Stock Code: 3593

Logah Technology Corporation

Parent Company Only Financial Statements and Independent Auditors' Report

2021 and 2020 (after restatement)

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The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

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Independent Auditors’ Report

To Logah Technology Corporation

Audit opinions

We have audited the accompanying Parent Company Only Financial Statements of Logah Technology Corporation (the Corporation), which comprise the standalone balance sheets as of December 31, 2021 and restated 2020, and the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Parent Company Only Financial Statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and restated 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the R.O.C. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the Corporation in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company Only Financial Statements of the Corporation for the year 2021. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Corporation's Parent Company Only Financial Statements for the year 2021 are stated as follows:

<u>Revenue recognition</u>

As for note IX, attachments 1 and 6 of Parent Company Only Financial Statements, the Corporation held investments and lending loan se of Suzhou Longd　Electronic Technology Co., Ltd. (Suzhou Longdeng) and Suzhou Ruideng Technology Co., Ltd. (Suzhou Ruideng) that were 563,580 thousand, accounting for 81% of total assets of the Corporation. The Corporation recognized investment losses of Suzhou Longdeng and Suzhou Ruideng as 17,234 thousand, accounting for 44% of the net loss before tax of the Corporation, directly or indirectly. Hence, operating results of Suzhou Longdeng and Suzhou Ruideng tend to affect whether the profit or loss of investments for equity method is appropriate.

Suzhou Longdeng and Suzhou Ruideng are engaged in manufacturing, purchases and sales of plastic products. The amount of revenues of the customers has been material to the financial report, revenues shall evaluate significant risks. And, Authenticity shall be an important matter in audit of 2021, according to the Auditing Standards.

Please see note IV for explanation of important policies of revenues recognition

The audit procedures by CPA for the revenue recognition go as follows:

I. To understand and testimony internal controls for the revenue recognition.

II. Except the payment has not been received yet during the report date, an inquiry letter shall be sent or other alternatives will be adopted, the company requires to review whether sales revenues authentic by auditing the customer's shipping documents and certificates.

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

Management is responsible for the preparation and fair presentation of the Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for necessary internal control as management determines is necessary to enable the preparation of Parent Company Only Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Parent Company Only Financial Statements, the responsibilities of the management include assessing the Corporation'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 Corporation 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 Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only 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 R.O.C. will always detect a material misstatement when it exists in the Parent Company Only Financial Statements. Misstatements can arise from fraud or error. Misstatements 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 the Parent Company Only 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:

I. Identify and assess the risk of material misstatement of the Parent Company Only Financial Statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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.

II. Obtain a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of the Corporation.

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

IV. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of the Corporation have significant uncertainty, and provide conclusion thereto. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the Parent Company Only Financial Statements are required to be provided in our audit report to allow users of Parent Company Only Financial Statements to be aware of such events or circumstances, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Nevertheless, future events or circumstances may cause the Corporation to have no ability for continuous operation.

V. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements, including relevant notes, and whether the Parent Company Only Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

VI. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Corporation and provide opinion on the Parent Company Only Financial Statements. We handle the guidance, supervision and execution of the audit on the Corporation and are responsible for preparing the opinion for the Corporation.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Corporation's 2021 the Parent Company Only Financial Statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of matters

As note XX and XXVII of the Parent Company Only Financial Statements indicated, the Corporation acquired 100% equity of Suzhou Ruideng in September, 2021. The acquisition of equities was the reorganization under common control, so it shall be restated a Parent Company Only Financial report of the previous period. Restated equity attributable to former owner of business combination under common control increased 160,545 thousand, and OCI of equity attributable to former owner of business combination under common control decreased 17,168 thousand

The engagement partners on the audits resulting in this independent auditor's report are Chiang, Jia-Ling and Wu, Chiu-Yen

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 18, 2022

Notes to Readers

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

The independent auditors' audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevai.

Logah Technology Corporation
Balance Sheets
December 31, 2021 and 2020

Unit: NT$1,000; %

Code	ASSETS	December 31, 2021 Amount	%	December 31, 2020(restated) Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes IV and VI)	$ 4,408	1	$ 8,837	1
1170	Accounts receivable (Notes IV, VII and XXIV)	54,479	8	8,804	1
1180	Accounts receivable - related parties (Notes IV, XXVII and XXIII)	15,676	2	-	-
1200	Other receivables (Notes IV and XXII)	4,841	1	4,128	1
1210	Other receivables - related parties (Notes IV and XXIII)	134,246	19	177,983	22
1476	Other Financial assets-current (Note IV, VIII and XXIV)	30,535	4	28,227	3
1479	Other current assets	336	-	78	-
11XX	Total current assets	244,521	35	228,057	28
	Non-current assets				
1550	Investment accounted for under the equity method (Notes IV, V and IX)	450,645	65	580,576	72
1600	Property, plant and equipment (Note IV and X)	26	-	150	-
1840	Deferred tax assets (Notes IV, V and XVIII)	1,123	-	1,019	-
1980	Other Financial assets-non-current (Note IV and VIII)	50	-	50	-
15XX	Total non-current assets	451,844	65	581,795	72
1XXX	Total assets	$696,365	100	$809,852	100
Code	Liabilities and Equity				
	Current Liabilities				
2100	Short-term borrowings (Note XII, XXIV)	$ 23,139	3	$ -	-
2150	Notes payable	1,459	-	7,295	1
2170	Accounts payable	5,861	1	-	-
2180	Accounts payable-related parties (Note XXIII)	35,297	5	12,574	1
2219	Other payables (Note XIII)	8,513	1	13,568	2
2220	Other payables -related parties (Notes XIII and XXIII)	2,311	1	332	-
2399	Other current liabilities	133	-	65	-
21XX	Total current liabilities	76,713	11	33,834	4
	Non-current liabilities				
2570	Deferred tax liabilities (Notes IV and XVIII)	4,922	1	5,913	1
2XXX	Total Liabilities	81,635	12	39,747	5
	Other Item Equity (Note XV)				
3110	Common share capital	930,425	134	930,425	115
3200	Capital surplus	7,327	1	-	-
3300	Deficit yet to be compensated	(337,573)	(49)	(339,095)	(42)
3400	Other equities	14,551	2	18,230	2
31XX	Total owners' equity of the company	614,730	88	609,560	75
35XX	Equity attributable to former owner of business combination under common control	-	-	160,545	20
3XXX	Total equity	614,730	88	770,105	95
	Total liabilities and equities	$696,365	100	$809,852	100

The accompanying notes are an integral part of the financial report

Logah Technology Corporation

Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

Unit: Expressed in NT$ thousand; except (loss) earnings per share expressed in NT$)

Code		2021 Amount	2021 %	2020 (Restated) Amount	2020 (Restated) %
4000	Operating revenue (Notes IV and XVI)	$ 8,298	100	$ 5,051	100
5900	Gross profit	8,298	100	5,051	100
	Operating expenses (Note XVII and XXIII)				
6100	Selling expenses	253	3	177	3
6200	Administrative expenses	31,043	374	32,415	642
6000	Total operating expenses	31,296	377	32,592	645
6900	Net operating loss	(22,998)	(277)	(27,541)	(545)
	Non-operating income and expenses (Note XVII and XXIII)				
7100	Interest revenue	1,769	21	3,608	71
7010	Other income	481	6	111	2
7020	Other gains or losses	(539)	(7)	(385)	(8)
7050	Financial costs	(507)	(6)	(876)	(17)
7070	Share of loss (profit) from subsidiaries and	(17,621)	(212)	80,912	1,602
7000	Total non-operating incomes and expenses	(16,417)	(198)	83,370	1,650
7900	Net profit (loss) before income tax	(39,415)	(475)	55,829	1,105
7950	Income tax gains and (expenses) (Notes IV and XVIII)	175	2	(576)	(11)
8200	Net profit (loss) for the year	(39,240)	(473)	55,253	1,094

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Code		2021 Amount	2021 %	2020 (Restated) Amount	2020 (Restated) %
	Other comprehensive income (loss) (Note XV, XVIII)				
8360	Items that may be reclassified subsequently to profit or loss				
8361	Transaction difference on translation of financial statements of foreign operation	($ 4,814)	(58)	$ 6,789	134
8380	OCI of associates	(2,009)	(24)	(3,725)	(74)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Note XXI)	920	11	(127)	(2)
8300	Other comprehensive income of the year (net amount after tax)	(5,903)	(71)	2,937	58
8500	Total comprehensive income (loss) for the year	($ 45,143)	(544)	$ 58,190	1,152
	Net income (loss) attributable to:				
8610	Owners of the Company	$ 1,522	18	$ 74,849	1,482
8615	Equity attributable to former owner of business combination under common control	(40,762)	(491)	(19,596)	(388)
8600		($ 39,240)	(473)	$ 55,253	1,094
	Total comprehensive income attributable to:				
8710	Owners of the Company	($ 2,157)	(26)	$ 75,358	1,492
8715	Equity attributable to former owner of business combination under common control	(42,986)	(518)	(17,168)	(340)
8700		($ 45,143)	(544)	$ 58,190	1,152
	Retained earnings (Note XIX)				
9750	Basic	$ 0.02		$ 0.09	
9850	Diluted	$ 0.02		$ 0.09	

The accompanying notes are an integral part of the financial report

Logah Technology Corporation
Statement of Changes in Equity
For the Years Ended December 31, 2021 and 2020

Unit: NT$1,000; %

Code		Common share capital	Capital surplus	Deficit yet to be compensated	Other equities: Transaction difference on translation of financial statements of foreign operation	Total	Equity attributable to former owner of business combination under common control	Total equity
A1	Balance as of January 1, 2020	$830,425	$ -	($410,744)	$ 17,721	$437,402	$ -	$437,402
A4	Retroactive adjustment by equity attributable to former owner of business combination under common control	-	-	-	-	-	177,713	177,713
D1	Net profit (loss) for 2020 (restated)	-	-	74,849	-	74,849	(19,596)	55,253
D3	Other comprehensive income (loss) for 2020 (restated)	-	-	-	509	509	2,428	2,937
D5	Total comprehensive income of 2020 (restated)	-	-	74,849	509	75,358	(17,168)	58,190
E1	Issuance of common stock for cash (Note XV)	100,000	-	(3,200)	-	96,800	-	96,800
Z1	December 31, 2020(restated)	930,425	-	(339,095)	18,230	609,560	160,545	770,105
D1	Net profit (loss) in 2021		-	1,522	-	1,522	(40,762)	(39,240)
D3	Other comprehensive income (loss) for 2021	-	-	-	(3,679)	(3,679)	(2,224)	(5,903)
D5	Total comprehensive income of 2021	-	-	1,522	(3,679)	(2,157)	(42,986)	(45,143)
H3	Reorganization (Note XV and XX)	-	7,327	-	-	7,327	(117,559)	(110,232)
Z1	Balance as of December 31, 2021	$930,425	$ 7,327	($337,573)	$ 14,551	$614,730	$ -	$614,730

The accompanying notes are an integral part of the financial report

Logah Technology Corporation
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

Unit: NT$1,000; %

Code		2021	2020 (restated)
	Cash flows from operating activities		
A10000	Net profit (loss) before tax for the year	($ 39,415)	$ 55,829
A20010	Income/expenses items		
A20100	Depreciation expense	155	600
A20900	Financial costs	507	876
A21200	Interest revenue	(1,769)	(3,608)
A22400	Share of loss (profit) from subsidiaries and	17,621	(80,912)
A29900	Other Items	(361)	3,614
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	(45,675)	522
A31160	Accounts receivable-related parties	(15,676)	-
A31180	Other receivables	(713)	825
A31190	Other receivables -related parties	11,200	(11,667)
A31240	Other current assets	(258)	49
A32130	Notes payable	(5,836)	7,295
A32150	Accounts payable	5,861	-
A32160	Accounts payable-related parties	22,723	5,815
A32180	Other payables	(5,055)	10,492
A32190	Other payables -related parties	1,979	332
A32230	Other current liabilities	68	(286)
A33000	Cash generated from operations	(54,644)	(10,224)
A33100	Interest received	2,154	4,079
A33300	Interest paid	(507)	(876)
AAAA	Net cash generated from operating activities	(52,997)	(7,021)
	Cash flows from investing activities		
B01800	Acquisition of investments by equity method	-	(17,172)
B02700	Purchase of property, plant and equipment	(31)	-
B04300	Other decrease (increase) receivables - related parties	27,768	(78,353)
B06500	Decrease (increase) in other financial assets	(2,308)	1,404
BBBB	Net cash inflow (outflow) from investment activities)	25,429	(94,121)

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Code		2021	2020 (restated)
	Cash flows from financing activities		
C00100	Increase of short-term borrowings	$ 48,513	$ -
C00200	Decrease in short-term borrowings	(25,374)	-
C04600	Issuance of common stock for cash	-	96,800
CCCC	Net cash inflow from financing activities	23,139	96,800
EEEE	The decrease in cash	(4,429)	(4,342)
E00100	Cash at the beginning balance	8,837	13,179
E00200	Cash at the end balance	$ 4,408	$ 8,837

The accompanying notes are an integral part of the financial report

Logah Technology Corporation
Notes to Parent Company Only Financial Statements
For the Years Ended December 31, 2021 and 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. Company History

Logah Technology Corporation (hereafter "the Company") was incorporated on December 22, 2003; originally, it engaged in the R&D, design, and sales of backlight module inverters for LCD TVs. As the backlight source technology has been changed significantly, and the market demand has declined, by considering the future operation development with full organization restructure, the Company added new businesses including the trading of electronic materials, production and sales of electronic products, and international trading.

The Company is listed on the Taiwan Stock Exchange on March 16, 2009.

The parent company only financial statements were expressed in New Taiwan dollars, which is the Company's functional currency.

II. Approval Date and Procedures of the Parent Company Only financial Statements

These Parent Company Only financial statements were released after approved by the Board of Directors on March 18, 2022.

III. New Standards, Amendments and Interpretations

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

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

(II) IFRSs endorsed by FSC applicable in 2022

New, Revised or Amended Standards and Interpretations	The effective date announced by the International Accounting Standards Board (ISAB)
"Annual Improvements to IFRSs 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "References to Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, plant and equipment: Proceeds before intended use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous contract - costs incurred in fulfilling contracts"	January 1, 2022 (Note 4)

Note 1: The amendment of IFRS 9 applies to the exchange of financial liabilities or modified terms incurring in the annual reported periods since January 1, 2022; the amendment of "Agriculture" in IAS 41 applies to the measurement at fair value in the annual reported periods since January 1, 2022; The amendment of "Initial application of IFRSs" in IFRS 1 applies the annual reported periods since January 1, 2022 retrospectively.

Note 2: Amendments are applicable to the merge and acquisition at the annual reporting period beginning on or after January 1, 2022.

Note 3: Amendments are applicable to plant, property and equipment in and under necessary places and conditions which meet the operation way expected from the management at the periods beginning on or after January 1, 2021.

Note 4: The Amendments are applicable to all contracts which have not fulfilled obligations on January 1, 2022.

As of the date the Parent Company Only Financial Statements were authorized for issue, the Company has assessed the possible impact that the application of other standards and interpretations would have on the Company's financial position and financial performance, and has determined that there would be no such material impact.

(III) The New IFRSs issued by International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by FSC

New, Revised or Amended Standards and Interpretations	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 "First time of application of IFRS 17 and IFRS 9－comparison 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 Policy"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimation"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred income tax: related to assets and liabilities incurred due to single transaction"	January 1, 2023 (Note 4)

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

Note 2: Amendments are applicable to the reporting period beginning on or after Sunday, January 1, 2023.

Note 3: Amendments are applicable to the changes on accounting estimates and accounting policies for annual reporting periods beginning on or after January 1, 2023.

Note 4: Except for the temporary difference of lease and decommissioning obligations recognized as deferred income tax on January 1, 2022, the amendments are applicable to transactions occurred after January 1, 2022.

By the time the release date of the Parent Company Only financial statements was approved, the Company had continued to evaluate the effect of the amendments to other standards and interpretations on its financial position and financial performance, and the relevant effects will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Compliance Statement

These parent company only financial statements were prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(II) Basis of preparation

This Parent Company Only financial report has been prepared based on the historical costs.

When the Company prepares the Parent Company Only financial statements, it adopts the equity method to account for the investment in subsidiaries. In order to make the amounts of the net profit for the year, other comprehensive income for the year and total equity in its financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates, as appropriate, in these financial statements.

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

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets that are expected to be realized within twelve months from the balance sheet date; and
3. Cash (unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the date of statement of financial position).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and (liabilities with long-term refinancing or rearrangement of payment terms completed after the balance sheet date and before the release of the financial statements); and
3. Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date. However, the terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

(IV) Business Combinations

The Company did not use the acquisition method for business combinations under reorganization; instead, the Corporation used the book value method and considered the acquisition to be a merger from the beginning and restated the comparative information for the prior reporting period.

(V) Foreign currencies

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

Foreign currency monetary amount is translated at the closing rate at each date of the balance sheet. Other than the following items, exchange differences arising from settlement or translation are recognized as profit or loss at the period.

For the monetary items payable or receivable of foreign operations, if the repayment of the item is not currently planned, nor will happen in the foreseeable future (and thus constituting a partial investment in the concerned foreign operation), the exchange difference originally recognized to the other comprehensive income, and re-classified to profit and loss from equity when the net investment is disposed.

Non-monetary foreign currencies held at fair value at the exchange rates prevailing at the date of transaction; however, non-monetary foreign currencies held at fair value through other comprehensive income are recognized in other comprehensive income.

Non-monetary items carried at historical cost is reported using the exchange rate at the date of the transaction and will not calculated again.

When preparing the Parent Company Only financial statements, the assets and liabilities of the Company and its foreign operations (including subsidiaries that operate in countries or adopt the functional currencies different from the Company) are translated into NTD. Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

(VI) Investment in subsidiaries

The Company's investments in the subsidiaries are accounted for using the equity method. Subsidiaries are entities which the Company holds the control of.

Under the equity method, an investment is initially recognized in the statements of financial positional cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiaries as well as the distribution received. In addition, the Company also recognizes its share in the changes in equities of subsidiaries.

Unrealized profit and loss from downstream transactions with a subsidiary are eliminated in the parent company only financial statements. Profit and loss from upstream and sidestream transactions between subsidiaries are recognized in the Company's parent company only financial statements only to the extent that interests in the subsidiary are not related to the Company.

(VII) Property, plant and equipment

Property, plant and equipment are recognized at costs and subsequently measured at costs of the amount less accumulated depreciation and accumulated impairment losses.

Property, plant, and equipment is depreciated using the straight-line method during the useful life, and each significant part is depreciated separately. The Company reviews the estimated useful lives, residual values and depreciation method at least at the end of each reporting period. The application of the impact of changes in accounting estimates is deferred.

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.

(VIII) Loss of property, plant, and equipment

At the end of each reporting period, the Company reviews whether there is any indication that its property, plant and equipment have suffered an impairment. 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 Company 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an individual asset or a CGU is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the CGU is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or the CGU, which was not recognized in impairment loss in prior years. The reversal of impairment loss is recognized as profit or loss.

(IX) Financial instruments

Financial assets and liabilities shall be recognized in the parent company only financial statements when the Company 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. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Classification of measurement

Financial assets held by the Company are classified into the financial assets measured at amortized cost

When the financial assets invested by the Company satisfies the following two criteria at the same time, it is classified as the amortized cost financial assets:

A. Where the financial assets are held under certain business model, and the purpose of such model is to hold the financial assets in order to collect contract cash flows; and

B. Where contract terms generated cash flow of specific date, and such cash flow is completely for the payment of the interest of principle and external circulating principle amount.

After initial recognition, such assets (including cash, accounts receivables measured at amortized costs (including related parties), other receivable (including related parties), and other financial assets) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss; and any foreign currency exchange gains or losses are recognized in profit or loss. Interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

(2) Impairment of financial assets and contract assets

The Company assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable).

Accounts receivable are recognized in allowance for losses based on the lifetime expected credit losses (ECLs). Other financial assets are assessed to determine whether the credit risk has significantly increased since the original recognition. If there is no significant increase, then the allowance loss is recognized according to the 12-month expected credit loss. If it has increased significantly, then allowance loss is recognized according to the lifetime expected credit loss.

Expected credit losses are weighted average credit losses with the probability of default events. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

A. Internal or external information indicates that it is impossible for the debtor to settle the debt.

B. It is overdue for more than 180 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

All impairment losses on financial assets is decreased its carrying amount through contra accounts.

(3) Derecognition of financial assets

The Company derecognizes the financial assets only when the contractual rights to the cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the financial assets to another entity.

On derecognition of financial assets 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.

2. Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or equity as per the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized at the proceeds received, net of the cost of direct issue.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The purchase, sale, issuance, or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Follow-up measurement

Financial liabilities are measured at amortized cost using effective interest method.

(2) Derecognition of financial liabilities

On the derecognition of financial liabilities, the difference between their carrying amount and the consideration paid and payable, including any transfer of non-cash assets or liabilities, is recognized as profit or loss.

(X) Revenue recognition

The Company allocates the transaction price to each performance obligation and recognizes the revenue when each of the obligation is satisfied after the customer has identified it.

The Company acts as an agent to provide merchandise sales services, and net income is recognized when the control of the merchandise is transferred to the customer and there are no subsequent obligations.

(XI) Lease

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

Where the Company is a lessee, the low-value underlying asset leases and short-term leases payment applicable for with recognition exemption, are recognized in expenses on a straight-line basis over the lease terms.

(XII) Employee benefits

1. Short-term employee benefits

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

2. Pensions

For defined contribution plans, the amount of contribution payable in respect of service rendered by employees in that period should be recognized as expenses.

3. Termination benefits

The Company recognizes a severance benefit liability when it is no longer able to rescind the offer of severance benefits, or to recognize the related restructuring costs, whichever is earlier.

(XIII) Income tax

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

1. Current income tax

A surtax is imposed on the undistributed earnings pursuant to the Income Tax Act of R.O.C. is recognized via the resolution at the annual shareholders' meeting.

Adjustment to income tax payable from prior years are recognized in the current income tax.

2. Deferred tax

Deferred tax is accounted for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit or loss.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred income tax assets are recognized when there are likely to be taxable income, against which the deductible temporary differences, losses, and loss credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The deductible temporary differences related to said investments are recognized as deferred income tax only if it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences, and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date, and its carrying amount will be increased as it has become probable that future taxable income will allow all or part of the asset to be recovered.

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

3. Current and deferred taxes for the year

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 taxes are recognized in other comprehensive income or directly in equity, respectively.

V. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In the application of the Company’s accounting policies, the management is required to make judgments, estimations, and assumptions about the relevant information that is not readily accessible from other sources based on historical experience and other relevant factors. Actual results may differ from these estimates.

The Company considers the COVID-19 pandemic and its possible economic implications in Taiwan when making the Company's critical accounting estimates such as cash flow forecast, growth rate, discount rate and profitability. These estimates and underlying assumptions are reviewed on an ongoing basis by the management. If a revision of an estimate only affects the current period, it is recognized in the period in which the revision occurs. If a revision of an accounting estimate affects the current period and future periods, it is recognized in the period in which the revision occurs and future periods.

Major source of estimates and assumption uncertainty – Income Tax

As of December 31, 2021 and 2020, the amount of deferred income tax assets related to unused tax losses and deductible temporary differences was NT$142,278 thousand and NT$143,409 thousand, respectively; due to the unpredictability of future profits, the consolidated company does not recognize such as a deferred tax asset. The realization of the deferred tax asset depends mainly on its future profitability or the taxable temporary difference. A significant recognition of deferred tax assets will be recognized as gain or loss if the real profits in the future are more than expected. Such recognition is recognized as gain or loss during the occurrence period.

VI. Cash

	December 31, 2021	December 31, 2020
Cash on hand and penny cash	$ 27	$ 7
Demand deposits with banks	4,381	8,830
	$ 4,408	$ 8,837

VII. Accounts receivable (related parties)

	December 31, 2021	December 31, 2020
Amortized cost		
Total carrying amount	$ 70,155	$ 8,804
Less: Allowance for bad debts	-	-
	$ 70,155	$ 8,804

The balance of accounts receivable is mainly generated by the company's triangular trade, and the net transaction amount is recognized under the item of operating income.

The Company’s average credit period of sales of goods is 30 to 180 days. No interest is accrued for accounts receivable. To mitigate credit risk, the management of the Company has designated personnel responsible for decision on line of credit, credit approval and other supervision to ensure proper action has been taken to collect overdue accounts receivable. In addition, the Company will review the recoverable amount of the receivables one by one on the balance sheet date to ensure that the appropriate provision of impairment losses for uncollectible receivables have been made.

The loss allowance for accounts receivable of the Company is measured at an amount equal to useful lives expected credit losses. The ECLs on accounts receivable are estimated using a provision matrix with reference to clients’ past default records, current financial position, economic situation in the industry, GDP forecast and industry outlook. Based on the Company’s history of credit losses, as there was no significant difference in the loss patterns among different groups of clients, the groups of clients were not further differentiated in the provision matrix, and only ECLs rate was set based on the number of days for which accounts receivable was past due.

If any evidence shows the counterparty faces significant financial difficulty and the collectible amount cannot be reasonably expected, the Company will directly offset the relevant accounts receivable but keep track of the receivables. The recovered amount is recognized in profit or loss.

The Company' s allowance for impairment losses on accounts receivable based on the provision matrix is as follows:

December 31, 2021

	Counterparty has no default signal			
	Not Past Due	Less than 60 days	61–90 days	Total
Expected credit loss (%)	-	-	-	
Total carrying amount	$ 62,920	$ 6,159	$ 1,076	$ 70,155
Loss allowance (lifetime ECLs)	-	-	-	-
Amortized cost	$ 62,920	$ 6,159	$ 1,076	$ 70,155

December 31, 2020

	Counterparty has no default signal		
	Not Past Due	Less than 60 days	Total
Expected credit loss (%)	-	-	
Total carrying amount	$ 8,804	$ -	$ 8,804
Loss allowance (lifetime ECLs)	-	-	-
Amortized cost	$ 8,804	$ -	$ 8,804

Please refer to Note XX for the amount and relevant terms of factoring of accounts receivable by the Company.

For the accounts receivable pledged as collateral for borrowings by the Company are set out in Note XXIV.

VIII. Other financial assets

	December 31, 2021	December 31, 2020
Pledge bank deposit	$ 30,535	$ 28,227
Refundable deposits	50	50
	$ 30,585	$ 28,277
Current	$ 30,535	$ 28,227
Non-current	50	50
	$ 30,585	$ 28,277

The interest rate per annum range of cash in pledging banks on the balance sheet date is as follows:

	December 31, 2021	December 31, 2020
Time deposits at banks (%)	0.03～0.12	0.10～0.20

Please refer to Note XXIV for information on financial assets pledged.

IX. Investment accounted for under the equity method

Investments in subsidiaries

	December 31, 2021		December 31, 2020 (after restatement)	
	Amount	Equity (%)	Amount	Equity (%)
Unlisted companies				
Logah Technology Co., Ltd. (Seychelles Logah)	$ 139,428	100	$ 193,908	100
Le Yang Investment Co., Ltd. (Le Yang Investment)	289,906	100	364,214	100
Link Bright Technology Limited (Link Bright Technology)	21,311	100	22,454	100
	$ 450,645		$ 580,576	

Suzhou Longdeng, the Company's sub-subsidiary, acquired 100% equity of Suzhou Ruideng from its related party, Shisong Investment (Samoa) Co., Ltd. in September 2021. This acquisition of equity is the reorganization under a common control, and shall be applied with the book value method, and deemed as a combination from the beginning; therefore the consolidated financial reports are restated for the comparative period. Please refer to Note XX.

In 2020, the Company acquired a subsidiary, Link Bright Technology, for a total consideration of NT$17,172 thousand (RMB 4,000 thousand). Please refer to Note XX.

The share of profit or loss and other comprehensive income of subsidiaries accounted for using the equity method in 2021 and 2020 are in accordance with auditors' reports of each subsidiaries as of the same period.

X. Property, plant and equipment

(I) Table of changes in costs and accumulated depreciation

2021

Cost	Transportation Equipment	Office equipment	Miscellaneouse quipments	Total
Balance at January 1, 2021	$ 3,600	$ 3,535	$ 140	$ 7,275
Addition	-	31	-	31
Disposal	-	(12)	-	(12)
Balance as of December 31, 2021	$ 3,600	$ 3,554	$ 140	$ 7,294

Accumulated depreciation	Transportation Equipment	Office equipment	Miscellaneouse quipments	Total
Balance at January 1, 2021	($ 3,450)	($ 3,535)	($ 140)	($ 7,125)
Depreciation expense	(150)	(5)	-	(155)
Disposal	-	12	-	12
Balance as of December 31, 2021	($ 3,600)	($ 3,528)	($ 140)	($ 7,268)
Net amount on December 31, 2021	$ -	$ 26	$ -	$ 26

2020

Cost	Transportation Equipment	Office equipment	Miscellaneouse quipments	Total
Balance as of January 1 and December 31, 2020	$ 3,600	$ 3,535	$ 140	$ 7,275
Accumulated depreciation				
Balance as of January 1, 2020	($ 2,850)	($ 3,535)	($ 140)	($ 6,525)
Depreciation expense	(600)	-	-	(600)
Balance as of December 31, 2020	($ 3,450)	($ 3,535)	($ 140)	($ 7,125)
Net amount on December 31, 2020	$ 150	$ -	$ -	$ 150

(II) Useful life

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives:

Transportation Equipment	5 years
Office equipment	3 years

XI. Lease agreements

Information on other lease of the Company is as below:

	2021	2020
Expenses for leases of low-value assets	$ 30	$ 30
Total cash outflow for leases	$ 30	$ 30

The Company has elected to apply the recognition exemption for low-value leases of office equipment and, thus, did not recognize said leases in right-of-use assets and lease liabilities.

XII. Short-term borrowings

	December 31, 2021	December 31, 2020
Secured borrowings (Note XXIV)		
Bank borrowings	$ 23,139	$ -

The interest rate on bank revolving borrowings as at December 31, 2021 was 1.47%～2.00%.

Some of the aforesaid borrowings are endorsed and guaranteed by the Chairman, Yu, Hui-Fa and the substantive related party.

XIII. Other payables

	2021	2020
Wages and bonuses payable	$ 2,781	$ 6,721
Service fee payable	2,343	2,148
Payable for dies	4,709	4,213
Others	991	818
	$ 10,824	$ 13,900
Other payables	$ 8,513	$ 13,568
Other payables - related parties (Notes XXIII)	2,311	332
	$ 10,824	$ 13,900

XIV. Post-employment benefit plans

The pension system of the "Labor Pension Act" is applicable to the Company, belonging to the affirmed appropriation of pension plan under the management of the government, and pension is appropriated at the rate of 6% of the monthly salary of employees into the personal dedicated account of the Bureau of Labor Insurance.

XV. Equity

(I) Common share capital

	December 31, 2021	December 31, 2020
Authorized shares (in thousands)	200,000	200,000
Authorized capital	$2,000,000	$2,000,000
Issued and paid shares (in thousands)	93,042	93,042
Issued capital	$ 930,425	$ 930,425

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

To replenish working capital, repay bank borrowings, and respond to the funds needed for future developments, on June 15, 2020, the Company, upon the resolution of the broad of directors, to complete the cash capital increase with private placement. The common shares were issued at a discounted price of NT$9.68 per share, and 10,000 thousand shares were placed, for total NT$96,800 thousand; the change registration was completed.

The rights and obligations of the said privately placed common shares are identical to the issued common shares, other than the transfer is only permitted after three full years lapse from the delivery date, and the supplemental public issuance is conducted for applying listing and trading.

(II) Capital surplus

	December 31, 2021	December 31, 2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (note)		
Additional paid-in capital	$ 7,327	$ -

For capital reserves arising from reorganization, please refer to Notes XXIII to consolidated financial statements

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

(III) Retained earnings and dividend policy

Under the dividends policy as outlined in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

The enterprise life cycle of the Company is at the growing stage. By considering the effects of future business expansion, fund demands, and taxation on the Company and its shareholders, for the distribution of dividends, the cash dividends must not lower than the 10% of the total distributed dividends of the year.

Legal capital reserve shall be set aside until its balance equals to full amount of the paid-in capital. Legal reserves may be used to offset the deficit.

The appropriations for offsetting loss for 2020 and 2019 were approved in the shareholders' general meetings on Auguste 19, 2021, and June 15, 2020, respectively.

The appropriations for offsetting loss for 2021 are subject to the resolution of the shareholders' meeting to be held in June 2022.

(IV) Other items of equity

Exchange differences arising on translation of foreign operations

	2021	2020
Balance at January 1	$ 18,230	$ 17,721
Exchange differences on translating the financial statements of foreign operations	(4,814)	6,789
Related income tax	963	(1,358)
Share of profit or loss of subsidiaries using the equity method	215	(6,153)
Related income tax	(43)	1,231
Balance at December 31	$ 14,551	$ 18,230

XVI. Revenues

	2021	2020
Revenue from contracts with customers		
Net sales revenue of materials (Note 1)	$ 704	$ -
Net sales revenue of products (Note 2)	7,594	5,051
	$ 8,298	$ 5,051

Note 1: Total sales revenue of materials and costs are listed as below:

	2021	2020
Total sales revenue of materials	$ 15,826	$ -
Sales costs of materials	$ 15,122	$ -

Note 2: Total sales revenue of products and costs are listed as below:

	2021	2020
Total sales revenue of products	$ 162,934	$ 100,839
Cost of goods sold	$ 155,340	$ 95,788

(I) Please refer to note IV for the description of contracts with customers

(II) Contract balance

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable (related parties) (Note VII)	$ 70,155	$ 8,804	$ 9,326

XVII. Net profit (loss) for the year

Net profit (loss) for the year includes the following items:

(I) Interest income

	2021	2020
Cash in banks	$ 38	$ 104
Other interest income	1,731	3,504
	$ 1,769	$ 3,608

(II) Other gains and losses

	2021	2020
Net foreign currency conversion loss	($ 539)	($ 385)

(III) Financial costs

	2021	2020
Interest on borrowings	$ 507	$ 876

(IV) Depreciation and amortization

	2021	2020
Property, plant and equipment	$ 155	$ 600
An analysis of depreciation by function		
Operating expenses	$ 155	$ 600

(V) Employee benefit expense

	2021	2020
Short-term employee benefits	$ 21,539	$ 23,488
Pensions		
Defined contribution plans	908	804
Termination benefits	10	11
Total employee benefit expenses	$ 22,457	$ 24,303
An analysis by function		
Operating expenses	$ 22,457	$ 24,303

(VI) Employee compensation and directors' remuneration

Under the Company's Articles of Incorporation, the Company shall accrue remunerations of employees and directors at the rates of 1% to 3% and no higher than 1.5% respectively, of net profit before income tax, of remuneration of employees and remuneration of directors. In 2021 and 2020, the Company recorded both cumulative deficit. Therefore, it did not estimate employee compensation and directors' remuneration.

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

In 2021 and 2020, the Company recorded both cumulative deficit. Therefore, the board of directors resolved on March 25, 2021 and March 26, 2020, not to distribute the remunerations of employees and directors.

Please visit the "Market Observation Post System (MOPS)" of Taiwan Stock Exchange Corporation for information on employee compensation and directors' remuneration as resolved by the Company's Board of Directors.

(VII) Gains (losses) on foreign currency exchange

	2021	2020
Foreign exchange gains	$ 2,225	$ 2,889
Foreign exchange losses	(2,764)	(3,274)
Net loss	($ 539)	($ 385)

XVIII. Income tax

(I) Main components of income tax expense recognized in profit or loss

	2021	2020
Deferred tax		
Income tax expense generated in the current year	$ 175	($ 576)
Income tax income tax gain (expense) recognized in profit or loss	$ 175	($ 576)

A reconciliation of accounting profit and income tax income (expense) is as follows:

	2021	2020 (after restatement)
Net profit (loss) before income tax	($ 39,415)	$ 55,829
Income tax gain (expense) calculated at the statutory rate	$ 7,883	($ 11,166)
Non-deductible expenses in determining taxable income, and deductible income	(2,076)	8,200
Unrecognized loss carryforward/ deductible temporary differences	(5,632)	2,390
Income tax income tax gain (expense) recognized in profit or loss	$ 175	($ 576)

(II) Income tax gain (expense) recognized in other comprehensive income

Deferred tax	2021	2020
Income tax expense generated in the current year		
Translation of foreign operations	$ 963	($ 1,358)
Share of other comprehensive profit or loss of subsidiaries using the equity method	(43)	1,231
	$ 920	($ 127)

(III) Deferred income tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2021

	Balance at January 1	Defined benefit costs recognized in profit or loss	Defined benefit costs recognized in other comprehensive income	Balance at December 31
Deferred tax income assets				
Unrealized exchange loss	$ 296	$ 177	$ -	$ 473
Others	723	(73)	-	650
	$ 1,019	$ 104	$ -	$ 1,123
Deferred income tax liabilities				
Exchange differences on translating foreign operations	$ 4,557	$ -	($ 920)	$ 3,637
Others	1,356	(71)	-	1,285
	$ 5,913	($ 71)	($ 920)	$ 4,922

2020

	Balance at January 1	Defined benefit costs recognized in profit or loss	Defined benefit costs recognized in other comprehensive income	Balance at December 31
Deferred tax income assets				
Unrealized exchange loss	$ 239	$ 57	$ -	$ 296
Others	-	723	-	723
	$ 239	$ 780	$ -	$ 1,019
Deferred income tax liabilities				
Exchange differences on translating foreign operations	$ 4,430	$ -	$ 127	$ 4,557
Others	-	1,356	-	1,356
	$ 4,430	$ 1,356	$ 127	$ 5,913

(IV) Items not recognized as deferred income tax assets in the parent-only balance sheet

	December 31, 2021	December 31, 2020
Unused loss carryforwards		
Due at the end of 2022	$ 113,468	$ 113,468
Due at the end of 2023	205,470	205,470
Due at the end of 2024	34,594	34,594
Due at the end of 2025	36,796	36,796
Due at the end of 2026	28,401	28,401
Due at the end of 2027	22,035	22,035
Due at the end of 2028	12,742	12,742
Due at the end of 2029	17,072	17,072
Due at the end of 2030	21,216	20,671
Due at the end of 2031	21,301	-
	$ 513,095	$ 491,249
Deductible temporary difference	$ 198,296	$ 190,816

(V) Income tax examination

The tax authorities have examined the income tax returns filed by the Company through 2019.

XIX. Earnings per share (EPS)

The Company may opt to distribute the remunerations of employees in shares or in cash; while the net profit was generated in 2021 and 2020, there were still cumulative deficit as of December 31, 2020 and 2019; therefore, the remunerations of employees were not estimated, and no diluting effect when calculating diluted EPS. The net income and weighted average number of ordinary shares used to calculate earnings per share are as follows:

Net income for the year

	2021	2020
Earnings used in the computation of basic earnings per share	$ 1,522	$ 74,849

Number of shares

Unit: thousand shares

	2021	2020
Weighted average number of ordinary shares in computation of basic earnings per share	93,042	83,603

XX. Acquisition of investment in subsidiaries

Obtained the control over a business

In order to cope with the needs of long-term future business development, the Company have the sub-subsidiary, Suzhou Longdeng, to acquire Suzhou Ruideng from its related party, Shisong Investment (SAMOA) Co., Ltd. on September 1, 2021. For other information related to the acquisition of Suzhou Ruideng, please refer to Notes XXIII to consolidated financial statements

Obtained the control not over a business

In order to expand and acquire the network communication market, the consolidated company acquired the entire equity of Link Bright Technology from the chairman of the Company at a total price of RMB4,000 thousand on September 1, 2020.

The total proceed was negotiated by referring to the appraisal report issued by an independent professional institution. The said equity acquisition transaction is not deemed a business under IFRS 3 “Business Combination,” and should be handled as an asset acquisition. For other information related to the acquisition of Link Bright Technology, please refer to Notes X to consolidated financial statements

XXI. Capital risk management

The Company manages its capital to ensure that all entities in the Corporation will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The overall strategy has not changed materially.

The Company's capital structure is consist of net debt (leases less cash and cash equivalent) and equity attributed to the Company's owner (common stocks, capital surplus, retained earnings and other equity).

The Company is allowed not to follow other external laws or regulations on capital.

The Company' s capital structure is reviewed quarterly by the management team. The review considers the various capital costs and the risks associated with each type of capital. Under the recommendations of the key management personnel, to balance the overall capital structure, the Company may adjust the number of dividends paid to shareholders and the number of new shares issued and repurchased.

XXII. Financial instruments

(I) Fair value of financial instruments not measured at fair value

The management of the Company considers that the carrying amounts of financial assets and financial liabilities that are not measured at fair value are similar to their fair values.

(II) Categories of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Amortized cost (Note 1)	$ 244,235	$ 228,029

	December 31, 2021	December 31, 2020
Financial liabilities		
Amortized cost (Note 2)	$ 76,580	$ 33,769

Note 1: The balances include cash, notes receivable, account receivable (related parties included), other receivables (related parties included), and financial assets measured at amortized cost.

Note 2: The balance includes financial liabilities at amortized cost, including short-term borrowings, notes payable, accounts payable (including related parties), and other payables (including related parties).

(III) Financial risk management objectives and policies

The Company’s major financial instruments include accounts receivable, other financial assets, notes payable, accounts payable and borrowings. The financial management department provides service for each unit by organizing and coordinating the market operation nationally and internationally, supervising and reporting the internal risks by analyzing risk exposure according to the extent and breadth of risk, and managing financial risks associated with the Company's operation. Such risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

The financial management department reports quarterly to the Audit Committee and board of directors of the Company; such Audit Committee and board of directors are the independent organization responsible for supervising risks and implementing policies to mitigate exposures.

1. Market risk

The Company is exposed to the financial market risks, primarily changes in foreign currency exchange (see (1) following) rates and interest rates (see (2) following), due to its operation.

The Company is exposed to market risk associated with financial instruments and the management and measurement of such exposure have not changed.

(1) Foreign currency risk

The Company's sales and purchase transactions are denominated in foreign currency, which exposes the Company to foreign currency risk.

For the carrying value of the monetary assets and liabilities in non-functional currencies as at the reporting date, please see Note XXVI.

Sensitivity analysis

The Company is mainly affected by the fluctuations in the exchange rates of USD.

The table below details the Company’s sensitivity analysis when the functional currency increases and decreases by 5% against related currencies. The rate of 5% is the sensitivity rate used when reporting foreign currency risk internally to the key management and represents the management’s assessment of the reasonably likely change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the end-of-year exchange rate is adjusted to 5% increase and decrease. When the functional currency appreciates by 5% against USD, the resulted change in the amount of net pre-tax profit and loss is as follows:

	Effects of USD	
	2021	2020
Income	$ 9,222	$ 10,192

(2) Interest rate risk

The carrying accounts of financial assets and liabilities exposed to interest rate risk at the date of balance sheet are as follows:

	December 31, 2021	December 31, 2020
Fair value interest rate risk		
Financial assets	$ 164,590	$ 194,450
Financial liabilities	9,320	-
Cash flow interest rate risk		
Financial assets	4,381	8,830
Financial liabilities	13,819	-

Sensitivity analysis

The following sensitivity analysis is determined in accordance with interest rate risk of non-derivative instruments at the date of balance sheet. For the floating rate liabilities, the analysis is to assume that the amount of liabilities outstanding at the date of balance sheet is all outstanding at the reporting period. The sensitivity to a 1% change in interest rate is used when reporting the interest rate risk internally to key management personnel and also represents the management’s assessment of the reasonably possible change in interest rates.

If the interest rate increases/decreases by 1%, and all other variables remain unchanged, the pre-tax profit and loss of the consolidated company for 2021 and 2020 will change by NT$94 thousand and NT$88 thousand, mainly due to the exposures for the floating-rate demand deposit, and floating-rate long- and short-term borrowings.

2. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. As at the end of the reporting period, the Company’s maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Company, could arise from the carrying amounts of the respective recognized financial assets as stated in the balance sheets.

A significant concentration of credit risk occurs when the counterparties to the Company's accounts receivable transactions are significantly concentrated in certain customers who mostly engage in similar business activities with similar business nature, such that their ability to perform contracts is impacted by similar financial or other conditions.

	December 31, 2021	December 31, 2020
Company A	$ 25,312	$ -
Company B	15,676	-
Company C	12,852	-
Company D	5,132	-
Company E	4,142	8,787
	$ 63,114	$ 8,787

The Company’s credit risk is mainly concentrated in the top five clients. As of December 31, 2021 and 2020, the percentages of total accounts receivable from the aforementioned clients were 89.96% and 99.81%, respectively.

3. Liquidity risk

The Company manages and maintains a level of cash adequate to finance the Company’s operations and mitigate the effects of fluctuations in cash flows. The management of the Company supervises the use of the bank's financing facilities to ensure that there are sufficient financing facilities, so there is no liquidity risk due to the inability to raise funds to fulfill the contractual obligations. On December 31, 2021, the consolidated current liabilities of the consolidated company exceeded combined current assets by NT$ 135,212 thousand, and the insufficient working capital may have liquidity risks that the contractual obligations may not be fulfilled. Please refer to Note XV of the 2021 consolidated financial reports.

The contract maturity analysis of the non-derivative financial liabilities is conducted based on the earliest date. The Company may be required to repay and the undiscounted cash flow of financial liabilities. Therefore, earliest period when the Company may be required to repay the bank loan immediately, are listed as the following table, regardless of the probability of the bank to immediately execute the right; the maturity analysis of other non-derivative financial liabilities is prepared based pm the agreed repayment date.

December 31, 2021

	Repayment on demand or less than 1 month	1–3 months	3 months–1 year
Non-derivative financial liabilities			
Non-interest bearing liabilities	$ 7,350	$ 9,152	$ 36,939
Floating-rate instruments	2,285	7,073	-
Fixed-rate instruments	22	10,040	3,828
Financial guarantee liabilities	83,748	-	-
	$ 93,405	$ 26,265	$ 40,767

December 31, 2020

	Repayment on demand or less than 1 month	1–3 months	3 months–1 year	1-5 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 3,091	$ 6,854	$ 22,365	$ 1,459
Financial guarantee liabilities	96,485	-	-	-
	$ 99,576	$ 6,854	$ 22,365	$ 1,459

4. Transfers of financial assets

The relevant information about factoring the unexpired accounts receivable of the Company at the end of the period is as follows:

December 31, 2021

Related Party	Sales Amount	Transfer to other receivables	Amount may be advanced	Advances Received	Interest Rates on Advances Received (%)
Chang Hwa Commercial Bank	$ 28,312	$ 4,841	$ -	$ 23,471	1.22～1.35

December 31, 2020

Related Party	Sales Amount	Transfer to other receivables	Amount may be advanced	Advances Received	Interest Rates on Advances Received (%)
Chang Hwa Commercial Bank	$ 37,256	$ 3,730	$ -	$ 33,526	1.32～1.38

The above credit lines may be used on a revolving basis.

According to the Company's factoring agreements, losses from commercial disputes (such as sales returns and discounts) were borne by the Company, while losses from credit risk were borne by the banks.

XXIII. Related-Party Transactions

Unless disclosed in other notes, the transactions between the Company and related parties are as follows:

(I) Related party name and categories

Related Party Name	Relationship with the Company
Suzhou Longdeng	Subsidiary
Link Bright Technology	Subsidiary

(II) Sales

Related party category/Name	2021	2020
Subsidiary		
Suzhou Longdeng	$ 704	$ -

The transaction between the Company and Suzhou Longdeng is recognized under the operating income at the net amount of cost plus markup. The payment terms are not comparable because no similar product is sold to unrelated parties.

(III) Purchase

Related party category/Name	2021	2020
Subsidiary		
Suzhou Longdeng	$155,262	$ 95,788
Others	78	-
	$155,340	$ 95,788

The Company and Suzhou Longdeng are mainly engaged in the purchase transaction of the triangular trade, and provides sales of goods and services to non-related parties as an agent. For the payment terms, as there is no transaction with any non-related party is similar now, so it is not comparatable.

(IV) Receivables from related parties (excluding lending to related parties)

Line Item	Related party category/Name	December 31, 2021	December 31, 2020
Accounts receivable - related parties	Subsidiary		
	Suzhou Longdeng	$ 15,676	$ -
Other receivables – related parties	Subsidiary		
	Suzhou Longdeng	$ -	$ 11,200

The aforesaid receivables from related parties are unguaranteed receivables for sales and equipment receivables. The receivables from related parties in 2021 and 2020 were not provided for the allowance for loss

(V) Payables to related parties (excluding lending to related parties)

Line Item	Related party category/Name	2021 December 31	2020 December 31
Accounts payable - related parties	Subsidiary		
	Suzhou Longdeng	$ 35,297	$ 12,574
Other payables -- related parties	Subsidiary		
	Suzhou Longdeng	$ 2,311	$ 332

Other payables between the Company and related parties are payments for dies.

(VI) Loans to related parties

Line Item	Related party category/Name	December 31, 2021	December 31, 2020
Other receivables – related parties	Subsidiary		
	Suzhou Longdeng	$ 134,246	$ 166,783

Line Item	Related party category/Name	2021	2020
Interest income	Subsidiary		
	Suzhou Longdeng	$ 1,731	$ 3,504

The Company provides short-term unsecured loans to subsidiaries, at interest rates per annum of 1.1% and 1.1% to 4.5% as at December 31, 2021 and 2020 respectively.

(VII) Endorsements/guarantees

Endorsements/guarantees provided

	December 31, 2021		December 31, 2020	
.	Total amount endorsed	Amount actually drawn	Total amount endorsed	Amount actually drawn
Subsidiary				
Suzhou Longdeng	$ 300,000	$ 83,748	$ 300,000	$ 96,485

The Company provides bank deposits as collateral for the financing borrowings of the subsidiary Suzhou Longdeng, please refer to Note XXIV.

Obtained endorsements/guarantees

Related party category	December 31, 2021	December 31, 2020
Chairman and the substantive related party		
Amount guaranteed	$ 75,260	$ -
Amount actually drawn (listed as secured bank borrowings)	$ 23,139	$ -

(VIII) Property transaction

The Company purchased equipment on behalf of its subsidiary, Suzhou Longdeng in November 2020. The sale price was NT$11,334 thousand, resulting in unrealized gain of NT$3,614 thousand. The balance of unrealized gains as of December 31, 2021 and 2020 were NT$3,253 thousand and NT$3,614 thousand, respectively, which were listed in the investment deduction using the equity method for recognition of the realized gains in installments based on the 10- year useful life of the equipment.

As the Company has not sold similar assets to non-related parties, there is no comparable transaction price and payment conditions.

(IX) Remuneration of key management personnel

	2021	2020
Short-term employee benefits	$ 4,616	$ 8,500
Pensions	87	87
	$ 4,703	$ 8,587

The remuneration of directors and other key management personnel were determined by the Remuneration Committee in accordance with the individual performance and the market trends.

XXIV. Pledged Assets

The following assets have been provided as collateral for the short-term borrowings of the Company and its subsidiaries:

	December 31, 2021	December 31, 2020
Accounts receivable	$ 13,134	$ -
Other financial assets -current	30,535	28,227
	$ 43,669	$ 28,227

XXV. Significant Contingent Liabilities and Unrecognized Commitments

Significant contingent liabilities and unrecognized commitments of the Company as following:

As of December 31, 2021, the amount of Company's opened but yet used L/C was NT$1,215 thousand.

XXVI. Information on Foreign-currency-denominated Assets And Liabilities

The following is summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed are used to translate the foreign currencies into the functional currency. The information regarding assets and liabilities dominated by foreign currency which might arouse material effect:

	Foreign Currency	Exchange rate	Carrying amount
December 31, 2021			
Foreign currency assets			
Monetary items			
USD	$ 8,813	27.63 (USD: TWD)	$ 243,501
Non-monetary items			
Subsidiary using the equity method:			
USD	5,098	27.63 (USD: TWD)	140,856

(Continued on next page)

(Continued)

	Foreign Currency	Exchange rate		Carrying amount
HKD	6,056	3.519	(HKD: TWD)	21,311
Foreign currency liabilities				
Monetary items				
USD	2,138	27.63	(USD: TWD)	59,067
December 31, 2020 (after restatement)				
Foreign currency assets				
Monetary items				
USD	7,760	28.43	(USD: TWD)	220,619
Non-monetary items				
Subsidiary using the equity method:				
USD	6,877	28.43	(USD: TWD)	195,496
HKD	6,164	3.643	(HKD: TWD)	22,454
Foreign currency liabilities				
Monetary items				
USD	$ 590	28.43	(USD: TWD)	$ 16,789

Unrealized and realized foreign exchange gains and losses with material influence are as follows:

Foreign Currency	Exchange rate		Net exchange gains (losses)
2021			
USD	28.009	(USD: TWD)	($ 539)
2020			
USD	29.549	(USD: TWD)	($ 385)

XXVII. Others

(I) Reason of restatement

On July 15, 2021, the board of directors approved to acquire 100% equity of Suzhou Ruideng from Shisong Samoa in September, 2021 with cash as consideration. This acquisition of equity is the reorganization under a common control, and pursuant to Q&A and interpretation letters of Accounting Research and Development Foundation, such acquisition shall be applied with the book value method, and deemed as a combination from the beginning; therefore the Parent Company Only financial reports are restated for the comparative period. When restating retrospectively, the profit and loss, other comprehensive income, and related interests originally owned by Shisong Samoa were listed as “equity attributable to former owner of business combination under common control.”

(II) The restatement of the parent-only balance sheet as at 31 December 2020 and the parent-only statement of comprehensive income for 2020 has the following effects:

December 31, 2020

Item	Amount before retrospective restatement	effects	Amount after retrospective restatement
Current assets			
Cash	$ 8,837	$ -	$ 8,837
Accounts receivable	8,804	-	8,804
Other receivables	4,128	-	4,128
Other receivables – related parties	177,983	-	177,983
Other financial assets -current	$ 28,227	$ -	$ 28,227
Other current assets	78	-	78
Total current assets	228,057	-	228,057
Non-current assets			
Investment accounted for under the equity method	420,031	160,545	580,576
Property, plant and equipment	150	-	150
Deferred tax income assets	1,019	-	1,019
Other financial assets - non-current	50	-	50
Total non-current assets	421,250	160,545	581,795
Total assets	$ 649,307	$ 160,545	$ 809,852
Current liabilities			
Notes payable	$ 7,295	$ -	$ 7,295
Accounts payable - related parties	12,574	-	12,574
Other payables	13,568	-	13,568
Other payables -- related parties	332	-	332
Other current liabilities	65	-	65
Total current liabilities	33,834	-	33,834
Non-current liabilities			
Deferred income tax liabilities	5,913	-	5,913
Total Liabilities	39,747	-	39,747
Equity			
Common share capital	930,425	-	930,425
Accumulatedlosses	(339,095)	-	(339,095)
Other equities	18,230	-	18,230
Equity attributable to former owner of business combination under common control	-	160,545	160,545
Total equity	609,560	160,545	770,105
Total liabilities and equities	$ 649,307	$ 160,545	$ 809,852

2020

Item	Amount before retrospective restatement	effects	Amount after retrospective restatement
Net operating income	$ 5,051	$ -	$ 5,051
Gross profit	5,051	-	5,051
Operating expenses			
Selling expenses	177	-	177
Administrative expenses	32,415	-	32,415
Total operating expenses	32,592	-	32,592
Net operating loss	(27,541)	-	(27,541)
Non-operating income and expense			
Interest income	3,608	-	3,608
Other income	111	-	111
Other gains and losses	(385)	-	(385)
Financial costs	(876)	-	(876)
Share of profit or loss of subsidiaries using the equity method	100,508	(19,596)	80,912
Total non-operating incomes and expenses	102,966	(19,596)	83,370
Net profit (loss) before income tax	75,425	(19,596)	55,829
Income tax expenses	(576)	-	(576)
Net profit (loss) for the year	74,849	(19,596)	55,253
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations	6,789	-	6,789
Share of other comprehensive profit or loss of subsidiaries using the equity method	(6,153)	2,428	(3,725)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(127)	-	(127)
Other comprehensive income of the year (net amount after tax)	509	2,428	2,937
Total comprehensive income (loss) for the year	$ 75,358	($ 17,168)	$ 58,190

XXVIII. Additional Disclosures

(I) Information on Significant Transactions

1. Financing provided to others. (Table 1)
2. Endorsements/guarantees provided. (Table 2)
3. Securities Held at the End of the Period (Excluding Investment in Subsidiaries): None.
4. Marketable securities acquired and disposed 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 3.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.
9. Trading in derivative instruments: None.

(II) Information on Investees: Table 5

(III) Information on Investment in Mainland China

1. The name of the investee in mainland China, the main businesses, paid-in capital, method of investment, capital remitted in and out, percentage of ownership, income and recognized investment gain (losses) of the period, book value of the investment at the end of period, repatriated investment gain (losses), and the limitation on investee in Mainland China: Table 6.
2. Significant direct or indirect transactions through a third area with the investee in the Mainland Area, and its prices and terms of payment, unrealized gain or loss are as follows:
   (1) The amount and percentage of purchases and the balance and percentage of the relevant payables at the end of the period: Table 3.
   (2) The amount and percentage of sales and the balance and percentage of the relevant receivables at the end of the period: None
   (3) The amount of property transactions and the amount of the resultant gains or losses: None.
   (4) Endorsement/guarantee provided: Table 2.
   (5) Financing provided: Table 1.
   (6) Other transactions that significantly impacted the current year's profit or loss or financial position: None.

(IV) Information on major shareholders: names, numbers of shares held, and shareholding percentages of shareholders who hold 5 percent or more of the equity: Table 7.

Logah Technology Corporation and the subsidiaries
Financing provided to others
2021

Table 1

Unit In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise

No.	Lender	Borrower	Financial Statement Account	Whether it is a related party	Amount of maximum limit for the year	Balance of limit at the end of year	Amount actually drawn	Interest Rate (%)	Nature of financing provided	Business Transaction Amounts	Reason for the necessity of short-term financing	Allowance for Impairment Loss	Collateral Name	Collateral Value	Loans limits for individual entities (Note 1)	Total limit of financing (Note 2)	Remarks
0	The Company	Suzhou Longdeng	Other receivables – related parties	Yes	$ 216,450 (USD 7,800)	$ 134,006 (USD 4,850)	$ 134,006 (USD 4,850)	1.1	Short-term financing	$ -	Funds for operation	$ -	-	$ -	$ 245,892	$ 245,892	40% of the Company's net worth
1	Le Yang Investment	Suzhou Longdeng	Other receivables – related parties	Yes	192,274 (USD 6,750)	186,503 (USD 6,750)	186,503 (USD 6,750)	-	Short-term financing	-	Funds for operation	-	-	-	116,692 (Note 3)	116,692 (Note 3)	40% of Le Yang Investment's net worth
2	Suzhou Logah	Suzhou Longdeng	Other receivables – related parties	Yes	101,788 (CNY (RMB)23,400)	101,540 (CNY (RMB)23,400)	68,948 (CNY (RMB)15,889)	-	Short-term financing	-	Funds for operation	-	-	-	139,943	139,943	100% of Suzhou Logah's net worth
3	Suzhou Ruideng	Suzhou Longdeng	Other receivables – related parties	Yes	86,998 (CNY (RMB)20,000)	86,786 (CNY (RMB)20,000)	32,972 (CNY (RMB)7,598)	-	Short-term financing	-	Funds for operation	-	-	-	129,316	129,316	100% of Suzhou Ruideng's net worth

Note 1: The cumulative balance of the loaned funds, must not exceed 40% of the loaned company's net worth.

Note 2: Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40 percent of the lender's net worth. The limit of loaning of funds to the subsidiaries in which the Company holds, directly or indirectly, more than 50% of equity, is not exceeding 40 percent of the lender's net worth. The limit of loaning of funds to the subsidiaries in which the Company holds, directly or indirectly, more than 100% of equity, is not exceeding 100 percent of the lender's net worth.

Note 3: The funds loan to Suzhou Longdeng by Le Yang Investment has exceeded the defined maximum loand funds; Le Yang Investment has established the improvement plan (please refer to Table 4).

Logah Technology Corporation and the subsidiaries
Endorsements/guarantees provided
2021

Table 2

Unit: NTD thousand
(Not including the noted otherwise)

No.	Endorsement/guarantee provider	Guaranteed party		Limit of endorsement/ guarantee for a single enterprise	Maximum balance for the period	Ending balance	Amount actually drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of accumulated endorsement/guarantee to net equity per latest financial statements(%)	Maximum amount of endorsement/guarantee allowance (Note)	Guarantee provided by parent company	Guarantee provided by subsidiary	Guarantee provided to subsidiaries in Mainland China
		Company name	Relationship										
0	The Company	Suzhou Longdeng	Subsidiary	$ 491,784 (80% of net worth)	$600,000	$300,000	$ 83,748	$ 27,468	48.80	$ 491,784 (80% of net worth)	Y	N	Y

Note: The total endorsement/guarantee provided to the companies in which the Company holds 100% voting rights directly or indirectly shall not exceed 80% of the Company’s net worth.

Logah Technology Corporation and the subsidiaries
Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the share capital:
2021

Table 3

Unit: NTD thousand
(Not including the noted otherwise)

Companies purchasing from or sell to	Related Party	Relationship	Transaction Details				Differences in transaction terms compared with third party transactions		Note/Accounts Receivable (Payable)		Remarks
			Sales / Purchase	Amount	Ratio to the total sales (purchasing) (%)	Payment Terms	Unit Price	Payment Terms	Balance	Percentage to note/ accounts receivable (payable)	
The Company	Suzhou Longdeng	Consolidated subsidiaries	Purchase	($155,262)	(91)	Monthly settlement 180 days	No comparable transaction.	No comparable transaction.	($ 35,297)	(83)	Note
Link Bright Technology	Suzhou Longdeng	Consolidated subsidiaries	Purchase	(118,021)	(97)	Monthly settlement 180 days	No comparable transaction.	No comparable transaction.	(16,114)	(100)	Note

Note: The purchases among the Company, Link Bright Technology, and Suzhou Longdeng are mainly the transactions for triangular trade.

Logah Technology Corporation and the subsidiaries
Receivables from related parties amounting to at least NT$100 million or 20% of the share capital
December 31, 2021

Table 4

Unit: NTD thousand

Company Name	Related Party	Relationship	Balance of accounts receivable from related parties	Turnover Rate	Overdue		Amount collected subsequent to the balance sheet date	Amount in provision of allowance for bad debt
					Amount	Action taken		
The Company	Suzhou Longdeng	Parent to subsidiary	$134,246	Note	$ -	-	$ -	$ -
Le Yang Investment	Suzhou Longdeng	Subsidiary	186,503	Note	186,503	The Company expects to develop partial lands of the subsidiary for leasing, in order to increase the cash inflow to repay borrowings	1,382	-

Note: The funds are loaned to related parties, and listed under the other receivables - related parties, so it is not applicable.

Logah Technology Corporation and the subsidiaries
Information on investees
2021

Table 5

Unit: thousand shares, NTD or foreign currency thousand

Investor	Investor Company	Location	Main business	Initial investment amount: End of current year	Initial investment amount: End of last year	Balance at December 31, 2020: Number of shares	Balance at December 31, 2020: Ratio %	Balance at December 31, 2020: Carrying amount	Current income (losses) of the investee	Investment gain (loss) recognized for the year	Remarks
The Company	Seychelles Logah	No. 24, Lesperance Complex, Providence Industrial Estate, Mahe, Seychelles	Investment in holding companies	$ 246,186 (USD 7,920)	$ 246,186 (USD 7,920)	7,920	100	$ 140,857	($ 7,480)	($ 7,480)	
The Company	Link Bright Technology	Room 1204, Yu Sung Boon Bldg., 107-111 Des Voeux Road Central, Hong Kong	trading	17,172 (CNY (RMB)4,000)	17,172 (CNY (RMB)4,000)	10	100	21,311	(387)	(387)	
The Company	Le Yang Investment	No. 15, Lane 62, Caikong 1st Rd., Kaohsiung City	Investment in holding companies	560,000	560,000	56,000	100	291,730	(9,754)	(9,754)	
								$ 453,898	($ 17,621)	($ 17,621)	
Seychelles Logah	Hongkong Logah	Rm 804, Sino Centre,582-592 Nathan Rd., Kln. H. K.	Investment in holding companies	428,922 (USD 14,100)	428,922 (USD 14,100)	14,100	100	$ 139,943 (USD 5,065)	$ 10,431 (USD 372)	$ 10,431 (USD 372)	
Le Yang Investment	Legend Investment	Portcullis Trust Net Chambers, P.O. Box 1225, Apia, SAMOA	Investment in holding companies	338,230 (USD 11,000)	338,230 (USD 11,000)	11,000	56.07	$ 87,085 (USD 3,152)	$ 23,790 (USD 849)	$ 13,339 (USD 476)	
Suzhou Logah	Legend Investment	Portcullis Trust Net Chambers, P.O. Box 1225, Apia, SAMOA	Investment in holding companies	264,998 (USD 8,619)	264,998 (USD 8,619)	8,619	43.93	$ 68,229 (USD 2,469)	$ 23,790 (USD 849)	$ 10,451 (USD 373)	

Logah Technology Corporation and the subsidiaries
Information on Investment in Mainland China
2021

Table 6

Unit: NTD thousand

Name of Investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated investment amount of outflow from Taiwan at the beginning of the year	Outward remittance or repatriation of investment amount at beginning of the year: Outward remittance	Outward remittance or repatriation of investment amount at beginning of the year: Repatriation	Accumulated investment amount of outflow from Taiwan at the end of the year	Current income (losses) of the investee	Ownership percentage of direct or indirect investment	Investment gain (loss) recognized for the year (Note 2)	Book value of investment at the end of year	Cumulative repatriation of investment income as of the end of the year	Remarks
Suzhou Logah	Processing plastic injection products	$ 611,442 (USD 20,100)	Reinvestment in Chinese companies via the investments in some existing companies at the third region	$ 319,160 (USD 10,100)	$ -	$ -	$ 319,160 (USD 10,100)	$ 10,431 (USD 372)	100	$ 10,431 (USD 372)	$ 139,943 (USD 5,065)	$ -	Note 2
Suzhou Longdeng	Manufacturing, processing, and trading of plastic injection products and dies	623,153 (USD 19,000)	Reinvestment in Chinese companies via the investments in some existing companies at the third region	347,189 (USD 10,987)	-	-	347,189 (USD 10,987)	23,830 (USD 851)	100	23,830 (USD 851)	154,775 (USD 5,602)	-	Note 2
Suzhou Ruideng	Manufacturing and trading of displays and dies	201,913 (USD 6,330)	Reinvestment via investments in existing companies in China	-	-	-	-	(30,588) (CNY (RMB) - 7,045)	100	(30,588) (CNY (RMB) - 7,045)	129,316 (CNY (RMB) 29,801)	-	Note 2

<u>The Company</u>

Accumulated investment amount of outflow in China mainland from Taiwan at the end of the year	Investment amount approved by Investment Commission, MOEA (Note 1)	limitation on investee regulated under Investment Commission, MOEA (Note 3)
$319,160 (US$ 10,100)	$555,363 (US$ 20,100)	$368,838

<u>Le Yang Investment</u>

Accumulated investment amount of outflow in China mainland from Taiwan at the end of the year	Investment amount approved by Investment Commission, MOEA (Note 1)	limitation on investee regulated under Investment Commission, MOEA (Note 3)
$347,189 (US$ 10,987)	$524,970 (US$ 19,000)	$175,038

Note 1: Calculation is based on the exchange rate on December 31, 2021, US$1=NT$27.63
Note 2: Calculation is based on the 2021 financial statements of that company audited by the CPAs
Note 3: The maximum cumulative amount of the Company's investments in China (60% of the equity net worth): 614,730×60%=368,838; the maximum cumulative amount of the subsidiary, Le Yang's investments in China (60% of the equity net worth): 291,730×60%=175,038.

Logah Technology Corporation
Information on Major Shareholders
December 31, 2021

Table 7

Name of major shareholder	Shares	
	Number of shares held	Percentage (%)
Liyu Technology Co., Ltd.	31,153,492	33.48
Lite-On Technology	7,578,200	8.14
Yu, Hui-Fa	5,665,934	6.08

Note: This table is based on the information provided by the Taiwan Depository & Clearing Corporation for shareholders holding greater than five percent of the shares completed the process of registration and book-entry delivery in dematerialized form, including treasury stocks, at the last business date of current quarter, plus number of privately placed common shares that have completed the commercial and industrial change registration at the last business day at the end of the same quarter. There may be a discrepancy in the number of shares recorded on the parent company only financial statements and its dematerialized securities arising from the difference in basis of preparation.

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Logah Technology Corporation
Statement of Cash
December 31, 2021

Statement 1 Unit: In thousands of NTD, unless stated otherwise

Item	Summary	Amount
Cash on hand and penny cash		$ 27
Cash in banks		
Demand deposits		657
Foreign currency demand deposit	US$135 thousand (note)	3,724
		$ 4,408

Note: The exchange rate is US$1＝NT$27.63

Logah Technology Corporation
Statement of accounts receivable
December 31, 2021

Statement 2 Unit: NTD thousand

Customer name	Amount	Overdue for more than a year	Remarks
Non-related Parties			
Company A	$25,312	$ -	Sales payment
Company B	12,852	-	Sales payment
Company C	5,132	-	Sales payment
Company D	4,142	-	Sales payment
Company E	3,864	-	Sales payment
Others (Note)	3,177	-	Sales payment
	54,479		
Less: Allowance for bad debts	-		
	54,479		
Related party			
Suzhou Longdeng	15,676	-	Sales payment
	$70,155		

Note: Each balance did not exceed 5% of the balance of this account.

Logah Technology Corporation
Other financial assets -current statement
December 31, 2021

Statement 3

Unit: NTD thousand
(Not including the noted otherwise)

Item	Annual interest rate (%)	Period	Carrying amount	Accumulated impairment loss
Pledged Bank Deposit - USD (Note)	0.03～0.12	110.10～111.01	$ 30,535	$ -

Note: It is USD 1,105 thousand, and the exchange rate of USD is US$1＝NT$27.63

Logah Technology Corporation
Schedule of Changes in Investments Accounted for Under Equity Method
2021

Statement 4

Unit: In thousands of NTD/share, unless stated otherwise

		Balance at January 1			Increase for the year		Decrease for the year		Balance at December 31			Market value or equity net value			
Gain (loss) on the	Par value per share	Number of shares	Shareholding %	Amount (after restatement)	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding %	Amount	Unit Price (NT$)	Total amount	Guarantee or pledge status	Remarks
Equity method - Non TWSE or TPEx listing companies															
Seychelles Logah	US$ 1	7,920,000	100	$ 193,908	-	$ 3,378	-	($ 57,858)	7,920,000	100	$ 139,428	$ 17.78	$ 140,857	-	Note 3
Le Yang Investment	NT$ 10	56,000,000	100	364,214	-	4,310	-	(78,618)	56,000,000	100	289,906	5.21	291,730	-	Note 3
Link Bright Technology	HKD$ 1	10,000	100	22,454	-	-	-	(1,143)	10,000	100	21,311	2,131.10	21,311	-	Note 3
				$ 580,576		$ 7,688 (Note 1)		($ 137,619) (Note 2)			$ 450,645		$ 453,898		

Note 1: The increase in the year includes the capital reserve of NT$7,327 thousand arising from reorganization, and the realized profit of NT$361 thousand arising from downstream transactions with the subsidiary Suzhou Longdeng.

Note 2: The decrease in the year includes the investment loss recognized by the equity method for NT$17,621 thousand and the equity-related adjustment items for NT$119,998 thousand.

Note 3: Calculation is based on the financial statements of that company audited by the CPAs during the same period.

Logah Technology Corporation
Statement of Short-term Borrowings
December 31, 2021

Statement 5 Unit: NTD thousand

Loan type and creditor	Loan period	Annual interest rate (%)	Balance at December 31	Financing facilities	Pledge/ guarantee
Secured borrowings					
Shin Kong Commercial Bank Co., Ltd.	110.11.10～111.06.05	1.60～2.00	$ 13,819	$ 20,000	Note
Bank SinoPac	110.10.25～111.03.25	1.47～1.67	9,320	55,260	Note
Total			$ 23,139	$ 75,260	

Note: Please refer note XXIV for the pledge or guarantee

Logah Technology Corporation
Statement of accounts payable
December 31, 2021

Statement 6 Unit: NTD thousand

Supplier name	Amount
Non-related Parties	
Company A	$ 5,109
Company B	752
	5,861
Related party	
Suzhou Longdeng	35,297
	$ 41,158

Logah Technology Corporation
Statement of operating revenue
2021

Statement 7

Unit: NTD thousand

Item	Quantity	Amount
Net sales revenue of products	11,718 thousand units	$ 7,594
Net sales revenue of materials	223 thousand kilogram	704
		$ 8,298

Logah Technology Corporation
Statement of operating expenses
2021

Statement 8 Unit: NTD thousand

Item	Selling expenses	Administrative expenses	Total
Labor expenses	$ -	$22,457	$22,457
Service fee	-	5,057	5,057
Entertainment	88	368	456
Repair expense	84	15	99
Travel expenses	73	18	91
Others (Note)	8	3,128	3,136
	$ 253	$31,043	$31,296

Note: Each amount did not exceed 5% of the amount of this account.

Logah Technology Corporation
The employee benefits, depreciation, and amortization expenses are summarized by function
2021 and 2020

Statement 9 Unit: NTD thousand

	Operating expenses	
	2021	2020
Employee benefit expense		
Salary expense	$ 16,065	$ 14,503
Labor and health insurance expense	1,711	1,348
Pension expense	908	804
Remuneration of Directors	2,963	6,948
Other employee benefit expenses	810	700
	$ 22,457	$ 24,303
Depreciation expense	$ 155	$ 600

Note 1: The average number of the Company’s employees in 2021 and 2020 was 29 and 27, respectively, of which the number of directors who did not serve as employees concurrently was 9, and the calculation basis was the same as that of employee benefit expenses.

Note 2: The additional disclosures are made for the following information:

1. The average benefit expenses for 2021 and 2020 were NT$975 thousand and NT$964 thousand, respectively.
2. The average salary and wage expenses for 2021 and 2020 were NT$803 thousand and NT$806 thousand, respectively.
3. The average salary adjustment was (0.3)%.
4. Since the Company has established an Audit Committee, there is no supervisor's remuneration.
5. The Company's remuneration policy is as below
   (1) Director

   The remuneration of all directors shall be determined by the Remuneration Committee based on their participation in the Company's operations and the value of their contributions, and by taking into account the relevant industry standards; the proposal is and then submitted for the resolution of the board of directors to implement. In addition, if there is a profit in the Company's annual settlement, by the resolution of the board of directors and based on the amount of profit above, not higher than 1.5%of such may be set aside as the director's remuneration; independent directors of the Company are paid with the fixed remuneration no more than NT$30,000 each, regardless of the company's operating profit or loss.

(2) Managerial officers

Salary is mainly determined based the position held and by referring to the industry standard. Bonuses and remunerations are determined based on performance contribution. The remuneration shall be proposed by the Remuneration Committee and implemented after discussion and approval by the board of directors.

(3) Employees

The performance evaluation of employees is conducted every six months. The evaluation results are linked to the Company's operating performance, to be reasonably reflected in the individual salaries and bonuses of employees. Moreover, if the Company makes profits in a year, it should set aside the pre-tax profit before deducting the remuneration of employees and directors for the current year, and 1% to 3% of which is the remuneration of employees, which will be distributed in share or cash, upon the resolution of the board of directors; and the recipients of the distribution may include employees of subordinate companies meeting certain conditions.