

**Giant Manufacturing Co., Ltd. and
Subsidiaries**

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2021 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as prepared in conformity with International Financial Reporting Standard 10 “Consolidated Financial Statements”. The relevant information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Giant Manufacturing Co., Ltd. and Subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Giant Manufacturing Co., Ltd.

By

Bonnie Tu
President

March 25, 2022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Giant Manufacturing Co., Ltd.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2021 is stated as follows:

Authenticity of sales revenue from major customers

The Group's sales revenue from major customers was significant to the Group's consolidated net sales revenue for the year ended December 31, 2021. Since sales revenue was significant and relatively concentrated on major customers, we identified the authenticity of sales revenue from major customers as a key audit matter. The accounting policy on the revenue recognition is disclosed in Note 4 to the consolidated financial statements.

The main audit procedures that we performed in respect of sales revenue from major customers included the following:

1. We understood the related internal controls on revenue recognition and the appropriateness of design and implementation of relevant controls.
2. We sampled the transaction documents of sales revenue from major customers, including sales order, shipping documents and receipts of payments, to confirm the authenticity of revenue recognition.
3. We reviewed significant sales returns and discounts recorded after the year and confirmed that they occurred after the balance sheet date.

Other Matter

We did not audit the financial statements of Gaiwin B.V. ("Gaiwin") and investees of Gaiwin, which are investees included in the consolidated financial statements of the Group for the years ended December 31, 2021 and 2020, but such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the Group's consolidated financial statements for these investees, is based solely on the reports of other auditors. The total assets of the aforementioned investees were NT\$18,813,181 thousand and NT\$19,921,032 thousand, respectively, representing 24% and 32%, respectively, of the Group's consolidated assets as of December 31, 2021 and 2020, respectively. The total sales revenue of the aforementioned investees was NT\$18,934,180 thousand and NT\$33,248,018 thousand, respectively, representing 23% and 47%, respectively, of the Group's consolidated net sales revenue for the years ended December 31, 2021 and 2020, respectively.

We did not audit the financial statements of Microprogram Information Co., Ltd. ("Microprogram"), an investee accounted for by using the equity method, as of and for the years ended December 31, 2021 and 2020, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the Group's consolidated financial statements for this investee, is based solely on the reports of other auditors. The total assets of the investee were NT\$88,997 thousand and NT\$220,442 thousand, respectively, representing 0.1% and 0.4% respectively, of the Group's consolidated assets as of December 31, 2021 and 2020, respectively. The comprehensive loss of the investee was NT\$(8,402) thousand and NT\$(10,228) thousand, respectively, representing (0.1)% and (0.2)% respectively, of the Group's consolidated comprehensive income for the years ended December 31, 2021 and 2020, respectively.

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion with other matter paragraph.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Lie-Dong Wu and Ting-Chien Su.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 29, 2022

Notice to Readers

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

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

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

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

	2021		2020	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 7,714,386	10	\$ 9,371,165	15
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	2,172,367	3	3,823,267	6
Financial assets at amortized cost - current (Notes 4, 9 and 33)	1,044,822	1	579,984	1
Notes receivable (Notes 4, 10 and 33)	97,118	-	116,258	-
Accounts receivable (Notes 4, 10, 32 and 33)	14,259,880	19	11,908,827	19
Other receivables (Note 32)	304,558	-	185,987	1
Inventories (Notes 4 and 11)	30,872,481	40	18,194,845	29
Other current assets (Notes 14 and 32)	1,596,674	2	1,218,891	2
Total current assets	58,062,286	75	45,399,224	73
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	38,977	-	1,814	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	1,345,989	2	215,760	-
Investments accounted for using the equity method (Notes 4 and 13)	95,047	-	220,442	-
Property, plant and equipment (Notes 4, 15 and 32)	12,181,556	16	11,964,933	19
Right-of-use assets (Notes 4 and 16)	2,157,735	3	1,762,642	3
Goodwill (Notes 4 and 17)	64,367	-	70,968	-
Other intangible assets (Notes 4, 18 and 32)	497,620	1	382,538	1
Deferred tax assets (Notes 4 and 26)	1,733,783	2	1,394,962	2
Prepayments for equipment (Note 32)	471,821	-	225,531	-
Other non-current assets (Note 19)	550,250	1	862,974	2
Total non-current assets	19,137,145	25	17,102,564	27
TOTAL	<u>\$ 77,199,431</u>	<u>100</u>	<u>\$ 62,501,788</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bank loans (Notes 20 and 33)	\$ 19,696,646	25	\$ 10,935,301	17
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	5,782	-
Notes payable	1,999,047	3	1,812,720	3
Accounts payable (Note 32)	7,032,707	9	6,337,618	10
Other payables (Notes 21 and 32)	8,540,540	11	6,695,663	11
Current tax liabilities (Notes 4 and 26)	1,619,691	2	996,513	2
Provisions - current (Notes 4 and 22)	499,365	1	456,215	1
Lease liabilities - current (Notes 4 and 16)	451,372	1	251,223	-
Other current liabilities	610,666	1	546,739	1
Total current liabilities	40,450,034	53	28,037,774	45
NON-CURRENT LIABILITIES				
Long-term bank loans (Notes 20 and 28)	3,163,236	4	4,240,660	7
Deferred tax liabilities (Notes 4 and 26)	1,620,062	2	1,294,438	2
Lease liabilities - non-current (Notes 4 and 16)	927,220	1	713,746	1
Deferred revenue - non-current (Notes 4 and 28)	979,416	2	906,439	2
Net defined benefit liabilities (Notes 4 and 23)	202,698	-	169,200	-
Other non-current liabilities (Note 22)	203,680	-	178,673	-
Total non-current liabilities	7,096,312	9	7,503,156	12
Total liabilities	47,546,346	62	35,540,930	57
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Ordinary shares	3,750,646	5	3,750,646	6
Capital surplus	1,792,401	2	1,792,401	3
Retained earnings				
Legal reserve	5,350,968	7	4,846,055	8
Special reserve	1,938,124	2	1,955,207	3
Unappropriated retained earnings	17,165,872	22	14,767,113	23
Other equity	(2,522,195)	(3)	(1,938,124)	(3)
Total equity attributable to owners of the Company	27,475,816	35	25,173,298	40
NON-CONTROLLING INTERESTS	2,177,269	3	1,787,560	3
Total equity	29,653,085	38	26,960,858	43
TOTAL	<u>\$ 77,199,431</u>	<u>100</u>	<u>\$ 62,501,788</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 29, 2022)

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

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

	2021		2020	
	Amount	%	Amount	%
NET SALES REVENUE (Notes 4 and 32)	\$ 81,839,870	100	\$ 70,010,849	100
COST OF GOODS SOLD (Notes 11, 25 and 32)	<u>62,075,731</u>	<u>76</u>	<u>53,842,103</u>	<u>77</u>
GROSS PROFIT	<u>19,764,139</u>	<u>24</u>	<u>16,168,746</u>	<u>23</u>
OPERATING EXPENSES (Notes 25 and 32)				
Selling and marketing expenses	7,484,368	9	6,519,331	9
General and administrative expenses	2,519,430	3	1,827,784	3
Research and development expenses	1,041,133	1	939,896	1
Expected credit loss (Notes 4 and 10)	<u>9,921</u>	<u>-</u>	<u>23,462</u>	<u>-</u>
Total operating expenses	<u>11,054,852</u>	<u>13</u>	<u>9,310,473</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>8,709,287</u>	<u>11</u>	<u>6,858,273</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES (Note 4)				
Finance costs (Note 25)	(217,104)	-	(238,692)	-
Share of profit (loss) of associates accounted for using the equity method (Note 13)	(6,942)	-	(10,562)	-
Interest income	285,600	-	259,525	-
Other gains and losses (Notes 25, 28 and 32)	267,335	-	233,125	-
Valuation gain (loss) on financial assets and liabilities at fair value through profit or loss	7,342	-	(5,716)	-
Gain (loss) on disposal of property, plant and equipment, net	(19,291)	-	16,527	-
Foreign exchange loss, net	<u>(297,767)</u>	<u>-</u>	<u>(279,614)</u>	<u>-</u>
Total non-operating income and expenses	<u>19,173</u>	<u>-</u>	<u>(25,407)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	8,728,460	11	6,832,866	10
INCOME TAX EXPENSE (Notes 4 and 26)	<u>2,420,951</u>	<u>3</u>	<u>1,656,957</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>6,307,509</u>	<u>8</u>	<u>5,175,909</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans (Note 23)	(53,710)	-	(51,112)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	257	-	136,164	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 26)	<u>10,742</u>	<u>-</u>	<u>10,223</u>	<u>-</u>
	<u>(42,711)</u>	<u>-</u>	<u>95,275</u>	<u>-</u>

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GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

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

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of the financial statements of foreign operations	\$ (718,136)	(1)	\$ 32,371	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method (Note 13)	-	-	334	-
Income tax related to items that may be reclassified subsequently to profit or loss (Note 26)	<u>146,082</u>	<u>-</u>	<u>(5,410)</u>	<u>-</u>
	<u>(572,054)</u>	<u>(1)</u>	<u>27,295</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(614,765)</u>	<u>(1)</u>	<u>122,570</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 5,692,744</u>	<u>7</u>	<u>\$ 5,298,479</u>	<u>8</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 5,930,074	7	\$ 4,948,959	7
Non-controlling interests	<u>377,435</u>	<u>1</u>	<u>226,950</u>	<u>-</u>
	<u>\$ 6,307,509</u>	<u>8</u>	<u>\$ 5,175,909</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 5,303,035	7	\$ 5,066,207	7
Non-controlling interests	<u>389,709</u>	<u>-</u>	<u>232,272</u>	<u>1</u>
	<u>\$ 5,692,744</u>	<u>7</u>	<u>\$ 5,298,479</u>	<u>8</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 15.81</u>		<u>\$ 13.19</u>	
Diluted	<u>\$ 15.73</u>		<u>\$ 13.12</u>	

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

(With Deloitte & Touche auditors' report dated March 29, 2022)

(Concluded)

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company						Other Equity		Total	Non-controlling Interests	Total Equity
	Ordinary Shares (Note 24)	Capital Surplus (Note 24)	Retained Earnings (Note 24)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
			Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2020	\$ 3,750,646	\$ 1,803,097	\$ 4,508,593	\$ 1,371,728	\$ 12,364,227	\$ (1,960,824)	\$ 5,617	\$ 21,843,084	\$ 1,621,078	\$ 23,464,162	
Appropriation of 2019 earnings											
Legal reserve	-	-	337,462	-	(337,462)	-	-	-	-	-	
Special reserve	-	-	-	583,479	(583,479)	-	-	-	-	-	
Cash dividends distributed by the Company - \$4.6 per share	-	-	-	-	(1,725,297)	-	-	(1,725,297)	-	(1,725,297)	
Changes in capital surplus from investments in subsidiaries accounted for using the equity method	-	(10,696)	-	-	-	-	-	(10,696)	(45,183)	(55,879)	
Net profit for the year ended December 31, 2020	-	-	-	-	4,948,959	-	-	4,948,959	226,950	5,175,909	
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(40,889)	21,973	136,164	117,248	5,322	122,570	
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	4,908,070	21,973	136,164	5,066,207	232,272	5,298,479	
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(20,607)	(20,607)	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	141,054	-	(141,054)	-	-	-	
BALANCE AT DECEMBER 31, 2020	3,750,646	1,792,401	4,846,055	1,955,207	14,767,113	(1,938,851)	727	25,173,298	1,787,560	26,960,858	
Appropriation of 2020 earnings											
Legal reserve	-	-	504,913	-	(504,913)	-	-	-	-	-	
Special reserve	-	-	-	(17,083)	17,083	-	-	-	-	-	
Cash dividends distributed by the Company - \$8.0 per share	-	-	-	-	(3,000,517)	-	-	(3,000,517)	-	(3,000,517)	
Net profit for the year ended December 31, 2021	-	-	-	-	5,930,074	-	-	5,930,074	377,435	6,307,509	
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(42,968)	(584,328)	257	(627,039)	12,274	(614,765)	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	5,887,106	(584,328)	257	5,303,035	389,709	5,692,744	
BALANCE AT DECEMBER 31, 2021	\$ 3,750,646	\$ 1,792,401	\$ 5,350,968	\$ 1,938,124	\$ 17,165,872	\$ (2,523,179)	\$ 984	\$ 27,475,816	\$ 2,177,269	\$ 29,653,085	

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

(With Deloitte & Touche audit report dated March 29, 2022)

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 8,728,460	\$ 6,832,866
Adjustments for:		
Depreciation and amortization expenses	1,946,415	1,769,494
Expected credit loss	9,921	23,462
Valuation loss (gain) on financial assets and liabilities at fair value through profit or loss, net	(7,342)	5,716
Finance costs	217,104	238,692
Interest income	(285,600)	(259,525)
Dividend income	(75)	(6,167)
Share of loss of associates accounted for using the equity method	6,942	10,562
Loss (gain) on disposal of property, plant and equipment, net	19,291	(16,527)
Write-down of inventories	145,214	55,769
Impairment loss recognized on non-financial assets	123,043	-
Unrealized gain on foreign currency exchange, net	(21,272)	(27,438)
Realized deferred revenue	(61,983)	(38,282)
Gain on lease modification	(3,566)	(124)
Gain on disposal of subsidiaries	-	(72)
Net changes in operating assets and liabilities		
Notes receivable	19,449	(13,909)
Accounts receivable	(2,708,320)	2,533,752
Other receivables	(65,643)	(36,946)
Inventories	(13,755,449)	(1,339,562)
Other current assets	(400,892)	(513,298)
Notes payable	174,559	559,129
Accounts payable	706,611	1,300,966
Other payables	1,752,763	1,262,764
Provisions	62,986	58,168
Other current liabilities	77,490	137,000
Net defined benefit liabilities	33,498	(26,104)
Cash generated from (used in) operations	(3,286,396)	12,510,386
Interest received	230,413	265,893
Interest paid	(222,343)	(238,916)
Income tax paid	(1,681,353)	(1,139,507)
Net cash generated from (used in) operating activities	(4,959,679)	11,397,856
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(36,906)	-
Proceeds from sale of financial assets at fair value through other comprehensive income	-	316,194
Purchase of financial assets at amortized cost	(1,606,282)	(511,280)
Proceeds from sale of financial assets at amortized cost	20,202	767,899
Proceeds from sale of financial assets at fair value through profit or loss	1,670,783	473,918

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GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

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

	2021	2020
Acquisition of investments accounted for using the equity method	\$ (4,570)	\$ -
Net cash outflow on disposal of subsidiaries	-	(19,802)
Payments for property, plant and equipment	(1,661,945)	(2,417,456)
Proceeds from disposal of property, plant and equipment	92,078	120,998
Payments for intangible assets	(217,040)	(68,498)
Payments for right-of-use assets	(67,371)	(401,652)
Decrease in other non-current assets	309,825	34,312
Decrease (increase) in prepayments for equipment	(430,926)	27,036
Other dividends received	75	6,167
Proceeds from government grants	179,793	271,240
Acquisition of ownership interest in subsidiaries	<u>-</u>	<u>(56,389)</u>
Net cash used in investing activities	<u>(1,752,284)</u>	<u>(1,457,313)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term bank loans	8,924,198	(5,933,896)
Proceeds from long-term bank loans	645,801	2,239,862
Repayment of long-term bank loans	(1,558,496)	(306,776)
Repayment of the principal portion of lease liabilities	(255,841)	(214,618)
Increase in other non-current liabilities	19,376	223,912
Dividends paid	<u>(3,000,517)</u>	<u>(1,725,297)</u>
Net cash generated from (used in) financing activities	<u>4,774,521</u>	<u>(5,716,813)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>280,663</u>	<u>1,173</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,656,779)	4,224,903
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>9,371,165</u>	<u>5,146,262</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 7,714,386</u>	<u>\$ 9,371,165</u>

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

(With Deloitte & Touche auditors' report dated March 29, 2022)

(Concluded)

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Giant Manufacturing Co., Ltd. (“Giant” or the “Company”) was incorporated in October 1972. Its shares are listed on the Taiwan Stock Exchange since December 1994.

Giant manufactures and sells bicycles, electric bicycles and related parts.

The consolidated financial statements of Giant and its subsidiaries (collectively referred to as the “Group”) are presented in the Company’s functional currency, New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 25, 2022.

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

- a. 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, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

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

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018 - 2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the 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 Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. 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.

d. Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisition up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

See Note 12, tables 7 and 8 for detailed information on subsidiaries (including percentage of ownership and main businesses).

e. Foreign currencies

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

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

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the functional currencies of foreign operations (including subsidiaries and associates that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; 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 attributed to the owners of the Company and non-controlling interests as appropriate.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

f. Inventories

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

g. Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

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

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

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

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

k. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

- l. Impairment of property, plant and equipment, investment properties, right-of-use assets, and intangible assets other than goodwill.

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

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

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

- m. Financial instruments

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

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

- 1) Financial assets

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

- a) Measurement categories

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

- i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognize in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

ii. Financial assets at amortized cost

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

- i) The financial asset are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 31.

b) Derecognition of financial liabilities

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

3) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

n. Provisions

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

Provisions for the expected cost of warranty obligations to assure that sale contracts are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligation.

o. Revenue recognition

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

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

1) Revenue from the sale of goods

Revenue from the sale of goods are recognized as revenue and accounts receivable when the goods are delivered to the customer's specific location, when the goods are shipped or when the goods are picked up because it is the time when the customer has the ownership of the goods and bears the risks.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from the service concession arrangements.

The Group simultaneously receive and consume the benefits provided by the Group's performance. Consequently, the related revenue is recognized when services are rendered.

3) Construction contract revenue

The Group recognizes revenue over time. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations.

p. Leases

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

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, any initial direct costs incurred and an estimate of costs needed to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

q. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Government grants

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

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

s. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

t. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group 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. Deferred tax assets arising from deductible temporary differences associated with such investments are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

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

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

3) Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Cash on hand and petty cash	\$ 2,116	\$ 6,645
Checking accounts and demand deposits	7,322,587	8,049,941
Cash equivalents		
Commercial paper	334,873	315,313
Time deposits with original maturities of less than three months	<u>56,202</u>	<u>1,000,591</u>
	7,715,778	9,372,490
Less: Pledged time deposits (Note 33)	<u>(1,392)</u>	<u>(1,325)</u>
	<u>\$ 7,714,386</u>	<u>\$ 9,371,165</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2021	2020
<u>Financial assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial instruments		
Wealth management products	\$ 2,170,950	\$ 3,823,267
Derivative financial instruments (not under hedge accounting)		
Foreign exchange forward contracts	<u>1,417</u>	<u>-</u>
	<u>\$ 2,172,367</u>	<u>\$ 3,823,267</u>

Financial liabilities - current

Financial liabilities held for trading		
Derivative financial instruments (not under hedge accounting)		
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 5,782</u>

At the end of the year, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amounts (In Thousands)	Range of Interest Rates Received
<u>December 31, 2021</u>				
Sell	USD/NTD	2022.1.7-2022.2.11	USD17,500/NTD485,532	27.64-27.83
	EUR/NTD	2022.1.7-2022.2.11	EUR9,000/NTD282,581	31.37-31.41

	Currency	Maturity Date	Notional Amounts (In Thousands)	Range of Interest Rates Received
<u>December 31, 2020</u>				
Sell	USD/NTD	2021.1.8-2021.2.5	USD9,800/NTD276,489	28.09-28.49
	EUR/NTD	2021.1.21	EUR8,500/NTD292,756	34.32-34.53
	CAD/NTD	2021.1.20-2021.2.19	CAD2,600/NTD57,332	22-22.12

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. These foreign exchanges forward contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	2021	2020
<u>Investments in equity instruments - non-current</u>		
Domestic listed company	\$ 2,071	\$ 1,814
Foreign unlisted company	<u>36,906</u>	<u>-</u>
	<u>\$ 38,977</u>	<u>\$ 1,814</u>

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

In 2020, the Group sold most of its shares in Kuei Meng International Inc ("Kuei Meng") in order to make profits. The shares sold had a fair value of \$316,194 thousand; the unrealized valuation gain on the shares of \$141,054 thousand was transferred from other equity to retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	2021	2020
<u>Current</u>		
Restricted deposits (a)	\$ -	\$ 12,089
Time deposits with original maturities of more than 3 months (b)	1,042,430	565,570
Pledged deposits (c)	<u>2,392</u>	<u>2,325</u>
	<u>\$ 1,044,822</u>	<u>\$ 579,984</u>
<u>Non-current</u>		
Time deposits with original maturities of more than 3 months (b)	<u>\$ 1,345,989</u>	<u>\$ 215,760</u>

- a. Restricted deposits were made by the Group and were approved by the Ministry of Finance, according to “The Regulations on Industries Investment from Repatriated Offshore Funds”. The Group also submitted investment plans to the Ministry of Economic Affairs for approval. Based on the regulations, the funds can only be used in the approved investment plans.
- b. The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.35%-3.99% and 0.41%-3.99% per annum as of December 31, 2021 and 2020, respectively.
- c. Refer to Note 33 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31	
	2021	2020
<u>Notes receivable</u>		
Notes receivable	\$ 97,118	\$ 116,258
<u>Accounts receivable</u>		
Accounts receivable	\$ 14,651,452	\$ 12,341,327
Less: Allowance for impairment loss	(391,572)	(432,500)
	<u>\$ 14,259,880</u>	<u>\$ 11,908,827</u>

The average credit period of sales of goods is 30 to 120 days. No interest is charged on accounts receivable. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available or, if such information is not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group’s exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management administrator annually.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for general economic conditions of the industry in which the debtors operate. As the Group’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group’s different customer base.

The Group writes off an accounts receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable and accounts receivable.

	Not Past Due	Less than 90 Days	91 to 180 Days	Over 180 Days	Total
<u>December 31, 2021</u>					
Expected credit loss rate	0%-3%	0.5%-70%	30%-90%	80%-100%	
Gross carrying amount	\$ 13,871,241	\$ 487,221	\$ 104,880	\$ 285,228	\$ 14,748,570
Loss allowance (lifetime ECL)	<u>(77,429)</u>	<u>(26,734)</u>	<u>(28,694)</u>	<u>(258,715)</u>	<u>(391,572)</u>
Amortized cost	<u>\$ 13,793,812</u>	<u>\$ 460,487</u>	<u>\$ 76,186</u>	<u>\$ 26,513</u>	<u>\$ 14,356,998</u>
<u>December 31, 2020</u>					
Expected credit loss rate	0%-3%	0.5%-70%	30%-90%	80%-100%	
Gross carrying amount	\$ 11,373,174	\$ 609,427	\$ 145,692	\$ 329,292	\$ 12,457,585
Loss allowance (lifetime ECL)	<u>(88,937)</u>	<u>(25,167)</u>	<u>(23,677)</u>	<u>(294,719)</u>	<u>(432,500)</u>
Amortized cost	<u>\$ 11,284,237</u>	<u>\$ 584,260</u>	<u>\$ 122,015</u>	<u>\$ 34,573</u>	<u>\$ 12,025,085</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Balance at January 1	\$ 432,500	\$ 514,809
Add: Net remeasurement of loss allowance	9,921	23,462
Less: Amounts written off	(32,530)	(87,382)
Disposal of subsidiaries	-	(10,842)
Foreign exchange gains and losses	<u>(18,319)</u>	<u>(7,547)</u>
Balance at December 31	<u>\$ 391,572</u>	<u>\$ 432,500</u>

Compared to January 1, 2021 and 2020, the increase in loss allowance of \$9,921 thousand and \$23,462 thousand at December 31, 2021 and 2020, respectively, resulted from the increase in the new accounts receivable net of those settled of \$2,310,125 thousand and the decrease in the new accounts receivable net of those settled of \$2,471,165 thousand, respectively.

Refer to Note 33 for information relating to accounts receivable pledged as security.

11. INVENTORIES

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Finished goods and merchandise	\$ 14,653,001	\$ 10,791,810
Work in process	583,927	483,943
Raw materials and supplies	<u>15,635,553</u>	<u>6,919,092</u>
	<u>\$ 30,872,481</u>	<u>\$ 18,194,845</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was \$62,075,731 thousand and \$53,842,103 thousand, respectively. The cost of goods sold for the years ended December 31, 2021 and 2020 included inventory write-downs of \$145,214 thousand and \$55,769 thousand, respectively.

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Main Business	% of Ownership December 31	
			2021	2020
Giant	Gaiwin B.V. ("Gaiwin")	Overseas reinvested holding company	100	100
	Growood Investment Ltd. ("Growood")	Overseas reinvested holding company	100	100
	Darzins Holdings Ltd. ("Darzins")	Overseas reinvested holding company	100	100
	Merdeka International Ltd. ("Merdeka")	Overseas reinvested holding company	100	100
	Giant Sales Co., Ltd. ("Giant Sales")	Sale of bicycles and related products and bicycle rental	100	100
	YouBike Co., Ltd. ("YouBike")	Public bicycle rental	100	100
	Giant Holding Co., Ltd. ("Giant Holding")	Overseas reinvested holding company	100	100
	Giant Bicycle Mexico S. de R.L. de C.V. ("Giant Mexico")	Sale of bicycles and related products	-	-
	AIPS Technology Co., Ltd. ("AIPS")	Manufacture and sale of sporting goods	100	100
	Giant Europe B.V. ("Giant Europe")	Overseas reinvested holding company and sale of bicycles and related products	100	100
Gaiwin	Giant Co., Ltd. ("Giant Japan")	Sale of bicycles and related products	100	100
	Giant Bicycle Inc. ("Giant USA")	Sale of bicycles and related products	100	100
	Giant Korea Co., Ltd. ("Giant Korea")	Sale of bicycles and related products	100	100
	Giant Bicycle Canada Inc. ("Giant Canada")	Sale of bicycles and related products	100	100
	Giant Bicycle Company Pty. Ltd. ("Giant Australia")	Sale of bicycles and related products	100	100
	Giant Mexico	Sale of bicycles and related products	100	100
	Giant Deutschland GmbH ("Giant Germany")	Sale of bicycles and related products	100	100
Giant Europe	Giant Polska Sp. ZO.O. ("Giant Polska")	Sale of bicycles and related products	100	100
	Giant Europe Manufacturing B.V. ("Giant Europe Mfg.")	Manufacture and sale of bicycles	100	100
	Giant France	Sale of bicycles and related products	100	100
	Giant U.K. Ltd. ("Giant UK")	Sale of bicycles and related products	100	100
	Giant Benelux B.V. ("Giant Benelux")	Sale of bicycles and related products	100	100
	Giant Italia S.R.L. ("Giant Italy")	Sale of bicycles and related products	100	100
	Giant Manufacturing Hungary Ltd. ("Giant Hungary Mfg.")	Manufacture and sale of bicycles	100	100

(Continued)

Investor	Investee	Main Business	% of Ownership	
			December 31 2021	2020
Growood	Giant (China) Co., Ltd. ("Giant China")	Manufacture and sale of bicycles	100	100
	Giant Electric Vehicle (Kunshan) Co., Ltd. ("Giant Electric Vehicle")	Manufacture and sale of electric bicycles	100	100
	Giant (Tianjin) Co., Ltd. ("Giant Tianjin")	Manufacture and sale of bicycles	100	100
Darzins	D. Mag (Kunshan) New Material Technology Co., Ltd. ("D. Mag")	Manufacture and sale of new aluminum alloy products	60	60
Merdeka	Giant (Chengdu) Co., Ltd. ("Giant Chengdu")	Manufacture and sale of bicycles	100	100
Giant Sales	Giant Adventure Co., Ltd. ("Giant Adventure")	Undertake domestic and international tourism business	100	100
Giant Holding	Giant (Kunshan) Co., Ltd. ("Giant Kunshan")	Manufacture and sale of bicycles	100	100
	Giant Cycling Service (KunShan) Co., Ltd. ("Giant Cycling Service")	Leases of bicycles and promotion of outdoor activities	100	100
	Giant (Jiangsu) Co., Ltd. ("Giant Jiangsu")	Manufacture and sale of bicycles	100	100
Giant China	Jiangsu Giant Adventure Co., Ltd. ("Jiangsu Giant")	Undertake China tourism business	100	100
Giant Kunshan	Quanzhou YouBike Co., Ltd ("Quanzhou YouBike")	Undertake China public bicycle rental	100	100
	Putian YouBike Co., Ltd. ("Putian YouBike")	Undertake China public bicycle rental	100	100
D. Mag	Golden Rich Ltd. ("Golden Rich")	International trade	100	100
	Giant Light Metal Technology (Haian) Co., Ltd. ("Light Metal Haian")	Manufacture and sale of new aluminum alloy materials, semi-solid aluminum, and superplastic aluminum	100	100
	Giant Light Metal Technology (Malaysia) Co., Ltd. ("Light Metal Malaysia")	Sale of medium and high-end aluminum wheel hub products	100	100

(Concluded)

The financial statements of subsidiaries included in the consolidated financial statements were audited by the auditors for the same year.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in insignificant associates	\$ 95,047	\$ 220,442

For the Year Ended December 31
2021 2020

The Group's share of:

Net profit (loss) for the year	\$ (6,942)	\$ (10,562)
Other comprehensive gain	<u>-</u>	<u>334</u>
Total comprehensive loss for the year	<u>\$ (6,942)</u>	<u>\$ (10,228)</u>

In June 2021, the Group subscribed for 33% shares of Meiki Giant Co., Ltd. (Meiki Giant) in cash of RMB \$1,056 thousand.

In 2021, the Group assessed the recoverable amount of an investment in an associate and recognized a loss of \$123,043 thousand, which was classified as other gains and losses.

Refer to Tables 7 and 8 for the nature of activities, principal places of business, ownership percentage, and countries of incorporation of the abovementioned associates.

Except for Meiki Giant, the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2021 and 2020 were based on the associate's financial statements audited by the auditors for the same years. Meiki Giant's financial statements have not been audited by the auditors. However, management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of Meiki Giant which have not been reviewed.

14. OTHER CURRENT ASSETS

	December 31	
	2021	2020
Value - added tax	\$ 822,183	\$ 643,012
Prepaid expenses	266,543	214,039
Prepayment for purchases	129,759	179,002
Others	<u>378,189</u>	<u>182,838</u>
	<u>\$ 1,596,674</u>	<u>\$ 1,218,891</u>

15. PROPERTY, PLANT AND EQUIPMENT

	For the Year Ended December 31, 2021						
	Beginning Balance	Additions	Disposals	Reclassified	Disposal of Subsidiaries	Translation Differences	Ending Balance
<u>Cost</u>							
Land	\$ 1,015,153	\$ -	\$ -	\$ 7,795	\$ -	\$ (27,815)	\$ 995,133
Buildings	8,717,984	608,876	(25,442)	48,037	-	(143,142)	9,206,313
Machinery equipment	7,195,491	327,544	(146,312)	158,869	-	22,090	7,557,682
Transportation equipment	338,618	37,680	(31,231)	(16,269)	-	(1,286)	327,512
Office equipment	319,583	38,046	(8,303)	2,396	-	(11,661)	340,061
Furniture and fixtures	31,337	1,338	(1,314)	(12,392)	-	23	18,992
Other equipment	2,861,895	492,855	(55,381)	15,043	-	(70,842)	3,243,570
Construction in progress	<u>1,033,662</u>	<u>351,165</u>	<u>(65,056)</u>	<u>(115,077)</u>	<u>-</u>	<u>(45,465)</u>	<u>1,159,229</u>
	<u>21,513,723</u>	<u>\$ 1,857,504</u>	<u>\$ (333,039)</u>	<u>\$ 88,402</u>	<u>\$ -</u>	<u>\$ (278,098)</u>	<u>22,848,492</u>

(Continued)

For the Year Ended December 31, 2021							
	Beginning Balance	Additions	Disposals	Reclassified	Disposal of Subsidiaries	Translation Differences	Ending Balance
<u>Accumulated depreciation</u>							
Buildings	\$ 2,715,600	\$ 378,441	\$ (14,238)	\$ (332)	\$ -	\$ (31,123)	\$ 3,048,348
Machinery equipment	4,176,103	600,518	(118,187)	1,934	-	12,701	4,673,069
Transportation equipment	250,066	33,788	(29,353)	(8,106)	-	(965)	245,430
Office equipment	233,968	34,023	(8,303)	1,708	-	(9,330)	252,066
Furniture and fixtures	16,751	3,759	(1,255)	(4,144)	-	16	15,127
Other equipment	2,125,762	385,816	(50,319)	(1,516)	-	(57,560)	2,402,183
	<u>9,518,250</u>	<u>\$ 1,436,345</u>	<u>\$ (221,655)</u>	<u>\$ (10,456)</u>	<u>\$ -</u>	<u>\$ 86,261</u>	<u>10,636,223</u>
<u>Accumulated impairment</u>							
Machinery equipment	26,271	\$ -	\$ (15)	\$ -	\$ -	\$ 162	26,418
Other equipment	4,269	-	-	-	-	26	4,295
	<u>30,540</u>	<u>\$ -</u>	<u>\$ (15)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188</u>	<u>30,713</u>
	<u>\$ 11,964,933</u>						<u>\$ 12,181,556</u> (Concluded)

For the Year Ended December 31, 2020							
	Beginning Balance	Additions	Disposals	Reclassified	Disposal of Subsidiaries	Translation Differences	Ending Balance
<u>Cost</u>							
Land	\$ 860,800	\$ -	\$ -	\$ 151,169	\$ -	\$ 3,184	\$ 1,015,153
Buildings	5,647,883	553,497	(85,463)	2,561,089	-	40,978	8,717,984
Machinery equipment	6,710,955	490,722	(196,638)	213,172	(33,830)	11,110	7,195,491
Transportation equipment	353,157	24,296	(28,353)	(9,372)	-	(1,110)	338,618
Office equipment	284,052	20,140	(10,249)	27,266	(571)	(1,055)	319,583
Furniture and fixtures	16,030	4,089	(783)	12,000	-	1	31,337
Other equipment	2,479,478	315,859	(58,580)	141,385	(7,058)	(9,189)	2,861,895
Construction in progress	2,732,973	944,597	(1,750)	(2,652,427)	-	10,269	1,033,662
	<u>19,085,328</u>	<u>\$ 2,353,200</u>	<u>\$ (381,816)</u>	<u>\$ 444,282</u>	<u>\$ (41,459)</u>	<u>\$ 54,188</u>	<u>21,513,723</u>
<u>Accumulated depreciation</u>							
Buildings	2,473,118	\$ 280,685	\$ (45,121)	\$ 3,399	\$ -	\$ 3,519	2,715,600
Machinery equipment	3,688,821	615,253	(127,801)	5,127	(13,285)	7,988	4,176,103
Transportation equipment	245,360	38,647	(27,025)	(5,972)	-	(944)	250,066
Office equipment	209,985	42,153	(9,824)	(7,098)	(78)	(1,170)	233,968
Furniture and fixtures	12,466	5,004	(721)	-	-	2	16,751
Other equipment	1,826,652	356,880	(56,099)	8,087	(1,527)	(8,231)	2,125,762
	<u>8,456,402</u>	<u>\$ 1,338,622</u>	<u>\$ (266,591)</u>	<u>\$ 3,543</u>	<u>\$ (14,890)</u>	<u>\$ 1,164</u>	<u>9,518,250</u>
<u>Accumulated impairment</u>							
Buildings	10,865	\$ -	\$ (10,749)	\$ -	\$ -	\$ (116)	-
Machinery equipment	26,254	-	(5)	-	-	22	26,271
Other equipment	4,265	-	-	-	-	4	4,269
	<u>41,384</u>	<u>\$ -</u>	<u>\$ (10,754)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (90)</u>	<u>30,540</u>
	<u>\$ 10,587,542</u>						<u>\$ 11,964,933</u>

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

Buildings	
Main buildings	2-60 years
Electrical power equipment	2-50 years
Other	2-15 years
Machinery equipment	2-15 years
Transportation equipment	1-10 years
Office equipment	1-20 years
Furniture and fixtures	1-20 years
Other equipment	1-25 years

The Group determined the recoverable amount of the relevant assets on the basis of their fair value less costs of disposal. The fair value was categorized as a Level 3 measurement and was measured using the asset quotation less costs of disposal at that time.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
<u>Carrying amount</u>		
Land	\$ 1,074,555	\$ 1,111,070
Buildings	984,792	590,232
Others	<u>98,388</u>	<u>61,340</u>
	<u>\$ 2,157,735</u>	<u>\$ 1,762,642</u>
	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	<u>\$ 696,545</u>	<u>\$ 401,652</u>
Depreciation charge for right-of-use assets		
Land	\$ 27,235	\$ 32,222
Buildings	281,896	267,155
Others	<u>46,527</u>	<u>17,405</u>
	<u>\$ 355,658</u>	<u>\$ 316,782</u>

Except for additions and the recognized depreciation expenses listed above, the Group's right-of-use assets did not have significant subleases or impairment in 2021 and 2020.

b. Lease liabilities

	December 31	
	2021	2020
<u>Carrying amount</u>		
Current	\$ 451,372	\$ 251,223
Non-current	\$ 927,220	\$ 713,746

Range of discount rate for lease liabilities was as follows:

	December 31	
	2021	2020
Land	0.26%-1.35%	0.71%-1.35%
Buildings	0.17%-8.47%	0.26%-8.47%
Others	0.17%-5.49%	0.17%-5.49%

c. Material leasing activities and terms

The Group leases land and buildings for the use of plants, offices, employee dormitories and retail stores with lease terms of 1 to 20 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

The Group leases land from Central Taiwan Science Park Bureau, Ministry of Science and Technology with a term that will expire on December 31, 2035, due for renewal.

The Group acquired land use rights from the government of the People's Republic of China. The land use rights may be subleased or assigned to third parties under the agreement. The leased land was utilized to build manufacturing facilities, office buildings and employee dormitory facilities.

17. GOODWILL

	For the Year Ended December 31	
	2021	2020
<u>Cost</u>		
Balance at January 1	\$ 70,968	\$ 69,244
Effect of foreign currency exchange differences	(6,601)	1,724
Balance at December 31	\$ 64,367	\$ 70,968

18. OTHER INTANGIBLE ASSETS

	December 31	
	2021	2020
Computer software cost	\$ 453,364	\$ 369,022
Others	<u>44,256</u>	<u>13,516</u>
	<u>\$ 497,620</u>	<u>\$ 382,538</u>

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software cost	1-10 years
Others	1-15 years

19. CASH SURRENDER VALUE OF ANNUITY INSURANCE

The cash surrender value of annuity insurance coverages for employees is deducted and paid on behalf of the employees by the Company. The insurance premiums are paid at the cash surrender value which are classified as current insurance expenses with a simultaneous increase in the carrying amount of the annuity insurance. At the time of expiration of the guaranteed period upon mid-term cancellation, the receipt of full payment will reduce the cash surrender value of annuity insurance according to the carrying amount.

Changes in the cash surrender value of annuity insurance were as follows (classified as other non-current assets):

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 13,992	\$ 25,345
Annuity insurance payment for the year	3,259	2,091
Annuity insurance received for the year	(11,421)	(14,004)
Increase in cash surrender value	<u>368</u>	<u>560</u>
Balance at December 31	<u>\$ 6,198</u>	<u>\$ 13,992</u>

20. LOANS

a. Short-term bank loans

	December 31	
	2021	2020
Secured bank loans (Note 33)		
Notes and accounts receivable secured loans	\$ 520,865	\$ 687,214
Unsecured bank loans		
Line of credit loans	<u>19,175,781</u>	<u>10,248,087</u>
	<u>\$ 19,696,646</u>	<u>\$ 10,935,301</u>

(Continued)

	December 31	
	2021	2020
<u>Effective interest rates (%)</u>		
Notes and accounts receivable secured loans	0.3-1.15	0.3-1.27
Line of credit loans	0.17-8.81	0.29-3.35 (Concluded)

b. Long-term bank loans

	December 31	
	2021	2020
Unsecured bank loans		
Line of credit loans	\$ 3,288,142	\$ 4,364,573
Less: Discounts on government grants (Note 28)	<u>(124,906)</u>	<u>(123,913)</u>
Long-term bank loans	<u>\$ 3,163,236</u>	<u>\$ 4,240,660</u>
<u>Effective interest rates (%)</u>		
Line of credit loans	0.01-3.85	0.01-3.85
Bank loans are due in 2022 - 2029.		

21. OTHER PAYABLES

	December 31	
	2021	2020
Salaries and bonuses	\$ 2,480,538	\$ 2,215,826
Payable for compensation of employees and remuneration of directors	1,526,302	997,486
Payable for purchase of equipment	290,699	156,675
Payable for annual leave	164,499	157,894
Others	<u>4,078,502</u>	<u>3,167,782</u>
	<u>\$ 8,540,540</u>	<u>\$ 6,695,663</u>

22. PROVISIONS

	December 31	
	2021	2020
<u>Current</u>		
Warranties (a)	\$ 304,751	\$ 312,187
Sales returns and allowances (b)	<u>194,614</u>	<u>144,028</u>
	<u>\$ 499,365</u>	<u>\$ 456,215</u>

	December 31	
	2021	2020
<u>Non-current (classified as other non-current liabilities)</u>		
Warranties (a)	\$ 16,341	\$ 18,456
Decommissioning (c)	<u>25,150</u>	<u>15,984</u>
	<u>\$ 41,491</u>	<u>\$ 34,440</u>

- a. The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate had been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.
- b. The provision of sales returns and allowances was based on historical experience, management's judgments and other known reasons estimated product returns and rebates may occur in the year. The provision was recognized as a reduction of operating income in the year of the related goods sold.
- c. The provision for decommissioning consists of estimated costs of dismantling and removal of structure and recovery of the site at the end of lease period.

23. RETIREMENT BENEFIT PLANS

- a. Defined contribution plans

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

The Group's subsidiaries in China, Light Metal Malaysia, Giant Europe Mfg., Giant USA, Giant Japan, Giant Korea, Giant Canada, Giant Polska, Giant UK, Giant Germany, Giant Australia, Giant Europe, Giant France, Giant Italy, Giant Mexico, Giant Benelux and Giant Hungary Mfg. have defined contribution plans base on their local laws requirement.

- b. Defined benefit plans

The defined benefit plans adopted by the Company and Giant Sales in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company and Giant Sales contribute amounts equal to a rate of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

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

	December 31	
	2021	2020
Present value of defined benefit obligation	\$ 812,510	\$ 787,422
Fair value of plan assets	<u>(609,812)</u>	<u>(618,222)</u>
Net defined benefit liabilities	<u>\$ 202,698</u>	<u>\$ 169,200</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2020	<u>\$ 728,630</u>	<u>\$ (533,326)</u>	<u>\$ 195,304</u>
Service cost			
Current service cost	4,957	-	4,957
Past service cost and loss on settlements	-	-	-
Net interest expense (income)	<u>5,464</u>	<u>(4,105)</u>	<u>1,359</u>
Recognized in profit or loss	<u>10,421</u>	<u>(4,105)</u>	<u>6,316</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(17,640)	(17,640)
Actuarial loss - changes in demographic assumptions	24	-	24
Actuarial loss - changes in financial assumptions	18,513	-	18,513
Actuarial loss - experience adjustments	<u>50,215</u>	<u>-</u>	<u>50,215</u>
Recognized in other comprehensive income	<u>68,752</u>	<u>(17,640)</u>	<u>51,112</u>
Contributions from the employer	-	(82,062)	(82,062)
Benefits paid	<u>(20,381)</u>	<u>18,911</u>	<u>(1,470)</u>
Balance at December 31, 2020	<u>\$ 787,422</u>	<u>\$ (618,222)</u>	<u>\$ 169,200</u>
Balance at January 1, 2021	<u>\$ 787,422</u>	<u>\$ (618,222)</u>	<u>\$ 169,200</u>
Service cost			
Current service cost	4,203	-	4,203
Past service cost and loss on settlements	-	-	-
Net interest expense (income)	<u>3,924</u>	<u>(3,147)</u>	<u>777</u>
Recognized in profit or loss	<u>8,127</u>	<u>(3,147)</u>	<u>4,980</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,474)	(7,474)
Actuarial loss - changes in demographic assumptions	18,793	-	18,793
Actuarial gain - changes in financial assumptions	(9,132)	-	(9,132)
Actuarial loss - experience adjustments	<u>51,523</u>	<u>-</u>	<u>51,523</u>
Recognized in other comprehensive income	<u>61,184</u>	<u>(7,474)</u>	<u>53,710</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Contributions from the employer	\$ -	\$ (25,125)	\$ (25,125)
Benefits paid	<u>(44,223)</u>	<u>44,156</u>	<u>(67)</u>
Balance at December 31, 2021	<u>\$ 812,510</u>	<u>\$ (609,812)</u>	<u>\$ 202,698</u> (Concluded)

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2021	2020
Discount rates	0.63%	0.38%-0.5%
Expected rates of salary increase	2.25%	2.25%

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

	December 31	
	2021	2020
Discount rates		
0.25% increase	<u>\$ (17,984)</u>	<u>\$ (18,415)</u>
0.25% decrease	<u>\$ 18,593</u>	<u>\$ 19,061</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 17,991</u>	<u>\$ 18,419</u>
0.25% decrease	<u>\$ (17,496)</u>	<u>\$ (17,891)</u>

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

	December 31	
	2021	2020
Expected contributions to the plans for the next year	<u>\$ 27,630</u>	<u>\$ 27,438</u>
Average duration of the defined benefit obligation	7-9 years	8-9.5 years

24. EQUITY

a. Ordinary shares

	December 31	
	2021	2020
Shares authorized (in thousands of shares)	<u>495,000</u>	<u>495,000</u>
Shares authorized	<u>\$ 4,950,000</u>	<u>\$ 4,950,000</u>
Shares issued and fully paid (in thousands of shares)	<u>375,065</u>	<u>375,065</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

On March 25, 2022, the Company's board of directors resolved to issue 17,000,000 ordinary shares for the purpose of public subscription. The subscription base date will be determined after the transaction is approved by the FSC.

b. Capital surplus

	December 31	
	2021	2020
Share premium	\$ 1,624,005	\$ 1,624,005
Changes in percentage of ownership interests in subsidiaries	71,570	71,570
Change in capital surplus from investments in associates accounted for using the equity method	1,245	1,245
Employee share options	95,401	95,401
Others	<u>180</u>	<u>180</u>
	<u>\$ 1,792,401</u>	<u>\$ 1,792,401</u>

The capital surplus from shares issued in excess of par and donations 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 capital (limited to a certain percentage of the Company's capital surplus and once a year).

The capital surplus from changing in percentage of ownership interests in subsidiaries may be used to offset a deficit only. Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

The capital surplus from investments accounted for using the equity method and employee options may not be used for any purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the 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 a 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 the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors in Note 25-c.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2020 and 2019 which were approved in the shareholders' meetings on July 8, 2021, and June 19, 2020, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2020	2019	2020	2019
Legal reserve	\$ 504,913	\$ 337,463		
Special reserve (reversal)	(17,083)	583,478		
Cash dividends	3,000,517	1,725,297	\$ 8.0	\$ 4.6

The appropriation of earnings and dividends per share for 2021 which was proposed by the Company's board of directors on March 25, 2022 was as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 588,711	
Special reserve	584,071	
Cash dividends	3,750,646	\$ 10

The appropriation of earnings for 2021 is subject to the resolution of the shareholders in their meeting to be held on June 23, 2022.

d. Special reserve

The increase in retained earnings that resulted from all IFRSs adjustments was not enough for this appropriation; therefore, the Company appropriated for special reserve an amount of \$677,989 thousand, the increase in retained earnings that resulted from all IFRSs adjustments on transitions to IFRSs. The reversal of special reserve that resulted from disposal of subsidiaries was \$71,523 thousand and \$476 thousand in 2015 and 2013.

The special reserve appropriated on the first-time adoption of IFRSs relating to land may be reversed on disposal or reclassification. A proportionate share of the special reserve relating to exchange differences on translating the financial statements of foreign operations (including the subsidiaries of the Company) will be reversed on the Group's disposal of foreign operations; on the Group's loss of significant influence, however, the entire special reserve will be reversed.

25. NET PROFIT FROM CONTINUING OPERATIONS

a. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	\$ 203,841	\$ 229,176
Interest on lease liabilities	<u>13,263</u>	<u>9,516</u>
	<u>\$ 217,104</u>	<u>\$ 238,692</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2021	2020
Capitalized interest amount	\$ 1,251	\$ 9,825
Capitalization rate	0.56%-0.58%	0.59%-0.72%

b. Employee benefits expense, depreciation and amortization

	For the Year Ended December 31					
	2021			2020		
	Operating Costs	Operating and Non-operating Expenses	Total	Operating Costs	Operating and Non-operating Expenses	Total
Short-term employee benefits	\$ 5,819,455	\$ 3,324,782	\$ 9,144,237	\$ 4,772,504	\$ 3,117,286	\$ 7,889,790
Labor insurance, health insurance and social welfare insurance	381,268	261,543	642,811	301,664	193,260	494,924
Post-employment benefits						
Defined contribution plans	339,726	139,865	479,591	205,560	97,303	302,863
Defined benefit plans	2,728	2,252	4,980	3,485	2,831	6,316
Other employee benefits	460,400	340,876	801,276	347,627	270,427	618,054
Depreciation and amortization expenses	875,155	1,071,260	1,946,415	836,312	933,182	1,769,494

c. Employees' compensation and remuneration of directors

The shareholders of the Company held their regular meeting in July 2021 and in that meeting, resolved the amendments to the Company's Articles. According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 6%-12% and no higher than 2%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. Before the amendments, the Company accrued employees' compensation and remuneration of directors at rates of 6%-12% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The employees' compensation and the remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by the Company's board of directors on March 25, 2022 and March 26, 2021, respectively, were as follows:

For the Year Ended December 31				
	2021		2020	
	Accrual rate	Amount	Accrual rate	Amount
Employees' compensation	7.2%	\$ 558,393	7.2%	\$ 455,893
Remuneration of directors	2.0%	155,026	2.0%	127,343

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

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

Information on the employees' compensation and remuneration to directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAXES

a. Income tax recognized in profit

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	\$ 2,104,376	\$ 1,920,759
Income tax on unappropriated earnings	67,727	-
Adjustments for prior years	37,887	(53,111)
Investment tax credits used	-	(40,963)
Taxed separately of repatriated offshore funds	-	11,653
Others	<u>53,653</u>	<u>(5,075)</u>
	2,263,643	1,833,263
Deferred tax		
In respect of the current year	<u>157,308</u>	<u>(176,306)</u>
Income tax expense recognized in profit	<u>\$ 2,420,951</u>	<u>\$ 1,656,957</u>

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

	For the Year Ended December 31	
	2021	2020
Income tax expense calculated at the statutory rate	\$ 2,824,413	\$ 2,307,481
Permanent differences	(869,391)	(378,007)
Temporary differences	149,386	(8,715)
Investment tax credit used	-	(40,963)
Loss carryforwards used	(32)	-
Income tax on unappropriated earnings	<u>67,727</u>	<u>-</u>
Current income tax expense	2,172,103	1,879,796

(Continued)

	For the Year Ended December 31	
	2021	2020
Deferred income tax expense		
Temporary differences	\$ 157,308	\$ (176,306)
Taxed separately of repatriated offshore funds	-	11,653
Others	53,653	(5,075)
Adjustments for prior years' tax	<u>37,887</u>	<u>(53,111)</u>
Income tax expense recognized in profit	<u>\$ 2,420,951</u>	<u>\$ 1,656,957</u>
		(Concluded)

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement of defined benefit plans	\$ 10,742	\$ 10,223
Exchange difference on foreign operations	<u>146,082</u>	<u>(5,410)</u>
Total income tax recognized in other comprehensive income	<u>\$ 156,824</u>	<u>\$ 4,813</u>

c. Deferred tax assets and liabilities

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

	For the Year Ended December 31, 2021				
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred Tax Assets</u>					
Temporary differences					
Exchange difference on foreign operations	\$ 509,855	\$ -	\$ 146,082	\$ -	\$ 655,937
Deferred recognition of bonuses payable	184,937	46,188	-	(545)	230,580
Deferred government grants	79,871	1,081	-	(539)	80,413
Unrealized provision for loss on inventory	76,850	(10,935)	-	106	66,021
Unrealized intercompany profit	64,642	65,909	-	-	130,551
Provisions	47,119	(7,306)	-	(1,346)	38,467
Allowance for impairment loss	17,360	2,227	-	70	19,657
Defined benefit obligation	31,728	10,387	10,742	(2)	52,855
Others	<u>382,600</u>	<u>72,398</u>	<u>-</u>	<u>4,304</u>	<u>459,302</u>
	<u>\$ 1,394,962</u>	<u>\$ 179,949</u>	<u>\$ 156,824</u>	<u>\$ 2,048</u>	<u>\$ 1,733,783</u>
					(Continued)

For the Year Ended December 31, 2021					
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred Tax Liabilities</u>					
Temporary differences					
Unappropriated earnings of subsidiaries	\$ 1,113,111	\$ 370,140	\$ -	\$ (11,633)	\$ 1,471,618
Reserve for land revaluation increment tax	98,974	-	-	-	98,974
Defined benefit obligation	30,712	3,959	-	-	34,671
Others	<u>51,641</u>	<u>(36,842)</u>	<u>-</u>	<u>-</u>	<u>14,799</u>
	<u>\$ 1,294,438</u>	<u>\$ 337,257</u>	<u>\$ -</u>	<u>\$ (11,633)</u>	<u>\$ 1,620,062</u> (Concluded)

For the Year Ended December 31, 2020					
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred Tax Assets</u>					
Temporary differences					
Exchange difference on foreign operations	\$ 515,265	\$ -	\$ (5,410)	\$ -	\$ 509,855
Deferred recognition of bonuses payable	159,274	25,090	-	573	184,937
Deferred government grants	82,719	(2,880)	-	32	79,871
Unrealized provision for loss on inventory	68,753	7,783	-	314	76,850
Unrealized intercompany profit	87,577	(22,878)	-	(57)	64,642
Provisions	45,295	1,773	-	51	47,119
Allowance for impairment loss	28,016	(10,822)	-	166	17,360
Defined benefit obligation	21,192	272	10,223	41	31,728
Others	<u>339,340</u>	<u>39,827</u>	<u>-</u>	<u>3,433</u>	<u>382,600</u>
	<u>\$ 1,347,431</u>	<u>\$ 38,165</u>	<u>\$ 4,813</u>	<u>\$ 4,553</u>	<u>\$ 1,394,962</u>

<u>Deferred Tax Liabilities</u>					
Temporary differences					
Unappropriated earnings of subsidiaries	\$ 1,340,883	\$ (204,851)	\$ -	\$ (22,921)	\$ 1,113,111
Reserve for land revaluation increment tax	98,974	-	-	-	98,974
Defined benefit obligation	15,643	15,069	-	-	30,712
Others	<u>-</u>	<u>51,641</u>	<u>-</u>	<u>-</u>	<u>51,641</u>
	<u>\$ 1,455,500</u>	<u>\$ (138,141)</u>	<u>\$ -</u>	<u>\$ (22,921)</u>	<u>\$ 1,294,438</u>

- d. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2021	2020
Loss carryforwards		
Expire in 2022 to 2031	<u>\$ 95,742</u>	<u>\$ 70,017</u>

- e. Income tax assessments

Except for the Company in 2018 as well as Giant Sales, Giant Adventure, and YouBike through 2019, the income tax returns have been assessed by the tax authorities.

AIPS was established in September 2020; its income tax return of 2020 has not been assessed by the tax authorities.

- f. The income tax rate applicable to the Group's subsidiaries in China is 25%. According to Measures for the Administration of the Recognition of Hi-tech Enterprises, a designated high and new technology enterprise is allowed a 15% income tax rate. The income tax expenses generated from other subsidiaries are calculated based on local tax rates.

27. EARNINGS PER SHARE

	Net profit Attributable to Owners of the Company	Number of Shares (In Thousands)	Earnings Per Share (NTD)
<u>For the year ended December 31, 2021</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Company	\$ 5,930,074	375,065	<u>\$ 15.81</u>
Effect of potentially dilutive ordinary shares			
Employees' compensation	<u>-</u>	<u>1,991</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 5,930,74</u>	<u>377,056</u>	<u>\$ 15.73</u>
<u>For the year ended December 31, 2020</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Company	\$ 4,948,959	375,065	<u>\$ 13.19</u>
Effect of potentially dilutive ordinary shares			
Employees' compensation	<u>-</u>	<u>2,225</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 4,948,959</u>	<u>377,290</u>	<u>\$ 13.12</u>

If the Group offered to settle compensation or bonuses paid to employees in cash or shares, the Group assumed that the entire amount of the compensation or bonuses will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. GOVERNMENT GRANTS

As of December 31, 2021, the Group received a preferential interest rate loan of \$1,799,000 thousand from the government's "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan". The amount was used in capital expenditure and operating turnover. The loan was expected to be repaid until 2027. Using the prevailing market interest rate at an equivalent loan rate of 1.35%-1.6%, the fair value of the loan was estimated at \$1,633,824 thousand on initial recognition. The difference of \$165,176 thousand between the proceeds and the fair value of the loan was the benefit derived from the preferential interest rate loan and had been recognized as deferred revenue. The revenue was transferred to other revenue over the period of the term.

If the Group fails to meet the key points in the agreement during the loan period and the National Development Fund terminates the grant, the Group shall pay the original interest rate plus the annual interest rate.

29. DISPOSAL OF SUBSIDIARY

In order to focus on the core business of the Group, the board of directors of the Company decided to dispose the entire shares in G-Shang on September 16, 2020. The disposal was completed on September 30, 2020 and the control of G-Shang passed to the acquirer.

a. Consideration received from disposal

	Amount
Total consideration received	\$ <u>48,155</u>

b. Analysis of assets and liabilities on the date control was lost

	Amount
Current assets	\$ 202,509
Non-current assets	33,194
Current liabilities	(160,331)
Non-current liabilities	<u>(6,682)</u>
Net assets disposed of	\$ <u>68,690</u>

c. Gain on disposal of subsidiary

	Amount
Consideration received	\$ 48,155
Net assets disposed of	(68,690)
Non-controlling interests	<u>20,607</u>
Gain on disposal	<u>\$ 72</u>

d. Net cash outflow on disposal of subsidiary

	Amount
Consideration received in cash and cash equivalents	\$ 48,155
Less: Cash and cash equivalent balances disposed of	<u>(67,957)</u>
	<u>\$ (19,802)</u>

Proceeds of the disposal of subsidiary were fully received in October 2020.

30. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising ordinary shares, capital surplus, retained earnings and other equity).

Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

31. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>December 31, 2021</u>				
Financial assets at FVTPL				
Wealth management products	\$ -	\$ 2,170,950	\$ -	\$ 2,170,950
Derivative financial instruments	<u>-</u>	<u>1,417</u>	<u>-</u>	<u>1,417</u>
	<u>\$ -</u>	<u>\$ 2,172,367</u>	<u>\$ -</u>	<u>\$ 2,172,367</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>December 31, 2021</u>				
Financial assets at FVTOCI				
Domestic listed company	\$ 2,071	\$ -	\$ -	\$ 2,071
Foreign unlisted company	<u>-</u>	<u>-</u>	<u>36,906</u>	<u>36,906</u>
	<u>\$ 2,071</u>	<u>\$ -</u>	<u>\$ 36,906</u>	<u>\$ 38,977</u>

December 31, 2020

Financial assets at FVTPL				
Wealth management products	<u>\$ -</u>	<u>\$ 3,823,267</u>	<u>\$ -</u>	<u>\$ 3,823,267</u>
Financial assets at FVTOCI				
Domestic listed shares investments	<u>\$ 1,814</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,814</u>
Financial liabilities at FVTPL				
Derivative financial instruments	<u>\$ -</u>	<u>\$ 5,782</u>	<u>\$ -</u>	<u>\$ 5,782</u> (Concluded)

There were no transfers between Levels 1 and 2 for the years ended December 31, 2021 and 2020.

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

Equity investments classified as financial assets at FVTOCI

	For the Year Ended December 31, 2021
Balance, beginning of year	\$ -
Additions	<u>36,906</u>
Balance, end of year	<u>\$ 36,906</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Wealth management products	Discounted cash flows. Future cash flows are estimated based on contract forward rates, discounted at a rate that reflects the credit risk.
Derivative financial instruments	Discounted cash flows. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

Financial assets at fair value through other comprehensive income of foreign unlisted of investments in equity instruments is evaluated as level 3. The fair value is calculated by reference to the net book value of the company based on its financial information, comparing the average net price of listed companies or firms in the same industry to the estimated price, and calculating the present value of profit and loss that is expected to be derived from holding of such investment.

b. Categories of financial instruments

	December 31	
	2021	2020
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 2,172,367	\$ 3,823,267
Financial assets at amortized cost (1)	23,855,690	22,887,423
Financial assets at FVTOCI	38,977	1,814
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	-	5,782
Financial liabilities at amortized cost (2)	36,069,701	26,321,203

- 1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, other receivables and long-term receivables.
- 2) The balances included financial liabilities at amortized cost, which comprise short-term bank loans, notes payables, accounts payable, other payables and long-term bank loans.

c. Financial risk management objectives and policies

The Group's major financial instruments included equity investments, accounts receivable, accounts payable, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including foreign exchange forward contracts to hedge the exchange rate risk arising on the export.

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

a) Foreign currency risk

The Company and subsidiaries have foreign currency denominated sales and purchases, which exposes the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 35.

Sensitivity analysis

The Group is mainly exposed to the USD, EUR, JPY and RMB.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit with the relevant currency strengthen 1% against New Taiwan dollars. For a 1% weakening of the relevant currency against New Taiwan dollars, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	Currency Impact	
	For the Year Ended December 31	
	2021	2020
USD	\$ 148,839	\$ 26,957
EUR	66,941	22,946
JPY	1,472	(557)
RMB	411	(134)

This was mainly attributable to the exposure on outstanding receivables, payables in USD, EUR, JPY and RMB that were not hedged at the end of the year.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2021	2020
Fair value interest rate risk		
Financial assets	\$ 4,952,860	\$ 2,463,176
Financial liabilities	19,125,324	9,221,643
Cash flow interest rate risk		
Financial assets	7,322,587	11,113,329
Financial liabilities	5,113,149	6,919,287

Sensitivity analysis

The sensitivity analyses were determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 1 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1 basis point higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2021 and 2020 would increase/decrease by \$12,783 thousand and \$17,298 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group's concentration of credit risk of 38% and 27% of total accounts receivable as of December 31, 2021 and 2020, respectively, was attributable to the Group's the two largest customers.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Group had available unutilized short-term bank loan facilities of \$37,302,181 thousand and \$39,927,000 thousand, respectively.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

	Less Than 1 Year	1-2 Years	Over 2 Years
<u>December 31, 2021</u>			
Non-derivative Financial liabilities			
Short-term bank loans	\$ 19,696,646	\$ -	\$ -
Payables	9,031,754	-	-
Lease liabilities	455,918	214,654	758,466
Other payables	4,178,065	-	-
Long-term bank loans	<u>-</u>	<u>1,251,640</u>	<u>1,911,596</u>
	<u>\$ 33,362,383</u>	<u>\$ 1,466,294</u>	<u>\$ 2,670,062</u>
<u>December 31, 2020</u>			
Non-derivative Financial liabilities			
Short-term bank loans	\$ 10,935,301	\$ -	\$ -
Payables	8,150,338	-	-
Lease liabilities	255,107	145,389	570,415
Other payables	2,994,904	-	-
Long-term bank loans	<u>-</u>	<u>1,381,240</u>	<u>2,859,420</u>
	<u>\$ 22,335,650</u>	<u>\$ 1,526,629</u>	<u>\$ 3,429,835</u>

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed in the other notes, details of transactions between the Group and other related parties were disclosed as follows:

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Microprogram	Associate
Microprogram Information (Kunshan) Co., Ltd.	Associate
Meiki Giant	Associate
Cycling Life-style Foundation	Others
Cycling Lifestyle Foundation (Japan)	Others
Jiangsu Giant Cycling Life-style Foundation	Others
Max Success International Ltd.	Others
Kunshan Vuelta Wheel Co., Ltd.	Others
Kunshan Henry Metal Technology Co., Ltd.	Others
Shanghai RealMan Energy Technology Co., Ltd.	Others
Appa (Kunshan) Co., Ltd.	Others
Mach 1 Machining Co., Ltd.	Others
CHI YE Investment Co., Ltd.	Others
Mr./Ms. Chiu	Others
Mr./Ms. Chiu	Others

b. Sales of goods

Related Party Category	For the Year Ended December 31	
	2021	2020
Others	\$ 4,458	\$ 9,204
Associates	<u>215</u>	<u>-</u>
	<u>\$ 4,673</u>	<u>\$ 9,204</u>

The products sold to related parties are own branding and manufacturing (OBM) products. The Group decided the price and gross profit ratio by type of products sold. The OBM pricing strategy also differed from that for original equipment manufacturing products.

c. Purchases of goods

Related Party Category	For the Year Ended December 31	
	2021	2020
Associates	\$ 166,050	\$ 134,259
Others	<u>468</u>	<u>689</u>
	<u>\$ 166,518</u>	<u>\$ 134,948</u>

The prices of the purchases from related parties are based on specific diversity of products and related market trends.

d. Cost of goods sold

Related Party Category	For the Year Ended December 31	
	2021	2020
Associates	\$ 111,374	\$ 121,320
Others	<u>-</u>	<u>2,400</u>
	<u>\$ 111,374</u>	<u>\$ 123,720</u>

e. Operating expense

Related Party Category	For the Year Ended December 31	
	2021	2020
Others	<u>\$ 23,838</u>	<u>\$ 15,907</u>

f. Accounts receivable

Related Party Category	December 31	
	2021	2020
Others	<u>\$ 69</u>	<u>\$ 1,820</u>

- g. Other receivables

Related Party Category	December 31	
	2021	2020
Associates	\$ <u>2,380</u>	\$ <u>2,557</u>

- h. Other current assets

Related Party Category	December 31	
	2021	2020
Associates	\$ <u>-</u>	\$ <u>4,241</u>

- i. Prepayments for equipment

Related Party Category	December 31	
	2021	2020
Other	\$ <u>1,636</u>	\$ <u>-</u>

- j. Accounts payable

Related Party Category	December 31	
	2021	2020
Associates	\$ <u>42,107</u>	\$ <u>17,449</u>

- k. Other payables

Related Party Category	December 31	
	2021	2020
Associates	\$ 52,666	\$ 59,959
Others	<u>35</u>	<u>148</u>
	\$ <u>52,701</u>	\$ <u>60,107</u>

- l. Purchase of other intangible assets

Related Party Category	Purchase Price For the Year Ended December 31, 2020
Associates	\$ <u>959</u>

m. Disposal of subsidiary

Related Party Category	Account	For the Year Ended December 31, 2020	
		Proceeds	Gain on Disposal
CHI YE Investment Co., Ltd	Investment accounted for using the equity method	\$ 20,700	\$ 31
Mr./Ms. Chiu		5,175	8
Mr./Ms. Chiu		<u>5,175</u>	<u>8</u>
		<u>\$ 31,050</u>	<u>\$ 47</u>

n. Compensation of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 337,773	\$ 258,416
Post-employment benefits	<u>945</u>	<u>945</u>
	<u>\$ 338,718</u>	<u>\$ 259,361</u>

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

a. The following assets were provided as collateral for bank loans:

	December 31	
	2021	2020
Notes and accounts receivable	<u>\$ 520,865</u>	<u>\$ 687,214</u>

b. The following assets were provided as collaterals for tourism and leased national land:

	December 31	
	2021	2020
Pledged bank deposits (classified as financial assets at amortized cost)	<u>\$ 2,392</u>	<u>\$ 2,325</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments of the Group at December 31, 2021 were as follows:

a. The Group had a commitment to acquire property, plant and equipment for \$636,969 thousand.

b. Product liability

The contract period of the existing product liability insurance policy (the “policy”) of the Group is from August 1, 2021 to August 1, 2022. The policy covers all products manufactured by the Group that are sold all over the world. The maximum indemnity for claims arising from one originating cause is US\$10 million.

- c. The Group signed several contracts to provide public bicycle rental service with Taipei City Department of Transportation, New Taipei City Department of Transportation, Taichung City Department of Transportation, Taoyuan City Department of Transportation, Hsinchu City, Ministry of Science and Technology Hsinchu Science Park Administration, Miaoli County, Kaohsiung City Department of Transportation and Chiayi City Department of Transportation. The periods of the contracts are from November 18, 2015 to December 31, 2028.
- d. Because of signing contracts to provide public bicycle rental service, the Group has to provide deposit of \$365,086 thousand to Changhua Bank, Dajia Branch in order for Changhua Bank to provide guarantee. The validity period is until March 31, 2029.
- e. The Group entered into concession arrangements with the Quanzhou City Municipal Engineering Management Office authorized by the People’s Government of Quanzhou City, Fujian Province, Putian City Garden Administration Bureau authorized by the People’s Government of Putian City, Fujian Province and Anxi County Small Town Construction Investment Co., Ltd. authorized by the Anxi County People’s Government. The contract period is from March 29, 2016 to June 14, 2025.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	December 31, 2021			December 31, 2020		
	Foreign Currency	Exchange Rate	New Taiwan Dollar	Foreign Currency	Exchange Rate	New Taiwan Dollar
<u>Financial assets</u>						
Monetary items						
USD	\$ 677,382	27.690	\$ 18,756,708	\$ 239,199	28.508	\$ 6,819,085
EUR	226,638	31.291	7,091,730	86,127	34.531	2,974,051
JPY	1,508,699	0.2402	362,389	2,556,001	0.2724	696,255
RMB	117,326	4.3419	509,414	86,964	4.3152	375,267
<u>Financial liabilities</u>						
Monetary items						
USD	139,865	27.690	3,872,862	144,638	28.508	4,123,340
EUR	12,708	31.291	397,646	19,677	34.531	679,466
JPY	895,994	0.2402	215,218	2,760,431	0.2724	751,941
RMB	107,868	4.3419	468,349	90,067	4.3152	388,657

The Group is mainly exposed to USD, EUR, JPY and RMB. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Year Ended December 31				
Foreign Currency	2021		2020	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ (174,597)	1 (NTD:NTD)	\$ (124,506)
RMB	4.3281 (RMB:NTD)	(34,825)	4.2658 (RMB:NTD)	(108,432)
EUR	33.041 (EUR:NTD)	(123,873)	33.57 (EUR:NTD)	(49,370)
USD	28.024 (USD:NTD)	66	29.582 (USD:NTD)	1,545
JPY	0.2545 (JPY:NTD)	(543)	0.2757 (JPY:NTD)	(192)
		<u>\$ (333,772)</u>		<u>\$ (280,955)</u>

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries and associates). (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices at least \$300 million or 20% of the paid-in capital. (None)
- 5) Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital. (None)
- 6) Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital. (Table 4)
- 8) Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital. (Table 5)
- 9) Trading in derivative instruments. (Note 7)
- 10) Intercompany relationships and significant intercompany transactions. (Table 6)
- 11) Information on investees. (Table 7)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, the ending balance of carrying amount of the investment, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (Table 9)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 9)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (None)
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 1)
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services. (None)
- c. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (None)

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were bicycle, materials and others.

a. Segment revenues and results

	Segment Revenue		Segment Profit	
	For the Year Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
Bicycle	\$ 73,658,016	\$ 63,500,316	\$ 7,809,863	\$ 6,153,802
Materials	6,102,184	4,190,452	1,089,355	612,291
Other	<u>2,079,670</u>	<u>2,320,081</u>	<u>(189,931)</u>	<u>92,180</u>
Total for continuing operations	<u>\$ 81,839,870</u>	<u>\$ 70,010,849</u>	8,709,287	6,858,273
Finance costs			(217,104)	(238,692)
Share of profit (loss) of associates accounted for using the equity method			(6,942)	(10,562)
Interest income			285,600	259,525
Other gains and losses			267,335	233,125
Valuation gain (loss) on financial assets and liabilities at FVTPL			7,342	(5,716)
Gain (loss) on disposal of property, plant and equipment, net			(19,291)	16,527
Foreign exchange loss, net			<u>(297,767)</u>	<u>(279,614)</u>
Profit before tax (continuing operations)			<u>\$ 8,728,460</u>	<u>\$ 6,832,866</u>

Segment profit represents the profit before tax earned by each segment without finance costs, share of profit (loss) of associates accounted for using the equity method, interest income, other gains and losses, valuation gain (loss) on financial assets and liabilities at fair value through profit or loss, gain (loss) on disposal of property, plant and equipment, net, foreign exchange loss, net and income tax expense. This was the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The Group had not reported segment assets and liabilities information to operating decision marker, thus disclosure is not necessary.

c. Geographical information

The Group operates in three principal geographical areas - Asia, Europe and America.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2021	2020	2021	2020
Asia	\$ 45,717,300	\$ 37,520,471	\$ 14,431,682	\$ 13,113,389
Europe	24,108,978	22,181,420	2,524,918	2,385,753
America	9,444,695	7,850,055	407,959	161,151
Others	<u>2,568,897</u>	<u>2,458,903</u>	<u>32,605</u>	<u>33,317</u>
	<u>\$ 81,839,870</u>	<u>\$ 70,010,849</u>	<u>\$ 17,397,164</u>	<u>\$ 15,693,610</u>

Non-current assets exclude deferred tax assets and the cash deductible value of annuity insurance.

d. Information about major customers

Details of sales revenue accounted for at least 10% of sales account in the consolidated statement of comprehensive income are as follows:

	For the Year Ended December 31			
	2021		2020	
	Amount	%	Amount	%
Customer T	\$ 14,366,125	18	\$ 11,067,452	16
Customer S	8,367,707	10	8,784,404	13

TABLE 1

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO RELATED ENTITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars and Foreign Currencies)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 6 and 7)	Ending Balance (Note 6)	Actual Borrowing Amount (Notes 7 and 8)	Interest Rate	Nature of Financing (Note 4)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
													Item	Value		
0	Giant	Giant Sales	Other receivables	Yes	\$ 100,000	\$ 100,000	\$ -	-	2	\$ -	Operating Capital	\$ -	-	\$ -	\$ 2,747,582 (Note 2)	\$ 10,990,326 (Note 5)
1	Giant China	Giant Kunshan	Loans receivable - related parties	Yes	651,281 (RMB 150,000)	217,094 (RMB 50,000)	-	-	2	-	Operating Capital	-	-	-	1,997,260 (Note 3)	1,997,260 (Note 3)
		Quanzhou YouBike	Loans receivable - related parties	Yes	390,768 (RMB 90,000)	217,094 (RMB 50,000)	151,965 (RMB 35,000)	3.85%	2	-	Operating Capital	-	-	-	1,997,260 (Note 3)	1,997,260 (Note 3)
2	Giant Electric Vehicle	Giant Kunshan	Loans receivable - related parties	Yes	347,350 (RMB 80,000)	347,350 (RMB 80,000)	-	-	2	-	Operating Capital	-	-	-	1,302,561 (Note 3)	1,302,561 (Note 3)
		Putian YouBike	Loans receivable - related parties	Yes	525,366 (RMB 121,000)	525,366 (RMB 121,000)	256,170 (RMB 59,000)	4.00%	2	-	Operating Capital	-	-	-	1,302,561 (Note 3)	1,302,561 (Note 3)
		Quanzhou YouBike	Loans receivable - related parties	Yes	104,205 (RMB 24,000)	104,205 (RMB 24,000)	-	-	2	-	Operating Capital	-	-	-	1,302,561 (Note 3)	1,302,561 (Note 3)
3	Giant Jiangsu	Giant Kunshan	Loans receivable - related parties	Yes	217,094 (RMB 50,000)	217,094 (RMB 50,000)	-	-	2	-	Operating Capital	-	-	-	969,150 (Note 3)	969,150 (Note 3)
4	YouBike	Giant	Loans receivable - related parties	Yes	100,000	100,000	-	-	2	-	Operating Capital	-	-	-	89,947 (Note 3)	359,789 (Note 3)
5	D. Mag	Light Metal Haian	Loans receivable - related parties	Yes	217,094 (RMB 50,000)	-	-	-	2	-	Operating Capital	-	-	-	969,150 (Note 3)	969,150 (Note 3)
		Light Metal Malaysia	Loans receivable - related parties	Yes	6,513 (RMB 1,500)	6,513 (RMB 1,500)	6,513 (RMB 1,500)	3.35%	2	-	Operating Capital	-	-	-	969,150 (Note 3)	969,150 (Note 3)
6	Gaiwin	Giant Hungary Mfg.	Loans receivable - related parties	Yes	938,718 (EUR 30,000)	938,718 (EUR 30,000)	782,265 (EUR 25,000)	0.65%	2	-	Operating Capital	-	-	-	969,150 (Note 3)	969,150 (Note 3)

Note 1: 1) Giant is numbered 0. 2) Subsidiaries are numbered starting from 1.

Note 2: Up to 10% of the net asset value of Giant.

Note 3: 1) Giant China, Giant Electric Vehicle and Giant Holding: Up to RMB 0.46 billion, 0.3 billion and 0.25 billion, respectively.
2) YouBike: Up to 10% of its net asset value is the financing limit for each borrower and up to 40% of net assets is the aggregate financing limits.
3) The other subsidiaries: Up to USD35,000 thousand.

Note 4: The nature of financing provided could be 1) business relationship, 2) short-term financial assistance.

Note 5: Up to 40% of the net asset value of Giant.

Note 6: The ending balance amount has been approved by the board of directors.

Note 7: The ending balance and actual borrowing amount used are recorded using prevailing exchange rate at balance sheet date.

Note 8: Significant intercompany accounts and transactions have been eliminated.

TABLE 2

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Notes 4 and 6)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 5 and 6)	Actual Borrowing Amount (Note 6)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 4)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	Giant	Giant Hungary Mfg.	2	\$ 6,868,954	\$ 1,908,727 (EUR 61,000)	\$ 1,908,727 (EUR 61,000)	\$ 1,733,888 (EUR 55,412)	\$ -	6.95%	\$ 13,737,908	Y	N	N
1	Giant Sales	YouBike	4	1,500,000	940,718	714,125	714,125	-	135%	1,500,000	N	N	N
2	Giant China	Giant Holding	4	969,150	4,585 (RMB 1,056)	4,585 (RMB 1,056)	4,585 (RMB 1,056)	-	0.11%	969,150	N	N	Y

Note 1: 1) Giant is numbered 0. 2) Subsidiaries are numbered starting from 1.

Note 2: The relationship between endorser/guarantor and the endorsee/guarantee can be classified into the following seven categories:

1) A company with a business relationship.

2) A company in which Giant directly and indirectly holds more than 50% of the voting shares.

3) A company that directly and indirectly holds more than 50% of the voting shares in Giant.

4) Companies in which Giant directly or indirectly holds 90% or more of the voting shares.

5) The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for the purpose of undertaking a construction project.

6) All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

7) Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act.

Note 3: Up to 25% of the net asset value of Giant, up to \$1,500,000 thousand of Giant sales, and up to USD35,000 thousand of other subsidiaries.

Note 4: Up to 50% (excluding 50%) of the net asset value of Giant, up to \$1,500,000 thousand of Giant sales, and up to USD35,000 thousand of other subsidiaries.

Note 5: The ending balance amount has been approved by the board of directors.

Note 6: The ending balance and actual amount used are recorded using prevailing exchange rate at balance sheet date.

TABLE 3

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021			
				Shares	Carrying Value	Percentage of Ownership	Fair Value
Giant	<u>Domestic listed company</u> Kuei Meng	-	Financial assets at FVTOCI - non-current	10,484	\$ 2,071	-	\$ 2,071
D. Mag	<u>Foreign unlisted company</u> Chongqing Guochuang Light Alloy Research Institute Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	36,906	-	36,906

TABLE 4

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (In Thousands of New Taiwan Dollars and Foreign Currencies)

Purchaser or Seller	Related Party	Nature of Relationship with the Purchaser or Seller	Transaction Details				Abnormal Transaction		Notes and Accounts Receivable (Payable)		Note
			Purchase or Sale	Amount (Note)	% to Total	Collection Terms	Unit Price	Collection Terms	Ending Balance (Note)	% to Total	
Giant	Giant USA	Investee of Gaiwin	Sales	\$ (2,981,578)	(9)	T/T 60 days	\$ -	-	\$ 761,429	9	
	Giant Australia	Investee of Gaiwin	Sales	(775,761)	(2)	T/T 20 days	-	-	118,107	1	
	Giant Benelux B.V.	Investee of Giant Europe	Sales	(284,232)	(1)	T/T 45 days	-	-	16,083	-	
	Giant Europe	Investee of Gaiwin	Sales	(2,339,708)	(7)	T/T 45 days	-	-	579,110	7	
	Giant France	Investee of Giant Europe	Sales	(1,563,527)	(4)	T/T 45 days	-	-	151,809	2	
	Giant Europe Mfg.	Investee of Giant Europe	Sales	(4,497,955)	(13)	T/T 90 days	-	-	1,948,009	22	
	Giant Hungary Mfg.	Investee of Giant Europe	Sales	(778,126)	(2)	T/T 120 days	-	-	290,937	3	
	Giant Polska	Investee of Giant Europe	Sales	(206,430)	(1)	T/T 45 days	-	-	18,602	-	
	Giant UK	Investee of Giant Europe	Sales	(1,244,987)	(4)	T/T 50 days	-	-	469,933	5	
	Giant Germany	Investee of Giant Europe	Sales	(2,059,633)	(6)	T/T 60 days	-	-	196,513	2	
	Giant Canada	Investee of Gaiwin	Sales	(474,395)	(1)	T/T 60 days	-	-	55,359	1	
	Giant Italy	Investee of Giant Europe	Sales	(303,071)	(1)	T/T 45 days	-	-	23,155	-	
	Giant Korea	Investee of Gaiwin	Sales	(328,743)	(1)	T/T 15 days	-	-	54,641	1	
	Giant Japan	Investee of Gaiwin	Sales	(210,316)	(1)	T/T 15 days	-	-	26,543	-	
	Giant Mexico	Investee of Gaiwin	Sales	(142,249)	-	T/T 90 days	-	-	76,493	1	
	AIPS	Investee of Giant	Sales	(613,969)	(2)	T/T 30 days	-	-	4,352	-	
	Giant Sales	Investee of Giant	Sales	(747,734)	(2)	T/T 15 days	-	-	44,825	1	
	Giant China	Investee of Growood	Sales	(644,223)	(2)	T/T 90 days	-	-	83,706	1	
	Giant Kunshan	Investee of Giant Holding	Sales	(673,049)	(2)	T/T 90 days	-	-	171,384	2	
	Giant Electric Vehicle	Investee of Growood	Sales	(501,505)	(1)	T/T 90 days	-	-	144,729	2	
	YouBike	Investee of Giant	Sales	(258,998)	(1)	T/T 30 days	-	-	49,185	1	
	Giant Tianjin	Investee of Growood	Sales	(152,334)	-	T/T 90 days	-	-	62,398	1	
	Giant Electric Vehicle	Investee of Growood	Purchase	2,615,817	9	T/T 90 days	-	-	(787,975)	(17)	
	Giant Kunshan	Investee of Giant Holding	Purchase	1,278,975	4	T/T 90 days	-	-	(281,514)	(6)	
	D. Mag	Investee of Darzins	Purchase	367,040	1	T/T 60 days	-	-	(41,343)	(1)	
	Giant China	Investee of Growood	Purchase	176,509	1	T/T 90 days	-	-	(26,237)	(1)	
	Microprogram	Investee of Giant	Purchase	148,305	-	T/T 75 days	-	-	(35,539)	(1)	
	Giant Tianjin	Investee of Growood	Purchase	126,111	-	T/T 90 days	-	-	(114,450)	(2)	
	Giant Sales	Investee of Giant	Sales	(197,598)	(11)	Net 30 days	-	-	-	-	
	Giant Kunshan	Investee of Giant Holding	Purchase	285,232	23	T/T 35 days	-	-	(48,964)	(33)	
	Giant Europe	Investee of Gaiwin	Sales	(524,615)	(4)	T/T 60 days	-	-	122,101	4	
Giant China	Giant Kunshan	Investee of Giant Holding	Purchase	(RMB 121,212)					RMB 28,122		
				224,699	2	T/T 90 days	-	-	(89,566)	(5)	
				RMB 51,751					(RMB 20,628)		
	Giant UK	Investee of Giant Europe	Sales	(417,242)	(4)	T/T 90 days	-	-	147,055	5	
				(RMB 96,404)					RMB 33,869		
	Giant Hungary Mfg.	Investee of Giant Europe	Sales	(620,088)	(5)	T/T 90 days	-	-	353,835	12	
				(RMB 143,271)					RMB 81,493		
	Giant Polska	Investee of Giant Europe	Sales	(144,323)	(1)	T/T 60 days	-	-	24,350	1	
				(RMB 33,346)					RMB 5,608		
Giant Europe Mfg.				(110,735)	(1)	T/T 90 days	-	-	24,740	1	
				(RMB 25,585)					RMB 5,698		

(Continued)

Purchaser or Seller	Related Party	Nature of Relationship with the Purchaser or Seller	Transaction Details				Abnormal Transaction		Notes and Accounts Receivable (Payable)		Note
			Purchase or Sale	Amount (Note)	% to Total	Collection Terms	Unit Price	Collection Terms	Ending Balance (Note)	% to Total	
Giant Electric Vehicle	Giant Europe	Investee of Gaiwin	Sales	\$ (388,997)	(4)	T/T 60 days	\$ -	-	\$ 172,069	7	
	Giant Europe Mfg.	Investee of Giant Europe	Sales	(RMB 89,878)	(18)	T/T 90 days	-	-	RMB 39,630	13	
	Giant USA	Investee of Gaiwin	Sales	(1,609,945)	(11)	T/T 60 days	-	-	RMB 304,830	15	
	Giant Canada	Investee of Gaiwin	Sales	(RMB 371,977)	(3)	T/T 60 days	-	-	RMB 70,207	3	
	Giant Australia	Investee of Gaiwin	Sales	(925,120)	(4)	T/T 60 days	-	-	RMB 348,947	2	
	Giant Benelux	Investee of Giant Europe	Sales	(RMB 213,748)	(2)	T/T 60 days	-	-	RMB 80,367	2	
	Giant Hungary Mfg.	Investee of Giant Europe	Sales	(296,528)	(2)	T/T 60 days	-	-	RMB 62,840	7	
				(RMB 68,513)					RMB 14,473		
Giant Tianjin	Giant Kunshan	Investee of Giant Holding	Sales	(370,418)	(9)	T/T 90 days	-	-	RMB 57,335	23	
	Giant Kunshan	Investee of Giant Holding	Purchase	(RMB 85,585)	3	T/T 90 days	-	-	RMB 13,205	(20)	
	Giant Chengdu	Investee of Merdeka	Sales	(189,216)	(9)	T/T 90 days	-	-	RMB 54,185	19	
				(RMB 169,325)					RMB 12,480		
Giant Kunshan	Giant USA	Investee of Gaiwin	Sales	(RMB 39,123)	(15)	T/T 90 days	-	-	RMB 38,572	31	
	Giant Europe Mfg.	Investee of Giant Europe	Sales	(415,936)	(3)	T/T 90 days	-	-	RMB 118,825	4	
	Giant Hungary Mfg.	Investee of Giant Europe	Sales	(RMB 96,102)	(1)	T/T 120 days	-	-	(RMB 27,367)	2	
	Giant Chengdu	Investee of Merdeka	Sales	RMB 25,742	(2)	T/T 90 days	-	-	(RMB 42,248)	1	
	Giant Australia	Investee of Gaiwin	Sales	(420,326)	(6)	T/T 30 days	-	-	RMB 98,970	6	
	Giant Canada	Investee of Gaiwin	Sales	(RMB 97,116)	(4)	T/T 90 days	-	-	RMB 22,794	6	
	Giant Japan	Investee of Gaiwin	Sales	(1,517,701)	(8)	T/T 30 days	-	-	RMB 581,828	6	
	Giant Korea	Investee of Gaiwin	Sales	(RMB 350,664)	(3)	T/T 60 days	-	-	RMB 134,003	2	
	Giant Mexico	Investee of Gaiwin	Sales	(259,154)	(1)	T/T 90 days	-	-	RMB 72,554	3	
	Giant Germany	Investee of Giant Europe	Sales	(RMB 59,877)	(21)	T/T 30 days	-	-	RMB 16,710	18	
	Giant France	Investee of Giant Europe	Sales	(153,416)	(29)	T/T 30 days	-	-	RMB 38,527	29	
	Giant Benelux	Investee of Giant Europe	Sales	(RMB 35,447)	(14)	T/T 30 days	-	-	RMB 8,873	26	
	Giant Italy	Investee of Giant Europe	Sales	(RMB 165,982)	(9)	T/T 30 days	-	-	RMB 25,884	17	
	Giant Germany	Investee of Giant Europe	Purchase	(RMB 38,350)	3	T/T 30 days	-	-	RMB 5,961	-	
				(RMB 165,982)					RMB 25,884		
				(RMB 38,350)					RMB 5,961		

(Continued)

Purchaser or Seller	Related Party	Nature of Relationship with the Purchaser or Seller	Transaction Details				Abnormal Transaction		Notes and Accounts Receivable (Payable)		Note
			Purchase or Sale	Amount (Note)	% to Total	Collection Terms	Unit Price	Collection Terms	Ending Balance (Note)	% to Total	
Giant Europe Mfg.	Giant Germany	Investee of Giant Europe	Sales	\$ (747,168)	(8)	T/T 30 days	\$ -	-	\$ 1,035	-	
	Giant Benelux	Investee of Giant Europe	Sales	(EUR 22,614)	(21)	T/T 30 days	-	-	EUR 33	11	
	Giant UK	Investee of Giant Europe	Sales	(1,860,252)	(5)	T/T 30 days	-	-	EUR 2,384	1	
	Giant France	Investee of Giant Europe	Sales	(EUR 56,302)	(6)	T/T 30 days	-	-	EUR 4,377	5	
	Giant Europe	Investee of Gaiwin	Sales	(466,045)	(6)	T/T 30 days	-	-	EUR 140	7	
Giant Hungary Mfg.	Giant Europe	Investee of Gaiwin	Sales	(525,407)	(27)	T/T 30 days	-	-	EUR 33,929	12	
	Giant UK	Investee of Giant Europe	Sales	(EUR 491,827)	(6)	T/T 30 days	-	-	EUR 43,841	-	
	Giant Benelux	Investee of Giant Europe	Sales	(EUR 14,886)	(7)	T/T 30 days	-	-	EUR 1,401	-	
	Giant Polska	Investee of Giant Europe	Sales	(461,878)	(7)	T/T 30 days	-	-	EUR -	-	
	Giant Europe Mfg.	Investee of Giant Europe	Sales	(EUR 13,979)	(12)	T/T 30 days	-	-	EUR 316	66	
D. Mag	Golden Rich	Investee of D. Mag	Sales	(123,423)	(3)	T/T 120 days	-	-	EUR 10	3	
	Giant Tianjin	Investee of Growood	Sales	(EUR 3,736)	(3)	T/T 30 days	-	-	RMB 14,997	3	
	Light Metal Haian	Investee of D. Mag	Sales	(235,305)	(1)	T/T 30 days	-	-	RMB 60,500	5	
	Giant Kunshan	Investee of Giant Holding	Sales	(RMB 54,367)	(9)	T/T 30 days	-	-	RMB 13,934	13	
	Giant China	Investee of Growood	Sales	(103,182)	(3)	T/T 30 days	-	-	RMB 93,901	5	
				(RMB 23,840)					RMB 21,627		
				(721,167)					240,655		
				(RMB 166,625)					RMB 55,426		
				(265,283)					85,998		
				(RMB 61,386)					RMB 19,807		

(Concluded)

Note: Significant intercompany accounts and transactions have been eliminated.

TABLE 5

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTD100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Financial Statement Account & Ending Balance (Note)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Giant	Giant USA	Investee of Gaiwin	Accounts receivable - related parties \$ 761,429	5	\$ -	-	\$ 228,895	\$ -
			Other receivables - related parties 2,330	-	-	-	2,330	-
	Giant Europe	Investee of Gaiwin	Accounts receivable - related parties 579,110	5	-	-	236,947	-
			Other receivables - related parties 2,478	-	-	-	-	-
	Giant Australia	Investee of Gaiwin	Accounts receivable - related parties 118,107	7	-	-	-	-
	Giant Europe Mfg.	Investee of Giant Europe	Accounts receivable - related parties 1,948,009	3	-	-	957,940	-
			Other receivables - related parties 3,124	-	-	-	2,211	-
	Giant France	Investee of Giant Europe	Accounts receivable - related parties 151,809	7	-	-	84,106	-
			Other receivables - related parties 24	-	-	-	-	-
	Giant Germany	Investee of Giant Europe	Accounts receivable - related parties 196,513	6	-	-	104,649	-
			Other receivables - related parties 105	-	-	-	-	-
	Giant Kunshan	Investee of Giant Holding	Accounts receivable - related parties 171,384	4	-	-	47,663	-
			Other receivables - related parties 33,281	-	-	-	-	-
	Giant Electric Vehicle	Investee of Growood	Accounts receivable - related parties 144,729	5	-	-	35,778	-
			Other receivables - related parties 8,015	-	-	-	-	-
	Giant UK	Investee of Giant Europe	Accounts receivable - related parties 469,933	4	189,660	Chase overdue payments	190,657	-
			Other receivables - related parties 84	-	-	-	-	-
	Giant Hungary Mfg.	Investee of Giant Europe	Accounts receivable - related parties 290,937	4	-	-	-	-
			Other receivables - related parties 2,924	-	-	-	-	-
Giant China	Quanzhou YouBike	Investee of Giant Kunshan	Loans receivable - related parties 151,967	-	-	-	-	-
	Giant Hungary Mfg.	Investee of Giant Europe	Accounts receivable - related parties 353,835	3	-	-	-	-
			Other receivables - related parties 1,179	-	-	-	-	-
	Giant Europe	Investee of Gaiwin	Accounts receivable - related parties 122,101	6	-	-	-	-
Giant Electric Vehicle			Other receivables - related parties 9	-	-	-	-	-
	Giant UK	Investee of Giant Europe	Accounts receivable - related parties 147,055	4	-	-	-	-
	Giant	Parent company	Accounts receivable - related parties 787,975	3	-	-	-	-
			Other receivables - related parties 21	-	-	-	-	-
	Putian YouBike	Investee of Giant Kunshan	Loans receivable - related parties 256,172	-	-	-	-	-
	Giant Europe Mfg.	Investee of Giant Europe	Accounts receivable - related parties 304,830	4	-	-	-	-
			Other receivables - related parties 20	-	-	-	-	-
	Giant Hungary Mfg.	Investee of Giant Europe	Accounts receivable - related parties 167,476	2	-	-	-	-
			Other receivables - related parties 225	-	-	-	-	-
	Giant USA	Investee of Gaiwin	Accounts receivable - related parties 348,947	4	-	-	-	-
			Other receivables - related parties 21,870	-	-	-	-	-
	Giant Europe	Investee of Gaiwin	Accounts receivable - related parties 172,069	3	-	-	-	-

(Continued)

Company Name	Related Party	Relationship	Financial Statement Account & Ending Balance (Note)		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Action Taken		
Giant Kunshan	Giant	Parent company	Accounts receivable - related parties	\$ 281,514	5	\$ -	-	\$ 183,343	\$ -
			Other receivables - related parties	57	-	-	-	-	
	Giant Japan.	Investee of Gaiwin	Accounts receivable - related parties	108,664	9	-	-	-	-
			Giant USA	Investee of Gaiwin	Accounts receivable - related parties	581,828	4	-	-
	Giant Tianjin	Investee of Growood	Other receivables - related parties	11,794	-	-	-	11,794	-
			Accounts receivable - related parties	183,436	4	-	-	117,124	-
			Other receivables - related parties	247	-	-	-	154	-
			Giant Australia	Investee of Gaiwin	Accounts receivable - related parties	115,827	9	-	-
	Other receivables - related parties	2,456			-	-	-	2,456	-
	Giant Canada	Investee of Gaiwin	Accounts receivable - related parties	117,181	5	-	-	27,568	-
			Other receivables - related parties	14,329	-	-	-	14,325	-
	Giant Tianjin	Giant	Parent company	Accounts receivable - related parties	114,450	2	-	-	-
Giant Kunshan		Investee of Giant Holding	Accounts receivable - related parties	118,825	7	-	-	-	-
Giant Europe	Giant France	Investee of Giant Europe	Accounts receivable - related parties	302,792	4	-	-	161,235	-
	Giant Italy	Investee of Giant Europe	Accounts receivable - related parties	180,658	3	-	-	34,386	-
	Giant Benelux	Investee of Giant Europe	Accounts receivable - related parties	275,738	4	-	-	-	-
Giant Europe Mfg.	Giant Germany	Investee of Giant Europe	Accounts receivable - related parties	191,225	10	-	-	106,299	-
	Giant UK	Investee of Giant Europe	Other receivables - related parties	255,741	-	-	-	-	-
D. Mag	Giant Kunshan	Investee of Giant Holding	Accounts receivable - related parties	242,973	-	-	-	-	-
Giant Hungary Mfg.	Giant Europe Mfg.	Investee of Giant Europe	Accounts receivable - related parties	188,716	2	-	-	-	-
Gaiwin	Giant Hungary Mfg.	Investee of Giant Europe	Loans receivable - related parties	782,265	-	-	-	-	-
Giant USA	Gaiwin	Investee of Giant	Other receivables - related parties	112,936	-	-	-	-	-

Note: Significant intercompany accounts and transactions have been eliminated.

TABLE 6

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

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

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account	Amount (Note 2)	Payment Terms	% to Total Sales or Assets
0	Giant	Giant Europe	1	Sales	\$ (2,339,708)	T/T 45 days	3
		Giant Europe Mfg.	1	Sales	(4,497,955)	T/T 90 days	5
			1	Accounts receivable - related parties	1,948,009	T/T 90 days	3
		Giant Germany	1	Sales	(2,059,633)	T/T 60 days	3
		Giant USA	1	Sales	(2,981,578)	T/T 60 days	4
		Giant UK	1	Sales	(1,244,987)	T/T 50 days	2
		Giant Kunshan	1	Purchase	1,278,975	T/T 90 days	2
		Giant Electric Vehicle	1	Purchase	2,615,817	T/T 90 days	3
		Giant France	1	Sales	(1,563,527)	T/T 45 days	2
		Giant Europe Mfg.	3	Sales	(1,609,945)	T/T 90 days	2
1	Giant Electric Vehicle	Giant USA	3	Sales	(925,120)	T/T 60 days	1
2	Giant Europe	Giant France	3	Sales	(1,389,424)	T/T 30 days	2
3	Giant Europe Mfg.	Giant Benelux	3	Sales	(1,860,252)	T/T 30 days	2
4	Giant Kunshan	Giant USA	3	Sales	(1,517,701)	T/T 90 days	2

Note 1: Relationship of counterparty; (1) parent company to subsidiary; (2) subsidiary to parent company; (3) subsidiary to subsidiary.

Note 2: Significant intercompany accounts and transactions have been eliminated.

TABLE 7

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
Giant	Growood	Singapore	Overseas reinvested holding company	USD 18,063	USD 18,063	26,619,300	100	\$ 5,833,211	\$ 1,584,933	\$ 1,503,760	Subsidiary
	Gaiwin	Lelystad, Netherlands	Overseas reinvested holding company	USD 7,243	USD 7,243	502,661	100	9,805,055	1,500,694	1,500,694	Subsidiary
	Darzins	British Virgin Islands	Overseas reinvested holding company	USD 14,889	USD 14,889	14,888,928	100	3,241,863	529,930	511,907	Subsidiary
	Merdeka	British Virgin Islands	Overseas reinvested holding company	USD 6,000	USD 6,000	6,000,003	100	204,614	22,137	22,066	Subsidiary
	Giant Sales	Taichung	Sale of bicycles and related products and bicycle rental	\$ 140,000	\$ 140,000	14,000,000	100	474,748	256,225	256,225	Subsidiary
	YouBike	Taichung	Public bicycle rental	800,000	800,000	84,800,000	100	891,849	(3,295)	(3,295)	Subsidiary
	AIPS	Taichung	Manufacturing and sale of sporting goods	500,000	500,000	50,000,000	100	559,706	59,865	59,865	Subsidiary
	Giant Mexico	Mexico, Mexico	Sale of bicycles and related products	MXN 1	MXN 1	-	-	1	-	-	Indirectly owned subsidiary
	Microprogram	Taichung	Hardware and Software research of computer and sale of related products	244,352	244,352	8,886,000	27	88,997	(8,402)	(8,402)	Investments accounted for using the equity method
				10,000	10,000	1,000,000	100	38,732	9,691	(Note 1)	Indirectly owned subsidiary
Giant Sales	Giant Adventure	Taichung	Undertake domestic and international tourism trade business	10,000	10,000	1,000,000	100	38,732	9,691	(Note 1)	Indirectly owned subsidiary
Gaiwin	Giant Europe	Lelystad, Netherlands	Overseas reinvested holding company and sale of bicycles and related products	EUR 15,736	EUR 15,736	1,200	100	EUR 165,754	EUR 20,815	(Note 1)	Indirectly owned subsidiary
	Giant USA	California, USA	Sale of bicycles and related products	USD 47,618	USD 47,618	200,000	100	EUR 52,610	EUR 2,353	(Note 1)	Indirectly owned subsidiary
	Giant Japan	Kawasaki, Japan	Sale of bicycles and related products	JPY 200,000	JPY 200,000	4,000	100	EUR 14,592	EUR 3,720	(Note 1)	Indirectly owned subsidiary
	Giant Australia	Victoria, Australia	Sale of bicycles and related products	AUD 500	AUD 500	500,000	100	EUR 29,489	EUR 9,921	(Note 1)	Indirectly owned subsidiary
	Giant Canada	Vancouver, Canada	Sale of bicycles and related products	CAD 1,052	CAD 1,052	1,051,987	100	EUR 14,406	EUR 4,375	(Note 1)	Indirectly owned subsidiary
	Giant Korea	Seoul, South Korea	Sale of bicycles and related products	KRW 734,000	KRW 734,000	146,800	100	EUR 3,341	EUR 2,264	(Note 1)	Indirectly owned subsidiary
	Giant Mexico	Mexico, Mexico	Sale of bicycles and related products	MXN 70,059	MXN 70,059	-	100	EUR 4,624	EUR 1,588	(Note 1)	Indirectly owned subsidiary
	Giant Germany	Erkrath, Germany	Sale of bicycles and related products	EUR 3,472	EUR 3,472	256	100	EUR 15,989	EUR 4,634	(Note 1)	Indirectly owned subsidiary
	Giant France	Aix en Provence, France	Sale of bicycles and related products	EUR 4,200	EUR 4,200	1,200	100	EUR 14,389	EUR 4,403	(Note 1)	Indirectly owned subsidiary
	Giant UK	Leicester, United Kingdom	Sale of bicycles and related products	GBP 200	GBP 200	261	100	EUR 18,180	EUR 2,573	(Note 1)	Indirectly owned subsidiary
Giant Europe	Giant Europe Mfg.	Lelystad, Netherlands	Manufacture and sale of bicycles	EUR 227	EUR 227	227	100	EUR 57,940	EUR 2,275	(Note 1)	Indirectly owned subsidiary
	Giant Polska	Warsaw, Poland	Sale of bicycles and related products	PLN 150	PLN 150	42	100	EUR 7,771	EUR 658	(Note 1)	Indirectly owned subsidiary
	Giant Benelux	Lelystad, Netherlands	Sale of bicycles and related products	EUR 3,230	EUR 3,230	230	100	EUR 16,468	EUR 3,695	(Note 1)	Indirectly owned subsidiary
	Giant Italy	Gallarate, Italy	Sale of bicycles and related products	EUR 200	EUR 200	200	100	EUR 2,300	EUR 831	(Note 1)	Indirectly owned subsidiary
	Giant Hungary Mfg.	Gyongyos, Hungary	Manufacture and sale of bicycles	EUR 15,000	EUR 15,000	-	100	EUR 9,747	EUR (150)	(Note 1)	Indirectly owned subsidiary
	Golden Rich	Hong Kong	International trade	USD 100	USD 100	100,000	100	RMB 4,410	RMB 3,144	(Note 1)	Indirectly owned subsidiary
	Light Metal Malaysia	Malaysia	Sale of medium and high-end aluminum wheel hub products	USD 100	USD 100	-	100	RMB (432)	RMB (436)	(Note 1)	Indirectly owned subsidiary
D. Mag											

Note 1: Not applicable.

Note 2: Information on investments in mainland China, please see Table 8.

Note 3: Significant intercompany accounts and transactions have been eliminated.

TABLE 8

GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Value as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outflow	Inflow						
Giant China	Manufacture and sale of bicycles and parts	RMB 273,040 (USD 37,500)	(Note 1)	\$ 489,599	\$ -	\$ -	\$ 489,599	\$ 655,726	100%	\$ 658,372	\$ 4,157,168	\$ 8,716,800
Giant Electric Vehicle	Manufacture and sale of electric vehicle	RMB 40,465 (USD 5,000)	(Note 1)	(Note 3)	-	-	(Note 3)	799,966	100%	725,133	1,307,840	2,885,299
Giant Chengdu	Sale of bicycles and parts	RMB 49,663 (USD 6,000)	(Note 1)	199,182	-	-	199,182	22,158	100%	22,087	203,825	108,998
Giant Tianjin	Manufacture and sale of bicycles and parts	RMB 89,614 (USD 12,000)	(Note 1)	(Note 3)	-	-	(Note 3)	178,215	100%	169,230	683,442	918,213
Giant Holding	Overseas reinvested holding company	RMB 577,569 (USD 88,500)	(Note 2)	2,681,933	-	-	2,681,933	882,194	100%	774,729	4,096,175	512,400
Giant Kunshan	Manufacture and sale of bicycles and parts	RMB 236,288 (USD 35,000)	(Note 6)	(Note 6)	-	-	(Note 6)	872,933	100%	765,467	2,332,641	-
Giant Cycling Service	Lease of bicycle and promotion of outdoor activities	RMB 6,595 (USD 1,000)	(Note 6)	(Note 6)	-	-	(Note 6)	(672)	100%	(672)	3,199	-
Jiangsu Giant	Undertake China tourism business	RMB 5,000	(Note 7)	(Note 7)	-	-	(Note 7)	(6,423)	100%	(6,423)	(313)	-
Quanzhou YouBike	Undertake China public bicycle rental	RMB 50,000	(Note 8)	(Note 8)	-	-	(Note 8)	(42,736)	100%	(42,736)	94,962	-
D. Mag	Manufacture and sale of new aluminum alloy products	RMB 360,000	(Note 4)	(Notes 4 and 10)	-	-	(Notes 4 and 10)	952,970	60%	564,649	3,298,913	-
Giant Jiangsu	Manufacture and sale of bicycles and parts	RMB 331,779 (USD 52,500)	(Note 6)	(Note 6)	-	-	(Note 6)	28,780	100%	28,780	1,594,394	-
Light Metal Haian	Manufacture and sale of alloy materials, semi-solid aluminum, and superplastic aluminum	RMB 110,000	(Note 11)	(Note 11)	-	-	(Note 11)	(42,622)	60%	(25,741)	257,042	-
Putian YouBike	Undertake China public bicycle rental	RMB 50,000	(Note 8)	(Note 8)	-	-	(Note 8)	10,039	100%	10,039	220,817	-
Meiki Giant	Sale and repair of computer and mechanical equipment	RMB 3,200	(Note 6)	(Note 6)	-	-	(Note 6)	4,425	33%	1,460	6,050	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 3,646,639	USD 178,000 and RMB 21,261	(Note 9)

Note 1: Reinvestment made in Mainland China through the investor's investment company in a third area.

Note 2: Investee of Giant.

Note 3: Investee of Growood.

Note 4: D. Mag is an associate of Giant Light Metal, a subsidiary of Darzins which is directly owned by the Company. Giant Light Metal merged with D. Mag in November 2020, with D. Mag as the surviving company.

Note 5: The investment income is recognized according to the financial statements audited by Giant's independent auditors.

Note 6: Investee of Giant Holding.

Note 7: Investee of Giant China.

Note 8: Investee of Giant Kunshan.

Note 9: According to the "Regulations for Screening of Application to Engage in Technical Cooperation in Mainland China", issued by the Investment Commission of the Ministry of Economic Affairs on August 29, 2008, the investment in Mainland China has no maximum limitation since the Company had acquired the IDB approval of the Company's establishment of an operating headquarter in Taiwan.

Note 10: Accumulated investment amount of Giant Light Metal was \$54,370 thousand. Chuansin Kunshan merged with Giant Light Metal in December 2011. Accumulated investment amount of Chuansin Kunshan was \$221,555 thousand.

Note 11: Investee of D. Mag.

Note 12: Significant intercompany accounts and transactions have been eliminated.

TABLE 9**GIANT MANUFACTURING CO., LTD. AND SUBSIDIARIES****SIGNIFICANT DIRECT OR INDIRECT PURCHASES/SALES TRANSACTIONS WITH THE INVESTEE COMPANY IN MAINLAND CHINA, PRICES, PAYMENT TERMS, AND UNREALIZED GAIN OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

Counterparty	Nature of Relationship	Purchase/Sale	Amount (Note)	Trade Condition			Notes/Accounts Receivable (Payable)		Unrealized Gain (Note)
				Prices	Payment Terms	Abnormal Transaction	Ending Balance	% to Total	
Giant China	Giant directly or indirectly holds more than 50% of shares	Sales	\$ 644,223	Depending on specific diversity of products and related market trends	T/T 90 days	No material difference	\$ 83,706	1	\$ 8,701
		Purchase	176,509	Depending on specific diversity of products and related market trends	T/T 90 days	No material difference	(26,237)	(1)	48,349
Giant Electric Vehicle	Giant directly or indirectly holds more than 50% of shares	Purchase	2,615,817	Depending on specific diversity of products and related market trends	T/T 90 days	No material difference	(787,975)	(17)	252,097
		Sales	501,505	Depending on specific diversity of products and related market trends	T/T 90 days	No material difference	144,729	2	16,849
Giant Kunshan	Giant directly or indirectly holds more than 50% of shares	Purchase	1,278,975	Depending on specific diversity of products and related market trends	T/T 90 days	No material difference	(281,514)	(6)	215,042
		Sales	673,049	Depending on specific diversity of products and related market trends	T/T 90 days	No material difference	171,384	2	1,553
D. Mag	Giant directly or indirectly holds more than 50% of shares	Purchase	367,040	Depending on specific diversity of products and related market trends	T/T 60 days	No material difference	(41,343)	(1)	34,944
Giant Tianjin	Giant directly or indirectly holds more than 50% of shares	Sales	152,334	Depending on specific diversity of products and related market trends	T/T 90 days	No material difference	62,398	1	227

Note: Significant intercompany accounts and transactions have been eliminated.