Global Lighting Technologies Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Global Lighting Technologies Inc.

Opinion

We have audited the accompanying consolidated financial statements of Global Lighting Technologies Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is a matters that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter in the audit of the Group's consolidated financial statements for the year ended December 31, 2021 is stated below:

Validity of Occurrence of Sales Revenue from Specific Customers

Since the Group is a listed company, management may be under pressure to meet the financial targets. Furthermore, operating revenue is one of the important indicators to measure the Group's profitability and operating performance, and recognition of revenue is inherently a higher risk. The amount of revenue from specific customers for the year ended December 31, 2021 was $3,390,184 thousand, which accounted for 31% of the consolidated operating revenue. There was a substantial increase in sales starting from 2020, and the impact of the substantial increase in sales to the consolidated financial statements was significant. Therefore, we identified the validity of occurrence of sales revenue from specific customers has been identified as a key audit matter for the year ended December 31, 2021.

Refer to Notes 4 and 21 to the consolidated financial statements for details on accounting policies and relevant disclosures of revenue recognition. Our main audit procedures performed in respect of the aforementioned key audit matter were as follows:

1. We obtained an understanding of the internal controls related to the aforementioned sales, assessed the design of the controls, determined that controls have been implemented and tested the operating effectiveness of these controls.

2. We performed substantive testing of the aforementioned sales, selected appropriate samples and checked them against the external transaction documents and the recovery of receivables. We verified the validity of the occurrence of the transactions and also checked for any abnormalities in payment collections.

3. We checked for significant sales returns after the balance sheet date and confirmed that there were no major abnormalities to indicate any misstatements on revenue recognition.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our group audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chao-Mei Chen and Cheng-Chuan Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2022

Notice to Readers

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

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

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 3,988,556	33	$ 3,964,349	32
Financial assets at amortized cost (Notes 4 and 7)	7,800	-	205,056	2
Notes receivable (Notes 4, 9 and 21)	28	-	-	-
Accounts receivable (Notes 4, 9 and 21)	2,470,246	20	2,805,135	23
Accounts receivable - related parties (Notes 4, 21 and 28)	41,599	-	47,834	-
Other receivables (Notes 4 and 9)	3,286	-	7,604	-
Other receivables - related parties (Notes 4 and 28)	1,189	-	326	-
Current tax assets (Notes 4 and 23)	-	-	476	-
Inventories (Notes 4 and 10)	1,303,340	11	985,503	8
Prepayments	29,985	-	32,663	-
Other current assets (Notes 11 and 29)	157,284	1	159,469	1
Total current assets	8,003,313	65	8,208,415	66
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	279,175	2	29,096	-
Property, plant and equipment (Notes 4, 14, 28 and 29)	3,239,528	27	3,409,001	28
Right-of-use assets (Notes 4 and 15)	690,596	6	708,377	6
Deferred tax assets (Notes 4 and 23)	37,432	-	31,941	-
Prepayments for equipment (Note 25)	3,891	-	26,538	-
Net defined benefit assets (Notes 4 and 18)	6,369	-	6,220	-
Other non-current assets (Notes 11 and 29)	21,928	-	19,459	-
Total non-current assets	4,278,919	35	4,230,632	34
TOTAL	$ 12,282,232	100	$ 12,439,047	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 29)	$ 798,000	7	$ 860,000	7
Contract liabilities (Note 21)	3,615	-	5,311	-
Accounts payable	2,134,972	17	2,534,416	20
Accounts payable - related parties (Note 28)	125,980	1	109,719	1
Other payables (Note 17)	451,252	4	510,786	4
Other payables - related parties (Note 28)	8,211	-	14,873	-
Current tax liabilities (Notes 4 and 23)	71,250	1	100,422	1
Lease liabilities (Notes 4, 15 and 28)	25,007	-	22,919	-
Long-term borrowings - current portion (Notes 16 and 29)	-	-	219,000	2
Other current liabilities	8,396	-	6,798	-
Total current liabilities	3,626,683	30	4,384,244	35
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 16 and 29)	270,000	2	5,884	-
Provision for employee benefits (Notes 4 and 18)	8,591	-	12,911	-
Deferred tax liabilities (Notes 4 and 23)	1,563	-	1,341	-
Lease liabilities (Notes 4, 15 and 28)	672,798	5	687,672	6
Long-term deferred revenue (Note 19)	82,236	1	102,592	1
Total non-current liabilities	1,035,188	8	810,400	7
Total liabilities	4,661,871	38	5,194,644	42
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Share capital	1,309,371	11	1,309,371	10
Capital surplus	2,383,809	19	2,383,809	19
Retained earnings				
Special reserve	267,197	2	173,867	2
Unappropriated earnings	4,105,816	34	3,644,553	29
Total retained earnings	4,373,013	36	3,818,420	31
Other equity	(350,711)	(3)	(267,197)	(2)
Treasury shares	(95,121)	(1)	-	-
Total equity attributable to owners of the Company	7,620,361	62	7,244,403	58
Total equity	7,620,361	62	7,244,403	58
TOTAL	$ 12,282,232	100	$ 12,439,047	100

The accompanying notes are an integral part of the consolidated financial statements.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 21 and 28)	$ 10,883,071	100	$ 11,205,768	100
OPERATING COSTS (Notes 10, 22 and 28)	8,729,527	80	8,832,825	79
GROSS PROFIT	2,153,544	20	2,372,943	21
OPERATING EXPENSES (Notes 9, 22 and 28)				
Selling and marketing	266,919	3	244,125	2
General and administrative	357,209	3	366,163	3
Research and development	200,822	2	186,930	2
Expected credit loss	83	-	268	-
Total operating expenses	825,033	8	797,486	7
PROFIT FROM OPERATIONS	1,328,511	12	1,575,457	14
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Interest income	8,851	-	17,820	-
Other income (Notes 16, 19 and 28)	41,649	-	26,539	-
Other gains and losses (Note 15)	(16,596)	-	(110,555)	(1)
Finance costs (Note 28)	(18,042)	-	(21,954)	-
Total non-operating income and expenses	15,862	-	(88,150)	(1)
PROFIT BEFORE INCOME TAX	1,344,373	12	1,487,307	13
INCOME TAX EXPENSE (Notes 4 and 23)	(69,240)	-	(132,256)	(1)
NET PROFIT	1,275,133	12	1,355,051	12
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	(483)	-	777	-
Unrealized gain(loss) on investments in equity instruments at fair value through other comprehensive income (Note 20)	2,266	-	(8,794)	-

(Continued)

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
Exchange differences on translation to the presentation currency (Note 20)	$ (214,049)	(2)	$ (359,600)	(3)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	97	-	(155)	-
	(212,169)	(2)	(367,772)	(3)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 20)	128,269	1	275,064	2
Total other comprehensive loss	(83,900)	(1)	(92,708)	(1)
TOTAL COMPREHENSIVE INCOME	$ 1,191,233	11	$ 1,262,343	11
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 1,275,133	12	$ 1,355,051	12
Non-controlling interests	-	-	-	-
	$ 1,275,133	12	$ 1,355,051	12
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 1,191,233	11	$ 1,262,343	11
Non-controlling interests	-	-	-	-
	$ 1,191,233	11	$ 1,262,343	11
EARNINGS PER SHARE (Note 24)				
Basic	$ 9.74		$ 10.35	
Diluted	$ 9.67		$ 10.29	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company (Note 20)							
			Retained Earnings		Other Equity			
	Share Capital	Capital Surplus	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2020	$ 1,309,371	$ 2,383,809	$ 42,032	$ 2,617,121	$ (174,310)	$ 443	$ -	$ 6,178,466
Appropriation of 2019 earnings								
Special reserve	-	-	131,835	(131,835)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(196,406)	-	-	-	(196,406)
Net profit for the year ended December 31, 2020	-	-	-	1,355,051	-	-	-	1,355,051
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	622	(84,536)	(8,794)	-	(92,708)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	1,355,673	(84,536)	(8,794)	-	1,262,343
BALANCE AT DECEMBER 31, 2020	1,309,371	2,383,809	173,867	3,644,553	(258,846)	(8,351)	-	7,244,403
Appropriation of 2020 earnings								
Special reserve	-	-	93,330	(93,330)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(720,154)	-	-	-	(720,154)
Net profit for the year ended December 31, 2021	-	-	-	1,275,133	-	-	-	1,275,133
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	(386)	(85,780)	2,266	-	(83,900)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	1,274,747	(85,780)	2,266	-	1,191,233
Buy-back of ordinary shares	-	-	-	-	-	-	(95,121)	(95,121)
BALANCE AT DECEMBER 31, 2021	$ 1,309,371	$ 2,383,809	$ 267,197	$ 4,105,816	$ (344,626)	$ (6,085)	$ (95,121)	$ 7,620,361

The accompanying notes are an integral part of the consolidated financial statements.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 1,344,373	$ 1,487,307
Adjustments for:		
Depreciation expense	406,343	403,343
Amortization expense	-	2,043
Expected credit loss recognized on accounts receivable	83	268
Interest expense	18,042	21,954
Interest income	(8,851)	(17,820)
Dividend income	(12,786)	-
(Gain) loss on disposal of property, plant and equipment	(13,322)	1,820
Impairment loss recognized on property, plant and equipment	-	9,598
Net (gain) loss on foreign currency exchanges	(2,467)	92,841
Write-downs of inventories	30,983	10,228
Gain on lease modifications	-	(707)
Amortization of long-term deferred revenue	(19,365)	(19,185)
Other income (Notes 16 and 22)	(5,862)	-
Net changes in operating assets and liabilities		
Notes receivable	(28)	1,876
Accounts receivable	307,884	(1,331,687)
Accounts receivable - related parties	6,035	130,317
Other receivables	4,050	1,452
Other receivables - related parties	78	(326)
Inventories	(354,469)	(375,074)
Prepayments	2,590	101,219
Other current assets	2,158	7,197
Net defined benefit assets	(632)	(657)
Contract liabilities	(1,622)	(3,799)
Accounts payable	(374,419)	1,395,743
Accounts payable - related parties	16,261	(3,169)
Other payables	(17,448)	167,094
Other payables - related parties	(6,650)	(1,176)
Other current liabilities	1,647	(7,612)
Provision for employee benefits	(4,320)	1,599
Cash generated from operations	1,318,286	2,074,687
Interest received	9,118	22,173
Interest paid	(18,207)	(21,868)
Income tax paid	(102,904)	(34,014)
Net cash generated from operating activities	1,206,293	2,040,978
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(267,977)	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	18,267	-

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GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Purchase of financial assets at amortized cost	$ (280,221)	$ (238,620)
Principal from financial assets measured at amortized cost	476,412	168,314
Payments for property, plant and equipment (Note 25)	(225,648)	(394,475)
Proceeds from disposal of property, plant and equipment (Note 25)	12,962	831
(Increase) decrease in refundable deposits	(2,439)	186
Increase in other financial assets - restricted assets	-	(156,640)
Increase in other non-current assets	(35)	(667)
Dividends received	12,786	-
Net cash used in investing activities	(255,893)	(621,071)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	4,984,000	5,814,935
Decrease in short-term borrowings	(5,046,000)	(5,499,265)
Proceeds from long-term borrowings	270,000	6,103
Repayments of long-term borrowings	(219,000)	(382,008)
Repayment of the principal portion of lease liabilities	(24,656)	(24,769)
Cash dividends distributed	(720,154)	(196,406)
Payments for buy-back of ordinary shares	(95,121)	-
Net cash used in financing activities	(850,931)	(281,410)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(75,262)	(111,752)
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,207	1,026,745
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,964,349	2,937,604
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,988,556	$ 3,964,349

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Global Lighting Technologies Inc. (the "Company", and its subsidiaries collectively referred to as the "Group") was incorporated in the Cayman Islands on July 28, 2000. The Group is mainly engaged in the design, manufacturing, and sales of applications of light guide plates, development of optical molds and the manufacturing, and sales of plastic components. The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since July 28, 2011.

The functional currency of the Company is the United States dollar. As the Company's shares are listed on the TWSE, for greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on February 24, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2022

New, Amended or Revised Standards and Interpretations (The "New IFRSs")	Effective Date Announced by the International Accounting Standards Board (IASB)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendment to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendment to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair values and provision for employee benefits and net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

c. Level 3 inputs are unobservable inputs for the asset or liability.

Classification of Current and Non-current Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within 12 months after the reporting period; and

c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities due to be settled within 12 months after the reporting period; and

c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 12, Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

Foreign Currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The Company's financial statements are presented in its functional currency, the USD, while each of its subsidiaries' financial statements are presented in their respective functional currencies. Therefore, for the purpose of presenting the consolidated financial statements, assets and liabilities are translated into the USD at the exchange rate of the Group's functional currency prevailing at the end of the reporting period; equities are translated into the USD at historical rates; and income and expense items are translated into the USD at the average exchange rates for the period. The resulting currency translation differences are recognized in exchange differences on translating foreign operations and accumulated in equity. After consolidation, the financial statements are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period; and equities are translated at historical rates. The resulting currency translation differences are recognized in exchange differences on translation to the presentation currency and accumulated in equity.

Inventories

Inventories consist of raw materials, work in process, finished goods and inventory in transit and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are stated at weighted-average cost on the balance sheet date.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Impairment of Property, Plant and Equipment and Right-Of-Use Assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

a. Financial assets

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

   1) Measurement category

      Financial assets are classified into the following categories: Financial assets at amortized cost and equity instruments at fair value through other comprehensive income (FVTOCI).

a) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and other receivables, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i. Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii. Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

b. Financial liabilities

1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

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

Provision

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Revenue Recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

a. Revenue from the sale of goods

Revenue from the sale of goods comes from sales of application of light guide plates and plastic components. Sales of these goods are recognized as revenue the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable and revenue are recognized concurrently. The transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

b. Revenue from the rendering of services

Revenue from the rendering of services comes from the procurement of raw materials on behalf of customers.

For services in procuring raw materials on behalf of customers, the Group does not obtain control of the raw materials before they are transferred to the customer, is neither responsible for the customer's acceptance of the raw materials nor commits itself to obtain the goods from the suppliers before the raw materials are purchased by the customer and thus does not take on any inventory risk. Consequently, the Group is an agent and its performance obligation is to procure the raw materials on behalf of the customer. The Group recognizes commission revenue when the raw materials are transferred to the customer, and the Group has no further obligations to the customer.

Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Borrowing Costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

Employee Benefits

a. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

   Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

   Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

   Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Other long-term employee benefits

   Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

   Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications/climate change and related government policies and regulations when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31 2021	December 31 2020
Cash on hand	$ 2,170	$ 2,255
Checking accounts and demand deposits	3,899,846	3,909,716
Cash equivalents		
Time deposits with original maturities of 3 months or less	86,540	52,378
	$ 3,988,556	$ 3,964,349

7. FINANCIAL ASSETS AT AMORTIZED COST

	December 31 2021	December 31 2020
Current		
Time deposits with original maturities of more than 3 months	$ 7,800	$ 205,056

The interest rates for time deposits with original maturities of more than 3 months were approximately 0.58% and 0.52% per annum as of December 31, 2021 and 2020, respectively.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31 2021	December 31 2020
Non-current		
Domestic investments		
Unlisted shares		
Ordinary shares - Top Taiwan XIII Venture Capital Co., Ltd.	$ 99,200	$ -
Ordinary shares - Chi Lin Optoelectronics Co., Ltd.	13,895	29,096
	113,095	29,096
Foreign investments		
Unlisted shares		
Sensel Inc.	166,080	-
	$ 279,175	$ 29,096

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In March 2021, the Group received the capital reduction refund of $18,267 thousand from Chi Lin Optoelectronics Co., Ltd, with a capital reduction ratio of 70%.

In September 2021, the Group initiated the subscription of 10,000 thousand ordinary shares of Top Taiwan XIII Venture Capital Co., Ltd. with $100,000 thousand for medium- to long-term strategic purposes; the management designated these investments as at FVTOCI.

In October 2021, the Group participated in the capital increase of Sensel Inc. and acquired 1,470 thousand preferred shares with US$6,000 thousand (equivalent to NT$167,977 thousand) for medium- to long-term strategic purposes; the management designated these investments as at FVTOCI.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2021	**2020**
Notes receivable		
At amortized cost		
Gross carrying amount	$ 28	$ -
Less: Allowance for impairment loss	-	-
	$ 28	$ -
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 2,470,246	$ 2,805,394
Less: Allowance for impairment loss	-	(259)
	$ 2,470,246	$ 2,805,135
Other receivables		
At amortized cost	$ 3,286	$ 7,604

a. Notes receivable and accounts receivable

The average credit period of sales of goods was 60 to 90 days. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher, and credit exposure is controlled by counterparty limits that are reviewed and approved annually.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the industry forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable based on the Group's provision matrix.

	December 31	
	2021	2020
	Not Past Due	Not Past Due
Expected credit loss rate	0%	0%
Gross carrying amount	$ 28	$ -
Loss allowance (Lifetime ECLs)	-	-
Amortized cost	$ 28	$ -

The following table details the loss allowance of accounts receivable based on the Group's provision matrix.

December 31, 2021

	Not Past Due	Up to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	
Gross carrying amount	$ 2,262,797	$ 196,526	$ 10,911	$ 12	$ -	$ -	$ -	$ 2,470,246
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-	-
Amortized cost	$ 2,262,797	$ 196,526	$ 10,911	$ 12	$ -	$ -	$ -	$ 2,470,246

December 31, 2020

	Not Past Due	Up to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days and Individually Recognized	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	100%	
Gross carrying amount	$ 2,702,125	$ 101,099	$ 1,863	$ 48	$ -	$ -	$ 259	$ 2,805,394
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	(259)	(259)
Amortized cost	$ 2,702,125	$ 101,099	$ 1,863	$ 48	$ -	$ -	$ -	$ 2,805,135

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

	2021	2020
Balance at January 1	$ 259	$ -
Add: Impairment loss recognized	83	268
Less: Amounts written off	(338)	-
Foreign exchange losses	(4)	(9)
Balance at December 31	$ -	$ 259

b. Other receivables

Other receivables comprise value-added tax refund receivable and outstanding interest receivables from banks. The Group only transacts with counterparties that have good credit ratings and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group continues to engage in enforcement activity to trace the conditions of the receivables with reference to the past default experience of the debtor and an analysis of the debtor's current financial position, in determining whether the credit risk of other receivables has increased significantly since initial recognition as well as for measuring the expected credit losses. As of December 31, 2021 and 2020, the Group assessed that the expected credit loss of other receivables was considered to be 0%.

10. INVENTORIES

	December 31	
	2021	2020
Raw materials	$ 471,742	$ 491,378
Work in process	60,114	48,766
Finished goods	669,862	388,135
Inventory in transit	101,622	57,224
	$ 1,303,340	$ 985,503

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2021	2020
Cost of inventories sold	$ 8,698,544	$ 8,822,597
Inventory write-downs	30,983	10,228
	$ 8,729,527	$ 8,832,825

11. OTHER ASSETS

	December 31	
	2021	2020
Current		
Other financial assets - restricted assets (Note 29)	$ 152,240	$ 156,640
Payable for collection payments	-	1,722
Others	5,044	1,107
	$ 157,284	$ 159,469
Non-current		
Other financial assets - restricted assets (Note 29)	$ 18,135	$ 18,100
Refundable deposits	3,793	1,359
	$ 21,928	$ 19,459

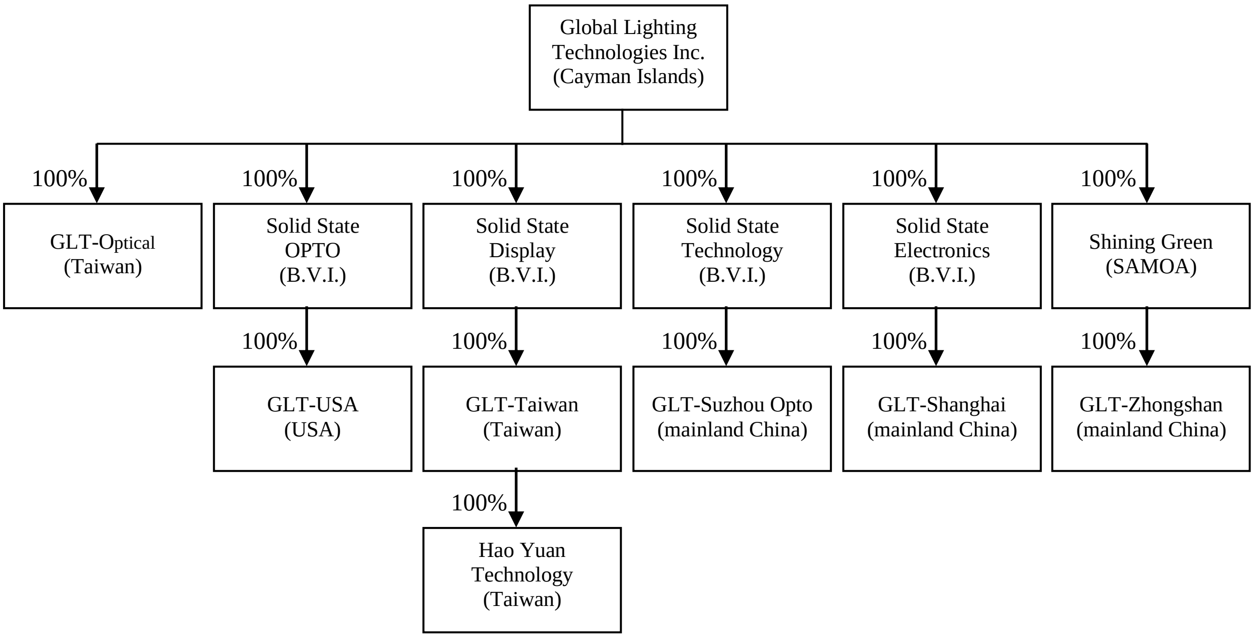
12. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2021	Proportion of Ownership (%) December 31 2020
Global Lighting Technologies Inc. (Cayman)	Solid State OPTO Limited (BVI) (Solid State OPTO)	Holding company engaged in the sale of products	100	100
	Solid State Display Limited (BVI) (Solid State Display)	Holding company engaged in the sale of products	100	100
	Solid State Technology Limited (BVI) (Solid State Technology)	Holding company engaged in the sale of products	100	100
	Solid State Electronics Limited (BVI) (Solid State Electronics)	Holding company engaged in the sale of products	100	100
	Shining Green Limited (Shining Green)	Holding company	100	100
	GLT Optical Inc. (GLT-Optical) (Note a)	Design, production, and sale of applications of light guide plates	100	100
Solid State OPTO	Global Lighting Technologies Inc. (GLT-USA)	Design and sale of applications of light guide plates	100	100
Solid State Display	Global Lighting Technologies Inc. (GLT-Taiwan)	Design, production, and sale of applications of light guide plates, design and production of optical molds, and sales of plastic products for electronic components	100	100
Solid State Technology	Suzhou Opto Technologies Inc. (GLT-Suzhou Opto)	Design, production, and sale of applications of light guide plates and monitor, design of optical molds, and production and sale of plastic products for electronic use	100	100
Solid State Electronics	Shanghai Global Lighting Technologies Inc. (GLT-Shanghai)	Design, production, and sale of applications of light guide plates, design of optical molds, and production and sale of plastic products for electronic components	100	100
Shining Green	Zhongshan Global Lighting Technology Limited Co. (GLT-Zhongshan)	Production, and sale of applications of light guide plates	100	100
Global Lighting Technologies Inc. (Taiwan)	Hao Yuan Technology Limited Co. (Hao Yuan Technology) (Note b)	Investment industry; wholesale and retail sale of electronic materials	100	100

Note a: In order to strengthen GLT-Optical’s financial structure and in consideration of its future operational development needs, the Company’s board of directors resolved to increase investment in amount of $655,000 thousand in GLT-Optical on August 6, 2020. In March 2021, $255,894 thousand has been injected.

Note b: In order to improve the return on the shareholders’ equity and the return of idle funds to the shareholders, the board of directors of Hao Yuan Technology resolved to reduce capital by $20,000 thousand on July 12, 2021. After the capital reduction, the paid-in capital was $14,000 thousand, and the procedure for alteration registration has been completed.

As of December 31, 2021, the investment relationships and shareholding proportions of the Group are as follows:



13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	**2020**
<u>Associates that is not individually material</u>		
Unlisted shares		
Asensetek Incorporation	$ -	$ -

Proportion of the Group's ownership:

	December 31	
	2021	**2020**
Asensetek Incorporation	27.15%	27.15%

Due to continuous operating losses of Asensetek Incorporation, the Group has recognized the full carrying amount of the investment for impairment losses after assessing the recoverable amount in the previous year.

The Group's investments accounted for using the equity method for the years ended December 31, 2021 and 2020 and the share of profit or loss and other comprehensive income from the investments were recognized based on the unaudited financial statements, however, the Group considered that there was no significant impact on the consolidated financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machine Equipment	Molding Equipment	Leasehold Improvements	Other Equipment	Equipment to Be Inspected or under Construction	Total
Cost								
Balance at January 1,2021	$ 167,176	$ 2,424,678	$ 3,058,537	$ 51,345	$ 194,471	$ 401,305	$ 175,163	$ 6,472,675
Additions	-	40,527	102,121	14,134	-	22,006	32,074	210,862
Disposals	-	(2,161)	(147,329)	(354)	(104)	(12,769)	-	(162,717)
Reclassifications	-	37,271	110,152	-	694	2,162	(150,279)	-
Effects of foreign currency exchange differences	-	(2,858)	(28,008)	(190)	(1,253)	(2,282)	(30)	(34,621)
Balance at December 31, 2021	167,176	2,497,457	3,095,473	64,935	193,808	410,422	56,928	6,486,199
Accumulated depreciation and impairment								
Balance at January 1, 2021	-	704,025	1,933,696	41,824	85,214	298,915	-	3,063,674
Depreciation expenses	-	85,401	226,833	10,723	8,347	45,498	-	376,802
Disposals	-	(2,161)	(147,111)	(354)	(104)	(12,406)	-	(162,136)
Effects of foreign currency exchange differences	-	(1,446)	(27,029)	(157)	(796)	(2,241)	-	(31,669)
Balance at December 31, 2021	-	785,819	1,986,389	52,036	92,661	329,766	-	3,246,671
Carrying amount at December 31, 2021	$ 167,176	$ 1,711,638	$ 1,109,084	$ 12,899	$ 101,147	$ 80,656	$ 56,928	$ 3,239,528
Cost								
Balance at January 1,2020	$ 167,176	$ 2,221,357	$ 2,862,058	$ 39,913	$ 192,168	$ 373,193	$ 346,075	$ 6,201,940
Additions	-	57,088	137,291	12,753	374	38,350	145,192	391,048
Disposals	-	(12,073)	(26,015)	(2,128)	-	(16,395)	-	(56,611)
Reclassifications	-	147,140	165,703	-	250	2,955	(316,048)	-
Effects of foreign currency exchange differences	-	11,166	(80,500)	807	1,679	3,202	(56)	(63,702)
Balance at December 31, 2020	167,176	2,424,678	3,058,537	51,345	194,471	401,305	175,163	6,472,675
Accumulated depreciation and impairment								
Balance at January 1, 2020	-	630,100	1,775,737	39,862	76,023	265,797	-	2,787,519
Depreciation expenses	-	77,068	237,961	3,458	9,157	47,003	-	374,647
Disposals	-	(9,885)	(25,562)	(2,128)	-	(16,385)	-	(53,960)
Impairment losses recognized	-	1,054	8,544	-	-	-	-	9,598
Effects of foreign currency exchange differences	-	5,688	(62,984)	632	34	2,500	-	(54,130)
Balance at December 31, 2020	-	704,025	1,933,696	41,824	85,214	298,915	-	3,063,674
Carrying amount at December 31, 2020	$ 167,176	$ 1,720,653	$ 1,124,841	$ 9,521	$ 109,257	$ 102,390	$ 175,163	$ 3,409,001

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	10-50 years
Decorating constructions	3-50 years
Machine equipment	1-11 years
Molding equipment	1-7 years
Leasehold improvements	1-25 years
Other equipment	1-10 years

There was no indication of impairment of the property, plant and equipment for the year ended December 31, 2021.

The machine equipment and decorating constructions of part of the buildings in GLT-Taiwan no longer met manufacturing needs; in consideration of future operating plans and current capacity plans, the Group estimated that there would be no future cash inflows from these assets, and the value-in-use was $0. The recoverable amounts of these assets were therefore assessed to be lower than their carrying amounts, leading to the recognition of an impairment loss of $9,598 thousand from January 1, 2020 to March 31, 2020, which was recognized under other gains and losses. There was no impairment of property, plant and equipment from April 1, 2020 to December 31, 2020.

For information about capitalized interest for the years ended December 31, 2021 and 2020, refer to Note 22(4).

Refer to Note 29 for the carrying amount of property, plant and equipment mortgaged or pledged as collateral for bank borrowings of the Group.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	**2020**
Carrying amount		
Land	$ 419,877	$ 429,855
Buildings	222,561	227,192
Land use rights	43,541	45,041
Transportation equipment	724	1,241
Other equipment	3,893	5,048
	$ 690,596	$ 708,377

	For the Year Ended December 31	
	2021	**2020**
Additions to right-of-use assets	$ 13,161	$ 43,409
Depreciation charge for right-of-use assets		
Land	$ 9,978	$ 9,559
Buildings	16,712	16,936
Land use rights	1,316	1,299
Transportation equipment	508	721
Other equipment	1,027	181
	$ 29,541	$ 28,696

Except for the additions and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Group’s right-of-use assets for the years ended December 31, 2021 and 2020.

The Group recognized a gain on lease modifications in the amount of $707 thousand under other gains and losses due to a reduction in the scope of the lease in June 2020, please refer to Note 22(c) for the details

b. Lease liabilities

	December 31	
	2021	**2020**
Carrying amount		
Current	$ 25,007	$ 22,919
Non-current	$ 672,798	$ 687,672

The discount rates for lease liabilities were as follows:

	December 31	
	2021	**2020**
Land	1.555%	1.555%
Buildings	1.750%-4.750%	1.750%-4.000%
Transportation equipment	0.780%-1.333%	0.780%-1.333%
Other equipment	6.910%	6.910%

c. Material leasing activities and terms

The Group leases certain land and buildings for the use of plants and office spaces with lease terms of 1 to 20 years. The Group does not have bargain purchase options to acquire the leased assets at the end of the lease terms.

The Group also leases certain transportation equipment and other equipment with lease terms of 3 to 5 years. The Group does not have bargain purchase options to acquire the transportation equipment at the end of the lease terms.

Land use rights are amortized using the straight-line method over 50 years.

d. Other lease information

	For the Year Ended December 31	
	2021	**2020**
Expenses relating to short-term leases	$ 10,377	$ 11,657
Expenses relating to low-value asset leases	$ 1,385	$ 1,328
Total cash outflow for leases	$ (48,420)	$ (49,239)

The Group's leases of certain office space, dormitories and parking lots qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2021	**2020**
Secured borrowings (Note 29)		
Bank loan	$ 148,000	$ 150,000
Unsecured borrowings		
Line of credit borrowing	650,000	710,000
	$ 798,000	$ 860,000

The range of interest rates on bank loans was 0.60%-0.64% and 0.73%-0.76% per annum at December 31, 2021 and 2020, respectively.

b. Long-term borrowings

	December 31	
	2021	2020
Unsecured borrowings		
Chinatrust Commercial Bank	$ 270,000	$ -
Huntington National Bank	-	5,884
Secured borrowings		
Mega International Commercial Bank	-	219,000
	270,000	224,884
Less: Current portion	-	(219,000)
Long-term borrowings	$ 270,000	$ 5,884

In February 2021, GLT-Optical signed a non-revolving loan contract with Chinatrust Commercial Bank for total credit facilities of $270,000 thousand, based on “Action Plan for Accelerated Investment by SMEs” by the Ministry of Economic Affairs. The period is from February 2021 to February 2024. Since the end date of the grace period is in February 2023, the principal will be repaid in each installments, by monthly installment. In accordance with the terms of the contract, GLT-Taiwan, the joint guarantor, shall maintain specific financial ratios in the financial statements each year during the loan period. GLT-Optical applied for interest subsidy according to the aforementioned plan. The interest rate during the subsidy period is reduced by 0.845% from the 2-year time savings deposit variable interest rate of Chunghwa Post Co., and the minimum charge is 0%; After the subsidy period expires, the interest rate will return to 2-year time savings deposit variable interest rate of Chunghwa Post Co. plus 0.255%. As of December 31, 2021, the interest rate of the loan was 0% per annum.

In July 2016, GLT-Optical signed a non-revolving loan contract with Mega International Commercial Bank for total credit facilities of $730,000 thousand. The principal is payable in 7 semi-annual installments starting from July 2018, where 10% of the principal will be repaid in each of the first to the sixth installments, and 40% of the remaining principal will be repaid in full on the maturity date. In accordance with the terms of the contract, the Company (joint guarantor) shall maintain specific financial ratios in the consolidated financial statements for each year during the loan period. Financial ratios of the Group comply with predetermined financial covenants. The Group has fully paid in advance in February 2021. As of December 31, 2020, the interest rate of the loan was 1.305% per annum.

GLT-USA obtained a loan of US$207 thousand which was approved by the authorized bank of Small Business Administration (SBA) in July 2020. The loan was mainly used to pay salaries and relevant expenses. Loan forgiveness could be applied if certain conditions are met. The unforgiven portion of the principal of the loan must be repaid within 5 years at a fixed interest rate of 1%. GLT-USA has obtained the loan forgiveness in March 2021 and transferred $5,862 thousand to other income - government grants revenue.

The Group’s assets pledged as collateral for the above borrowings are disclosed in Note 29.

17. OTHER PAYABLES

	December 31	
	2021	2020
Payable for salaries or bonuses	$ 312,555	$ 297,111
Payable for commission	41,610	40,928
Payable for purchase equipment	11,251	48,684
Payable for tax (excluding income tax)	7,620	9,899
Others	78,216	114,164
	$ 451,252	$ 510,786

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

GLT-Taiwan and GLT-Optical adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

GLT-Shanghai, GLT-Suzhou and GLT-Zhongshan, the Group's subsidiaries in mainland China, are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits, the contribution ratios were 20%-21%, 20% and 10%, respectively. GLT-USA, the Group's subsidiary in U.S., allocates pension according to the 401(K) plan.

There were no pension plans for Global Lighting Technologies (Cayman), Solid State OPTO, Solid State Display, Solid State Technology, Solid State Electronics, Shining Green and Hao Yuan Technology since these companies had no regular employees.

Pension expenses for these defined contribution plans are classified under the following accounts:

	For the Year Ended December 31	
	2021	2020
Operating costs	$ 53,362	$ 17,072
Operating expenses	$ 13,878	$ 6,025

b. Defined benefit plan

1) The defined benefit plan adopted by GLT-Taiwan in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2021	2020
Present value of defined benefit obligation	$ (20,914)	$ (20,000)
Fair value of plan assets	27,283	26,220
Net defined benefit assets	$ 6,369	$ 6,220

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Asset
Balance at January 1, 2020	$ (19,826)	$ 24,612	$ 4,786
Net interest (expenses) income	(174)	219	45
Recognized in profit or loss	(174)	219	45
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	777	777
Actuarial loss - changes in demographic assumptions	(137)	-	(137)
Actuarial loss - changes in financial assumptions	(863)	-	(863)
Actuarial gain - experience adjustments	1,000	-	1,000
Recognized in other comprehensive income	-	777	777
Contributions from employer	-	612	612
Balance at December 31, 2020	(20,000)	26,220	6,220
Net interest (expenses) income	(100)	133	33
Recognized in profit or loss	(100)	133	33
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	331	331
Actuarial loss - changes in demographic assumptions	(487)	-	(487)
Actuarial loss - experience adjustments	(327)	-	(327)
Recognized in other comprehensive income	(814)	331	(483)
Contributions from employer	-	599	599
Balance at December 31, 2021	$ (20,914)	$ 27,283	$ 6,369

Through the defined benefit plans under the Labor Standards Act, GLT-Taiwan is exposed to the following risks:

a) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets of GLT-Taiwan should not be below the interest rate for a 2-year time deposit with local banks.

b) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

c) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation of GLT-Taiwan were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	**2020**
Discount rate(s)	0.500%	0.500%
Expected rate(s) of salary increase	3.000%	3.000%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2021	**2020**
Discount rate(s)		
0.25% increase	$ (563)	$ (582)
0.25% decrease	$ 587	$ 607
Expected rate(s) of salary increase		
0.25% increase	$ 563	$ 584
0.25% decrease	$ (544)	$ (563)

The sensitivity analysis previously presented may not be representative of the actual changes in the present value of the defined benefit obligations it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2021	**2020**
The expected contributions to the plan for the next year	$ 621	$ 620
The average duration of the defined benefit obligation	10.9 years	11.8 years

2) GLT-Taiwan has a survivor benefit plan, where the next-of-kin of employees that passed away on the job due to illness or other reasons will be compensated in amounts that commensurate with the employee's number of years of service with the Company. However, if the Company has already paid for the compensation for the same accident, the Company can offset the payment.

a) A reconciliation of the present value of other long-term employee benefits obligation is as follows:

	December 31	
	2021	2020
Present value of other long-term employee benefits obligation	$ 8,591	$ 12,911
Fair value of plant assets	-	-
Provisions for employee benefits	$ 8,591	$ 12,911

b) A reconciliation of the provision for employee benefits liabilities is as follows:

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 12,911	$ 11,312
Current service cost	2,191	1,666
Interest cost	65	99
Remeasurement		
Actuarial (gain) loss - changes in demographic assumptions	(3,741)	489
Actuarial loss - changes in financial assumptions	-	713
Actuarial gain - experience adjustments	(2,835)	(1,368)
Recognized in profit or loss	(4,320)	1,599
Balance at December 31	$ 8,591	$ 12,911

c) The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	2020
Discount rate(s)	0.500%	0.500%
Expected rate(s) of salary increase	3.000%	3.000%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2021	2020
Discount rate(s)		
0.25% increase	$ (313)	$ (493)
0.25% decrease	$ 331	$ 522
Expected rate(s) of salary increase		
0.25% increase	$ 322	$ 508
0.25% decrease	$ (307)	$ (483)

d) Maturity analysis of employee benefits obligation was as follows:

Analysis of employee benefits obligation in the next decade

	December 31	
	2021	**2020**
Not later than 1 year	$ 256	$ 405
Later than 1 year and not later than 5 years	1,329	1,892
Later than 5 years	2,507	3,722

19. LONG-TERM DEFERRED REVENUE

In 2006 to 2008, the Group received a government grant for relocating its factory in accordance with the Suzhou government land planning policy. The subsidy was recognized as long-term deferred revenue, which is amortized and recognized as realized long-term deferred revenue over its estimated useful life (under the line item of non-operating income and expenses - other income).

Since July 2019, the Group received testing equipment donated from non-shareholders, which were recognized as long-term deferred revenue, and the realized long-term deferred revenue (under the line item of non-operating income and expense - other income) was amortized over the estimated useful life of the testing equipment.

As of December 31, 2021 and 2020, long-term deferred revenue was $82,236 thousand and $102,592 thousand, respectively.

The Group's realized long-term deferred revenue recognized as other income and government grants related to income are as follows:

	For the Year Ended December 31	
	2021	**2020**
Realized long-term deferred revenue	$ 19,365	$ 19,185
Received from government grants related to income (include Note 16)	7,447	3,047
	$ 26,812	$ 22,232

20. EQUITY

a. Share capital - ordinary shares

	December 31	
	2021	**2020**
Number of shares authorized (in thousands)	360,000	360,000
Shares authorized	$ 3,600,000	$ 3,600,000
Number of shares issued and fully paid (in thousands)	130,937	130,937
Shares issued and fully paid	$ 1,309,371	$ 1,309,371

A holder of issued ordinary shares with par value of NT$10 is entitled to vote and to receive dividends.

b. Capital surplus

	December 31	
	2021	2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Issuance of ordinary shares	$ 2,235,058	$ 2,235,058
Expiry of employee share options	85,068	85,068
Donations	39,702	39,702
May be used to offset a deficit only		
Share of changes in capital surplus of associates	23,981	23,981
	$ 2,383,809	$ 2,383,809

The capital surplus from shares issued in excess of par could be used to offset deficits; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years and setting aside as special reserve in accordance with the laws and regulations. The current year's distributable earnings are the current year's net profit after deduction of the aforementioned amounts plus the accumulated undistributed retained earnings. The board of directors may approve all or part of the distributable surplus in the current year to be distributed as dividends (including cash dividends or share dividends) in the current year in consideration of financial, business and other operating factors. However, dividends to be distributed for the current year should not be lower than 10% of the net profit after tax for the current year if the profit has not been used to offset losses or set aside as special reserve. Additionally, cash dividends should not be lower than 10% of the total dividends to be distributed for the current year. For policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 22(g).

When a special reserve is appropriated for cumulative net debit balance reserves from prior period during surplus distribution, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient. Before the Articles is amended, the special reserve is appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2020 and 2019, which were approved in the shareholders' meetings on August 26, 2021 and June 18, 2020, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2020	2019
Special reserve	$ 93,330	$ 131,835
Cash dividends	$ 720,154	$ 196,406
Cash dividends per share (NT$)	$ 5.5	$ 1.5

d. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	2021	2020
Balance at January 1	$ (258,846)	$ (174,310)
Recognized for the year		
Exchange differences on translation to the presentation currency	(214,049)	(359,600)
Exchange differences on the translation of the financial statements of foreign operations	128,269	275,064
Balance at December 31	$ (344,626)	$ (258,846)

Unrealized gain/(loss) on financial assets at FVTOCI

	2021	2020
Balance at January 1	$ (8,351)	$ 443
Recognized for the year		
Unrealized gain(loss)	2,266	(8,794)
Balance at December 31	$ (6,085)	$ (8,351)

e. Treasury shares

	2021
Number of shares at January 1, 2021	-
Increase during the year	1,198
Number of shares at December 31, 2021	1,198

In order to safeguard the Company's credit and shareholders' rights and interests, the Company's board of directors resolved that predict to repurchase 6,000 thousand ordinary shares, which accounted for 4.58% of the issued shares, of the Company from the centralized securities exchange market from November 5, 2021 to January 4, 2022. The repurchase price ranges from $57.40 to $119.50 per share. As of December 31, 2021, 1,198 thousand treasury shares have been repurchased, with an amount of $95,121 thousand. As of January 4, 2022, the Company has repurchased 875 thousand shares with a total amount of $73,673 thousand. On February 24, 2022, the Company's board of directors resolved to cancel of 2,073 thousand treasury shares, and set the base date for capital reduction as February 25, 2022.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

21. REVENUE

	For the Year Ended December 31	
	2021	2020
Revenue from contracts with customers		
Revenue from the sale of goods	$ 10,859,573	$ 11,190,565
Revenue from commission	23,498	15,203
	$ 10,883,071	$ 11,205,768

a. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable (Note 9)	$ 28	$ -	$ 1,881
Accounts receivable (Note 9)	$ 2,470,246	$ 2,805,135	$ 1,479,439
Accounts receivable - related parties (Note 28)	$ 41,599	$ 47,834	$ 182,604
Contract liabilities			
Sale of goods	$ 3,615	$ 5,311	$ 9,343

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

Revenue recognized in the current year from the satisfaction of performance obligations of contract liabilities at the beginning of the year is as follows:

	For the Year Ended December 31	
	2021	2020
From contract liabilities at the beginning of the year		
Sale of goods	$ 5,311	$ 9,343

b. Disaggregation of revenue

	For the Year Ended December 31	
	2021	2020
Applications of light guide plates	$ 9,731,647	$ 9,756,663
Plastic components	1,127,926	1,433,902
Revenue from commission	23,498	15,203
	$ 10,883,071	$ 11,205,768

22. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2021	2020
Bank deposits	$ 8,851	$ 17,820

b. Other income

	For the Year Ended December 31	
	2021	2020
Long-term deferred revenue allocated due to non-shareholder asset donation (Note 19)	$ 16,636	$ 16,491
Dividends	12,786	-
Government grants (Notes 16 and 19)	10,176	5,741
Others	2,051	4,307
	$ 41,649	$ 26,539

c. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Gain (loss) on disposal of property, plant and equipment	$ 13,322	$ (1,820)
Net loss on foreign currency exchange	(28,581)	(99,841)
Gain on lease modifications	-	707
Impairment loss recognized on property, plant and equipment	-	(9,598)
Others	(1,337)	(3)
	$ (16,596)	$ (110,555)

d. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	$ 6,498	$ 11,932
Interest on lease liabilities	12,002	11,485
Less: Amounts included in the cost of qualifying assets	(458)	(1,463)
	$ 18,042	$ 21,954

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2021	2020
Capitalized interest amount	$ 458	$ 1,463
Capitalization rate	0.60%-1.305%	0.75%-1.305%

e. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment	$ 376,802	$ 374,647
Right-of-use assets	29,541	28,696
	$ 406,343	$ 403,343
An analysis of depreciation by function		
Operating costs	$ 327,992	$ 331,520
Operating expenses	78,351	71,823
	$ 406,343	$ 403,343
An analysis of amortization by function		
Operating costs	$ -	$ 1,716
Operating expenses	-	327
	$ -	$ 2,043

f. Employee benefit expenses

	For the Year Ended December 31	
	2021	2020
Post-employment benefit (Note 18)		
Defined contribution plans	$ 67,240	$ 23,097
Defined benefit plans	(4,353)	1,554
Payroll expenses	908,787	842,244
Labor and health insurance expenses	64,840	52,825
Remuneration of directors	23,471	26,444
Other employee benefits	64,274	59,060
Total employee benefit expenses	$ 1,124,259	$ 1,005,224
An analysis of employee benefit expense by function		
Operating costs	$ 766,023	$ 661,760
Operating expenses	358,236	343,464
	$ 1,124,259	$ 1,005,224

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates between 1% to 15% and not higher than 1.5%, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020 which have been approved by the Company's board of directors on February 24, 2022 and March 5, 2021, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2021	**2020**
Employees' compensation	5.0%	5.0%
Remuneration of directors	1.5%	1.5%

Amount

	For the Year Ended December 31	
	2021	**2020**
	Cash	**Cash**
Employees' compensation	$ 68,189	$ 72,463
Remuneration of directors	20,457	21,739

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

Information on the employees' compensation and remuneration of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2021	**2020**
Foreign currency exchange gains	$ 138,558	$ 290,784
Foreign currency exchange losses	(167,139)	(390,625)
Net loss	$ (28,581)	$ (99,841)

23. INCOME TAXES

a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	$ 68,722	$ 124,877
Income tax on unappropriated earnings	10,236	3,074
Adjustments for prior year	(4,456)	604
Deferred tax		
In respect of the current year	(5,262)	3,701
Income tax expense recognized in profit or loss	$ 69,240	$ 132,256

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2021	2020
Profit before tax	$ 1,344,373	$ 1,487,307
Income tax expense calculated at the statutory rate (20%)	$ 268,875	$ 297,461
Nondeductible expenses in determining taxable income	10,243	2,000
Tax-exempt income	(6,707)	(11,897)
Income tax on unappropriated earnings	10,236	3,074
Unrecognized loss carryforwards and deductible temporary differences	73,940	38,202
Use of unrecognized loss carryforwards	(3,732)	(35,802)
Effect of different tax rate of the Group's entities operating in other jurisdictions	(279,159)	(161,386)
Adjustments for prior years' tax	(4,456)	604
Income tax expense recognized in profit or loss	$ 69,240	$ 132,256

The income tax rates of the entities in the Group based on the operating jurisdictions of the respective entities are as follows:

1) GLT-USA: 21%
2) GLT-Taiwan, GLT-Optical and Hao Yun Technology: 20%
3) GLT-Shanghai and GLT-Zhongshan: 25%
4) GLT-Suzhou Opto: qualified as a high-tech enterprise, 15%

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plan	$ 97	$ (155)
Total income tax recognized in other comprehensive income	$ 97	$ (155)

c. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	$ -	$ 476
Current tax liabilities		
Income tax payable	$ 71,250	$ 100,422

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Difference	Closing Balance
Deferred tax assets					
Temporary differences					
Depreciation difference between financial accounting and taxation	$ 18,321	$ (402)	$ -	$ (93)	$ 17,826
Write-down of inventories	8,312	6,884	-	5	15,201
Provision for employee benefit	2,582	(864)	-	-	1,718
Unrealized foreign exchange losses	681	465	-	-	1,146
Refund liabilities	695	145	-	(3)	837
Impairment loss recognized on property, plant and equipment	1,350	(646)	-	-	704
	$ 31,941	$ 5,582	$ -	$ (91)	$ 37,432
Deferred tax liabilities					
Temporary differences					
Pension expenses difference between financial accounting and taxation	$ 1,244	$ 126	$ (97)	$ 1	$ 1,274
Right to return goods	97	194	-	(2)	289
	$ 1,341	$ 320	$ (97)	$ (1)	$ 1,563

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Difference	Closing Balance
Deferred tax assets					
Temporary differences					
Depreciation difference between financial accounting and taxation	$ 17,606	$ 490	$ -	$ 225	$ 18,321
Write-down of inventories	7,570	723	-	19	8,312
Provision for employee benefit	2,262	320	-	-	2,582
Impairment loss recognized on property, plant and equipment	-	1,350	-	-	1,350
Refund liabilities	2,090	(1,398)	-	3	695
Unrealized foreign exchange losses	3,007	(2,326)	-	-	681
Tax losses	3,096	(3,050)	-	(46)	-
	$ 35,631	$ (3,891)	$ -	$ 201	$ 31,941
Deferred tax liabilities					
Temporary differences					
Pension expenses difference between financial accounting and taxation	$ 957	$ 131	$ 155	1	$ 1,244
Right to return goods	417	(321)	-	1	97
	$ 1,374	$ (190)	$ 155	$ 2	$ 1,341

e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2021	2020
Loss carryforwards		
Expiry in 2023	$ 10,925	$ 10,844
Expiry in 2024	3,249	3,156
Expiry in 2025	17,266	15,623
Expiry in 2026	34,457	16,626
Expiry in 2027	33,297	33,308
Expiry in 2028	24,863	24,863
Expiry in 2029	21,261	21,261
Expiry in 2030	34,020	37,400
Expiry in 2031	37,857	-
	$ 217,195	$ 163,081

f. Information about unused loss carryforwards

Company Name	Unused Amount	Expiry Year
GLT-Suzhou Opto	$ 1,317	2024
	4,157	2025
	2,739	2026
	2,739	2027
	$ 10,952	
GLT-Zhongshan	$ 10,565	2023
	9,869	2025
	17,842	2026
	$ 38,276	
GLT-Optical	$ 360	2023
	1,932	2024
	3,240	2025
	13,872	2026
	30,542	2027
	24,846	2028
	21,261	2029
	34,020	2030
	37,853	2031
	$ 167,926	
Hao Yuan Technology	$ 4	2026
	16	2027
	17	2028
	4	2031
	$ 41	

g. Income tax assessments

Income tax returns of GLT-Taiwan, GLT-Optical and Hao Yuan Technology through 2019 have been examined and cleared by the tax authorities.

24. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding that were used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2021	**2020**
Profit for the year attributable to owners of the Company	$ 1,275,133	$ 1,355,051

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of ordinary shares used in the computation of basic earnings per share	130,903	130,937
Effect of potentially dilutive ordinary shares:		
Employees' compensation	945	687
Weighted average number of ordinary shares used in the computation of diluted earnings per share	131,848	131,624

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. CASH FLOW INFORMATION

a. Partial non-cash transactions

In addition to those disclosed in other notes,, for the years ended December 31, 2021 and 2020, the Group entered into the following partial non-cash investing activities, which were not reflected in the consolidated statements of cash flows:

1) Partial cash payments for the acquisition of property, plant and equipment

	For the Year Ended December 31	
	2021	**2020**
Purchase of property, plant and equipment	$ 210,862	$ 391,048
Net change in prepayments for purchases of equipment	(22,647)	(24,928)
Net change in payables for purchase of equipment	37,433	40,690
Increase in equipment donated from non-shareholders	-	(12,335)
Cash paid	$ 225,648	$ 394,475

2) Disposal of property, plant and equipment for partial cash received

	For the Year Ended December 31	
	2021	2020
Disposal of property, plant and equipment	$ 13,903	$ 831
Net change in other receivables from related parties	(941)	-
Cash received	$ 12,962	$ 831

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2021

			Non-cash Changes			
	Opening Balance	Cash Flows	New Leases	Transferred to Other Income	Effects of foreign currency exchange differences	Closing Balance
Short-term borrowings	$ 860,000	$ (62,000)	$ -	$ -	$ -	$ 798,000
Long-term borrowings (including current portion)	224,884	51,000	-	(5,862)	(22)	270,000
Lease liabilities	710,591	(24,656)	13,161	-	(1,291)	697,805
	$ 1,795,475	$ (35,656)	$ 13,161	$ (5,862)	$ (1,313)	$ 1,765,805

For the year ended December 31, 2020

			Non-cash Changes			
	Opening Balance	Cash Flows	New Leases	Lease Modifications	Effects of foreign currency exchange differences	Closing Balance
Short-term borrowings	$ 544,337	$ 315,670	$ -	$ -	$ (7)	$ 860,000
Long-term borrowings (including current portion)	601,008	(375,905)	-	-	(219)	224,884
Lease liabilities	699,211	(24,769)	43,409	(707)	(6,553)	710,591
	$ 1,844,556	$ (85,004)	$ 43,409	$ (707)	$ (6,779)	$ 1,795,475

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values (or their fair values cannot be reliably measured).

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

Financial assets at FVTOCI	Level 1	Level 2	Level 3	Total
Investments in equity instruments				
Foreign unlisted shares	$ -	$ -	$166,080	$166,080
Domestic unlisted shares	-	-	113,095	113,095
	$ -	$ -	$279,175	$279,175

December 31, 2020

Financial assets at FVTOCI	Level 1	Level 2	Level 3	Total
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 29,096	$ 29,096

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2021

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	$ 29,096
Purchases	267,977
Refund of capital reduction	(18,267)
Recognized in other comprehensive income	2,266
Effects of foreign currency exchange differences	(1,897)
Balance at December 31, 2021	$ 279,175

For the year ended December 31, 2020

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2020	$ 37,890
Recognized in other comprehensive income	(8,794)
Balance at December 31, 2020	$ 29,096

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of financial assets and financial liabilities are evaluated using the market approach based on the analysis of comparable companies and asset-based approach.

c. Categories of financial instruments

	December 31	
	2021	**2020**
Financial assets		
Financial assets at FVTOCI	$ 279,175	$ 29,096
Financial assets at amortized cost (Note 1)	6,684,331	7,199,746
Financial liabilities		
Amortized cost (Note 2)	3,411,318	3,900,551

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, accounts receivable - related parties, part of other receivables (excluding tax refund receivable), other receivables - related parties, refundable deposits (presented in other non-current assets) and other financial assets (presented in other current and non-current assets).

Note 2: The balances include financial liabilities measured at amortized cost, which comprise accounts payable, accounts payable - related parties, part of other payables (excluding payable for short-term employee benefits, payable for commission and payable for business tax), other payables - related parties, short-term borrowings, long-term borrowings and long-term borrowings - current portion.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, equity investments, accounts receivable, accounts payable, long-term borrowings and short-term borrowings and lease liabilities. The Group's corporate treasury function monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar and the Japanese yen.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in pre-tax profit and other equity associated with the New Taiwan dollar strengthening (weakening) 5% against the relevant currency.

	U.S. Dollar Impact For the Year Ended December 31		**Japanese Yen Impact For the Year Ended December 31**	
	2021	**2020**	**2021**	**2020**
Profit (loss)	$ (78,534)	$ (34,900)	$ (152)	$ (503)

The result was mainly attributable to the exposure on bank deposits, accounts receivable and accounts payable in U.S. dollars and Japanese yen that were not hedged at the end of the year.

The Group's sensitivity to U.S. dollars increased during the current year due to the decrease of accounts payable; and the sensitivity to Japanese yen decreased during the current year due to the decrease of foreign currency deposit.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rate risk at the end of the reporting period were as follows:

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 245,455	$ 424,219
Financial liabilities	1,765,805	1,576,474
Cash flows interest rate risk		
Financial assets	3,794,442	3,790,514
Financial liabilities	-	219,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Had interest rates been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the year ended December 31, 2021 would have increased/decreased by $9,486 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits.

Had interest rates been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the years ended December 31, 2020 would have decreased/increased by $8,929 thousand, which was mainly attributable to the Group's exposure to interest rates on its demand deposits.

The Group's sensitivity to interest rates increased during the current year mainly due to the decrease in variable rate long-term borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower, pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by $27,918 thousand and $2,910 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to equity prices increased due to the increase in the shares of the equity securities held.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation, is primary from the book value of its financial assets.

The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group's credit risk is concentrated in its top 10 customers.

The Group's concentration of credit risk of 93.92% and 92.99% in total trade receivables as of December 31, 2021 and 2020, respectively, was related to the Group's ten largest customers.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants. Financial assets at fair value through other comprehensive income are exposed to liquidity risk since these assets have no active markets.

The Group manages liquidity risk by maintaining adequate bank balance and banking facilities, and continuously monitoring forecast and actual cash flows as well as the maturity profiles of financial assets and liabilities.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Group had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2021

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing	$ 2,343,318	$ -	$ -	$ -
Fixed interest rate liabilities	798,802	248,919	22,521	-
Lease liabilities	36,640	36,404	105,070	717,345
	$ 3,178,760	$ 285,323	$ 127,591	$ 717,345

December 31, 2020

	On Demand or Less than 1 Year	1-2 Years	2-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing	$ 2,815,667	$ -	$ -	$ -
Variable interest rate liabilities	220,667	-	-	-
Fixed interest rate liabilities	861,854	1,500	3,813	-
Lease liabilities	34,598	33,853	100,133	750,190
	$ 3,932,786	$ 35,353	$ 103,946	$ 750,190

The amount of non-derivative financial liabilities would change due to the change in the floating interest rate as compared to the interest rate estimated on the balance sheet date.

b) Financing facilities

	December 31	
	2021	2020
Secured bank loan facilities		
Amount used	$ 148,000	$ 369,000
Amount unused	52,000	50,000
	$ 200,000	$ 419,000
Unsecured bank loan facilities		
Amount used	$ 920,000	$ 726,889
Amount unused	338,400	719,235
	$ 1,258,400	$ 1,446,124

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, transactions between the Group and other related parties are based on agreement. Details of the transactions are disclosed below.

a. The Group's related parties

Related Party	Relationship with the Group
Shinny Plastics Corp	Other related party (the chairman of the Company and the chairman of Shinny Plastics are second-degree relatives)
Tony Material LLC	Related party in substance
Wistron Corporation	Other related party (juristic director of the Company)
Wistron InfoComm (Zhongshan) Corporation	Other related party (subsidiary of Wistron)
Weilian Electronic Technology (Zhongshan) Co., Ltd.	Other related party (subsidiary of Wistron)

b. Operating revenue

	For the Year Ended December 31	
Related Party Category/Name	2021	2020
Other related parties	$ 90,906	$ 167,051
Related party in substance	1,292	49
	$ 92,198	$ 167,100

The sales of goods to other related parties and the related party in substance were made at prices determined based on agreement; the payment term between the Group and other related parties or the related party in substance is open account 30-120 days, and is not significantly different from transactions between the Group and non-related parties

c. Purchases of goods (including processing fees)

Related Party Category/Name	For the Year Ended December 31 2021	2020
Other related parties	$ 222,102	$ 186,980
Related party in substance	90,157	67,439
	$ 312,259	$ 254,419

Purchases were made at the prices determined based on agreement with other related parties and related party in substance; the payment terms between the Group and other related parties, and between the Group and the related party in substance are open account 90 and 30 days, respectively, and are not significantly different from transactions between the Group and non-related parties.

d. Manufacturing and operating expenses

Related Party Category/Name	For the Year Ended December 31 2021	2020
Other related parties	$ 31,368	$ 39,641
Related party in substance	25,750	41,654
	$ 57,118	$ 81,295

The transactions were mainly the payments made for administration fees of the industrial park, utility expenses and mold charges to other related parties and related party in substance.

e. Receivables from related parties

Related Party Category/Name	December 31 2021	2020
Accounts receivable - related parties		
Wistron InfoComm (Zhongshan)	$ 40,956	$ 47,419
Other related parties	540	364
Related party in substance	103	51
	$ 41,599	$ 47,834

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2021 and 2020, no impairment losses were recognized for trade receivables from related parties.

Related Party Category/Name	Nature	December 31 2021	2020
Other receivables - related parties			
Shinny Plastics Corp	Equipment	$ 941	$ -
Weilian Electronic Technology (Zhongshan)	Rental income	248	-
Other related parties	Labor fee	-	326
		$ 1,189	$ 326

The revenue from the labor service provided by the Group to the related parties was recognized as a deduction of expenses.

f. Payables to related parties

Related Party Category/Name	December 31 2021	December 31 2020
Accounts payable - related parties		
Shinny Plastics Corp	$ 116,963	$ 92,201
Related party in substance	9,017	17,518
	$ 125,980	$ 109,719
Other payables - related parties		
Tony material LLC	$ 5,436	$ 11,940
Wistron InfoComm (Zhongshan)	2,730	2,925
Other related parties	45	8
	$ 8,211	$ 14,873

g. Disposal of property, plant and equipment

	Proceeds For the Year Ended December 31		Gain on Disposal For the Year Ended December 31	
Related Party Category/Name	2021	2020	2021	2020
Shinny Plastics Corp	$ 848	$ -	$ 848	$ -

h. Lease arrangements

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Lease liabilities	Wistron InfoComm (Zhongshan)	$ 229,655	$ 243,917

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Interest expense	Wistron InfoComm (Zhongshan)	$ 4,137	$ 4,388

The Group leases a plant from Wistron InfoComm (Zhongshan), the terms of the transaction are negotiated by both the parties and the rent is paid monthly according to the lease agreement.

i. Other income

Related Party Category/ Name	Nature	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Weilian Electronic Technology (Zhongshan)	Rental income	$ 219	$ -

The rental income is from short-term rental of equipment to Weilian Electronic Technology (Zhongshan) under operating lease.

j. Remuneration of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	$ 44,641	$ 47,391
Post-employment benefits	324	324
	$ 44,965	$ 47,715

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, the import transactions in the Customs Administration, and for the lease of land from Hsinchu Science Park, Ministry of Science and Technology:

	December 31	
	2021	2020
Other financial assets - restricted assets (under other current and other non-current assets)	$ 170,375	$ 174,740
Property, plant and equipment	-	1,025,981
	$ 170,375	$ 1,200,721

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of December 31, 2021 were as follows:

a. GLT-Optical entered into a sales contract for the purchase of equipment for $30,800 thousand. Unrecognized contract commitments were $18,480 thousand for the year ended December 31, 2021.

b. Unrecognized commitments were as follows:

Guarantor	Guaranteed Person	Guarantee Amount
GLT-Taiwan	GLT-Optical	$1,120,000 thousand
GLT-Taiwan	Solid State Electronics	US$2,000 thousand (equivalent to approx. NT$55,360 thousand)

31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 40,372	27.6800 (USD:NTD)	$ 1,117,495
USD	57,193	6.3674 (USD:RMB)	1,583,101
JPY	10,186	0.2405 (JPY:NTD)	2,450
JPY	2,493	0.0087 (JPY:USD)	600
Financial liabilities			
Monetary items			
USD	2,266	27.6800 (USD:NTD)	62,734
USD	38,554	6.3674 (USD:RMB)	1,067,180
JPY	52	0.2405 (JPY:NTD)	13

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 25,955	28.4800 (USD:NTD)	$ 739,205
USD	57,434	6.5249 (USD:RMB)	1,635,727
JPY	32,818	0.2763 (JPY:NTD)	9,068
JPY	4,629	0.0097 (JPY:USD)	1,279
Financial liabilities			
Monetary items			
USD	3,006	28.4800 (USD:NTD)	85,608
USD	55,875	6.5249 (USD:RMB)	1,591,325
JPY	1,026	0.0097 (JPY:USD)	283

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange losses were $28,581 thousand and $99,841 thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1 (attached)

2) Endorsements/guarantees provided: Table 2 (attached)

3) Marketable securities held (excluding investment in subsidiaries): Table 3 (attached)

4) Marketable securities acquired or disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4 (attached)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5 (attached)

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions: Table 8 (attached)

b. Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7 (attached)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 8 (attached)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (attached)

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (attached)

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

34. SEGMENT INFORMATION

The Group's reportable segments as follows:

a. Department of light guide plates applications: Provide the service of manufacturing and sales of related application products such as light guide plates.

b. Department of plastic components: Provide the service of design, manufacturing and sales of plastic components

Reportable segment income and loss is measured by pre-tax other comprehensive income (non-operating income and expense and income tax expenses are excluded). The amount is for operational decision makers to determine the allocation of resources to each department and evaluate the performance of each department.

Since the information on the segment assets and liabilities was not provided to the operational decision makers for reference or for decision-making purposes, the segment assets and liabilities were not disclosed.

c. Segment revenue and results

	Department of Light Guide Plates Applications	**Department of Plastic Components**	**Eliminations**	**Total**
For the year ended December 31, 2021				
Revenue				
Revenue from external customers	$ 9,731,647	$ 1,151,424	$ -	$ 10,883,071
Inter-segment revenue	-	-	-	-
Total revenue	$ 9,731,647	$ 1,151,424	$ -	$ 10,883,071
Segment income	$ 1,242,452	$ 86,059		$ 1,328,511
Non-operating income and expenses				15,862
Profit before tax (continuing operations)				$ 1,344,373

(Continued)

	Department of Light Guide Plates Applications	Department of Plastic Components	Eliminations	Total
For the year ended December 31, 2020				
Revenue				
Revenue from external customers	$ 9,756,663	$ 1,449,105	$ -	$ 11,205,768
Inter-segment revenue	-	-	-	-
Total revenue	$ 9,756,663	$ 1,449,105	$ -	$ 11,205,768
Segment income (loss)	$ 1,580,566	$ (5,109)		$ 1,575,457
Non-operating income and expenses				(88,150)
Profit before tax (continuing operations)				$ 1,487,307

(Concluded)

d. Geographical information

The Group operates in two principal geographical areas for the years ended December 31, 2021 and 2020 - Asia and America.

The Group's revenue from external customers by location is detailed below:

	Revenue from External Customers	
	For the Year Ended December 31	
	2021	2020
Asia	$ 10,403,592	$ 10,748,802
America	427,445	413,579
Others	52,034	43,387
	$ 10,883,071	$ 11,205,768

e. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2021	2020
Customer A	$ 4,236,249	$ 3,943,494
Customer B	3,242,252	2,393,711
Customer C	Note	1,384,098
Customer D	Note	1,356,467

Note: Revenue less than 10% of the Group's revenue.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 3)	Ending Balance	Actual Amount Borrowed (Note 3)	Interest Rate (%)	Nature of Financing (Note 1)	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Financing Company's Aggregate Financing Limits (Note 2)
													Item	Value		
1	GLT-Suzhou Opto	GLT-Zhongshan	Other receivables - related parties, current portion	Yes	$ 43,619	$ -	$ -	1.75	2	$ -	Operating turnover	$ -	-	$ -	$ 595,402	$ 595,402
		GLT-Shanghai	Other receivables - related parties, current portion	Yes	65,403	65,242	65,242	1.75	2	-	Operating turnover	-	-	-	595,402	595,402
2	GLT-Taiwan	GLT-Optical	Other receivables - related parties, current portion	Yes	381,228	251,665	251,665	0.80	2	-	Operating turnover	-	-	-	973,066	973,066
3	Solid State OPTO	GLT-Optical	Other receivables - related parties, current portion	Yes	188,224	188,224	188,224	-	2	-	Operating turnover	-	-	-	565,059	565,059
4	GLT-USA	GLT-Optical	Other receivables - related parties, current portion	Yes	138,765	138,604	138,604	0.22-0.28	2	-	Operating turnover	-	-	-	311,885	311,885
5	Solid State Electronics	GLT-Optical	Other receivables - related parties, current portion	Yes	152,240	-	-	-	2	-	Operating turnover	-	-	-	1,218,287	1,218,287
6	Solid State Technology	GLT-Optical	Other receivables - related parties, current portion	Yes	249,120	249,120	249,120	-	2	-	Operating turnover	-	-	-	1,846,071	1,846,071

Note 1: The nature of financing is numbered as follows:

1) Business relationship
2) Short-term financing needs

Note 2: The aggregate financing limit of loans made from the parent company to its subsidiaries in which the parent company directly or indirectly holds 100% of the voting shares is limited to 40% of the parent company's net worth based on its latest audited financial statements. For loans made between offshore subsidiaries (excluding subsidiaries in the Republic of China) in which the parent company directly or indirectly holds 100% of the voting shares, the financing limit is 80% of the lender's net worth based on its latest audited financial statements. The financing limit for each borrower in which the parent company directly or indirectly holds 100% of the voting shares is 10% of the parent company's net worth based on its latest audited financial statements. For loans made from offshore subsidiaries to each borrower in which the parent company holds, directly or indirectly, 100% of the voting shares is limited to 80% of the parent company's net worth based on its latest audited financial statements. For loans made between subsidiaries in the Republic of China, both the aggregate financing limit and financing limit for each borrower is limited to 40% of the lender's net worth based on its latest audited financial statements. For loans made from the lender to its ultimate parent company, both the aggregate financing limit and financing limit for each borrower is both 40% of the lender's net worth based on its latest audited financial statements. The financing limit for each borrower is the lender's aggregate financing limit.

Note 3: All intercompany transactions have been eliminated upon consolidation.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 2)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 2)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 2)
		Name	Relationship										
0	Global Lighting Technologies Inc	GLT-Optical	Subsidiary of Global Lighting Technologies Inc.	$ 2,286,108	$ 200,000	$ -	$ -	$ -	-	$ 3,810,181	Y	-	-
1	Global Lighting Technologies Inc	GLT-Zhongshan	Subsidiary of Global Lighting Technologies Inc.	2,286,108	83,040	-	-	-	-	3,810,181	Y	-	Y
2	GLT-Taiwan	GLT-Optical (Note 3)	Subsidiary of Global Lighting Technologies Inc.	2,067,766	1,482,000	1,120,000	1,068,000	152,240	14.70	2,067,766	-	-	-
3	GLT-Taiwan	Solid State Electronics	Subsidiary of Global Lighting Technologies Inc.	2,067,766	138,400	55,360	-	-	0.73	2,067,766	-	-	-

Note 1: The parent company can provide endorsements/guarantees to subsidiaries in which the parent company directly or indirectly holds more than 90% of the voting shares, and the amount of endorsement/guarantee should not exceed 10% of the parent company’s net worth. The above limit on endorsement/guarantee is not applicable to subsidiaries in which the parent company directly or indirectly holds 100% of the voting shares. The limit of overall endorsement/guarantee of the Company and its subsidiaries is 50% of the Company’s net worth based on its most recent audited or reviewed consolidated financial statements. The amount of endorsement/guarantee for an individual entity shall not exceed 30% of the Company’s net worth based on its most recent audited or reviewed consolidated financial statements. Based on the new endorsement/guarantee operating procedures revised on December 29, 2015, both the limit on endorsement/guarantee provided to individual entities and the aggregate endorsement/guarantee limit is 85% of GLT-Taiwan’s net worth based on its latest audited financial statements.

Note 2: Y is indicated for endorsements/guarantees provided by parent companies (listed companies) for its subsidiaries, endorsements/guarantees provided by subsidiaries for their parent companies (listed companies) and endorsements/guarantees provided for companies in mainland China.

Note 3: GLT-Taiwan provided endorsements/guarantees for GLT-Optical’s bank loans. The table above details the information on endorsements/guarantees provided for GLT-Optical’s loans from three different banks.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note)	Note
Global Lighting Technologies Inc.	Shares Sensel Inc.	-	Financial assets at fair value through other comprehensive income (FVTOCI)	1,470,227	$ 166,080	8.24	$ 166,080	
GLT-Taiwan	Shares Top Taiwan XIII Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income (FVTOCI)	10,000,000	99,200	12.35	99,200	
Hao Yuan Technology	Shares Chi Lin Optoelectronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income (FVTOCI)	782,843	13,895	3.43	13,895	

Note: Unlisted equity investments are evaluated using the market approach based on the analysis of comparable companies and asset-based approach.

TABLE 4

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship (Note 1)	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Solid State Technology	GLT-Shanghai	2	Sale	$ (4,267,319)	100	Open account 60 days	Based on agreement	Based on agreement	$ 1,079,404	100	Note 2
GLT-Shanghai	Solid State Technology	2	Purchase	4,267,319	55	Open account 60 days	Based on agreement	Based on agreement	(1,079,404)	50	Note 2
Solid State OPTO	GLT-USA	2	Sale	(384,289)	9	Open account 60 days	Based on agreement	Based on agreement	61,506	11	Note 2
GLT-USA	Solid State OPTO	2	Purchase	384,289	100	Open account 60 days	Based on agreement	Based on agreement	(61,506)	100	Note 2
GLT-Shanghai	Solid State OPTO	2	Sale	(4,171,263)	49	Open account 120 days	Based on agreement	Based on agreement	1,238,482	50	Note 2
Solid State OPTO	GLT-Shanghai	2	Purchase	4,171,263	94	Open account 120 days	Based on agreement	Based on agreement	(1,238,482)	94	Note 2
Solid State Electronics	GLT-Zhongshan	2	Sale	(100,864)	100	Open account 60 days	Based on agreement	Based on agreement	37,224	100	Note 2
GLT-Zhongshan	Solid State Electronics	2	Purchase	100,864	67	Open account 60 days	Based on agreement	Based on agreement	(37,224)	60	Note 2
GLT-Suzhou Opto	Solid State Display	2	Sale	(185,931)	34	Open account 120 days	Based on agreement	Based on agreement	61,464	28	Note 2
Solid State Display	GLT-Suzhou Opto	2	Purchase	185,931	99	Open account 120 days	Based on agreement	Based on agreement	(61,464)	100	Note 2
GLT-Suzhou Opto	GLT-Taiwan	2	Sale	(221,860)	40	Open account 120 days	Based on agreement	Based on agreement	108,716	49	Note 2
GLT-Taiwan	GLT-Suzhou Opto	2	Purchase	221,860	15	Open account 120 days	Based on agreement	Based on agreement	(108,716)	20	Note 2
GLT-Zhongshan	GLT-Taiwan	2	Sale	(111,703)	51	Open account 120 days	Based on agreement	Based on agreement	47,351	52	Note 2
GLT-Taiwan	GLT-Zhongshan	2	Purchase	111,703	7	Open account 120 days	Based on agreement	Based on agreement	(47,351)	9	Note 2
GLT-Taiwan	Solid State OPTO	2	Sale	(238,597)	13	Open account 60 days	Based on agreement	Based on agreement	61,950	9	Note 2
Solid State OPTO	GLT-Taiwan	2	Purchase	238,597	5	Open account 60 days	Based on agreement	Based on agreement	(61,950)	5	Note 2
GLT-Taiwan	Solid State Technology	2	Sale	(322,583)	18	Open account 60 days	Based on agreement	Based on agreement	92,412	13	Note 2
Solid State Technology	GLT-Taiwan	2	Purchase	322,583	12	Open account 60 days	Based on agreement	Based on agreement	(92,412)	12	Note 2

(Continued)

Note 1: The relationships with related parties are divided into the following four types:

a. Parent company to subsidiary
b. Subsidiary to subsidiary
c. Subsidiary to parent company
d. Subsidiaries to non-related parties within the Group

Note 2: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TABLE 5

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Solid State Technology	GLT-Shanghai	Subsidiary to subsidiary	$ 1,079,404	4.55	$ -	$ -	$ 616,117	$ -
GLT-Shanghai	Solid State OPTO	Subsidiary to subsidiary	1,238,482	3.00	-	-	550,397	-
GLT-Suzhou Opto	GLT-Taiwan	Subsidiary to subsidiary	108,716	2.10	-	-	47,427	-
GLT-USA	GLT-Optical	Subsidiary to subsidiary	138,604	Note 2	-	-	-	-
Solid State OPTO	GLT-Optical	Subsidiary to subsidiary	188,224	Note 2	-	-	-	-
Solid State Technology	GLT-Optical	Subsidiary to subsidiary	249,120	Note 2	-	-	138,400	-
GLT-Taiwan	GLT-Optical	Subsidiary to subsidiary	251,665	Note 2	-	-	201,472	-

Note 1: All intercompany transactions have been eliminated upon consolidation.

Note 2: It is mainly due to other receivables - current portion, so the calculation of turnover rate is not applicable.

TABLE 6

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss) (Notes 1 and 2)	Note
				December 31, 2021	December 31, 2020	Number of Shares	%	Carrying Amount (Notes 1 and 2)			
Global Lighting Technologies Inc.	Solid State OPTO	British Virgin Islands	Holding company engaged in the sale of products	$ 275,421 (US$ 9,950)	$ 275,421 (US$ 9,950)	9,950,167	100.00	$ 706,324 (US$ 25,517)	$ 45,876 (US$ 1,639)	$ 45,876 (US$ 1,639)	
	Solid State Display	British Virgin Islands	Holding company engaged in the sale of products	972,790 (US$ 35,144)	972,790 (US$ 35,144)	35,144,141	100.00	2,476,408 (US$ 89,466)	217,579 (US$ 7,772)	218,289 (US$ 7,797)	
	Solid State Technology	British Virgin Islands	Holding company engaged in the sale of products	297,560 (US$ 10,750)	297,560 (US$ 10,750)	10,750,000	100.00	2,109,605 (US$ 76,214)	1,564,373 (US$ 55,878)	1,474,487 (US$ 52,668)	
	Solid State Electronics	British Virgin Islands	Holding company engaged in the sale of products	181,608 (US$ 6,561)	181,608 (US$ 6,561)	6,561,000	100.00	1,497,931 (US$ 54,116)	(13,682) (US$ (489))	(8,914) (US$ (318))	
	Shining Green	Independent state of Samoa	Holding company	415,200 (US$ 15,000)	415,200 (US$ 15,000)	15,000,000	100.00	231,533 (US$ 8,365)	(71,394) (US$ (2,550))	(74,596) (US$ (2,665))	
	GLT-Optical	Republic of China	Design, production, and sales of applications of light guide plates	500,894	245,000	50,089,400	100.00	38,209 (US$ 1,380)	(280,624) (US$ (10,024))	(279,484) (US$ (9,983))	
Solid State OPTO	GLT-USA	United States	Design and sales of applications of light guide plates	200,606 (US$ 7,247)	200,606 (US$ 7,247)	100	100.00	389,856 (US$ 14,084)	29,296 (US$ 1,046)	29,296 (US$ 1,046)	
Solid State Display	GLT-Taiwan	Republic of China	Design, production, and sales of applications of light guide plates, design and production of optical molds, and sales of plastic products for electronic components	1,115,200	1,115,200	111,519,956	100.00	2,432,666 (US$ 87,885)	205,744 (US$ 7,349)	205,744 (US$ 7,349)	
GLT-Taiwan	Hao Yuan Technology	Republic of China	Investment industry; wholesale and retail sale of electronic materials	15,991	35,991	1,400,000	100.00	25,716	12,763	12,763	
	Asensetek Incorporation	Republic of China	Manufacturing and selling of optical and precision equipment, electronic components, motors and electronic machinery	14,430	14,430	728,500	27.15	-	(1,156)	-	Note 3

Note 1: Calculated based on the investee’s financial statements that have been audited by us for the same period, having taken into account the effect of unrealized gain or loss on intercompany transactions.

Note 2: All intercompany transactions have been eliminated upon consolidation.

Note 3: Investment income (loss) was not calculated based on the audited financial statements.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of December 31, 2021 (Notes 2 and 3)	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outflow	Inflow						
GLT-Shanghai	Design, production, and sales of applications of light guide plates and monitor, design of optical molds, and production and sales of plastic products for electronic use	$ 553,600 (US$ 20,000)	Note 1, b.	$ 553,600 (US$ 20,000)	$ -	$ -	$ 553,600 (US$ 20,000)	$ (20,705)	100	$ (20,705)	$ 1,354,029	$ -
GLT-Suzhou Opto	Design, production, and sales of applications of light guide plates and monitor, design of optical molds, and production and sales of plastic products for electronic use	586,816 (US$ 21,200)	Note 1, b.	586,816 (US$ 21,200)	-	-	586,816 (US$ 21,200)	24,438	100	24,438	744,252	-
GLT-Zhongshan	Production, and sales of applications of light guide plates	415,200 (US$ 15,000)	Note 1, b.	415,200 (US$ 15,000)	-	-	415,200 (US$ 15,000)	(71,394)	100	(71,394)	234,769	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$1,555,616 (US$56,200 thousand)	Not applicable	Not applicable

Note 1: Investments are divided into three categories as follows:
a. Direct investment
b. Indirect investment through a holding company registered in a third region
c. Others

Note 2: Calculated based on the investee’s financial statements that have been audited by us for the same period.

Note 3: All intercompany transactions have been eliminated upon consolidation.

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
1	Solid State Electronics	GLT-Zhongshan	c	Accounts receivable - related parties	$ 37,224	Open account 60 days	-
			c	Sales	100,864	Based on agreement	1
		GLT-Shanghai	c	Sales	332	Based on agreement	-
2	Solid State OPTO	GLT-USA	c	Accounts receivable - related parties	61,506	Open account 60 days	1
			c	Sales	384,289	Based on agreement	4
		GLT-Optical	c	Other receivables - related parties - current portion	188,224	Terms of financing	2
3	Solid State Technology	GLT-Shanghai	c	Accounts receivable - related parties	1,079,404	Open account 60 days	9
			c	Sales	4,267,319	Based on agreement	39
		GLT-Optical	c	Other receivables - related parties - current portion	249,120	Terms of financing	2
4	GLT-Shanghai	Solid State OPTO	c	Accounts receivable - related parties	1,238,482	Open account 120 days	10
			c	Sales	4,171,263	Based on agreement	38
		Solid State Display	c	Sales	11	Based on agreement	-
		GLT-Taiwan	c	Accounts receivable - related parties	10,170	Open account 120 days	-
			c	Sales	26,571	Based on agreement	-
5	GLT-Zhongshan	GLT-Taiwan	c	Accounts receivable - related parties	47,351	Open account 120 days	-
			c	Sales	111,703	Based on agreement	1
			c	Gain on disposal of property, plant and equipment	1,268	-	-
		GLT-Suzhou Opto	c	Accounts receivable - related parties	1,203	Open account 60 days	-
			c	Sales	12,601	Based on agreement	-
		GLT-Optical	c	Accounts receivable - related parties	2,519	Open account 120 days	-
			c	Gain on disposal of property, plant and equipment	3,155	-	-
		Solid State Display	c	Sales	1,331	Based on agreement	-
6	GLT-Taiwan	GLT-Shanghai	c	Sales	324	Based on agreement	-
		GLT-Zhongshan	c	Sales	38	Based on agreement	-
		GLT-Suzhou Opto	c	Sales	111	Based on agreement	-
		GLT-Optical	c	Other receivables - related parties - current portion	251,665	Terms of financing	2
			c	Interest revenue	2,354	Based on agreement	-
		Solid State OPTO	c	Accounts receivable - related parties	61,950	Open account 60 days	1
			c	Sales	238,597	Based on agreement	2
		Solid State Technology	c	Accounts receivable - related parties	92,412	Open account 60 days	1
			c	Sales	322,583	Based on agreement	3
		Solid State Display	c	Accounts receivable - related parties	5	Open account 60 days	-
			c	Sales	22	Based on agreement	-

(Continued)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
7	GLT-Suzhou Opto	GLT-Taiwan	c	Accounts receivable - related parties	$ 108,716	Open account 120 days	1
			c	Sales	221,860	Based on agreement	2
		Solid State Display	c	Accounts receivable - related parties	61,464	Open account 120 days	1
			c	Sales	185,931	Based on agreement	2
		Solid State OPTO	c	Accounts receivable - related parties	10,474	Open account 120 days	-
			c	Sales	24,768	Based on agreement	-
		GLT-Shanghai	c	Other receivables - related parties - current portion	65,242	Terms of financing	1
			c	Interest revenue	764	Based on agreement	-
		GLT-Zhongshan	c	Interest revenue	235	Based on agreement	-
8	GLT-Optical	GLT-Taiwan	c	Accounts receivable - related parties	22,017	Open account 60 days	-
			c	Other receivables - related parties	2,892	Open account 60 days	-
			c	Sales	86,714	Based on agreement	1
			c	Gain on disposal of property, plant and equipment	89	-	-
		GLT-Zhongshan	c	Accounts receivable - related parties	18,116	Open account 60 days	-
			c	Sales	34,335	Based on agreement	-
		Solid State OPTO	c	Sales	1,561	Based on agreement	-
		Solid State Display	c	Accounts receivable - related parties	78	Open account 60 days	-
			c	Sales	152	Based on agreement	-
		GLT-Suzhou Opto	c	Accounts receivable - related parties	12,766	Open account 60 days	-
			c	Sales	81,386	Based on agreement	1
9	GLT-USA	GLT-Optical	c	Other receivables - related parties - current portion	138,604	Terms of financing	1
			c	Interest revenue	419	Based on agreement	-
		GLT-Taiwan	c	Other receivables - related parties	435	Open account 60 days	-
		GLT-Suzhou Opto	c	Other receivables - related parties	34	Open account 60 days	-
10	Solid State Display	GLT-Shanghai	c	Accounts receivable - related parties	1,067	Open account 60 days	-
			c	Sales	1,079	Based on agreement	-

Note 1: Companies are numbered as follows:

a. The number of Global Lighting Technologies Inc. (“Topoint”) is numbered as “0”
b. Subsidiaries are numbered from “1” onward

Note 2: The flow of transactions is as follows:

a. From GLT-Cayman to the subsidiary
b. From the subsidiary to GLT-Cayman
c. Between subsidiaries

Note 3: If the transaction amounts are related to the balance sheet accounts, the percentages are those of the year-end balances to the consolidated total assets. If the transaction amounts are related to the income statement accounts, the percentages are the total amounts of the year to the consolidated total sales.

Note 4: Eliminated from the consolidated financial statements.

(Concluded)

TABLE 9

GLOBAL LIGHTING TECHNOLOGIES INC. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Lumina Global Limited	30,005,393	22.91
Wistron Corporation	20,914,430	15.97

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter.