be carried out by the straight-line method according to the estimated useful life, which shall be 50 years.

#### (16) None-Financial Asset Impairment

On the balance sheet date, the Company estimates the recoverable amount of the assets with indicator of impairment, and recognizes the impairment loss when the recoverable amount is lower than its book value. Recoverable amount means the fair value of an asset minus the cost of disposal or the value of its use, whichever is higher. With the exception of goodwill, where the impairment of an asset recognized in a previous year does not exist or is reduced, the impairment loss shall be reversed, provided that the carrying amount of the asset added by the reversal impairment loss shall not exceed the carrying amount of the asset after depreciation or amortization if the impairment loss is not recognized.

#### (17) Loans

1. The amount of the loan at the time of the initial recognition shall be measured at the fair value after deducting the transaction cost, and any difference between the price (after

deducting the transaction cost) and the redemption value shall be measured at the amortized cost during the loan period by the effective interest method.

2. Where it is likely that part or all of the line of credit will be withdrawn, the cost shall be recognized as the transaction cost of the line of credit and shall be deferred until such time as the effective interest rate is adjusted. Where it is unlikely that part or all of the line of credit will be drawn, such charges are recognized as advances and amortized over the period in which the line is relevant.

#### (18) Accounts Payable and Bills

Accounts and bills payable refer payment obligations from acquiring goods or labor from vendors in the normal course of business. Accounts and bills payable is initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. However, for short-term accounts receivable without interest payment, because of insignificant effect of discounting, they are subsequently measured at the original invoice amount.

#### (19) Liability Reserve

Liability reserve is a current statutory or constructive obligation arising from a past event. It is likely that resources of economic benefit will be required to discharge the obligation and the amount of the obligation will be recognized when the estimate is reliable. Liability reserve is measured by the best estimated present value of the expenditure required to meet the obligation at the balance sheet date. The discount rate is the pretax discount rate reflecting the current market assessment of the time value of money and the specific risks of liabilities. Discounted amortization is recognized as interest expense. Future operating losses shall not be recognized as liabilities. Future operating losses shall not be recognized as liability reserves.

#### (20) Employee Benefits

##### 1. Short-Term Employee Benefits

Short-term employee benefits are measured in terms of expected non-discounted payments and are recognized as expenses at the time of service delivery.

##### 2. Pensions

###### Defined Contribution Plan

For defined contribution plans, the amount of the pension fund to be contributed is recognized as the current pension cost on an accrual basis. Prepaid contributions are recognized as assets to the extent that they are refundable in cash or reduce future benefits.

##### 3. Termination Benefits

Termination benefits are provided when the employer terminates the employment of the employee prior to normal retirement or when the employee decides to accept the company's offer of benefits in exchange for the termination of employment. The Company is no longer able to withdraw the offer of termination benefits or when the

earlier relevant restructuring costs are recognized, the expense is recognized. Benefits not expected to be fully settled twelve months after the balance sheet date shall be discounted.

#### 4. Employee Consideration and Consideration of Directors and Supervisors

Employee consideration and consideration of directors, and supervisors are recognized as expenses and liabilities where there is a legal or constructive obligation and the amount is reasonably estimated. If there is any difference between the actual allotment amount and the resolved amount subsequently decided by the board of shareholders, the changes shall be treated as accounting estimates.

#### (21) Employee Share-Based Payment

A share-based payment agreement with equity settlement is the labor services provided to employees on the basis of the fair value of the equity commodities to which they are entitled, it is recognized as a cost of remuneration during the vesting period and relatively adjusted as an interest. The fair value of an equity commodities shall reflect the impacts of the vesting and non-vesting market conditions. The recognized remuneration costs are adjusted in line with the expected quantity of awards in line with the conditions of service and non-market value vesting, until the final recognized amount is recognized by the vested quantity obtained on the vested date.

#### (22) Income Tax

1. Income tax expenses include current and deferred income taxes. Except for income tax related to items included in other comprehensive profits and losses or directly included in the equity, income tax shall be recognized in the profits and losses.
2. The current income tax of the Company shall be calculated on the basis of the tax rate which has been legislated or substantially legislated on the balance sheet date in the country where the operation and taxable income are generated. The management shall periodically assess the status of the income tax declaration in respect of the applicable income tax laws and regulations, and, where applicable, shall estimate the income tax liabilities according to the taxes expected to be paid to the tax authorities. There is an additional tax of unappropriated earnings according to the Income Tax Act, and after the earning distribution is approved at the shareholders' meeting held in the year following the year the earnings are generated, the tax expense of undistributed earnings shall be recognized based on the actual condition of earning distribution.
3. For deferred tax, the balance sheet liability method is adopted, and it is recognized using the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. Deferred income tax liabilities generated from the initial recognition of goodwill are not recognized. Moreover, deferred income tax is not recognized if it is originated from the initial recognition of assets or liabilities in

transactions (business merger excluded) and neither accounting profits nor taxable income (or tax losses) is affected at the time of the transaction. For temporary differences generated from investing in subsidiaries and associates, they are not recognized if the Company is capable of controlling the time point of reversal of the temporary differences and the temporary differences may not be reversed in the foreseeable future.

Deferred income tax shall be subject to the tax rate (and tax law) which is enacted or substantially enacted on the balance sheet date and which is expected to apply when the deferred income tax asset is realized or the deferred income tax liability is satisfied.

4. Deferred income tax assets are recognized on the basis that temporary differences are likely to be used to offset future taxable income and are reassessed on each balance sheet date for unrecognized and recognized deferred income tax assets.
5. The current income tax assets and current income tax liabilities shall be offset against each other when there is a statutory enforcement right to offset the amount of current income tax assets and liabilities, and there is an intention to repay or simultaneously realize the assets and liabilities on a net basis. When there is a legal enforcement right to offset the current income tax assets and current income tax liabilities, and the deferred income tax assets and liabilities are generated by the same tax payer or different tax payer of income tax levied by the same tax authority, but each tax payer intends to pay off the assets and liabilities on a net basis or at the same time, then the deferred income tax assets and liabilities shall be offset against each other.
6. The tax preference for equipment or technology acquisition, research and development expenditures and equity investments adopts income tax deduction accounting.
7. The "Income Basic Tax Act" came into force on January 1, 2006. The basis of calculation shall be the amount of taxable income calculated in accordance with the provisions of the Income Tax Act, and the tax deduction or exemption enjoyed by the Income Tax Act and other laws, and the basic tax shall be calculated according to the tax rate prescribed by the Executive Yuan. In comparison with the amount of tax calculated according to the provisions of the Income Tax Act, the higher the base tax is, the income tax of the current year shall be paid. The Company has taken its impact into account in the current income tax.

## (23) Customer Contractual Revenue

Income is measured at the consideration of expected ownership from transfer of goods, and the Company recognizes it in income when the control of goods is transferred to customers and performance obligation is satisfied.

### 1. Sales of Commodities

The Company recognizes income when control of the product is transferred to the customer. The control transfer of the product means that the product has been delivered to the customer and there is no unfulfilled obligation that will affect the customer's

acceptance of the product. Delivery refers to customers accepting products according to the transaction conditions and obsolescence and risk of loss have been transferred to the customer. Moreover, the Company has objective evidence to consider that the time point of all inspection conditions have been satisfied.

The Company shall recognize accounts receivable at the time of delivery of commodities, since the Company has the right to receive consideration unconditionally at that time.

## 2. Financial Components

The time between when the Company expects to transfer the goods to the customer and when the customer pays for the goods is no more than one year. Therefore, the Company does not adjust the time value of the currency at the transaction price.

## 3. Customer Contracts Obtaining Cost

The incremental costs incurred by the Company in obtaining the customer contracts are recognized as expenses at the time of occurrence, although they are expected to be recoverable, but the period of the relevant contracts is less than one year.

## (24) Operating Departments

The Company has disclosed segment information in this financial statement, and therefore the parent-company-only financial statement will not disclose the segment information.

## (25) Earnings Per Share

The Company lists out the basic and the dilutive earnings per share (EPS) of the Company's common share equity holders. The Company's basic earning per shares are calculated by having the equity of the equity holders of the Company's common shares divided by the weighted average of the number of outstanding common shares. The diluted earnings per share are calculated after adjusting for the effect of all potential diluted common shares on the profits and losses attributable to holders of the Company's common shares and the weighted average number of outstanding common shares. The Company's potential dilutive common shares are stock option certificates granted to employees.

## 5. Major Sources of Accounting Errors in Judgment, Assumptions and Estimates

In preparing the Company's individual financial statements, 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 current situation on the balance sheet date. Material accounting estimates and assumptions may differ from actual results and will be assessed and adjusted on an ongoing basis taking into account historical experience and other factors. Please refer to the following descriptions of material accounting judgments, estimates and assumptions with uncertainty:

(1) Important judgment of accounting policy: no such case.



(2) Significant accounting estimates and assumptions

The accounting estimates made by the Company are based on reasonable expectations of future events based on the current situation on a specific date, but the actual results may differ from the estimates. For estimates and assumptions regarding the risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year, please refer to Note VI (5), impairment assessment of inventory.

## 6. Explanation of Important Accounting Items

(1) Cash and Cash Equivalents

	2021.12.31	2020.12.31
Petty Cash	\$ 55	546
Bank Deposit	65,474	9,123
Cash and Cash Equivalents	<u>\$ 65,529</u>	<u>9,669</u>

Disclosure of Interest Rate Risk and Sensitivity Analysis of the Financial Assets and Liabilities of the Company. Please refer to Note VI (22) for details.

(2) Financial Products

Financial Assets

	2021.12.31	2020.12.31
Financial Assets at Fair Value Through Profit or Loss	<u>\$ 6,478</u>	<u>2,345</u>
Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss	<u>\$ -</u>	<u>49,767</u>
Current	<u>\$ 6,478</u>	<u>52,112</u>

1. Investments in equity instruments measured at fair value through other consolidated profits and losses are by resolution of the Board of Directors of the Company on August 7, 2020, the Company purchased 530 thousand new special shares B shares of Strek Corporation Company Limited ("Strek Company") at approximately NT\$ 93 each. The total investment amount is NT\$ 50,189 thousand (Thai baht 53,000 thousand), and signed the investment contract with Strek Company on the same day, which agreed: (1) The dividend of the special share B share shall be at least 8% of the agreed net after-tax profit of the special share in Thailand, but not less than NT\$ 9,361 thousand (\$10,080 thousand in Thai Baht, with an interest rate of about 19%). (2) The Company shall have the right to force the redemption of the investment shares by Strek within eight months from the date of signing but no later than the original offering price.
2. In view of the above investment, the Company entered into a guarantee contract with Serial System LTD on August 7, 2020. In the event that Strek Company fails to redeem

its shares, Serial System LTD is willing to acquire all of the special shares of Strek held by the Company at the original offering price. The Company intends to transfer the entire special shares of Strek Company on 31 March 2021 to Serial System LTD at the original issue price of Thai Baht \$53,000 thousand subject to the guaranteed agreement, and received them on March 31, 2021.

3. On December 25, 2020, the shareholders of Strek Company approved a proposed dividend of NT\$ 13,104 thousand (Thai baht 14,000 thousand) to the Company and received a dividend of NT\$ 1,872 thousand on December 31, 2020. The remaining amount was recorded under other receivables. It was fully recovered on March 31, 2021.
4. Disclosure of Interest Rate Risk and Sensitivity Analysis of the Financial Assets and Liabilities of the Company. Please refer to Note VI (22) for details.

(3) Bills Receivable and Accounts Receivable

	<b>2021.12.31</b>	<b>2020.12.31</b>
Bills Receivable	\$ 809	255
Accounts Receivable	85,559	58,047
Accounts Receivable - Related Parties	47,771	75,601
Minus: Allowance for Bad Debts	(436)	(2,221)
	<b>\$ 133,703</b>	<b>131,682</b>

- (1) The Company uses a simplified approach to estimate expected credit losses for all bills receivable and accounts receivable, i.e., the expected credit loss measure over the life period, for this purpose. Such bills receivable and accounts receivable are grouped according to the common credit risk characteristics of the ability on behalf of the customer to pay all amounts due under the terms of the contract and have been incorporated into forward-looking information.

The expected credit loss analysis of bills receivable and accounts receivable of the Company is as follows:

<b>December 31, 2021</b>			
	<b>Carrying Amount of Bills Receivable and Accounts Receivable</b>	<b>Weighted Average Expected Credit Loss Rate</b>	<b>Allowance Duration Expected Credit Loss</b>
Not Overdue	\$ 130,257	-%	-
Under 31 Days	3,876	11%	430
1 to 3 Months	6	100%	6
3 to 6 Months	-	-%	-
Over 6 Months	-	-%	-
	<b>\$ 134,139</b>		<b>436</b>

	<b>December 31, 2020</b>		
	<b>Carrying Amount of Bills Receivable and Accounts Receivable</b>	<b>Weighted Average Expected Credit Loss Rate</b>	<b>Allowance Duration Expected Credit Loss</b>
Not Overdue	\$ 131,342	-%	-
Under 31 Days	2,561	87%	2,221
1 to 3 Months	-	-%	-
3 to 6 Months	-	-%	-
Over 6 Months	-	-%	-
	<u>\$ 133,903</u>		<u>2,221</u>

- (2) The Company's statement of changes in bills receivable and allowance for doubtful accounts for the years 2021 and 2020 is as follows:

	<b>2021</b>	<b>2020</b>
Opening Balance	\$ 2,221	2,221
Impairment Loss Reversal	(1,785)	-
Ending Balance	<u>\$ 436</u>	<u>2,221</u>

- (3) Guarantee:

On December 31, 2021 and 2020, the Company's bills receivable and accounts are not provided as security for long-term loans and financing lines.

- (4) On 16 July 2019, the court decided that OTE Power Corp should pay NT\$ 13,650 thousand to the Company and acquired the notes of debt of OTE Power Corp on 18 October 2019. Accounts receivable of the Company amounted to NT\$ 13,650 thousand, which had been fully set aside for bad debts in the previous year and was fully written off in 2019. Moreover, in the year 2020, \$1,003 thousand of the deposit of OTE Power Corp with the court was obtained and credited to other income.

- (4) Other Receivables

	<b>2021.12.31</b>	<b>2020.12.31</b>
Other Receivables	\$ 1,673	11,273
Other Accounts Receivable - Related Parties	39,312	72,608
	<u>\$ 40,985</u>	<u>83,881</u>

- (5) Inventories

	<b>2021.12.31</b>	<b>2020.12.31</b>
Commodities	\$ 4,088	4,406

In 2021 and 2020, an amount of NT\$ 233 thousand and NT\$ 1,870 thousand, respectively, were recognized as a recovery benefit due to the recognition of inventory to net realizable value and were reported as cost of commodities sold.

As of December 31, 2021 and 2020, none of the Company's inventories has been provided as pledge guarantees.

#### (6) Investments Using Equity Method

The Company's investments (credit balance) under the equity method as at the reporting date are as follows:

	<b>2021.12.31</b>	<b>2020.12.31</b>
Subsidiary	\$ (3,343)	(42,941)
Affiliated Enterprise	5,068	3,891
	<b>\$ 1,725</b>	<b>(39,050)</b>
Investment Credits Using the Equity Method	<b>\$ 22,440</b>	<b>3,891</b>
Investment Credit Balance Using the Equity Method	<b>\$ (20,715)</b>	<b>(42,941)</b>

#### 1. Subsidiary

(1) For subsidiaries, please refer to the 2021 consolidated financial report.

(2) The Company's share of the profits or losses of the subsidiaries in 2021 and 2020 is summarized as follows:

	<b>2021</b>	<b>2020</b>
Shares Attributable to the Company		
Current Net Profit	\$ 24,940	8,686
Other Consolidated Profit or Loss	(2,028)	(912)
Total	<b>\$ 22,912</b>	<b>7,774</b>

#### 2. Affiliated Enterprise

Name of Investee	Primary Business	Set Up and Operating Site	Carrying Amount		Percentage of Equity Held	
			<b>2021.12.31</b>	<b>2020.12.31</b>	<b>2021.12.31</b>	<b>2020.12.31</b>
BULL WILL	Sand and Gravel Sales	Singapore	\$ 5,068	3,891	30.00%	30.00%

TRADING(S) PTE

LTD.

(1)The Company sold BULL WILL TRADING(S) PTE LTD in 2020. The disposal price of 18.95% of the equity is SGD 85,000 thousand (NT\$ 1,790 thousand), which has been completed in the second quarter of 2020, resulting in disposal investment benefit of NT\$ 251 thousand, which has been recognized under other benefits and losses.

(2) If the affiliated enterprises of the Company using the equity method are individual and insignificant, their aggregate financial information is as follows, which refers to the amount contained in the individual financial report of the Company:

	<b>2021</b>	<b>2020</b>
Ending Summary Carrying Amount of the Interests of Individual Non-materially Affiliated Enterprises	<b>\$ 16,892</b>	<b>12,969</b>
Shares Attributable to the Company:	<b>\$ 5,068</b>	<b>3,891</b>
Current Net Profit:	\$ 1,415	1,228
Other Consolidated Profit or Loss:	(238)	(116)
Total Consolidated Profit or Loss:	<b>\$ 1,177</b>	<b>1,112</b>

### 3. Guarantee

As of December 31, 2021 and 2020, no equity method investments of the Company have been provided as pledge guarantees.

### (7) Real Estate, Plant and Equipment

A breakdown of the changes in cost, depreciation and impairment of real estate, plant, and equipment of the Company is as follows:

	<b>Machinery Equipment</b>	<b>Transportation Equipment</b>	<b>Office Equipment</b>	<b>Other Equipment</b>	<b>Total</b>
Cost or Identified Cost:					
Balance as of January 1, 2021	\$ 4,345	530	18,743	23,237	46,855
Added in Current Period	-	-	886	-	886
Balance as of December 31, 2021	<b>\$ 4,345</b>	<b>530</b>	<b>19,629</b>	<b>23,237</b>	<b>47,741</b>
Balance as of January 1, 2020	\$ 4,345	530	18,743	23,237	46,855
Balance as of December 31, 2020	<b>\$ 4,345</b>	<b>530</b>	<b>18,743</b>	<b>23,237</b>	<b>46,855</b>
Depreciation and Impairment Losses					
Balance as of January 1, 2021	\$ 4,345	530	16,479	23,237	44,591
Current Depreciation	-	-	1,058	-	1,058
Balance as of December 31, 2021	<b>\$ 4,345</b>	<b>530</b>	<b>17,537</b>	<b>23,237</b>	<b>45,649</b>
Balance as of January 1, 2020	\$ 4,345	530	15,443	23,198	43,516
Current Depreciation	-	-	1,036	39	1,075
Balance as of December 31, 2020	<b>\$ 4,345</b>	<b>530</b>	<b>16,479</b>	<b>23,237</b>	<b>44,591</b>
Carrying Amount Value:					
December 31, 2021	\$ -	-	<b>2,092</b>	-	<b>2,092</b>
December 31, 2020	\$ -	-	<b>2,264</b>	-	<b>2,264</b>

No real estate, plant, and equipment of the Company has been provided as pledge guarantees as 31 December 2021 and 2020.

(8) Right-of-Use Assets

The changes in the cost, depreciation, and impairment of leased premises and buildings etc. of the Company are as follows :

	<b>Houses and Buildings</b>	<b>Total</b>
Cost of Right-of-Use Assets:		
Balance as of January 1, 2021	\$ 674	674
Balance as of December 31, 2021	<b>\$ 674</b>	<b>674</b>
Balance as of January 1, 2020	\$ 425	425
Added	674	674
Expired	(425)	(425)
Balance as of December 31, 2020	<b>\$ 674</b>	<b>674</b>
Depreciation and Impairment Losses of Right-of-Use Assets:		
Balance as of January 1, 2021	\$ 253	253
Depreciation	337	337
Balance as of December 31, 2021	<b>\$ 590</b>	<b>590</b>
Balance as of January 1, 2020	\$ 340	340
Depreciation	338	338
Expired	(425)	(425)
Balance as of December 31, 2020	<b>\$ 253</b>	<b>253</b>
Accounting Value:		
December 31, 2021	<b>\$ 84</b>	<b>84</b>
December 31, 2020	<b>\$ 421</b>	<b>421</b>

(9) Investment Real Estate

The details of the changes in the investment real estate of the Company are as follows :

	<b>Land</b>	<b>Houses and Buildings</b>	<b>Total</b>
Cost or Identified Cost:			
Balance as of January 1, 2021	\$ 16,203	7,062	23,265
Balance as of December 31, 2021	<b>\$ 16,203</b>	<b>7,062</b>	<b>23,265</b>
Balance as of January 1, 2020	\$ 16,203	7,062	23,265
Balance as of December 31, 2020	<b>\$ 16,203</b>	<b>7,062</b>	<b>23,265</b>
Accumulated Depreciation and Impairment:			
Balance as of January 1, 2021	\$ -	2,384	2,384
Depreciation Expense	-	138	138
Balance as of December 31, 2021	<b>\$ -</b>	<b>2,522</b>	<b>2,522</b>
Balance as of January 1, 2020	\$ -	2,246	2,246
Depreciation Expense	-	138	138
Balance as of December 31, 2020	<b>\$ -</b>	<b>2,384</b>	<b>2,384</b>

	<b>Land</b>	<b>Houses and Buildings</b>	<b>Total</b>
Book Value			
Balance as of December 31, 2021	<b>\$ 16,203</b>	<b>4,540</b>	<b>20,743</b>
Balance as of December 31, 2020	<b>\$ 16,203</b>	<b>4,678</b>	<b>20,881</b>

**Rental Revenue and Direct Operating Expenses of Investment Real Estate**

	<b>2021</b>	<b>2020</b>
Rental Revenue From Investment Real Estate	<b>\$ 820</b>	<b>780</b>
Direct Operating Expenses Incurred in the Current Period for Investment Real Estate with Rental Income	<b>\$ 264</b>	<b>293</b>

The fair values of the investment real estate of the Company as at December 31, 2021 and 2020 are NT\$ 36,144 thousand and NT\$ 31,500 thousand. The fair values are based on market evidence of the transaction prices of similar real estate.

As of December 31, 2021, the investment real estate of the Company is used as security for other short-term borrowings, please refer to Note VIII. At December 31, 2020, no pledge guarantee has been provided for the investment real estate of the Company.

**(10) Short-Term Loan**

	<b>2021.12.31</b>	<b>2020.12.31</b>
Unsecured Bank Loan	<b>\$ 8,000</b>	<b>8,000</b>
Unused Credit	<b>\$ 30,000</b>	<b>-</b>
Interest Rate Collars	<b>1.00%~3.50%</b>	<b>2.47%</b>

Details of the situation in which the assets of the Company are set up as collateral for short-term borrowing are described in Note VIII.

**(11) Liability Reserve**

	<b>Liability Reserve of Employee Benefits</b>
Balance as of January 1, 2021	<b>\$ 1,201</b>
Current Added (Reversed) Liability Reserve	<b>290</b>
Balance as of December 31, 2021	<b>\$ 1,491</b>
Balance as of January 1, 2020	<b>\$ 1,094</b>
Current Added (Reversed) Liability Reserve	<b>107</b>
Balance as of December 31, 2020	<b>\$ 1,201</b>

(12) Lease Liabilities

The carrying amount of the Company's leasing liabilities is as follows:

	<b>2021.12.31</b>	<b>2020.12.31</b>
Current	\$ 86	339
Non-Current	-	86
	<b>\$ 86</b>	<b>425</b>

For maturity analysis, please refer to Note VI (22) Financial Instruments.

The amount of lease recognized in profit or loss is as follows:

	<b>2021</b>	<b>2020</b>
Interest Expense of Lease Liabilities	\$ 7	12
Expense of Short-Term Leases	\$ 2,151	2,151
Expense of Leasing an Asset of Low Value	\$ 63	69

The amount of the lease recognized in the cash flow statement is as follows:

	<b>2021</b>	<b>2020</b>
Total Cash Outflow From Leasing	\$ 339	335

(13) Long-Term Loan

	<b>2021.12.31</b>	<b>2020.12.31</b>
Unsecured Bank Loan	\$ 17,277	8,611
Minus: Part Due Within One Year	(4,042)	(3,333)
Total	<b>\$ 13,235</b>	<b>5,278</b>
Unused Credit	\$ -	-
Interest Rate Collars	<b>1.500%~1.845%</b>	<b>1.655%</b>

(14) Employee Benefits

Defined Contribution Plan

In accordance with the provisions of the Labor Pension Act, the definitional contribution plan of the Company shall be allocated to the labor pension individual account of the Bureau of Labor Insurance at a contribution rate of 6% of the monthly wages of the labors. Under the scheme, there is no statutory or constructive obligation on the part of the Company to pay any additional amount after a fixed contribution has been made to the Bureau of Labor Insurance. The Company's pension expense under the 2021 and 2020 definitional pension scheme are NT\$ 973 thousand and NT\$ 990 thousand respectively, which have been allocated to the Bureau of Labor Insurance.



(15) Income Tax

1. Income Tax Expense

The income tax expense (equity) of the Company in 2021 and 2020 is detailed as follows:

	<b>2021</b>	<b>2020</b>
Current Income Tax Expense (Interest)		
Current Occurrence	\$ 370	-
Occurrence of Previous Years	(2)	(7)
Deferred Income Tax Expense (Interest)		
Occurrence and Reversal of Temporary Differences	(13,555)	(134)
Original Occurrence and Reversal of Tax Losses	13,555	134
Income Tax Expense (Interest)	<b>\$ 368</b>	<b>(7)</b>

The details of income tax (expense) interests recognized under other consolidated profit or loss of the Company in 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Items That May Be Subsequently Reclassified as Profit or Loss		
Exchange Differences on Conversion of the Financial Statements of Foreign Operation	\$ -	228

2. The relationship between income tax expense (interest) and pre-tax net profit of the Company in 2021 and 2020 is adjusted as follows:

	<b>2021</b>	<b>2020</b>
Net Profit Before Tax	<b>\$ 900</b>	<b>8,214</b>
Income Tax Calculated According to the Domestic Tax Rate at the Locality of the Company	\$ 180	1,643
Permanent Difference	(15,713)	205
Occurrence of Previous Years	(2)	(7)
Changes in Tax Losses on Deferred Tax Assets Not Recognized	13,555	134
Changes of Temporary Differences Not Recognized	2,348	(1,982)
	<b>\$ 368</b>	<b>(7)</b>

### 3. Deferred Income Tax Assets and Liabilities

#### Unrecognized Deferred Income Tax Assets

Items not recognized as deferred income tax assets of the Company are as follows:

	<b>2021.12.31</b>	<b>2020.12.31</b>
Deductible Temporary Differences	<b>\$ 106,255</b>	<b>104,311</b>
Levy Loss	<b>\$ 56,410</b>	<b>42,988</b>

According to the provisions of the Income Tax Act, tax loss shall be deducted from the net profit of the preceding ten years after the approval of the tax inspection authority. This item has not been recognized as a deferred income tax asset because it is unlikely that the Company will have sufficient tax income to cover the temporary difference in the future.

As of December 31, 2021, the Company has not recognized the tax loss on deferred income tax assets. The deduction period is as follows:

<b>Deficiency Year</b>	<b>Deficits Not Yet Deducted</b>	<b>Final Year of Deduction</b>
Approvals in 2016	\$ 13,407	2026
Approvals in 2017	27,403	2027
Approvals in 2018	57,654	2028
Approvals in 2019	115,804	2029
Declarations in 2020	274	2030
Estimates in 2021	67,776	2031
Total	<b>\$ 282,318</b>	

### Recognized Deferred Income Tax Assets (Liabilities)

The changes of deferred tax assets (liabilities) in 2021 and 2020 are as follows :

#### 2021

	Opening Balance	Recognized as Profit or Loss	Recognized in Other Consolidated Profit or Loss	Ending Balance
Temporary Differences				
Exchange Differences on Conversion of the Financial Statements of Foreign Operation	\$ (1,900)	-	-	(1,900)
Deferred Income Tax Expense		-	-	
Net Deferred Income Tax	<u>\$ (1,900)</u>			<u>(1,900)</u>
The information expressed in the balance sheet is as follows:				
Deferred Income Tax Liabilities	<u>\$ (1,900)</u>			<u>(1,900)</u>

#### 2020

	Opening Balance	Recognized as Profit or Loss	Recognized in Other Consolidated Profit or Loss	Ending Balance
Temporary Differences				
Exchange Differences on Conversion of the Financial Statements of Foreign Operation	\$ (2,128)	-	228	(1,900)
Deferred Income Tax Expense		-	228	
Net Deferred Income Tax	<u>\$ (2,128)</u>			<u>(1,900)</u>
The information expressed in the balance sheet is as follows:				
Deferred Income Tax Liabilities	<u>\$ (2,128)</u>			<u>(1,900)</u>

#### 4. Income Tax Approval Status

The business income tax settlement declaration of the Company has been approved by the tax inspection authority until 2019.

#### (16) Capital and Other Equities

##### 1. Share Capital

December 31, 2021 and 2020, the total rated share capital of the Company is NT\$ 2,050,000 thousand, with NT\$ 10 par value per share in the amount of 205,000 thousand shares. The issued shares are 16,111 thousand shares and 15,507 thousand shares

respectively. The proceeds of all issued shares have been collected.

On June 18, 2020, the Company decided by the Board of Shareholders that in order to make up the losses and improve the financial structure, the paid-up capital will be reduced by NT\$ 958,292 thousand, and the issued shares will be cancelled by 95,829 thousand shares, with a capital reduction ratio of about 86.07176%. The capital reduction plan has been approved by the Financial Supervisory Commission, and July 22, 2020 is taken as the base date for the capital reduction, and the capital change registration shall be approved by the competent authority on August 5, 2020.

From January 1 to December 31, 2021, the Company converted 2,104 thousand shares due to employee stock options. The total amount of shares received during the year from employee stock options conversion is NT\$ 31,770 thousand, of which NT\$ 6,040 thousand has been converted into common share and the change registration has been completed. As of December 31, 2021, the amount of advance proceeds pending change registration amounted to \$22,650 thousand and 1,500 thousand shares.

## 2. Capital Surplus

The Company's capital reserve balance is as follows:

	<b>2021.12.31</b>	<b>2020.12.31</b>
Common Share Capital Premium	\$ 38,603	35,341
Compensatory Cost Recognized for Employee Stock Option	8,695	8,713
Total	<b>\$ 47,298</b>	<b>44,054</b>

In accordance with the provisions of the Company Act, after the capital reserves need to be first used to cover losses, the company may issue new shares or cash out of the realized capital reserves according to the proportion of the shareholders' original shares. The term "realized capital reserves" as mentioned in the preceding paragraph includes the excess of income from issuing shares above par value and income from receiving gifts. The total amount of the capital reserve that may be allocated as capital in accordance with the issuer's standards for handling the issue of securities shall not exceed 10% of the paid-up capital.

## 3. Retained Earnings

The company's earnings distribution or loss allocation and compensation shall be made at the end of each half fiscal year. Where the earnings distribution is made in cash, the board of directors shall make a resolution and report to the shareholders' meeting in accordance with Article 228-1 and Item 5 of Article 240 of the Company Act, without submitting it to the shareholders' meeting for recognition.

If there is net profit after tax of the current period in the company's annual general accounts, the accumulated losses (including the adjustment of undistributed surplus

amount) shall be made up first, and 10% shall be contributed as the legal surplus reserve according to law; except when the legal surplus accumulated has reached the total paid-in capital of the Company. Next, allocating or reversing the special earnings reserve as required by law or by the competent authority. For the remaining earnings, together with undistributed earnings at the beginning of the period (including the adjusting the non-distributed amount of earnings), the Board of Directors shall propose earnings distribution at the shareholders' meeting.

The dividend policy of the Company is based on the current and future development plan, considering the investment environment, capital needs and foreign competition conditions, and considering the equities of shareholders and other factors, so as to allocate no less than 30% of the distributable surplus to shareholders every year. However, if the accumulated distributable surplus is less than 10% of the paid-in share capital, it may not be distributed. Dividends may be paid in cash or shares to shareholders, in which the cash dividend shall not be less than 50% of the total dividend.

#### 4. Surplus Earnings Distribution

(1) On August 30, 2021 and June 18, 2020, the shareholders' meeting approved the 2020 earnings distribution plan and the 2019 profit and loss compensation plan respectively, and no amount of dividends was distributed to the owners.

(2) Information on the Company's surplus earnings distribution plan for the past year can be found at the Market Observation Post System.

#### 5. Other Equities (Net Amount After Tax)

	<b>Unrealized Profit or Loss on Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss</b>	<b>Exchange Differences on Conversion of the Financial Statements of Foreign Operation</b>	<b>Total</b>
January 1, 2020	\$ (306)	8,510	8,204
Unrealized Profit or Loss on Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss	(422)	-	(422)
Exchange Differences on Conversion of the Financial Statements of Foreign Operation	-	(1,028)	(1,028)
Balance as of December 31, 2020	<u><u>\$ (728)</u></u>	<u><u>7,482</u></u>	<u><u>6,754</u></u>

	<b>Unrealized Profit or Loss on Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss</b>	<b>Exchange Differences on Conversion of the Financial Statements of Foreign Operation</b>	<b>Total</b>
January 1, 2021	\$ (728)	7,482	6,754
Unrealized Profit or Loss on Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss	422	-	422
Exchange Differences on Conversion of the Financial Statements of Foreign Operation	-	(2,265)	(2,265)
Balance as of December 31, 2021	<u>\$ (306)</u>	<u>5,217</u>	<u>4,911</u>

(17) Share-Based Payment Plan

Employees of the Company may receive a share-based payment as part of the reward scheme; the transaction in which an employee provides services as consideration for the acquisition of equity is a share-based payment transaction for the delivery of equity.

Employee Share-Based Payment Plan

On May 27, 2019, the Company was approved by the competent authority to issue an Employee Stock Option Warrants of 9,000 thousand units, with each unit entitled to subscribe for 1 common share of the Company. The above employee stock options were granted in full on June 10, 2019 to employees who are officially incorporated in the Japan Company on the basis of subscription eligibility and to full-time employees of the Company who directly or indirectly hold more than 50% of the voting shares of the same invested company. The duration of the stock options is seven years, and the holder of the warrants may exercise a certain percentage of the stock options granted upon the expiration of two years.

The fair value of the options is assessed on the basis of the Black-Scholes-Merton option pricing model at the date of issue, and the parameters and assumptions are set by taking into account the terms and conditions of the contract.

The plan offers stock options for seven years and does not provide a cash settlement option. In the past, the Company has not been in the practice of granting stock options in respect of such programs on a cash settlement basis.

The information related to the aforesaid share-based payment plan is as follows:

Stock Option Warrant Issuing Date	Issuing Unit Total Number	Ending Total Outstanding Units	Number of Shares for Subscription	The Date on Which Subscribers May Commence to Exercise	Subscription Price (NT\$)	Performance Method
2019.6.10	9,000 Thousand Units	8,500 Thousand Units	8,500,000	2021.6.10	\$15.10	Issuing New Shares

For the share-based payment plan, the pricing model and assumptions used are as follows:

	Issued Stock Option Warrants on June 10 2019
Expected Dividend Rate	0.00%
Expected Price Volatility	35.08%
Risk-Free Interest Rate	0.613%~0.635%
Stock Option Expected Duration	4.5 years, 5 years, 5.5 years

The expected duration of employee stock options is based on historical information and current expectations and may not necessarily correspond to actual performance. Expected volatility is the historical volatility of a period close to the duration of the option assumed to represent the future trend, although it may not necessarily correspond to actual future results.

Details of the aforementioned stock option plan are as follows:

	2021		2020	
	Outstanding Quantity (Unit)	Weighted Average Exercise Price (NT\$)	Outstanding Quantity (Unit)	Weighted Average Exercise Price (NT\$)
Outstanding Employee Stock Options on January 1	8,500	\$15.10	8,800	\$2.10
Current Granted Employee Stock Options	-	-	-	-
Current Lost Employee Stock Options	-	-	(300)	-
Current Exercised Employee Stock Options	(2,104)	15.10	-	-
Outstanding Employee Stock Options on December 31	<u>6,396</u>	15.10	<u>8,500</u>	\$15.10
Executable Employee Stock Options on December 31	2,146	\$15.10	-	-

Information of employee stock options issued on May 27, 2021 outstanding as of December 31, 2020 is as follows:

<b>Outstanding Employee Stock Options</b>		
<b>Issuing Date</b>	<b>Exercise Price</b>	<b>Weighted Average Expected Residual Duration (Years)</b>
2019.6.10	\$15.10	6

The Company's authorized employee share-based payment plan costs are as follows:

	<b>2021</b>	<b>2020</b>
Expense Recognized as a Result of Share-based Payment Transactions	164	352
(All of them are based on share-based payment of equity settlement)		

(18) Earnings Per Share

	<b>2021</b>	<b>2020</b>
Basic Earnings Per Share		
Net Profit Attributable to the Company's Common Shareholders	\$ <b>532</b>	<b>8,221</b>
Weighted Average Number of Common Shares Outstanding (Basic)(1,000 shares)	<b>15,590</b>	<b>15,507</b>
Basic Earnings Per Share (NT\$)	\$ <b>0.03</b>	<b>0.53</b>
Diluted Earnings Per Share		
Net Profit (Loss) Attributable to the Company's Common Shareholders	\$ <b>532</b>	<b>8,221</b>
Weighted Average Number of Common Shares Outstanding (Basic)(1,000 shares)	15,590	15,507
Effect of Employee Stock Option	3,491	-
Effect of Employee Consideration	-	16
Weighted Average Number of Common Shares Outstanding (Basic)(1,000 shares)	<b>19,081</b>	<b>15,523</b>
Diluted Earnings Per Share (NT\$)	\$ <b>0.03</b>	<b>0.53</b>

The weighted average number of outstanding common shares in 2020 has been retroactively adjusted according to the ratio of capital reduction to cover losses of 86.07176% made on July 22, 2020.



(19) Customer Contractual Revenue

1. The details of the Company's customer contractual revenue for the years 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Electronic Component Revenue	\$ 185,499	136,370
Other Revenue	279	3,204
	<b>\$ 185,778</b>	<b>139,574</b>

2. Details of Customer Contract Revenue:

Revenue Recognition Time Point	<b>2021</b>	<b>2020</b>
Commodities That Are Transferred at a Certain Time Point	\$ 185,778	139,574

3. Contractual liabilities:

	<b>2021.12.31</b>	<b>2020.12.31</b>
Commodity Sales	\$ -	705

(20) Employee Consideration

In accordance with the Articles of Association of the Company, if the Company has profit in the year (the profit refers to the profit before deducting the consideration of the assigned employees and the consideration of the director), it shall allocate no more than 5% of the consideration of the employees and the consideration of the director separately. However, if the company has accumulated deficiency (including adjusting the amount of undistributed surplus earnings), it shall reserve the amount of compensation in advance. The said employee consideration can be paid in the form of stock or cash, and the recipient of the payment include employees of subordinate companies qualifying the conditions set by the Board of Directors. The aforementioned considerations of directors/supervisors can only be paid in the form of cash.

The consideration of the Company's employee and the consideration of the directors are estimated according to the ratio of the net profit before tax for the current period less the consideration of the employee and the consideration of the directors. If there is any change in the amount after the publication of the annual financial report, it shall be treated according to the change of accounting estimation and be recorded in the next year. In 2021 and 2020, the estimated consideration for employees and directors is NT\$ 49 thousand and NT\$ 29 thousand, NT\$ 447 thousand and NT\$ 268 thousand, respectively.

In 2020, there was no difference between the amount of the resolution and the amount of the Company's account expenses. Information on the consideration of our employees and directors and supervisors can be found at the Market Observation Post System.

(21) Non-Operating Income and Expenditure

1. Interest Income

The details of the Company's interest revenue for the years 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Bank Deposit Interest Revenue	\$ 57	195
Other Interest Revenues	2,250	3,564
	<b>\$ 2,307</b>	<b>3,759</b>

2. Other Revenue

The details of the Company's other revenue for the years 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Rental Revenue	\$ 1,351	1,312
Dividend Revenue	179	13,409
Revenue of Court Enforcement of Creditors' Rights	-	2,003
Others	1,259	205
	<b>\$ 2,789</b>	<b>16,929</b>

3. Other Profits and Losses

The details of the Company's other profits and losses for the years 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Net Loss on Foreign Currency Exchange	\$ (8,448)	(11,611)
Financial Asset Loss Measured at Fair Value Through Profit and Loss	(372)	(398)
Interests of Disposal of Investment	-	251
Others	(385)	(659)
	<b>\$ (9,205)</b>	<b>(12,417)</b>

4. Financial Cost

The details of the Company's financial cost for the years 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Interest Expense on Bank Loans	\$ 484	118
Interest Expense on Lease Liabilities	7	12
	<b>\$ 491</b>	<b>130</b>

(22) Financial Instrument

1. Credit Risk

(1) Exposure of Credit Risk

The carrying amount of a financial asset represents the maximum credit exposure amount.

## (2) Concentration of Credit Risk

The Company's accounts receivable is mainly from payments for goods from selling goods to customers, all divisions of the Company comply with the credit risk policies, procedure, and control for managing credit risk. The credit risk evaluation of trading counterparties is based on a comprehensive evaluation of the counterparty's financial condition, credit rating by credit rating institutions, past transaction experiences, current economic environment, and the Company's internal evaluation criteria. According to the experience of collecting payments from customers, the Company management's evaluation showed no major credit risk.

## 2. Liquidity Risk

The following table shows the contract maturity dates of financial liabilities, including estimated interest but excluding the effect of net agreements.

	<u>Carrying Amount</u>	<u>Contract Cash Flow</u>	<u>Within 12 Months</u>	<u>1 to 2 Years</u>	<u>2 to 5 Years</u>	<u>Over 5 Years</u>
<b>December 31, 2021</b>						
Non-Derivative Financial Liabilities						
Floating Interest Rate Instrument	\$ 25,277	26,060	12,144	5,012	8,904	-
Non-Interest-Bearing Liabilities	41,128	41,128	41,128	-	-	-
Lease Liability	86	87	87	-	-	-
	<u>\$ 66,491</u>	<u>67,275</u>	<u>53,359</u>	<u>5,012</u>	<u>8,904</u>	<u>-</u>
<b>December 31, 2020</b>						
Non-Derivative Financial Liabilities						
Floating Interest Rate Instrument	\$ 16,611	17,032	11,659	3,415	1,958	-
Non-Interest-Bearing Liabilities	29,077	29,077	29,077	-	-	-
Lease Liability	425	433	346	87	-	-
	<u>\$ 46,113</u>	<u>46,542</u>	<u>41,082</u>	<u>3,502</u>	<u>1,958</u>	<u>-</u>

The Company does not expect the timing of the occurrence of cash flows through the maturity date analysis will be significantly earlier or the actual amount will significantly differ.

### 3. Currency Risk

#### (1) Exposure of Currency Risk

The financial assets and liabilities of the Company exposed to material foreign exchange risk are as follows:

(Unit: Foreign Currency/NT\$ 1,000)							
	2021.12.31				2020.12.31		
	Foreign Currency	Exchange Rate		NT\$	Foreign Currency	Exchange Rate	NT\$
<u>Financial Assets</u>							
Monetary Items							
USD	\$	7,718	27.67	213,557	7,029	28.48	200,186
RMB		6	4.345	26	118	4.38	517
HKD		7	3.551	25	10	3.625	36
SGD		1	20.46	20	1	21.58	22
Non-Monetary							
Items							
THB		-	-	-	12,000	0.939	11,268
<u>Financial Liabilities</u>							
<u>Monetary Items</u>							
USD		334	27.67	9,242	432	28.48	12,303
RMB		21	4.345	91	25	4.38	110
HKD		2	3.551	7	2	3.625	7

#### (2) Sensitivity Analysis

The exchange rate risk of the Company mainly derives from the foreign currency conversion profit or loss of cash and cash equivalents, accounts receivable, and accounts payable, etc. valued in foreign currency. On December 31, 2021 and 2020, if the NT\$ depreciates or appreciates by 5% against the USD, RMB, HKD, KRW, and SGD, and all other factors remain unchanged, the net profit for 2021 and 2020 would increase or decrease by NT\$ 10,213 thousand and NT\$ 9,417 thousand respectively. The two analyses were based on the same basis.

Due to the variety of functional currencies of the Company, the conversion profit or loss information of monetary items is disclosed by integrated method. Foreign currency conversion losses (including realized and unrealized) for 2021 and 2020 were NT\$ 8,448 thousand and NT\$ 11,611 thousand respectively.

### 4. Interest Rate Analysis

The interest rate exposure of the financial assets and financial liabilities of the Company is indicated in the liquidity risk management in this note.

The following sensitivity analysis is based on the risk of interest rate spike of both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis assumes that the outstanding amount of liabilities at the reporting period is outstanding throughout the year. Internally, the Company report changes to the

interest rate that are increased or decreased by 1% to the major management. This means that management evaluates the range of reasonable possible changes of the interest rates.

If interest rates increase or decrease by 1% as at the reporting date, all other variables being unchanged, the net profit of the Company in 2021 and 2020 will be reduced or increased by NT\$ 253 thousand and NT\$ 166 thousand, mainly due to variable interest rate borrowings of the Company.

## 5. Fair Value

### (1) Categories of Financial Instrument and Fair Value

The carrying amount and fair value (where the fair value level information is included, but the carrying amount of a financial instrument which is not measured by the fair value is a reasonable approximation of the fair value, and where there is unquoted price in the active market and the fair value cannot be reliably measured, the fair value information is not required to be disclosed) of the financial assets and financial liabilities of the Company are listed as follows:

<b>2021.12.31</b>					
	<b>Carrying Amount</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial Assets at Fair Value					
Through Profit or Loss					
Domestic & Foreign	\$ 6,478	6,478	-	-	6,478
TWSE-Listed (OTC- Listed) Stocks					
<b>2020.12.31</b>					
	<b>Carrying Amount</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial Assets at Fair Value					
Through Profit or Loss					
Domestic & Foreign	\$ 2,345	2,345	-	-	2,345
TWSE-Listed (OTC- Listed) Stocks					
Equity Instrument					
Investments Measured at Fair Value Through Other Comprehensive Income					
Preferred Stock Shares	\$ 49,767	-	-	49,767	49,767

(2) Fair Value Evaluation Techniques for Financial Instruments Measured at Fair Value

(2.1) Non-Derivative Financial Instruments

If a financial instrument has an open quotation in the active market, the open offered price in the active market shall be taken as its fair value. The market prices announced by the TPEX of the central government and the major exchanges judged to be popular securities are the basis of the fair value of listed (counter) equity instruments and debt instruments with active open market quotations.

For financial instruments with no active market, their fair value is estimated by the discounted cash flow model according to the category and nature. The main assumption is that the expected future cash flows to be received by investors are measured by the current exchange rate of foreign currency.

(3) Transition Between Level 1 and Level 2

There is no material transfer of fair value measures between Level 1 and Level 2 for 2021 and 2020 of the Company.

(4) Schedule of Changes to Level 3

<b>Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss</b>	<b>Equity Instruments Without Public Quotation</b>
2020.1.1	\$ -
Acquisition	50,189
Recognized in Other Consolidated Profit or Loss	(422)
2020.12.31	<b>\$ 49,767</b>
Disposed	(50,189)
Recognized in Other Consolidated Profit or Loss	422
2021.12.31	<b>\$ -</b>

(5) Significant Unobservable Input Value Information for Level 3 of Fair Value Level

Unquoted equity instrument investment measured at fair value adopts the asset method, which evaluates the overall value of the enterprise according to the assets and liabilities of the target, and makes a consolidated assessment taking into account non-control reduction and liquidity risk.

(23) Financial Risk Management

1. Summary

The Company is exposed to the following risks as a result of the use of financial instruments:

- (1) Credit Risk
- (2) Liquidity Risk
- (3) Market Risk

This note provides information on the risks of the Company and the Company's objectives, policies, and procedures for measuring and managing risks. For further quantitative disclosures, please refer to these notes in the individual financial statements.

## 2. Risk Management Framework

The Company's objective are to management operating activities related market risk, credit risk, and liquidity risk and to identify, measure, and manage above-mentioned risk according to policies and risk preferences. For the Company's financial risk management, the Company has referred to related regulations and specifications to establish appropriate policies, procedures, and internal control and important financial activities have to be reviewed by the Board of Directors according to related regulations and specifications as well as the internal control system.

During the financial management activity implementation period, the Company should authentically follow the established financial risk management related regulations and rules.

To reduce and to manage related financial risks, the Company has worked on analyzing, identifying, evaluating adverse effects of financial risk related factors on the Company's finance and proposing related programs to avoid adverse factors generated from financial risks.

## 3. Market Risk

The market risk of the consolidated company is the risk that the fair value or cash flow of the financial instrument may fluctuate due to the change of the market price. Market risk mainly includes exchange rate risk, interest rate risk and other price risk.

In practice, it is rare for a single risk variable to change independently, and the changes of each risk variable are usually correlated. However, the following risk sensitivity analysis does not consider the interaction of related risk variables.

### A. Currency Risk

The Company's foreign exchange rate risk is primarily associated with operating activities (when the currency of revenue or expenses is different from the Company's functional currency) and foreign operating entities' net investment.

The Company's foreign currency accounts receivable and payable are of the same currency. Natural risk avoidance effect is generated from similar positions, but these natural risk avoidance methods do not satisfy hedge accounting regulations. Therefore, hedge accounting was not adopted. In addition, foreign operating entities' net investment is strategic investment, and as a result, the Company did not manage the risk.

The exchange rate risk of the Company mainly comes from cash, accounts receivable, accounts receivable - affiliate net amount, other receivables, other receivables - related party, bank loan, accounts payable and other payables denominated in foreign currencies, which generate foreign currency conversion profit

or loss at the time of conversion.

#### B. Interest Rate Risk

Interest rate risk is the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in market interest rates. The interest rate risk of the Company mainly comes from floating rate loans. The Company manages interest rate risk by maintaining an appropriate floating rate portfolio. The Company regularly assesses risk aversion in line with interest rate views and established risk preference to ensure the most cost-effective risk aversion strategy is adopted.

#### 4. Credit Risk

Credit risk refers to the risk that the trading counterparty fails to fulfill its obligations contained in the contract and causes financial loss. The credit risk of the Company is caused by business activities (mainly notes receivable and accounts) and financial activities (mainly bank deposits and various financial instruments).

All divisions of the Company comply with the credit risk policies, procedure, and control for managing credit risk. The credit risk evaluation of trading counterparties is based on a comprehensive evaluation of the counterparty's financial condition, credit rating by credit rating institutions, past transaction experiences, current economic environment, and the Company's internal evaluation criteria.

The receivables of the Company mainly refer to the payment for sales goods to be received from customers. According to the past collection experience of customers, the management of the Company evaluates that there is no significant credit risk.

The finance department of the Company shall manage the credit risk of bank deposits, fixed income securities and other financial instruments in accordance with the Company policy. There is no significant credit risk due to the fact that the Company's trading object is determined by internal regulatory procedures and is a bank with good credit standing and investment grade financial institutions, corporate organizations and government agencies.

#### 5. Liquidity Risk

Liquidity risk refers to the risk that the Company fails to deliver cash or other financial assets to pay off financial liabilities and fails to fulfill relevant obligations.

The Company manages and maintains sufficient positional cash and equivalent cash to support the operations of the Company and mitigate the impact of cash flow fluctuations. The management of the Company supervises the use of the bank's financing line and ensures compliance with the terms of the loan agreement.

Bank loan is an important source of liquidity for the Company. As of December 31, 2020 and 2019, the consolidated company has no untapped bank financing credit. As of December 31, 2021 and 2020, the Company's untapped bank financing credit was NT\$ 46,602 thousand (US\$ 600 thousand and NT\$ 30,000 thousand) and NT\$ 0 thousand.



(24) Capital Management

The Company's capital management objectives are to secure the Company's ability to continue as a going concern, maintain the optimal capital structure for reducing the cost of capital, and to provide returns to our shareholders. To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares or sell assets to reduce the liabilities. The Company manages the assets by routinely evaluating the debt to assets ratio. The capital of the Company is the "total equity" shown in the balance sheet, which is equal to the total assets minus the total liabilities.

As of December 31, 2021, the Company's approach to capital management has not changed.

(25) Changes in Liabilities Arising from Financing Activities

The Company's liabilities from financing activities are adjusted as follows:

			Non-Cash	
	2021.1.1	Cash Flow	Flow	2021.12.31
Short-Term Loan	\$ 8,000	-	-	8,000
Lease Liability	425	(339)	-	86
Long-Term Loan	8,611	8,666	-	17,277
Liabilities Arising from Financing Activities	\$ 17,036	8,327	-	25,363

			Non-Cash	
	2020.1.1	Cash Flow	Flow	2020.12.31
Short-Term Loan	\$ -	8,000	-	8,000
Lease Liability	86	(335)	674	425
Long-Term Loan	-	8,611	-	8,611
Liabilities Arising from Financing Activities	\$ 86	16,276	674	17,036

**7. Transactions With Related Parties**

(1) Parent Company and Ultimate Controller

BULL WILL CO LTD (The Company).

(2) Name and Relationship of Related Parties

Name of Related Parties	Relationship With the Company
Serial System LTD (Serial System)	A Company That Adopts the Equity Method to Evaluate the Company
Hong Kong Serial Investment CO LTD (Hong Kong Serial Investment)	Subsidiary

<b>Name of Related Parties</b>	<b>Relationship With the Company</b>
BULL WILL Electronics Corporation (Bull Will Electronics)	Subsidiary
Huizhou BULL WILL Electronics Corporation (Huizhou Bullwill)	Subsidiary
Huizhou Chunchao Electronics Corporation (Huizhou Chunchao)	Subsidiary
Dongguan Chaokang Electronics Corporation (Dongguan Chaokang)	Subsidiary
Trustbond Technology Corp (Trustbond Technology)	Subsidiary
BULL WILL TRADING PTE LTD (BWTS)	Related Enterprises
Serial System CO LTD (Serial System)	Company Also Controlled by Serial System
Serial Investment CO LTD (Serial Investment)	Company Also Controlled by Serial System
Serial Microelectronics Information Limited (Serial Microelectronics Information)	Company Also Controlled by Serial System
Serial System (Hong Kong) LTD (Serial System (HK))	Company Also Controlled by Serial System
<b>Name of Related Parties</b>	<b>Relationship With the Company</b>
Serial System (Singapore) LTD (Serial System Singapore)	Company Also Controlled by Serial System
NULINE MARKETING SINGAPORE PTE LTD (NULINE)	Other Related Parties

### (3) Major Transactions with Related Parties

#### 1. Operating Income

The amount of the Company's major sales revenue (refund) to its related parties is as follows:

<b>Name of Related Parties</b>	<b>2021</b>	<b>2020</b>
Subsidiary	\$ 1,166	1,090
Affiliated Enterprise	583	128
	<b>\$ 1,749</b>	<b>1,218</b>

The sales price and credit conditions of the related parties of the Company's merchandise sales are similar to general transactions.

In 2021 and 2020 the Company's unrealized profit from sales generated from merchandise sales to related parties were NT\$ 867 thousand and NT\$ 849 thousand respectively, while the realized gross profits were NT\$ 849 thousand and NT\$ 848 thousand respectively.

## 2. Purchase

The amount of purchase by the Company from its related parties is as follows:

<b>Name of Related Parties</b>	<b>2021</b>	<b>2020</b>
Subsidiary	\$ 357	278
Huizhou Chunchao	49,479	33,212
Affiliated Enterprise	15	43
	<b>\$ 49,851</b>	<b>33,533</b>

There is no material difference in terms of payment for purchases made by the Company to related parties.

## 3. Receivables From Related Parties

The details of accounts receivable by the Company's related parties are as follows:

<b>Accounting Items</b>	<b>Name of Related Parties</b>	<b>2021.12.31</b>	<b>2020.12.31</b>
Accounts Receivable	Serial System Singapore	\$ 66	-
Accounts Receivable	Huizhou Chunchao	38,066	74,866
Accounts Receivable	Subsidiary	1,261	735
Accounts Receivable	Serial Microelectronics Information	8,378	-
Other Receivables	Huizhou Bullwill	229	721
Other Receivables	Serial System	27,766	57,157
Other Receivables	Subsidiary	1,304	44
Other Receivables	BWTS	10,013	14,686
		<b>\$ 87,083</b>	<b>148,209</b>

## 4. Prepayments

The details of the Company's prepayments to related parties are as follows:

<b>Accounting Items</b>	<b>Name of Related Parties</b>	<b>2021.12.31</b>	<b>2020.12.31</b>
Prepayments	Dongguan Chaokang	\$ 401	-
Prepayments	Huizhou Chunchao	44,056	-
		<b>\$ 44,457</b>	<b>-</b>

## 5. Payables from Related Parties

The details of accounts payable by the Company's related parties are as follows:

<b>Accounting Items</b>	<b>Name of Related Parties</b>	<b>2021.12.31</b>	<b>2020.12.31</b>
Other Payables	Subsidiary	\$ -	100

## 6. Transactions With Other Related Parties

<b>Accounting Items</b>	<b>Name of Related Parties</b>	<b>2021</b>	<b>2020</b>
Rental Expense	Serial System Investment	\$ 2,258	2,258
Other Revenues - Interest Revenues	Serial System	1,556	2,827
Other Income – Others	Trustbond Technology	1,200	-
Other Revenues - Interest Revenues	Affiliated Enterprise	694	737
Other Revenues - Rental Revenues	Serial System (Hong Kong)	-	533
Other Revenues - Rental Revenues	Serial Microelectronics Information	600	-
Other Profits and Losses -Disposition Investment Profits and Losses (Note)	NULINE	-	251

Note: Please refer to Note VI (6) for the explanation of disposition of investment transactions.

<b>Accounting Items</b>	<b>Name of Related Parties</b>	<b>2021.12.31</b>	<b>2020.12.31</b>
Refundable Deposits	Serial System Investment	\$ 358	358
Guarantee Deposits Received	Serial Microelectronics Information	100	-

## 7. Property Transactions

The details of the sale of financial assets by the Company to related parties are as follows:

<b>Name of Related Parties</b>	<b>Number of Shares Traded</b>	<b>Trading Target</b>	<b>Carrying Amount</b>	<b>Disposal Price</b>
Serial System	530 thousand shares	Strek Corporation Company Limited Preferred Stock	\$ 50,189	50,189

The financial assets measured at fair value through other comprehensive income - liquidity of the Company was sold to Serial System in 2021, please refer to Note VI (2).

(4) Key Management Remuneration

Key management returns include:

	<b>2021</b>	<b>2020</b>
Short-Term Employee Benefits	\$ 9,649	6,385
Benefits After Retirement	183	186
Share-Based Payment	46	352
	<b>\$ 9,878</b>	<b>6,923</b>

**8. Pledged Asset**

The book value of the assets pledged by the Company is detailed as follows:

<b>Asset Name</b>	<b>Target of Pledge Guarantees</b>	<b>2021.12.31</b>	<b>2020.12.31</b>
Other Financial Assets	Fuel on Credit Purchase and Import	\$ 150	150
- Current	Goods Released Before Tax		
Investment Real Estate	Other Short-Term Loan Collaterals	20,743	-
		<b>\$ 20,893</b>	<b>150</b>

**9. Major contingent liabilities and unrecognized contractual commitments: None.**

**10. Major casualty losses: None.**

**11. Major events after the reporting period: None.**

## 12. Others

(1) The functions of employee benefits, depreciation, depletion, and amortization expenses are summarized as follows:

Function	2021			2020		
	Under Operating Cost	Under Operating Expenses	Total	Under Operating Cost	Under Operating Expenses	Total
Property						
Employee Benefits Expenses						
Salary Expenses	-	19,910	19,910	-	19,463	19,463
Labor and Health Insurance Expense	-	1,740	1,740	-	1,704	1,704
Pension Expenses	-	973	973	-	990	990
Remuneration of Directors	-	596	596	-	838	838
Other Employee Benefits Expenses	-	890	890	-	810	810
Depreciation Expense	-	1,532	1,532	-	1,551	1,551
Amortization Expense	-	-	-	-	-	-

Additional information on the Company's 2021 and 2020 employee numbers and employee benefits expenses is as follows:

	2021	2020
Employee Number	28	29
Number of Directors Who Are Not Employees Concurrently	5	5
Average Employee Benefits Expense	\$ 1,022	957
Average Employee Salary Expense	\$ 866	811
Adjustment of Average Employee Salary Expense	6.78%	(3.80)%
Remuneration of Supervisor	\$ 220	279

The Company's remuneration policy (including directors, managers and employees) is as follows:

1. The remuneration of the directors and supervisors shall be in accordance with the provisions of the Articles of Association of the company, with reference to the usual level of payment of the same industry, and with due consideration of the relationship between the company's revenue, earnings per share, operating performance and future risks.
2. The performance and remuneration of the manager shall be evaluated with reference to

the usual levels of remuneration in the same industry, taking into account the individual's time commitment, responsibilities, achievement of personal goals, performance in other positions, and remuneration for those in the same position in recent years. The remuneration is based on the achievement of the company's short-term and long-term business objectives, the company's financial position, etc., and the reasonableness of the relationship between personal performance and the company's business performance and future risks.

3. The Company's employee salary structure is divided into two categories: regular pay and non-regular pay. Regular pay includes principal pay and meal allowance, etc., while non-regular pay includes regular full-time bonus, overtime pay, performance bonus and year-end bonus, etc. The salary shall be determined according to the salary market situation, the company's operating conditions and organizational structure. And shall be adjusted according to the market salary dynamics, the overall economic and industrial business changes, and the necessary regulations of government decrees. Salary and remuneration of employees are based on their academic experience, professional knowledge and skills, years of professional experience, and personal performance, without any difference in age, sex, race, religion, political affiliation, marital status, or union membership. At the same time, incentives will be paid according to the company's operating performance and the employee's personal performance.

(2) Securities and Futures Investors Protection Center on February 17, 2017 in accordance with Securities Investor and Futures Trader Protection Act sued Ho Qing-yi, the previous person in charge of the Company, and related people for violating the Securities and Exchange Act and requested for a compensation of NT\$ 113,710 thousand. The Company has purchased the liability insurance according to Article 39 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for an insurance amount of USD 5,000 thousand. By letter from the court on 1 May 2019, the two parties agreed to suspend the proceedings on 24 April 2019. Due to the necessity of continuing the lawsuit, Securities and Futures Investors Protection Center applied for continuing the lawsuit on July 23, 2019. Continuing the lawsuit, on June 11, 2021, the Shilin District Court rejected the claim of the insurance center for compensation. The insurance center has appealed to the Taiwan High Court against this lawsuit.

(3) In 2021, COVID-19 spread all over the world, causing some subsidiaries, customers, and suppliers to implement quarantine and travel restrictions. The Company evaluated that there was no major impact on the overall business and financial aspects of COVID-19, and that there were no concerns about the continuing ability, impairment of assets, and financing risk.

### 13. Additional Disclosure Items

#### (1) Information on Material Transactions

In 2021, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company shall disclose the following information concerning major transaction items:

1. Capital loan to others: Please refer to Table I for details.
  2. Endorsement for others: None.
  3. Marketable securities held period end (excluding investments in subsidiaries, associates, and joint ventures): See Schedule II for details.
  4. Accumulated amount of NT\$ 300 million or paid-in capital of more than 20% in the purchase or sale of the same marketable securities: See Schedule III for details.
  5. Amount of real estate acquired up to NT\$ 300 million or more than 20% of the paid-in capital: No such situation: None.
  6. Disposal of real estate up to nt\$ 300 million or more than 20% of paid-in capital: Please refer to Table II for details: None.
  7. The amount of purchase and sale with related parties up to NT\$ 100 million or more than 20% of the paid-in capital: See Schedule IV for details.
  8. Receivables from affiliates of NT\$ 100 million or more than 20% of the paid-in capital: See Schedule V for details.
- Engaging in derivatives trading: None.

#### (2) Information related to the reinvestment business:

In 2021, the reinvestment business information of the Company (excluding the invested companies in mainland China) : See Schedule VI for details.

#### (3) Mainland China investment information: See Schedule VII for details.

#### (4) Information of major shareholders: See Schedule VIII for details.

### 14. Department Information

Please refer to the 2021 consolidated financial report.



Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)

(all amounts are in NT\$ 1,000 unless otherwise indicated)

Schedule I: Capital Loan to Others

Unit: NT\$ 1,000

Number	Company Providing the Loan	Loan Object	Current Items	A Related Party or Not	Current Maximum Balance	Ending Balance (Credits Approved by the Board of Directors)	Actual Dealing Amount	Interest Rate Collars %	Capital Loan and Total Quota	Business Transaction Amount	Reasons Necessary for Short-Term Capital Financing	Itemized Allowance Amount for Bad Debts	Collaterals		Capital Loan and Ceiling to Each Individual	Capital Loan and Total Ceiling	Note
													Name	Value			
0	BULL WILL CO LTD	BULL WILL TRADING(S) PTE LTD	Other Receivables	Yes	14,265	9,685	9,685	6%	2	-	Operating Turnover	-	-	-	97,890	97,890	
0	BULL WILL CO LTD	SERIAL SYSTEM LTD	Other Receivables	Yes	57,060	27,670	27,670	4.8%	2	-	Operating Turnover	-	-	-	97,890	97,890	

Note 1: For individual objects, the loan and limit shall not exceed 40% of the total net value of the Company. The loan and limit shall be limited to 40% of the total net value of the Company.

Note 2: The nature of capital loan shall be: 1. Is a business associate or; 2. It is necessary for short-term financing.

Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)

(all amounts are in NT\$ 1,000 unless otherwise indicated)

Schedule II Marketable Securities Held at the End of the Period

Unit: NT\$ 1,000

Holding Company	Type and Name of Marketable Securities	Relationship With Issuer of Marketable Securities	Accounting Subjects	Ending				Note
				Shares (1,000 shares)	Carrying Amount	Shareholding Ratio (%)	Fair Value	
BULL WILL CO LTD	Stocks -							
	HIM International Music INC	-	Financial Assets Measured at Fair Value Through Profit or Loss — Current	10	901	-	901	Note I
	Chenbro Micom CO LTD	-	Financial Assets Measured at Fair Value Through Profit or Loss — Current	10	780	-	780	"
	Soonest Express CO LTD	-	Financial Assets Measured at Fair Value Through Profit or Loss — Current	3	232	-	232	"
	ACES ELECTRONICS CO LTD	-	Financial Assets Measured at Fair Value Through Profit or Loss — Current	21	1,092	-	1,092	"
	KYE SYSTEMS CORP	-	Financial Assets Measured at Fair Value Through Profit or Loss — Current	20	260	-	260	"
	Avertronics INC	-	Financial Assets Measured at Fair Value Through Profit or Loss — Current	18	602	-	602	"
	TAITIEN Electronics CO LTD	-	Financial Assets Measured at Fair Value Through Profit or Loss — Current	15	629	-	629	"
	HOTAI FINANCE CO LTD	-	Financial Assets Measured at Fair Value Through Profit or Loss — Current	5	461	-	461	"
	High-Tek Harness Enterprise CO LTD	-	Financial Assets Measured at Fair Value Through Profit or Loss — Current	5	102	-	102	"
	Ting SIN CO LTD	-	Financial Assets Measured at Fair Value Through Profit or Loss — Current	30	692	-	692	"
	INPAQ TECHNOLOGY CO LTD	-	Financial Assets Measured at Fair Value Through Profit or Loss — Current	10	727	-	727	"
	Japan Bull Will Group Incorporation	-	Financial Assets measured at fair Value Through Other Comprehensive Income - Non-Current	-	-	18	-	

Note I: The market price is the closing price on December 31, 2021.

Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)

(all amounts are in NT\$ 1,000 unless otherwise indicated)

Schedule III: Accumulated amount of NT\$ 300 million or paid-in capital of more than 20% in the purchase or sale of the same marketable securities.

Unit: NT\$ 1,000 / thousand shares

Purchase/ Sale Companies	Type and Name of Marketable Securities (Note 1)	Accounting Subjects	Name of Transaction Object (Note 2)	Relationship (Note 2)	Beginning		Purchase (Note 3)		Sale (Note 3)				Ending	
					Shares	Amount	Shares	Amount	Shares	Sale Price	Carrying Cost	Disposal Profit and Loss	Shares	Amount
BULL WILL CO LTD	Strek Corporation Company Limited Preferred Stock	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Current	-	-	530	\$50,189	-	-	530	\$50,189	\$50,189	-	-	-

Note 1: The term "securities" as used in this schedule refers to the marketable securities derived from stocks, bonds, beneficiary certificates and the above items.

Note 2: Investors who use the equity method in securities accounts are required to fill in these two columns. The remainder are exempted.

Note 3: The accumulative purchase and sale amount shall be calculated separately according to the market price whether it is NT\$ 300 million or 20% of the paid-up capital.

Note: 4 Paid-in capital means the paid-in capital of the parent company. Where there is no face value of the issuer's shares or the face value of each share is not NT\$ 10, the transaction amount of 20% of the paid-in capital shall be calculated as 10% of the equity of balance sheet vested in the owner of the parent company.

Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)

(all amounts are in NT\$ 1,000 unless otherwise indicated)

Schedule IV: The amount of purchase and sale with related parties up to NT\$ 100 million or more than 20% of the paid-in capital.

Unit: NT\$ 1,000

Purchase (Sale) Companies	Name of Transaction Object	Relationship	Transaction Status				Status and Reasons Why Trading Terms Are Different from Ordinary Trading Terms Different Circumstances and Reasons		Bills and Accounts Receivable (Payable)		Note
			Purchase (Sale)	Amount	The Ratio (%) of Total Purchase (Sale)	Credit Period	Unit Price	Credit Period	Balance	The Ratio % of Bills and Accounts Receivable (Payable)	
BULL WILL CO LTD	Huizhou Jun Chao Electronic CO LTD	Subsidiary	Purchase	49,479	30.18%	Normal	Normal	Normal	-	-%	

Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)

(all amounts are in NT\$ 1,000 unless otherwise indicated)

Schedule V: Receivables from affiliates of NT\$ 100 million or more than 20% of the paid-in capital:

Unit: NT\$ 1,000

Company With Accounts Receivable	Name of Transaction Object	Relationship	Balance of Accounts Receivable From Related Parties	Turnover Rate	Overdue Receivables from Related Parties		Amount to Be Collected After the Period of Receivables From Related Parties Ending Recovered Amount	Itemized Allowance Amount for Bad Debts
					Amount	Handling Method		
BULL WILL CO LTD	Huizhou Jun Chao Electronic CO LTD	Subsidiary	38,066	-	-	-	-	-

Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)

(all amounts are in NT\$ 1,000 unless otherwise indicated)

Schedule VI: Name of investee, location and other relevant information (excluding mainland Chinese investees):

Unit: NT\$ 1,000

Name of Investment Company	Name of Investee	Location	Main Business Items	Original Investment Amount		Held at the End of the Period			The Investee's Current Profit or Loss	Investment (Loss) and Profit Recognized	Note
				End of the Current Period	End of Last Year	Shares	Ratio (%)	Carrying Amount			
BULL WILL CO LTD	Hong Kong Bull Will Holding CO LTD	Hong Kong	General Investment Business	\$385,105 ( HKD 95,765 USD 355 )	\$385,105 ( HKD 95,765 USD 355 )	11,619	100.00	(20,633)	24,272	24,272	Subsidiary
	Trustbond Technology Corp	Taiwan	Electronic Component Sales	16,704	0	300	30.00	17,372	12,814	668	Subsidiary Note
	BULL WILL TRADING(S) PTE LTD	Singapore	Sand and Gravel Sales	959 ( SGD 43 )	959 ( SGD 43 )	43	30.00	5,068	4,978	1,415	Companies Using the Equity Method
Hong Kong Bull Will Holding CO LTD	Hong Kong Serial Investment CO LTD	Hong Kong	General Investment Business	385,097 ( HKD 95,765 USD 355 )	385,097 ( HKD 95,765 USD 355 )	11,619	100.00	(20,634)	24,273	24,273	Subsidiary
Hong Kong Serial Investment CO LTD	BULL WILL Electronics CO LTD	British Virgin Islands	Agent for the Company's Products and Manufacturing	106,660 ( HKD 26,550 )	106,660 ( HKD 26,550 )	3	100.00	107	(95)	(95)	Subsidiary

Note: The Company acquired 30% equity of Trustbond Technology Corp in 2021 and completed the registration of change.

Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)  
(all amounts are in NT\$ 1,000 unless otherwise indicated)

Schedule VII: Investment Information on Mainland China

1. Name of the invested company in mainland China, main business items, paid-up capital, investment method, capital inward and outward remittance, investment profit and loss, book value of the ending investment, and investment profit and loss repatriated:

Unit: NT\$ 1,000

Name of Investee Company in Mainland China	Main Business Items	Paid-Up Capital	Investment Method	Accumulated Investment Amount Remitted from Taiwan at the Beginning of the Current Period	Amount of Investment Remitted or Recovered in the Current Period		Accumulated Investment Amount Remitted from Taiwan at the Ending of the Current Period	The Investee's Current Profit or Loss	Shareholding Ratio of the Company's Direct or Indirect Investments	Investment Profit or Loss Recognized at Current Period	Ending Investment Book Value	Investment Income Remitted to Taiwan as of the Current Period	Note
					Remitted	Recovered							
Huizhou Chunchao Electronics CO., LTD	Agent for the Company's Products and Manufacturing	\$51,403 ( HKD 13,000 )	(II)	47,151 ( HKD 12,050 )	-	-	47,151 ( HKD 12,050 )	6,767	100%	6,767	(108,619)	0	
Dongguan Zhao Kang Electronic CO LTD	Agent for the Company's Products and Manufacturing	35,738 ( HKD 9,000 )	(II)	35,738 ( HKD 9,000 )	-	-	35,738 ( HKD 9,000 )	41	100%	41	37,617	0	
Huizhou Bullwill Electronic CO LTD	Agent for the Company's Products and Manufacturing	19,102 ( HKD 5,000 )	(II)	19,102 ( HKD 5,000 )	-	-	19,102 ( HKD 5,000 )	15,605	100%	15,605	33,273	0	

Note 1: The current investment profits and losses are recognized on the basis of financial statements verified by accountants.

Note 2: Investment methods can be divided into the following four categories, simply mark the category:

- (I)Through the third region remittance investment mainland company.
- (II)Reinvest in the mainland company by establishing a company through the third region investment.
- (III)Reinvest in mainland by reinvesting in existing companies in the third region.
- (IV)Other methods.

2.Investment Ceiling in Mainland China:

Aggregate Amount at the End of the Period Remitted from Taiwan Amount of Investment in Mainland China	The MOEAIC Approved Investment Amount	According to the Regulations of the MOEAIC Investment Ceiling in Mainland China
278,272 ( USD 700, HKD 72,910 )	278,272 ( USD 700, HKD 72,910 )	146,834

Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)  
(all amounts are in NT\$ 1,000 unless otherwise indicated)

Schedule VIII: Information of Major Shareholders

Name of Major Shareholders	Shares	Shares Held	Shareholding Ratio
Shun-Fa Zhuo		3,788,481	21.64%
Mega International Commercial Bank was entrusted with the custody of the investment account of Serial System Ltd		2,666,474	15.23%
Fu-Tian Xie		1,559,963	8.91%

Note: (1) The information of major shareholders in this table refers to the information calculated by the company on the last business day at the end of each quarter of the total number of common shares and special shares held by the company which have been delivered without physical registration (including treasury stocks) by the shareholders. As for the capital stock recorded in the company's financial report and the number of shares actually delivered without physical registration, the calculation basis may be different or has differences.

Note: (2) If the above information belongs to the shareholders who have entrusted their shares to the trust, it is revealed by the trustor who opened a special trust account with the trustee. As for shareholders who hold more than 10% of the shares in accordance with the Securities and Exchange Act, their shareholdings include their own shares plus the shares they have delivered to the trust and have the right to decide the use of the trust property, etc. Please refer to the Market Observation Post System for information on insider stock rights declaration.



BULL WILL CO LTD  
Statements of Cash and Cash Equivalents  
31-Dec-21

Unit: NT\$ 1,000

Item	Summary	Amount	Note
<u>Cash in Treasury</u>			
	Petty Cash	\$55	
	Subtotal	55	
<u>Bank Deposit</u>			
Checking Deposit		7	
Demand Deposit		43,051	
Foreign Currency Demand Deposit	USD 808,000 / Exchange Rate 27.67	22,375	
	HKD 7,000 / Exchange Rate 3.551	26	
	SGD 1,000 / Exchange Rate 20.46	15	
	Subtotal	65,474	
	Total	\$65,529	

BULL WILL CO LTD

Financial Assets Measured at Fair Value Through Profit or Loss - Current

31-Dec-21

Unit: NT\$ 1,000

Item	Units (1,000 Shares)	Acquisition Cost	Fair Value		Provision of Collaterals or Pledges	Note
			Net Unit Value	Total Amount		
Stocks						
HIM International Music INC	10	\$1,282	90.10	\$901	None	
Chenbro Micom CO LTD	10	889	78.00	780	"	
Soonest Express CO LTD	3	241	77.40	232	"	
ACES ELECTRONICS CO LTD	21	1,093	52.00	1,092	"	
KYE SYSTEMS CORP	20	258	13.00	260	"	
Avertronics INC	18	600	33.45	602	"	
TAITIEN Electronics CO LTD	15	602	41.95	629	"	
HOTAI FINANCE CO LTD	5	460	92.20	461	"	
High-Tek Harness Enterprise CO LTD	5	94	20.40	102	"	
Ting SIN CO LTD	30	703	23.05	692	"	
INPAQ TECHNOLOGY CO LTD	10	743	72.70	727	"	
Minus: Valuation Adjustment		(487)				
Total		\$6,478		\$6,478		

BULL WILL CO LTD

Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss

31-Dec-21

Unit: NT\$ 1,000

Item	Units (1,000 Shares)	Acquisition Cost	Fair Value		Provision of Collaterals or Pledges	Note
			Net Unit Value	Total Amount		
Non-Current Asset						
Stocks						
Japan Bull Will Group Incorporation	-	306	-	-	None	
Minus: Valuation Adjustment		(306)				
Subtotal		-				
Total		-				

BULL WILL CO LTD  
Statement of Bills Receivable and Accounts Receivable  
December 31, 2021

Unit: NT\$ 1,000

Item	Summary	Amount	Note
Bills Receivable			
Company A	Loans	\$372	
Company B	Loans	86	
Company C	Loans	351	
Subtotal		809	
Accounts Receivables			
Company E	Loans	23,416	
Company F	Loans	12,126	
Company G	Loans	9,709	
Company H	Loans	9,246	
Company I	Loans	7,315	
Company J	Loans	5,536	
Company K	Loans	4,587	
Others	Loans	13,624	Amount Does Not Exceed 5% of the Balance of the Account
Subtotal		85,559	
Minus: Allowance for Bad Debts		(436)	
Net Amount		85,123	
Accounts Receivable - Related Parties			
Huizhou Jun Chao Electronic CO LTD	Loans	38,066	
Others	Loans	9,705	Amount Does Not Exceed 5% of the Balance of the Account
Subtotal		47,771	
Total		\$133,703	

BULL WILL CO LTD  
Statement of Other Receivables  
December 31, 2021

Unit: NT\$ 1,000

Item	Summary	Amount	Note
Other Receivables			
Stock Delivery Receivables		\$1,673	
Subtotal		<u>1,673</u>	
Other Accounts Receivable - Related Parties			
Serial System	Capital Loan and Interest	27,766	
BWTS	Capital Loan and Interest	10,013	
Others	Payment on Behalf of Others	<u>1,533</u>	
Subtotal		<u>39,312</u>	Amount Does Not Exceed 5% of the Balance of the Account
Total		<u><u>\$40,985</u></u>	

BULL WILL CO LTD  
Statement of Inventories  
December 31, 2021

Unit: NT\$ 1,000

Item	Summary	Amount		Note
		Cost	Market Price	
Commodities		\$81,665	\$4,088	Net Realizable Value
Minus: Allowance for Inventory Valuation and Obsolescence Losses		(77,577)		
		\$4,088	4,088	

BULL WILL CO LTD

Statement of Changes in Investment (Credits) Property Accounted for Using the Equity Method

January 1 to December 31, 2021

Unit: NT\$ 1,000 / Thousand Shares

Item	Opening Balance		Current Increase		Current Decrease		Investment (Loss) Profit Recognized by the Equity Method	Accumulated Conversion Adjustments	Unrealized Sales Gross Margin	Ending Balance			Note
	Shares	Amount	Shares	Amount	Shares	Amount				Shares	Shareholdin g Ratio %	Amount	
BULL WILL TRADING PTE LTD	43	\$3,891	-	-	-	-	1,415	(238)	-	43	30.00	5,068	
		<u>\$3,891</u>		<u>-</u>		<u>-</u>	<u>1,415</u>	<u>(238)</u>	<u>-</u>			<u>5,068</u>	
Hong Kong Bull Will Holding CO LTD	11,619	(\$42,941)	-	-	-	-	24,272	(2,028)	(18)	11,619	100.00	(20,715)	
		<u>(\$42,941)</u>		<u>-</u>		<u>-</u>	<u>24,272</u>	<u>(2,028)</u>	<u>(18)</u>			<u>(20,715)</u>	
Trustbond Technology Corp	-	-	300	16,704	-	-	668	-	-	300	30.00	17,372	
		<u>-</u>		<u>16,704</u>		<u>-</u>	<u>668</u>	<u>-</u>	<u>-</u>			<u>17,372</u>	

## BULL WILL CO LTD

### Statement of Short-Term Loan

31-Dec-21

Unit: NT\$ 1,000

[illegible]



BULL WILL CO LTD  
Statement of Accounts Payable  
31-Dec-21

Unit: NT\$ 1,000

Supplier Name	Summary	Amount	Note
Accounts Payable			
Company A		\$12,496	
Company B		8,085	
Company C		3,266	
Company D		2,230	
Others		<u>7,475</u>	Amount Does Not Exceed 5% of the Balance of the Account
Total		<u><u>\$33,552</u></u>	

BULL WILL CO LTD  
Statement of Other Payables  
December 31, 2021

Unit: NT\$ 1,000

Item	Summary	Amount	Note
Other Payables			
Payable Salary and Board and Supervisor Remuneration		\$3,412	
Payable Expense		<u>4,164</u>	
Total		<u><u>\$7,576</u></u>	

Statement of Other Current Liabilities  
December 31, 2021

Unit: NT\$ 1,000

Item	Summary	Amount	Note
Temporary Receipts		\$5,236	
Receipts Under Custody		<u>221</u>	
		<u><u>\$5,457</u></u>	

BULL WILL CO LTD  
Statement of Long-Term Loan  
31-Dec-21

Unit: NT\$ 1,000

Creditor	Summary	Ending Balance	Ending Interest	Financing Credit	Mortgage or Collateral	Note
Xinyi Branch of Bank of Panhsin	Credit Loan	\$5,277	1.655%-1.845%	5,277	NO	
Taiwan Cooperative Bank East Taipei Branch	Credit Loan	12,000	1.500%	12,000	NO	
Minus: Long-Term Loan Due Within One Year		(4,042)				
Net Amount		<u>\$13,235</u>				

BULL WILL CO LTD  
Statement of Operating Cost  
January 1 to December 31, 2021

Unit: NT\$ 1,000

Item	Amount		Note
	Subtotal	Total	
Plus: Beginning Commodities	\$81,749		
Plus: Current Commodity Purchase	163,927		
Minus: Ending Commodities	<u>(81,665)</u>		
Sales Cost		\$164,011	
Other Impairment		<u>233</u>	
Total		<u><u>\$164,244</u></u>	

BULL WILL CO LTD  
Statement of Sales Expense  
January 1 to December 31, 2021

Unit: NT\$ 1,000

Item	Amount	Note
Salary Expense	\$4,254	Account Balance Did Not Exceed 5%
Rental Expense	717	
Freight	977	
Entertainment	748	
Other Expenses - Exporting Expense	1,901	
Other Expenses - Others	1,966	
	<u>\$10,563</u>	

Statement of Administration Expenses  
January 1 to December 31, 2021

Unit: NT\$ 1,000

Item	Amount	Note
Salary Expense	\$15,233	Account Balance Did Not Exceed 5%
Other Expenses - Labor	8,012	
Other Expenses - Others	8,047	
	<u>\$31,292</u>	

BULL WILL CO LTD  
Statement of R&D Expenses  
January 1 to December 31, 2021

Unit: NT\$ 1,000

Item	Amount	Note
Salaries	\$1,587	Account Balance Did Not Exceed 5%
Rental Expense	205	
Insurance	155	
Depreciation & Depletion	165	
Other Expenses - Others	188	
	<u>\$2,300</u>	

Real Estate, Plant and Equipment	Please refer to Note VI (7) to the individual financial report.
Right-of-Use Assets	Please refer to Note VI (8) to the individual financial report.
Investment Real Estate	Please refer to Note VI (9) to the individual financial report.
Lease Liability	Please refer to Note VI (12) to the individual financial report.
Operating Income	Please refer to Note VI (19) to the individual financial report.
Non-Operating Income and Expenditure	Please refer to Note VI (21) to the individual financial report.