

Jiin Yeeh Ding Enterprise Corp.**Parent Company Only Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020**

Address: No. 599, Sec. 6, Xibin Rd., Hsinchu City 300, Taiwan (R.O.C.)
Telephone: (03)518-2368

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Report	3
4. Balance Sheets	4
5. Statements of Comprehensive Income	5
6. Statements of Changes in Equity	6
7. Statements of Cash Flows	7
8. Notes to the Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the financial statements	8
(3) New standards, amendments and interpretations adopted	8~9
(4) Summary of significant accounting policies	10~25
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	25~26
(6) Explanation of significant accounts	26~56
(7) Related-party transactions	57~59
(8) Pledged assets	59
(9) Commitments and contingencies	59
(10) Losses Due to Major Disasters	60
(11) Subsequent Events	60
(12) Other	60~61
(13) Other disclosures	
(a) Information on significant transactions	62~63
(b) Information on investees	63
(c) Information on investment in mainland China	64
(d) Major shareholders	64
(14) Segment information	64
9. List of major account titles	65~75



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel	+ 886 2 8101 6666
傳真 Fax	+ 886 2 8101 6667
網址 Web	home.kpmg/tw

Independent Auditors' Report

To the Board of Directors of Jiin Yeeh Ding Enterprise Corp.:

Opinion

We have audited the financial statements of Jiin Yeeh Ding Enterprise Corp. ("the Company"), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Inventory valuation

Please refer to note 4(g) "Inventories", note 5(a) "Valuation of inventories" and note 6(e) "Inventories" to the financial statements.

Description of key audit matter:

The Company is operating professional electronic waste recycling and treatment business. Inventories are measured at the lower of cost and net realizable value. The main content of inventories are precious metals (copper, gold, silver, palladium, etc.), which have risk of impairment due to market price fluctuation. Therefore, inventory valuation is one of the important issues in performing audit of the financial statement of the Company.

How the matter was addressed in our audit:

Our principal audit procedures to the key audit matter mentioned above included: understanding the Company's policies regarding inventory impairment loss recognition; selecting proper samples in assessing whether the established accounting policies had been implemented accordingly; check the calculation of allowance for inventory impairment prepared by management, select items to check the data resource of its net realizable value and verify supporting documents, recalculate the amount of allowance for inventory impairment to assess whether it is reasonable.

2. Revenue Recognition

Please refer to note 4(n) "Revenue" and note 6(s) "Revenue from contracts with customers" to the financial statements.

Description of key audit matter:

The Company is operating professional electronic waste recycling and treatment business. Operating revenue is one of the most significant accounts to the financial statements. It matters to financial statements that whether revenue is recognized at proper timing and whether it is complete. Therefore, revenue recognition is one of the important issues in performing audit of the financial statement of the Company.

How the matter was addressed in our audit:

Our principal audit procedures to the key audit matter mentioned above included: understanding the Company's policies regarding revenue recognition and matching them to the sales terms to see if the applicable policies are reasonable; understanding and testing internal control of sales and collection cycle for effectiveness of its design and implementation; selecting sales transactions to check its supporting documents such as customer orders and shipment documentations; selecting sales transactions before and after cutoff date to check supporting documents of shipment and sales terms to verify if they are recorded in proper period.

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material 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 financial statements.

As part of an audit in accordance with 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 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the 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 financial statements of the current period 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 audit resulting in this independent auditors' report are Yu, Sheng-Ho and Lee, Tzu-Hui.

KPMG

Taipei, Taiwan (Republic of China)
March 30, 2022

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Jiin Yeeh Ding Enterprise Corp.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020			
		Amount	%	Amount	%			Amount	%	Amount	%		
Current assets:													
1100	Cash and cash equivalents (note 6(a))	\$	562,987	19	470,562	17	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	3,015	-	19,347	1	
1110	Current financial assets at fair value through profit or loss (note 6(b)(l))	-	-	-	393	-	2170	Notes payable and trade payables	104,039	4	135,351	5	
1150	Notes receivable, net (note 6(c))		92	-	74	-	2181	Accounts payable to related parties (note 7)	5,225	-	7,778	-	
1170	Trade receivables, net (note 6(c))		171,015	6	152,573	6	2200	Other payables	89,352	3	67,901	3	
1180	Accounts receivable due from related parties, net (note 6(c) and 7)		23,067	1	54,419	2	2220	Other payables to related parties (note 7)	108	-	125	-	
1200	Other receivables (note 6(d))		11,042	-	17,601	1	2230	Current tax liabilities (notes 6(o))	85,637	3	48,482	2	
1210	Other receivables due from related parties, net (note 6(d) and 7)		71,827	2	3,372	-	2281	Current lease liabilities-non related parties (note 6(m))	2,894	-	3,208	-	
130X	Inventories (notes 6(e))		332,710	11	366,915	13	2282	Current lease liabilities-related parties (note 6(m) and 7)	1,110	-	1,094	-	
1476	Other current financial assets (note 6(i), 7 and 8)		138,957	5	277,907	10	2321	Bonds payable, current portion (notes 6(l), 7 and 8)	-	-	67,987	2	
1479	Other current assets (note 7)		61,496	2	38,228	1	2399	Other current liabilities	951	-	892	-	
			1,373,193	46	1,382,044	50			292,331	10	352,165	13	
Non-current assets:													
1510	Non-current financial assets at fair value through profit or loss (note 6(b))		103,054	3	96,168	4	2570	Deferred tax liabilities (note 6(o))	-	-	219	-	
1550	Investments accounted for using equity method (note 6(f))		1,137,511	38	1,012,098	36	2581	Lease liabilities-non related parties (notes 6(m))	10,326	-	12,096	-	
1600	Property, plant and equipment (notes 6(g) and 8)		289,544	10	234,445	8	2582	Lease liabilities-related parties (note 6(m) and 7)	4,819	-	5,929	-	
1755	Right-of-use assets (note 6(h))		18,833	1	22,100	1	2600	Other non-current liabilities (notes 6(n))	673	-	1,884	-	
1780	Intangible assets		510	-	510	-			15,818	-	20,128	-	
1840	Deferred tax assets (note 6(o))		1,943	-	5,064	-		Total liabilities	308,149	10	372,293	13	
1980	Other non-current financial assets (notes 6(i) and 8)		33,793	1	1,632	-		Equity attributable to owners of parent (notes 6(p)(q)):					
1990	Other non-current assets		26,176	1	23,569	1	3100	Share capital	1,199,227	40	1,161,829	42	
			1,611,364	54	1,395,586	50	3200	Capital surplus	811,254	27	780,567	28	
							3300	Retained earnings	736,007	25	516,240	19	
							3400	Other equity interest	(70,080)	(2)	(53,299)	(2)	
								Total equity attributable to owners of parent	2,676,408	90	2,405,337	87	
								Total equity	2,676,408	90	2,405,337	87	
Total assets		\$	2,984,557	100	2,777,630	100	Total liabilities and equity		\$	2,984,557	100	2,777,630	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
Jiin Yeeh Ding Enterprise Corp.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2021		2020	
	Amount	%	Amount	%
4000 Operating revenues (note 6(s) and 7)	\$ 2,358,081	100	2,216,496	100
5000 Operating costs (notes 6(e), 7 and 12)	<u>1,788,280</u>	<u>76</u>	<u>1,801,766</u>	<u>81</u>
5900 Gross profit from operations	<u>569,801</u>	<u>24</u>	<u>414,730</u>	<u>19</u>
6000 Operating expenses (notes 6(c)(n)(t), 7 and 12)):				
6100 Selling expenses	40,861	2	32,220	1
6200 Administrative expenses	119,859	5	99,792	5
6300 Research and development expenses	2,183	-	2,144	-
6450 Impairment loss (Impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	<u>29</u>	<u>-</u>	<u>(51)</u>	<u>-</u>
Total operating expenses	<u>162,932</u>	<u>7</u>	<u>134,105</u>	<u>6</u>
6900 Net operating income	<u>406,869</u>	<u>17</u>	<u>280,625</u>	<u>13</u>
7000 Non-operating income and expenses:				
7010 Other income (note 6(u) and 7)	11,200	-	11,003	-
7020 Other gains and losses, net (notes 6(b)(u))	(35,761)	(2)	(48,813)	(2)
7050 Finance costs (notes 6(u) and 7)	(732)	-	(3,827)	-
7060 Share of profit of associates accounted for using equity method (note 6(f))	101,660	4	50,121	2
7100 Interest income (notes 6(u) and 7)	<u>2,348</u>	<u>-</u>	<u>2,815</u>	<u>-</u>
Total non-operating income and expenses	<u>78,715</u>	<u>2</u>	<u>11,299</u>	<u>-</u>
Profit before income tax	485,584	19	291,924	13
7950 Less: Income tax expenses (note 6(o))	<u>74,436</u>	<u>3</u>	<u>43,552</u>	<u>2</u>
Profit	<u>411,148</u>	<u>16</u>	<u>248,372</u>	<u>11</u>
8300 Other comprehensive income:				
8310 Items that will not be reclassified subsequently to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans (note 6(n))	323	-	(170)	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	174	-	10	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Items that will not be reclassified subsequently to profit or loss	<u>497</u>	<u>-</u>	<u>(160)</u>	<u>-</u>
8360 Items that will be reclassified subsequently to profit or loss				
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(16,781)	(1)	(16,807)	(1)
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss	<u>(16,781)</u>	<u>(1)</u>	<u>(16,807)</u>	<u>(1)</u>
8300 Other comprehensive income	<u>(16,284)</u>	<u>(1)</u>	<u>(16,967)</u>	<u>(1)</u>
8500 Total comprehensive income	<u>\$ 394,864</u>	<u>15</u>	<u>231,405</u>	<u>10</u>
Basic earnings per share (NT dollars) (note 6(r))				
9750 Basic earnings per share	<u>\$ 3.47</u>		<u>2.48</u>	
9850 Diluted earnings per share	<u>\$ 3.43</u>		<u>2.11</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Jiin Yeeh Ding Enterprise Corp.**Statements of Changes in Equity****For the years ended December 31, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars)**

	Share capital			Retained earnings					Other equity interest				
	Ordinary shares	Certificate of entitlement to new shares from convertible bond	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity
Balance at January 1, 2020	\$ 964,020	-	964,020	609,732	114,462	23,170	251,178	388,810	(31,697)	(4,795)	(36,492)	-	1,926,070
Profit	-	-	-	-	-	-	248,372	248,372	-	-	-	-	248,372
Other comprehensive income	-	-	-	-	-	-	(160)	(160)	(16,807)	-	(16,807)	-	(16,967)
Total comprehensive income	-	-	-	-	-	-	248,212	248,212	(16,807)	-	(16,807)	-	231,405
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	-	-	15,005	-	(15,005)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	13,322	(13,322)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(115,682)	(115,682)	-	-	-	-	(115,682)
Other changes in capital surplus:													
Other changes in capital surplus	-	-	-	39	-	-	-	-	-	-	-	-	39
Conversion of convertible bonds	-	230,479	230,479	192,084	-	-	-	-	-	-	-	-	422,563
Purchase of treasury share	-	-	-	-	-	-	-	-	-	-	-	(60,294)	(60,294)
Retirement of treasury share	(34,130)	-	(34,130)	(21,064)	-	-	(5,100)	(5,100)	-	-	-	60,294	-
Share-based payments	1,460	-	1,460	(224)	-	-	-	-	-	-	-	-	1,236
Balance at December 31, 2020	931,350	230,479	1,161,829	780,567	129,467	36,492	350,281	516,240	(48,504)	(4,795)	(53,299)	-	2,405,337
Profit (loss)	-	-	-	-	-	-	411,148	411,148	-	-	-	-	411,148
Other comprehensive income	-	-	-	-	-	-	497	497	(16,781)	-	(16,781)	-	(16,284)
Total comprehensive income	-	-	-	-	-	-	411,645	411,645	(16,781)	-	(16,781)	-	394,864
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	-	-	24,311	-	(24,311)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	16,807	(16,807)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(191,878)	(191,878)	-	-	-	-	(191,878)
Conversion of convertible bonds	267,377	(230,479)	36,898	30,777	-	-	-	-	-	-	-	-	67,675
Share-based payments	500	-	500	(90)	-	-	-	-	-	-	-	-	410
Balance at December 31, 2021	\$ 1,199,227	-	1,199,227	811,254	153,778	53,299	528,930	736,007	(65,285)	(4,795)	(70,080)	-	2,676,408

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Jiin Yeeh Ding Enterprise Corp.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Profit before tax	\$ 485,584	291,924
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	15,883	13,010
Amortization expense	205	128
Expected credit loss (gain)	29	(51)
Net loss on financial assets or liabilities at fair value through profit or loss	20,771	31,139
Interest expense	732	3,827
Interest income	(2,348)	(2,815)
Dividend income	(4,004)	(5,093)
Share of profit of associates accounted for using equity method	(101,660)	(50,121)
Unrealized foreign exchange loss	3,433	960
Total adjustments to reconcile profit	<u>(66,959)</u>	<u>(9,016)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	-	(32,405)
Notes receivables	(18)	(74)
Trade receivables	(19,398)	(40,706)
Accounts receivable due from related parties	(39,051)	(52,188)
Other receivables	(19,709)	(35,491)
Inventories	34,205	(59,818)
Other current assets	(23,349)	2,416
Total changes in operating assets	<u>(67,320)</u>	<u>(218,266)</u>
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(43,963)	12,829
Notes payables	-	(8)
Trade payables	(31,240)	46,445
Accounts payable to related parties	(2,553)	2,189
Other payables	21,506	17,796
Other payable to related parties	(17)	(9)
Other current liabilities	59	50
Defined benefit obligations	(708)	(864)
Total adjustments	<u>(191,195)</u>	<u>(148,854)</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
Jiin Yeeh Ding Enterprise Corp.

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash inflow generated from operations	294,389	143,070
Interest received	2,348	2,815
Interest paid	(732)	(3,863)
Income taxes paid	(8,030)	(5,105)
Net cash flows from perating activities	287,975	136,917
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(50,000)	(50,000)
Acquisition of property, plant and equipment	(66,372)	(52,406)
Decrease in other receivables due from related parties	-	68,613
Acquisition of intangible assets	(205)	(548)
Decrease (increase) in other financial assets	106,159	(12,003)
Increase in other non-current assets	-	(20,760)
(Increase) decrease in prepayments for business facilities	(2,607)	57
Dividends received	13,644	5,093
Net cash flows from (used in) investing activities	619	(61,954)
Cash flows from (used in) financing activities:		
Decrease in short-term loans	-	(74,000)
(Decrease) increase in guarantee deposits received	(180)	420
Payment of lease liabilities	(4,521)	(3,502)
Cash dividends paid	(191,878)	(115,682)
Proceeds from exercise of employee stock options	410	1,236
Cost of increase in treasury stock	-	(60,294)
Net cash flows used in financing activities	(196,169)	(251,822)
Net increase (decrease) in cash and cash equivalents	92,425	(176,859)
Cash and cash equivalents at beginning of period	470,562	647,421
Cash and cash equivalents at end of period	\$ 562,987	470,562

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Jiin Yeeh Ding Enterprise Corp.

Notes to the Financial Statements

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Jiin Yeeh Ding Enterprise Corp. (the “Company”) was incorporated in April 10, 1997 as a company limited by shares and registered under the Ministry of Economic Affairs of the Republic of China (R.O.C.). The Company was registered in No. 599, Sec. 6, Xibin Rd., Hsinchu City 300, Taiwan (R.O.C.). The Company’s common shares were listed on the Taipei Exchange (TPEX) since May 21, 2008..

The major business activities of the Company are metal recycling and treatment, scrap metal trading, and electronic waste removal and recycling.

(2) Approval date and procedures of the financial statements:

These financial statements were authorized for issue by the Board of Directors on March 24, 2022.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from April 1, 2021:

- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its financial statements:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	January 1, 2023

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) Cash-settled share-based payment liabilities are measured at fair value;
- 4) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(o).

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

2) Financial assets measured at Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

3) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivables, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date ; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 1 year past due or the debtor is unlikely to pay its credit obligations to the Company in full.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

Lifetime ECL are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 1 year past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization ; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

3) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of Company's interests in the associate. When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Investment in subsidiaries

When preparing the financial reports, the Company adopts the equity method to evaluate investee companies with control. Under the equity method, the share of current gains and losses and other comprehensive gains and losses attributable to the owner of the Company in the financial report is the same as that attributable to the owner of the Company in the financial report prepared on a consolidated basis, and the owner's equity in the financial report is the same as that attributable to the owner of the Company in the financial report prepared on a consolidated basis.

If the change of the Company's ownership interest in a subsidiary does not result in the loss of control, it is treated as an equity transaction between the Company and the owner.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) buildings	10~50 years
2) machinery and equipment	3~10 years
3) transportation equipment	3~5 years
4) other equipment	2~20 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate;
- 2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee;
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset,
- 4) there is a change of its assessment on whether it will exercise a purchase, extension or termination option;
- 5) there is any lease modifications

When the lease liability is remeasured due to above reasons including there is a change in future payment, change in Company's estimate of the amount expected to be payable under a residual value guarantee, and change in its assessment on whether the Company will exercise a extension or termination option, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

From January 1, 2021, when the basis for determining future lease payments changes as required by interest rate benchmark reform, the Company will remeasure the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

(l) Intangible assets

(i) Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, except for goodwill.

The estimated useful lives for current and comparative periods are as follows:

Computer software 5 years

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(n) Revenue

(i) Revenue from contracts with customers

1) Sale of goods—trading of electronic wastes which including precious metals

The Company is operating electronic wastes recycling and treatment services and scrap metal trading. The Company recognizes revenue when control of the goods has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Trade receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(ii) Customer contract costs

1) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify, the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(iv) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the Board of directors authorized the price and number of a new reward.

(q) **Income taxes**

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income tax.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

- 1) the same taxable entity; or
- 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding.

Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation

(s) Operating segments

The Company has disclosed operating segments information in consolidated financial report, therefore, there the financial report does not disclose operating segments.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

There are no critical judgments in applying accounting policies that have significant effect on the amounts recognized in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year which have been updated to reflect the impact of COVID-19 pandemic is as follows:

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(a) Valuation of inventories

Inventories are measured at the lower of cost or net realizable value. The value of precious metals fluctuates according to international market price, the Company assesses value of inventories on the reporting date, and writes down the cost of inventories to their net realizable value. Inventory valuation is based on expected market demand in a period of foreseeable future which may fluctuate by rapid change in industry. On the other hand, there is uncertainty in estimation of content of precious metal for work in progress inventories, which involves management judgement which would effect inventories valuation. Please refer to note 6(e) for further description of the valuation of inventories.

The Group's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss.

The Company's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back-testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash	\$ 318	566
Demand deposits	275,769	228,746
Time deposits	286,900	241,250
Cash and cash equivalents in the statement of cash flows	<u>\$ 562,987</u>	<u>470,562</u>

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(b) Financial assets and liabilities at fair value through profit or loss

(i) The Details are as follows:

	December 31, 2021	December 31, 2020
Current financial asset mandatorily measured at fair value through profit or loss:		
Corporate bonds (put option)	\$ -	393
Non-current financial asset mandatorily measured at fair value through profit or loss:		
Unlisted shares	103,054	96,168
Total	\$ 103,054	96,561
	December 31, 2021	December 31, 2020
Held-for-trading current financial liabilities:		
Derivative financial instruments not designated as hedging instruments		
Copper futures	\$ 3,015	18,973
Palladium futures	-	374
Total	\$ 3,015	19,347

Please refer to note 6(u) for the interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Company.

(ii) Derivative financial instruments

The Company uses derivative financial instruments to hedge the certain foreign exchange and interest risk the Company is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting for the year 2021 and 2020, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

1) Future contracts

December 31, 2021					
	The name of the futures company	Quantity	Contract amount (in thousands)		Maturity date
Sell copper futures	Yuanta Futures Co., Ltd.	15 ports (375 kilolbs)	USD	1,596	2022.05.31
Sell copper futures	Fubon Futures Co., Ltd.	7 ports (175 kilolbs)	USD	745	2022.05.31
December 31, 2020					
	The name of the futures company	Quantity	Contract amount (in thousands)		Maturity date
Sell copper futures	Yuanta Futures Co., Ltd.	39 ports (975 kilolbs)	USD	2,911	2021.03.31
Sell copper futures	Fubon Futures Co., Ltd.	11 ports (275 kilolbs)	USD	822	2021.03.31
Sell palladium futures	Yuanta Futures Co., Ltd.	1 ports (100 kilolbs)	USD	232	2021.03.31

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

As of December 31, 2021 and 2020, the Company did not provide any financial asset accounted for using fair value through profit or loss as collaterals for its loans.

(c) Notes and Trade receivables

	December 31, 2021	December 31, 2020
Notes receivable from operating activities	\$ 92	74
Trade receivable from operating activities	194,203	207,084
Less: Loss allowance	(121)	(92)
	<u>\$ 194,174</u>	<u>207,066</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions in Taiwan were determined as follows:

	December 31, 2021		
	Trade receivables amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 163,658	0.01%	16
1 to 60 days past due	24,463	0.02%	4
60 to 180 days past due	6,174	1.64%	101
180 to 240 days past due	-	4.00%	-
240 to 365 days past due	-	12.00%	-
More than 365 days past due	-	100.00%	-
	<u>\$ 194,295</u>		<u>121</u>

	December 31, 2020		
	Trade receivables amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 207,107	0.06%	91
1 to 60 days past due	42	0.40%	-
60 to 180 days past due	9	2.29%	1
180 to 240 days past due	-	7.15%	-
240 to 365 days past due	-	19.15%	-
More than 365 days past due	-	100.00%	-
	<u>\$ 207,158</u>		<u>\$ 92</u>

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

The movement in the allowance for notes and trade receivables were as follows:

	2021	2020
Balance at January 1	\$ 92	143
Impairment losses recognized	102	203
Impairment losses reversed	(73)	(254)
Balance at December 31	<u><u>\$ 121</u></u>	<u><u>92</u></u>

Before accepting new customers, the company has complied with the established customer credit extension management policy to control the customer's credit limit and other possible risks.

Based on historical payment practices and considering that the credit quality of the customers to which the trade receivable are subject has not changed materially, the Company does not consider that there is any material doubt about the recoverability of the impairment losses on trade receivables.

Trade receivable that are overdue on the balance sheet but have not yet been recognized by the Company as a loss allowance, in the opinion of the Company's management, can be recovered due to the fact that there has been no material change in their credit quality and due to an aging analysis, historical experience, and the degree of customer risk.

As of December 31, 2021 and 2020, the Company did not provide any above financial asset as collaterals for its loans.

(d) Other receivables

	December 31, 2021	December 31, 2020
Tax refund receivables	\$ 11,042	17,601
Other	71,827	3,372
	<u><u>\$ 82,869</u></u>	<u><u>20,973</u></u>

(e) Inventories

	December 31, 2021	December 31, 2020
Finished goods	\$ 230,736	233,165
Work in progress	90,931	124,397
Raw materials	10,806	9,153
Merchandise Inventories	237	200
Total	<u><u>\$ 332,710</u></u>	<u><u>366,915</u></u>

In the year of 2021, due to write down of inventories, the Company recognized \$1,577 thousand loss from inventory impairment. In the year of 2020, due to inventory sold and price raises, the Company recognized \$2,648 thousand gain from reversal of inventory impairment.

As of December 31, 2021 and 2020, the Company did not provide any inventory as collaterals for its loans.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(f) Investments accounted for using equity method

A summary of the Company's investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2021	December 31, 2020
Subsidiaries	\$ 1,128,507	1,001,060
Associates	9,004	11,038
	<u>\$ 1,137,511</u>	<u>1,012,098</u>

(i) Subsidiaries

For the related information, please refer to the consolidated financial statement for the year ended December 31, 2021.

(ii) Associates

The Company's financial information for investments accounted for using the equity method that are individually insignificant was as follows, these financial information is the amount contained in the financial report of the Company:

	December 31, 2021	December 31, 2020
Carrying amount of individually insignificant associates' equity	<u>\$ 9,004</u>	<u>11,038</u>
	<u>2021</u>	<u>2020</u>
Attributable to the Company:		
Loss from continuing operations	\$ (2,034)	(735)
Other comprehensive income	-	-
Total comprehensive income	<u>\$ (2,034)</u>	<u>(735)</u>

(iii) Collateral

As of December 31, 2021 and 2020, the Company did not provide any investment accounted for using equity method as collaterals for its loans.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(g) Property, plant and equipment

The detail of changes in property, plant and equipment were as follows:

	Land	Buildings and construction	Machinery and equipment	Transportation equipment	Other Facilities	Construction in progress and testing equip	Total
Cost or deemed cost:							
Balance on January 1, 2021	\$ 121,851	120,366	13,517	10,476	21,737	-	287,947
Additions	53,480	-	4,440	3,203	3,023	2,226	66,372
Disposal and retirement	-	(102)	(1,609)	-	(3,132)	-	(4,843)
Balance on December 31, 2021	<u>\$ 175,331</u>	<u>120,264</u>	<u>16,348</u>	<u>13,679</u>	<u>21,628</u>	<u>2,226</u>	<u>349,476</u>
Balance on January 1, 2020	\$ 80,548	120,366	10,086	4,600	21,188	-	236,788
Additions	41,303	-	4,123	5,876	1,104	-	52,406
Disposal and retirement	-	-	(692)	-	(555)	-	(1,247)
Balance on December 31, 2020	<u>\$ 121,851</u>	<u>120,366</u>	<u>13,517</u>	<u>10,476</u>	<u>21,737</u>	<u>-</u>	<u>287,947</u>
Depreciation and impairments loss:							
Balance on January 1, 2021	\$ -	30,762	5,401	1,840	15,499	-	53,502
Depreciation	-	2,749	2,498	2,898	3,128	-	11,273
Disposal and retirement	-	(102)	(1,609)	-	(3,132)	-	(4,843)
Balance on December 31, 2021	<u>\$ -</u>	<u>33,409</u>	<u>6,290</u>	<u>4,738</u>	<u>15,495</u>	<u>-</u>	<u>59,932</u>
Balance on January 1, 2020	\$ -	28,007	3,984	621	12,738	-	45,350
Depreciation	-	2,755	2,109	1,219	3,316	-	9,399
Disposal and retirement	-	-	(692)	-	(555)	-	(1,247)
Balance on December 31, 2020	<u>\$ -</u>	<u>30,762</u>	<u>5,401</u>	<u>1,840</u>	<u>15,499</u>	<u>-</u>	<u>53,502</u>
Carrying amounts:							
Balance on December 31, 2021	<u>\$ 175,331</u>	<u>86,855</u>	<u>10,058</u>	<u>8,941</u>	<u>6,133</u>	<u>2,226</u>	<u>289,544</u>
Balance on January 1, 2020	<u>\$ 80,548</u>	<u>92,359</u>	<u>6,102</u>	<u>3,979</u>	<u>8,450</u>	<u>-</u>	<u>191,438</u>
Balance on December 31, 2020	<u>\$ 121,851</u>	<u>89,604</u>	<u>8,116</u>	<u>8,636</u>	<u>6,238</u>	<u>-</u>	<u>234,445</u>

(i) Material additions

The company acquired a 4,381 square meters land from the General Manager of the Company, Zhuang, Rui-Yuan, with consideration amounted \$33,899 thousand due to operating reasons. The consideration was decided according to the valuation result of external valuation experts. As of December 31, 2021, relevant statutory registration procedures have been completed and all amount has been paid. Above-mentioned property transaction is a related-party transaction, please refer to note 7(b) for detail.

(ii) Collateral

As of December 31, 2020, the property, plant and equipment of the company have been provided as collateral for convertible bonds. Please refer to note 8 for details.

As of December 31, 2021, the Company did not provide any property, plant and equipment as collaterals for its loans.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(iii) The relevant statutory registration procedures have since been completed.

In January, March, and August 2020, due to operating reasons, the Company acquired three lands using for manufacturing plants amounted to \$41,303 thousand. As the land category of these land are agricultural and animal husbandry land, it is not allowed to register the ownership under the Company's name, therefore, those lands were temporarily registered under the name of the General Manager of the Company or a third party. The Company keeps the "certificate of other rights" to secure the Company's ownership of the agricultural and husbandry lands. The Company applies for changes of land category to relevant authorities actively and the land's ownership will be transferred to the Company's name once the land category changing process complete. The land category of above-mentioned lands acquired in January and March 2020 have been changed in April 2021, and their ownership have been registered under the Company's name in June 2021.

Above-mentioned property transaction is a related party transaction, please refer to note 7(b) for detail.

(h) Right-of-use assets

The Company leases land, buildings, machinery equipment and transportation equipment. Information about leases for the Company was presented below:

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Total
Cost:						
Balance at January 1, 2021	\$ 13,157	7,233	5,935	1,792	66	28,183
Additions	246	-	1,097	-	-	1,343
Disposal/ Write-off	-	-	(737)	-	(66)	(803)
Balance at December 31, 2021	<u>\$ 13,403</u>	<u>7,233</u>	<u>6,295</u>	<u>1,792</u>	<u>-</u>	<u>28,723</u>
Balance at January 1, 2020	\$ 13,105	7,233	3,824	213	167	24,542
Additions	114	-	2,349	1,792	-	4,255
Disposal/Write-off	(62)	-	(238)	(213)	(101)	(614)
Balance at December 31, 2020	<u>\$ 13,157</u>	<u>7,233</u>	<u>5,935</u>	<u>1,792</u>	<u>66</u>	<u>28,183</u>
Depreciation of right-of-use assets:						
Balance at January 1, 2021	\$ 1,667	1,930	2,274	149	63	6,083
Depreciation	946	964	2,100	597	3	4,610
Disposal/ Write-off	-	-	(737)	-	(66)	(803)
Balance at December 31, 2021	<u>\$ 2,613</u>	<u>2,894</u>	<u>3,637</u>	<u>746</u>	<u>-</u>	<u>9,890</u>
Balance at January 1, 2020	\$ 826	965	1,012	142	82	3,027
Balance at January 1, 2020	826	965	1,012	142	82	3,027
Depreciation for the year	903	965	1,500	161	82	3,611
Disposal/Write-off	(62)	-	(238)	(154)	(101)	(555)
Balance at December 31, 2020	<u>\$ 1,667</u>	<u>1,930</u>	<u>2,274</u>	<u>149</u>	<u>63</u>	<u>6,083</u>
Carrying amount:						
Balance at December 31, 2021	<u>\$ 10,790</u>	<u>4,339</u>	<u>2,658</u>	<u>1,046</u>	<u>-</u>	<u>18,833</u>
Balance at January 1, 2020	<u>\$ 12,279</u>	<u>6,268</u>	<u>2,812</u>	<u>71</u>	<u>85</u>	<u>21,515</u>
Balance at December 31, 2020	<u>\$ 11,490</u>	<u>5,303</u>	<u>3,661</u>	<u>1,643</u>	<u>3</u>	<u>22,100</u>

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(i) Other financial assets

	December 31, 2021	December 31, 2020
Restricted deposits	\$ 85,964	98,407
Guarantee deposits paid	59,251	17,243
Futures deposits	26,535	45,537
Time deposits with original maturity more than 3 months	1,000	118,352
	<u><u>\$ 172,750</u></u>	<u><u>279,539</u></u>
	December 31, 2021	December 31, 2020
Current	\$ 138,957	277,907
Non-current	33,793	1,632
	<u><u>\$ 172,750</u></u>	<u><u>279,539</u></u>

(j) Short-term loans

	December 31, 2021	December 31, 2020
Credit loans	\$ -	-
Unused credit lines	\$ 877,188	875,306
Range of interest rate	-	-

(k) Long-term borrowing

The details, terms and conditions of the Company's long-term borrowing are as follows:

December 31, 2021			
	Currency	Range of rate	Maturity year
Total			\$ -
Unused long-term credit lines			\$ 100,000
			<u><u> </u></u>
December 31, 2020			
	Currency	Range of rate	Maturity year
Total			\$ -
Unused long-term credit lines			\$ 300,000
			<u><u> </u></u>

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(l) Bonds payable

The details of secured convertible bonds were as follows:

	December 31, 2021	December 31, 2020
Total convertible corporate bonds issued	\$ 500,000	500,000
Unamortized discounted corporate bonds payable	-	(1,013)
Cumulative redeemed amount	-	-
Cumulative converted amount	<u>(500,000)</u>	<u>(431,000)</u>
Corporate bonds issued balance at year-end	-	67,987
Less: Current portion	<u>-</u>	<u>(67,987)</u>
Embedded derivative – call and put rights, included in financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>393</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ -</u>	<u>1,456</u>
	<u>2021</u>	<u>2020</u>
Embedded derivative instruments – call and put rights, included in profit on financial liabilities at fair value through profit or loss	<u>\$ 27</u>	<u>2,314</u>
Interest expense	<u>\$ 55</u>	<u>3,027</u>

The Company issued 5,000 unsecured 3-year convertible bonds, and pays interest quarterly at an effective interest rate of 0%.

The conversion price was set at \$19.80 at the time of issue. When the common shares qualify for conversion price adjustment in accordance to the terms of issue, such adjustment will be made based on a formula in accordance with the terms of issue. There are no reset terms for this bond.

After the bond has been issued for over 3 months, if the closing price of the Company's common shares listed on the Taipei Exchange exceeds or equals 30% of the conversion price for 30 consecutive days, or if the remaining amount of bonds that have not been redeemed, repurchased, resold, or converted is less than or equals 10% of the face value, then the Company will redeem the bonds based on face value, calculated every 6 months. If the holder of the bond has not redeemed the bond at maturity, then the Company must redeem the bond at face value. In addition, if the creditor requests the Company to redeem after 24 months, then the contractual repurchase price will be 100.5% of the par value.

All bonds payable were converted to common stock in March 2021. Please see note 6(p) for detail of conversion for the year ended December 31, 2021.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(m) Lease liabilities

The lease liabilities of the Company are as follows:

	December 31, 2021	December 31, 2020
Current	<u>\$ 4,004</u>	<u>4,302</u>
Non-current	<u>\$ 15,145</u>	<u>18,025</u>

For the maturity analysis, please refer to note 6(v).

The amounts recognized in profit or loss were as follows:

	2021	2020
Interest on lease liabilities	<u>\$ 304</u>	<u>317</u>
Expenses relating to short-term leases	<u>\$ 1,418</u>	<u>1,409</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets (excluding short term leases of low value assets)	<u>\$ 139</u>	<u>65</u>

The amounts recognized in the statement of cash flows for the Company were as follows:

	2021	2020
Total cash outflow for leases	<u>\$ 6,382</u>	<u>5,293</u>

(i) Lands and buildings leases

The Company leases lands and buildings for its office space and storehouse in December 31, 2019. The leases of office space typically run for a period of 10 years, and of storehouse for 3 to 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price indices, or sales that the Company makes at the leased store in the period. Some also require the Company to make payments that relate to the real estate taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

(ii) Other leases

The Company also leases some machinery and office equipment with lease period for 1 to 3 years. These leases are short-term and/or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(n) Employee benefits

(i) Defined contribution plan

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2021	December 31, 2020
Present value of established welfare obligations	\$ 14,095	14,188
Fair value of plan assets	(13,661)	(12,724)
Net defined benefit liabilities	<u>\$ 434</u>	<u>1,464</u>

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$12,724 thousand as of December 31, 2021. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Company were as follows:

	2021	2020
Defined benefit obligations at January 1	\$ 14,188	13,548
Current service costs and interest cost	72	118
Remeasurements loss (gain):		
— Actuarial loss (gain) arising from demographic assumptions	443	-
— Financial assumptions	(426)	692
— Past service credit	(182)	(170)
Defined benefit obligations at December 31	<u>\$ 14,095</u>	<u>14,188</u>

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company were as follows:

	<u>2021</u>	<u>2020</u>
Fair value of plan assets at January 1	\$ (12,724)	(11,538)
Interest income	(66)	(104)
Remeasurements loss (gain):		
— Return on plan assets excluding interest income	(158)	(352)
Contributions paid by the employer	(713)	(730)
Fair value of plan assets at December 31	<u>\$ (13,661)</u>	<u>(12,724)</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	<u>2021</u>	<u>2020</u>
Net interest of net liabilities (assets) for defined benefit obligations	\$ <u>6</u>	<u>14</u>
Administration expenses	<u>\$ 6</u>	<u>14</u>

5) Remeasurement of net defined benefit liabilities (asset) recognized in other comprehensive income (loss)

Accumulated remeasurement of net defined benefit liabilities (asset) recognized in other comprehensive income (loss) for the company in 2020 and 2019 were as follows:

	<u>2021</u>	<u>2020</u>
Accumulated balance at January 1	6,394	6,224
Current recognition	(323)	170
Accumulated balance at December 31	<u>\$ 6,071</u>	<u>6,394</u>

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<u>2021</u>	<u>2020</u>
Discount rate	0.500%	0.500%
Future salary increase rate	2.500%	2.750%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$720 thousand.

The weighted average lifetime of the defined benefits plans is 12.4 years.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2021		
Discount rate	\$ (432)	450
Future salary increasing rate	434	(419)
December 31, 2020		
Discount rate	(466)	486
Future salary increasing rate	468	(451)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2021 and 2020.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates the labor pension at a specific percentage to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$3,447 thousand and \$3,286 thousand for the years ended December 31, 2021 and 2020, respectively.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(o) Income tax

(i) The components of income tax in the years 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Current tax expense		
Current period	\$ 70,928	48,632
Adjustment for prior periods	<u>606</u>	<u>(4,062)</u>
	<u>71,534</u>	<u>44,570</u>
Deferred tax expense		
Origination and reversal of temporary differences	<u>2,902</u>	<u>(1,018)</u>
Tax expense	<u><u>\$ 74,436</u></u>	<u><u>43,552</u></u>

Reconciliation of income tax and profit before tax for 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Profit before income tax	\$ <u>485,584</u>	<u>291,924</u>
Income tax using the Company's domestic tax rate	97,117	58,385
Permanent differences	(12,684)	(3,016)
Changes in unrecognized temporary differences	(11,109)	(8,032)
Estimation differences of prior period	606	(4,062)
5% additional tax on undistributed earnings	<u>506</u>	<u>277</u>
Income tax expense	<u><u>\$ 74,436</u></u>	<u><u>43,552</u></u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Tax effect of deductible temporary differences	<u><u>\$ 52,944</u></u>	<u><u>64,053</u></u>

The share of investment loss that can be recognized by the equity method with the exception of temporary differences is not recognized because it is not likely to be realized by the Company in the future.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities were as follows:

	Inventory valuation losses	Evaluation loss of financial instrument	Unrecognized exchange loss	Total
Deferred Tax Assets:				
Balance at January 1, 2021	\$ 322	3,869	873	5,064
Recognized in profit or loss	315	(3,266)	(170)	(3,121)
Balance at December 31, 2021	<u>\$ 637</u>	<u>603</u>	<u>703</u>	<u>1,943</u>
Balance at January 1, 2020	\$ 852	1,382	2,733	4,967
Recognized in profit or loss	(530)	2,487	(1,860)	97
Balance at December 31, 2020	<u>\$ 322</u>	<u>3,869</u>	<u>873</u>	<u>5,064</u>
		Evaluation gain of financial instrument	Others	Total
Deferred Tax Liabilities:				
Balance at January 1, 2021		\$ 219	-	219
Recognized in profit or loss		(219)	-	(219)
Balance at December 31, 2021		<u>\$ -</u>	<u>-</u>	<u>-</u>
Balance at January 1, 2020		\$ 90	1,049	1,139
Recognized in profit or loss		129	(1,049)	(920)
Balance at December 31, 2020		<u>\$ 219</u>	<u>-</u>	<u>219</u>

(iii) The Company's tax returns for the years through 2019 were assessed by the tax authority.

(iv) The company was affected by COVID-19 in early 2020. According to Article 26 of the Tax Collection Act and No. 10904533690 issued by the Ministry Finance, due to the impact of the epidemic, it was unable to pay taxes within the prescribed payment period. The company can apply to the tax collection agency to pay the current income tax payable in installments. The Company has obtained a letter No. 1090330883A, from Hsinchu North District National Tax on July 2, 2020, approved that the income tax payable for 2019 to be paid by instalments in three years, and should be settled with tax refund receivable (if any). For the year ended December 31, 2021, above-mentioned income tax payable had been settled by VAT refund receivables. Also, the Company has obtained a letter No. 1100331046A, from Hsinchu North District National Tax on July 5, 2021, approved that the income tax payable for 2019 to be paid by instalments in three years, and should be settled with tax refund receivable (if any). For the year ended December 31, 2021, above-mentioned income tax payable had been settled by VAT refund receivables.

(p) Capital and other equity

As of December 31, 2021, the total value of authorized shares was amounted to \$1,500,000 thousand (2020: \$1,500,000) with par value of \$10 per share and the number of authorized ordinary shares were 150,000 thousand of shares (2020: 150,000 thousand of shares). Above-mentioned authorized shares are all ordinary shares, the number of issued shares were 119,923 thousand of shares (2020: 116,183 thousand of shares) and all issued shares were paid up upon issuance .

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

Reconciliation of shares outstanding for 2021 and 2020 were as follows:

	(in thousands of shares)	
	Ordinary share	
	2021	2020
Balance on January 1	116,183	96,402
Execution of employee share options	50	146
Convertible corporate bonds	3,690	23,048
Cancellation of treasury shares	-	(3,413)
Balance on December 31	119,923	116,183

(i) Ordinary share and issuance

The company issued 50 thousand and 146 thousand of new shares of common stock for the exercise of employee stock options in 2021 and 2020, at par value \$10 per share, amounted to \$500 thousand and \$1,460 thousand with paid amounted to \$410 thousand and \$1,236 thousand. The difference between par value and subscription price were recorded as capital surplus-share premium. For the aforementioned 50 thousand and 146 thousand of shares, relevant registration procedures were completed.

The convertible bonds issued by the Company in 2019 had been converted to common share of \$36,898 thousand and the number of converted shares was 3,690 thousand of shares. As of December 31, 2021, relevant registration procedures were completed.

(ii) Capital surplus

	December 31, 2021	December 31, 2020
Share capital	\$ 809,058	776,378
Employee share options	2,083	4,076
Others	113	113
	\$ 811,254	780,567

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(iii) Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

According to the Company's dividend policy, dividends will be distributed on the basis of considering the Company's development plan of present and the future, its operating environment, capital needs, domestic and international industrial competitive environment, and shareholders' benefit in order to maintain the balance between short-term and long-term interests of shareholders. Annual earnings distribution plan will be proposed by the Board of Directors and submitted to shareholders' meeting for approval. The Company will distribute no less than 30% of remain undistributed earnings by cash or stock dividend. The cash dividend shall not less than 20% of total dividend distributed.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC, a portion of current earnings and previous unappropriated earnings shall be set aside as a special reserve during earnings distribution. The amount to be set aside should equal the total amount of contra accounts that are accounted for as deductions to other equity interests. A portion of previous unappropriated earnings shall be set aside as a special reserve, which should not be distributed, to account for cumulative changes to other equity interests pertaining to prior periods. The special reserve shall be made available for appropriation when the net deductions of other equity interests are reversed in the subsequent periods.

3) Earnings Distribution

Earnings distribution for 2020 and 2019 were decided by the resolution adopted, at the general meeting of shareholders held on July 26, 2021 and June 23, 2020, respectively. The relevant dividend distributions to shareholders were as follow:

	2020		2019	
	Amount (NT dollars)	Total amount	Amount (NT dollars)	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 1.60	191,878	1.20	115,682

On March 24, 2022, the Company's Board of Directors resolved to appropriate the 2021 earnings by cash amounting to \$1.8 per share, total amount \$215,870 thousand.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(iv) Treasury stock

In 2020, in accordance with the requirements under section 28(2) of the Securities and Exchange Act, the company repurchased 3,413 thousand of shares as treasury shares, amounted to \$60,294 thousand, in order to protect the Company's integrity and shareholders' equity.

The Company's board of directors has resolved to cancel 3,413 thousand of treasury shares on June 23, 2020, and set June 30, 2020 as the date of cancellation for capital reduction, and the relevant legal registration process has been completed.

(q) Share-based payment

The Company issued 2,000 units of employee stock option on October 1, 2014, each of which can subscribe for 1,000 ordinary shares. The recipients include employees of the Company and its Subsidiaries who meet certain conditions. The total number of new shares of common stock to be issued as a result of the exercise of the share certificates shall be 2,000 thousand. The holder of the options may execute the options to which a certain percentage is granted upon the expiration of 2 years, and the duration of the options remain 10 years.

(i) Determining the fair value of equity instruments granted

In 2014, the Company used binominal method in measuring the fair value of the employee stock options. The measurement inputs were as follows:

	<u>2014</u>
Expected life (years)	10 years
Expected dividend rate	-

The market price of stocks on the grant date is evaluated using the market-based method.

The expected volatility is estimated by using the standard deviation of the rate of return of stock prices given to the industry in the most recent year.

(ii) Information of employee stock options

Detail of information regarding above employee stock options was as follows:

	<u>2021</u>		<u>2020</u>	
Employee stock options	Weighted- average exercise price (NT dollars)	Shares (in thousands)	Weighted- average exercise price (NT dollars)	Shares (in thousands)
Outstanding shares at January 1	\$ 8.20	244	8.70	390
Exercised during the year	8.20	(50)	8.47	(146)
Outstanding shares at December 31	7.90	<u>194</u>	8.20	<u>244</u>
Exercisable shares at December 31		<u>194</u>		<u>244</u>

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

The details of the share options of the Company outstanding were as follows:

	December 31, 2021	December 31, 2020
Range of exercise price (NT dollars)	\$ 7.90	8.20
Weighted average of remaining contractual period (year)	2.75	3.75

In the event of any cash dividend distributed, change of common shares or cancellation of non treasury shares, the subscription price of the stock options plan has been adjusted in accordance with the measures for issuance of employee stock options and subscription of the Company.

On June 23, 2020, the Board of Directors decided to distribute cash dividend of \$1.2 per share of the common stock with July 28, 2020 as the ex-dividend date. The exercise price shall be adjusted from NT \$8.7 per share to NT \$8.2 per share in accordance with the terms and conditions of the issuance.

On August 6, 2021, the Board of Directors decided to distribute cash dividend of \$1.6 per share of the common stock, with September 18, 2021 as the ex-dividend date. The exercise price shall be adjusted from NT \$8.2 per share to NT \$7.9 per share in accordance with the terms and conditions of the issuance.

(iii) Staff costs and liabilities

The Company had fully recognized to the remuneration cost of the employee stock option plan in 2018 and has no remuneration cost recognized in 2021 and 2020.

(r) Earnings per share

The calculation of basic earnings per share and diluted earnings per share are as follows:

	2021	2020
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ 411,148	248,372
Weighted average number of ordinary shares (thousand shares)	118,337	100,216
Basic earnings per share (NT dollars)	\$ 3.47	2.48
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ 411,148	248,372
Effect of dilutive potential ordinary shares		
Interest expense on convertible bonds, net of tax	65	570
Profit attributable to ordinary shareholders of the Company (Diluted)	\$ 411,213	248,942

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

	<u>2021</u>	<u>2020</u>
Weighted average number of ordinary shares (thousand shares)	118,337	100,216
Effect of dilutive potential ordinary shares		
Effect of employee share bonus	1,061	844
Effect of issuance of stock options	152	152
Effect of conversion of convertible bonds	<u>376</u>	<u>16,935</u>
Weighted average number of outstanding shares of Common Stock (after adjusting for dilution potential Common stock impact)	<u>119,926</u>	<u>118,147</u>
Diluted earnings per share (NT dollars)	<u>\$ 3.43</u>	<u>2.11</u>

For calculation of the dilution effect of employ stock options, the average market value is assessed based on the market price of the Company's shares during the period in which the stock options are outstanding.

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2021</u>	<u>2020</u>
Primary geographical markets:		
China	\$ 617,662	776,381
Taiwan	605,915	534,539
Japan	734,293	637,219
Belgium	400,211	247,157
Other countries	<u>-</u>	<u>21,200</u>
	<u>\$ 2,358,081</u>	<u>2,216,496</u>
Major products/services lines:		
Gold and mixed metal including gold	\$ 1,076,029	888,498
Copper	1,020,805	1,116,169
Other	<u>261,247</u>	<u>211,829</u>
	<u>\$ 2,358,081</u>	<u>2,216,496</u>

(ii) Contract balances

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Note receivables	\$ 92	74
Trade receivables	194,203	207,084
Less: allowance for impairment	<u>(121)</u>	<u>(92)</u>
Total	<u>\$ 194,174</u>	<u>207,066</u>

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(t) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute 6%~15% of the profit as employee compensation and less than 5% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2021 and 2020, the Company estimated its employee remuneration amounting to \$31,497 thousand and \$18,936 thousand, respectively, and directors' and supervisors' remuneration amounting to \$7,874 thousand and \$4,734 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2021 and 2020. The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors, respectively. Related information would be available at the Market Observation Post System website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2021 and 2020.

(u) Non-operating income and expenses

(i) Interest income

Components of interest income for the Company were as follows:

	2021	2020
Interest income from bank deposits	\$ 1,501	2,138
Interest income from contract assets	837	668
Other interest income	\$ 10	\$ 9
	\$ 2,348	2,815

(ii) Other income

Components of other income for the Company was as follows:

	2021	2020
Rent income	\$ 1,701	1,511
Dividend income	4,004	5,093
Other income, others	5,495	4,399
Total other income	\$ 11,200	11,003

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(iii) Other gains and losses

Components of Other gains and losses for the Company were as follows:

	<u>2021</u>	<u>2020</u>
Net foreign exchange losses	(14,990)	(17,674)
Net losses on financial assets (liabilities) at fair value through profit or loss	<u>(20,771)</u>	<u>(31,139)</u>
Net other gain and loss	<u><u>\$ (35,761)</u></u>	<u><u>(48,813)</u></u>

(iv) Finance costs

Components of finance costs were as follows:

	<u>2021</u>	<u>2020</u>
Interest expense	<u>\$ 732</u>	<u>3,827</u>

(v) Financial instrument

(i) Credit risk

1) Credit risk exposure

As at reporting date December 31, 2021 and 2020, the Company's exposure to credit risk and the maximum exposure were mainly from the carrying amount of financial assets and contract assets recognized in the consolidated balance sheet.

2) Concentration of credit risk

As the Company has a large customer base and intends to reduce the credit risk, the Company monitors and reviews the recoverable amount of the trade receivables to ensure the uncollectible amount are recognized appropriately as impairment losses, always within the expectations of management. As of December 31, 2021 and 2020, 83% and 69%, respectively, of trade receivables were from top 5 customers. Thus, credit risk is significantly centralized.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2021					
Non-derivative financial liabilities					
Liabilities without interest	\$ 109,458	109,458	-	-	-
Leased liabilities	20,622	4,253	3,437	5,549	7,383
Derivative financial liabilities					
Outflow	3,015	3,015	-	-	-
	<u><u>\$ 133,095</u></u>	<u><u>116,726</u></u>	<u><u>3,437</u></u>	<u><u>5,549</u></u>	<u><u>7,383</u></u>
December 31, 2020					
Non-derivative financial liabilities					
Liabilities without interest	\$ 213,246	213,246	-	-	-
Leased liabilities	24,091	4,602	3,834	6,998	8,657
Derivative financial liabilities					
Outflow	19,347	19,347	-	-	-
	<u><u>\$ 256,684</u></u>	<u><u>237,195</u></u>	<u><u>3,834</u></u>	<u><u>6,998</u></u>	<u><u>8,657</u></u>

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk were as follows:

	December 31, 2021			December 31, 2020		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
(in thousands)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 5,561	27.68	153,928	7,656	28.48	218,043
JPY	348,187	0.24	83,565	159,918	0.28	44,777
CNY	57	4.34	247	46	4.38	201
EUR	1,229	31.32	38,492	673	35.02	23,568
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	41	27.68	1,135	837	28.48	23,838

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, loans and borrowings; and trade and other payables that are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD, EUR, and JPY as of December 31, 2021 and 2020 would have increased (decreased) the net profit after tax by \$2,751 thousand and \$2,628 thousand. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases.

3) Exchange gains and losses of monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2021 and 2020, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(14,990) thousand and \$(17,674) thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

(v) Other market price risk

The Company is subject to the price of precious metals fluctuation, resulting in the risk of hedging its futures trades against market inventory price fluctuations.

For the years ended December 31, 2021 and 2020, the sensitivity analyses for the changes in the securities price at the reporting date were performed increase / decrease by 10% basis points, profit before tax would have increased / decreased by \$302 thousand and \$1,935 thousand if the analyses were based on the same basis and assumed that other variables were unchanged.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

		December 31, 2021			
		Fair Value			Total
	Book Value	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-current financial asset mandatorily measured at fair value through profit or loss	\$ 103,054	-	-	103,054	103,054
Subtotal	<u>\$ 103,054</u>	<u>-</u>	<u>-</u>	<u>103,054</u>	<u>103,054</u>
Financial liabilities at fair value through profit or loss					
Derivative financial instruments	\$ (3,015)	-	(3,015)	-	(3,015)
Subtotal	<u>\$ (3,015)</u>	<u>-</u>	<u>(3,015)</u>	<u>-</u>	<u>(3,015)</u>
		December 31, 2020			
		Fair Value			Total
	Book Value	Level 1	Level 2	Level 3	
Financial assets and liabilities at fair value through profit or loss					
Non-current financial asset mandatorily measured at fair value through profit or loss	\$ 96,168	-	-	96,168	96,168
Corporate bonds (Put option)	393	-	393	-	393
Subtotal	<u>\$ 96,561</u>	<u>-</u>	<u>393</u>	<u>96,168</u>	<u>96,561</u>
Financial liabilities at fair value through profit or loss					
Derivative financial instruments	\$ (19,347)	-	(19,347)	-	(19,347)
Subtotal	<u>\$ (19,347)</u>	<u>-</u>	<u>(19,347)</u>	<u>-</u>	<u>(19,347)</u>

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

If a financial instrument has an open quotation in the active market, the open quotation in the active market shall be taken as its fair value. The quoted market prices of major exchanges and central government bond over-the-counter trading centers judged to be popular securities are the basis for the fair value of listed (counter) equity instruments and debt instruments with active open market quotations.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

For financial instruments held by the Company with active markets, the fair values are listed as follows:

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date. (eg. Taipei Exchange refers to the yield curve and the average quotation of the Reuters commercial promissory note interest rate)

If the financial instruments held by the Company have no active market, their fair values are listed as follows according to their categories and attributes:

Equity instruments without public quotation: The fair value is estimated using the market comparable company method. The main assumption is based on the net profit of the investor and the earnings multiplier derived from the market quotation of the comparable listed (counter) company. This estimate has been adjusted for the discount effect of the lack of market liquidity of the equity securities.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants. For instance, discount method or option pricing models. Fair value of forward currency exchange is usually determined by using the forward currency rate.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

3) Reconciliation of Level 3 fair values

	At fair value through profit or loss
	Non derivative mandatorily measured at fair value through profit or loss
Opening balance January 1, 2021	\$ 96,168
Total gains and losses recognized:	
In profit or loss	6,886
Ending Balance December 31, 2021	\$ 103,054
Opening balance January 1, 2020	\$ 97,609
Total gains and losses recognized:	
In profit or loss	(1,441)
Ending Balance December 31, 2020	\$ 96,168

For the years ended December 31, 2021 and 2020, total gains and losses that were included in “other gains and losses, net” and “other comprehensive income, before tax, equity instruments at fair value through other comprehensive income” were as follows:

	2021	2020
Total gains and losses recognized:		
In profit or loss, and including “other gains and losses”	\$ 6,886	(1,441)

4) The quantified information for significant unobservable inputs (level 3) used in fair value measurement

The Company’s financial instruments that use level 3 input to measure fair values include financial assets at fair value through profit or loss—equity securities investment.

Most of fair value measurements of the Company which are categorized as equity investment into level 3 have several significant unobservable inputs. Significant unobservable inputs of equity investments without quoted price are independent of each other.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

The quantified information for significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income—equity investment without an active market	Comparable market approach	<ul style="list-style-type: none"> Price-to-earning ratio (20.51 and 19.68 respectively, on December 31, 2021 and 2020) Lack-of-marketability discount rate (15.80% on both December 31, 2021 and 2020) 	<ul style="list-style-type: none"> The higher the multiple is, the higher the fair value will be. The higher the lack-of-marketability discount rate is, the lower the fair value will be.

5) Sensitivity analysis for fair value of financial instruments using level 3 inputs

The Company's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, if the valuation parameters changed, the impact on other comprehensive income or loss are as follows:

		Move up or down	Profit or loss		Other comprehensive income	
	Input		Favourable	Unfavourable	Favourable	Unfavourable
December 31, 2021						
Financial assets at fair value through profit or loss						
Equity investments without active market	P/E ratio	1%	1,027	(1,027)	-	-
	Discounted rate	5%	1,220	(1,220)	-	-
December 31, 2020						
Financial assets at fair value through profit or loss						
Equity investments without active market	P/E ratio	1%	962	(962)	-	-
	Discounted rate	1%	1,142	(1,142)	-	-

The favorable and unfavorable changes reflect the movement of the fair value, in which the fair value is calculated by using the different unobservable inputs in the valuation technique. The table above shows the effects of one unobservable input, without considering the inter-relationships with another unobservable input for financial instrument, if there are one or more unobservable inputs.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(w) Financial risk management

(i) Overview

The Company have exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has responsibility for the establishment and oversight of the risk management framework. Internal Audit is responsible for identifying and analyzing the risk faced by the Company. The heads of departments set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customer.

1) Trade and other receivable

To mitigate credit risk, the company has established credit extension and accounts receivable management procedures to ensure that appropriate actions are taken for the collection of overdue receivables. In addition, the Company will review the recoverable amounts of receivables on a case-by-case basis on the balance sheet date to ensure that appropriate impairment losses have been provided for unrecoverable receivables. Accordingly, the management of the Company believes that the credit risk of the Company has been significantly reduced.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

In addition, because the counterparty of current assets and derivative financial instruments is a bank with good credit, the credit risk is limited.

Trade receivable cover a wide range of customers, dispersed in different industries and geographical regions. The Company continuously evaluates the financial position of trade receivable customers.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(x) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity.

The Company's capital management policy for 2021 remains the same as 2020. The Company's debt-to-equity ratio at the end of the reporting period as of December 31, 2021 and 2020 were as follows:

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

	December 31, 2021	December 31, 2020
Total liabilities	\$ 308,149	372,293
Less: cash and cash equivalents	(562,987)	(470,562)
Net debt	\$ (254,838)	(98,269)
Total equity	\$ 2,676,408	2,405,337
Debt-to-equity ratio at December 31	(9.52)%	(4.09)%

The debt to equity ratio had decreased on December 31, 2021 due to the decrease in total liabilities resulting from conversion of convertible bonds.

(y) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities not affecting current cash flow as of December 31, 2021 and 2020 were as follows.

- (i) For right-of-use assets under leases, please refer to note 6(h).
- (ii) For conversion of convertible bonds to ordinary shares, please refer to note 6(p).
- (iii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2021	Cash flows	Non-cash changes			December 31, 2021
			Foreign exchange movement	Change in lease payable	Other	
Lease liabilities	\$ 22,327	(4,521)	-	-	1,343	19,149
Corporate bonds	67,987	-	-	-	(67,987)	-
Total liabilities from financing activities	\$ 90,314	(4,521)	-	-	(66,644)	19,149

	January 1, 2020	Cash flows	Non-cash changes			December 31, 2020
			Foreign exchange movement	Change in lease payable	Other	
Short-term borrowings	\$ 74,000	(74,000)	-	-	-	-
Lease liabilities	21,634	(3,502)	-	-	4,195	22,327
Corporate bonds	488,744	-	-	-	(420,757)	67,987
Total liabilities from financing activities	\$ 584,378	(77,502)	-	-	(416,562)	90,314

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(7) Related-party transactions:

(a) Names and relationship with related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
Grand Tone Enterprise Co., Ltd.	A Subsidiary
Gold Finance Limited	A Subsidiary
Hung Wei Development Co., Ltd.	A Subsidiary
Jiin Yeeh Ding (H.K.) Enterprise Ltd.	A Subsidiary
Shincling Jung Recycling Technology Co., Ltd.	A Subsidiary
Yuan Rui Recycling Technology Co., Ltd.	A Subsidiary
Lianyungang Rongding Metal Co., Ltd.	A Subsidiary
Yeeh Ding Corporation	Director of the Company
Zhuang, Qing-Qi	The chairman of the Board of Directors
Zhuang, Rui-Yuan	The General Manager of the Company

(b) Significant transactions with related parties

(i) Sales

The amount of significant sales by the Company to related parties were as follows:

	<u>2021</u>	<u>2020</u>
Subsidiaries	\$ <u><u>96,951</u></u>	<u><u>245,245</u></u>

The Company's sales terms to the subsidiaries are not significantly different from the general sales prices, with a collection period of 30 days to 120 days.

(ii) Purchase

The Company's purchase to the related parties were as follows:

	<u>2021</u>	<u>2020</u>
Subsidiaries	\$ <u><u>62,410</u></u>	<u><u>138,709</u></u>

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(iii) Receivables to related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2021	December 31, 2020
Trade Receivables	Lianyungang Rongding Metal Co., Ltd.	\$ 22,816	47,329
Trade Receivables	Subsidiaries	251	7,090
Other Receivables	Lianyungang Rongding Metal Co., Ltd.	71,524	3,043
Other Receivables	Subsidiaries	303	329
Other current assets	Subsidiaries	119	147
Other Non-current Financial assets	Subsidiaries	60	60
		\$ 95,073	57,998

(iv) Payables to related parties

Account	Relationship	December 31, 2021	December 31, 2020
Trade payables	Grand Tone Enterprise Co., Ltd.	\$ 5,225	7,778
Other payables	Grand Tone Enterprise Co., Ltd.	108	125
		\$ 5,333	7,903

(v) Property transaction

The Company acquired a land from the Chairman of the Board of Directors, Zhuang Qing-Qi, in August 2020. The land area, as agricultural land, is 2,040 square meters and the total price is 2,449 thousand. The Company registers the ownership in the name of a third party and handles the land setting Pledge to the Company for security. As of December 31, 2021, the relevant legal procedures have been completed. For more detailed information on property, plant and equipment, please refer to note 6(g).

The Company acquired a 4,381 square meters land from the General Manager of the Company, Zhuang, Rui-Yuan, with consideration amount of \$33,899 thousand. As of December 31, 2021, the relevant legal procedures have been completed and considerations has been paid.

(vi) Leases

In May 2018, the Company rented the land for parking of the business cars from YEEH DING CORP. A three-year lease contract was signed, in which the rental fee is determined based on nearby rental rates and extended for another ten-year. For the year ended December 31, 2021 and 2020, the Company recognized the amount of 23 and 26 thousand as interest expense, respectively. As of December 31, 2021 and 2020, the balance of lease liabilities amounted to 1,493 and 1,641 thousand, respectively.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

In July 2017, the Company leased the van used for the head office from Grand Tone Enterprise Co., Limited and entered into a five-year lease contract, and in July 2018, the Company leased the plant used for the head office from Grand Tone Enterprise Co., Limited and entered into a ten-year lease contract. Interest expenses of \$74 thousand and \$88 thousand were recognized in 2020 and 2019, respectively. The balance of lease liabilities as at December 31, 2021 and 2020 was \$4,437 thousand and \$5,383 thousand, respectively.

(c) Key management personnel transactions

	2021	2020
Short-term employee benefits	\$ 33,191	26,793
Termination benefits	523	523
Total	<u>\$ 33,714</u>	<u>27,316</u>

The benefit of directors and management were decided by the Compensation Committee according to personal performance and market trend.

(8) Pledged assets:

The following assets of the Company have been provided as collateral for long-term loans, convertible bonds, customs duties, purchase guarantees, futures guarantees and the issuance of letters of credit:

Assets name	Pledged items	December 31, 2021	December 31, 2020
Other financial assets	Customs duties and purchase guarantees	\$ 13,964	32,804
Other financial assets	Entrusted processing performance guarantee	72,000	-
Other financial assets	Convertible bonds	-	65,602
Other financial assets	Futures guarantees	26,535	45,537
Property, plant and equipment	Convertible bonds	-	130,896
		<u>\$ 112,499</u>	<u>274,839</u>

(9) Commitments and contingencies:

- (a) Significant Commitments and Contingencies: None.
- (b) Significant Contingencies : None.
- (c) Please refer to note 13(a) for the details of the Company's endorsement guarantees of the subsidiaries as or December 31, 2021 and 2020.

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events:

For capital considerations and adjustment of capital structures to increase return on shareholders' equity, the Company's Board of Directors made a decision on March 24, 2022 that the Company would reduce its capital by returning cash to shareholders amounting to \$239,855 thousand, and would retire ordinary shares by 23,986 thousand of shares. The ratio of capital reduction is 20%, with cash return to shareholders \$2 per shares. This decision needs to be approved at the shareholders' meeting.

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	For the year ended December 31					
		2021			2020		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits expense							
Salary		45,075	101,266	146,341	41,089	78,638	119,727
Labor and health insurance		4,281	4,673	8,954	3,847	3,979	7,826
Pension		1,806	1,647	3,453	1,660	1,640	3,300
Remuneration of directors		-	11,260	11,260	-	8,174	8,174
Others		2,789	1,527	4,316	2,666	1,539	4,205
Depreciation		11,984	3,899	15,883	9,868	3,142	13,010
Amortization		-	205	205	-	128	128

Additional information on the number of employees and the cost of employee benefits in 2021 and 2020 were as follows:

	2021	2020
Number of employees	<u>143</u>	<u>136</u>
Number of directors who were not employees	<u>6</u>	<u>6</u>
The average employee benefit	\$ <u>1,190</u>	\$ <u>1,039</u>
The average salaries and wages	\$ <u>1,068</u>	\$ <u>921</u>
Average employee salary and cost adjustment	<u>15.96 %</u>	<u>12.73 %</u>
Supervisor's remuneration	\$ <u>-</u>	\$ <u>-</u>

The Company's compensation policy (including directors, supervisors, managers and employees) were as follows:

(Continued)

Jiin Yeeh Ding Enterprise Corp.
Notes to the Financial Statements

Employee's compensation policy:

The employee's salary is based on the Company's salary policy, including basic salary and allowance for fixed items, bonus and bonus for variable items. The actual salary will be determined by factors such as seniority, grade, job performance, overall contribution and special merit.

Manager's compensation policy:

The manager is responsible for the Company's business performance and success or failure. The compensation is determined according to the employee's compensation policy, the achievement of objectives, the employee bonus payment policy of the current year and the past payment situation. The compensation committee reviews and evaluates the compensation and submit it to the board of directors for approval before implementation.

Director's compensation policy:

The compensation paid by the Company to the directors includes compensation for the directors and travel expenses for each meeting. The compensation of directors is set out in accordance with the provisions of Article 20 of the Articles of Association of the Company, and the "Performance Appraisal Measures of the Board of Directors" is formulated to periodically review the policies, systems, standards and structures of performance appraisal and compensation of directors and managers and shall be submitted to the resolution of the Board of Directors of the Company.

(Continued)

Jiin Yeeh Ding Enterprise Corp.

Notes to the Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

As of December 31, 2021, the following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	Lianyungang Rongding Metal Co., Ltd.	Other receivables	Yes	90,364	70,988	70,988	1.00 %	2	-	Operating turnover	-		-	267,641	1,070,563
1	Gold Finance Limited	Jiin Yeeh Ding (H.K.) Enterprises Ltd.	Other receivables	Yes	118,470	-	-	- %	2	-	Operating turnover	-		-	821,434	821,434
1	Gold Finance Limited	Yuan Rui Recycling Technology Co., Ltd.	Other receivables	Yes	41,520	13,840	-	1.00 %	2	-	Operating turnover	-		-	821,434	821,434

Note 1: The numbers filled in as follows:

1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Reference for the Nature loan column

- The borrower has business contact with the creditor.
- The borrower has short-term financial necessities.

Note 3: The total amount of loans to others shall not exceed 40% of the net worth of the Company. The total amount for lending to any company shall not exceed 10% of the borrower's net worth. When Gold Finance Limited directly and indirectly reinvests 100% of its overseas subsidiaries and engages in fund loans, and the total amount for lending the borrower shall not exceed 100% of the net worth of Gold Finance Limited.

Note 4: The transaction had been eliminated in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Lianyungang Rongding Metal Co., Ltd.	2	802,922	83,040 (USD3,000)	-	-	-	- %	1,338,204	Y	N	Y
0	The Company	Yuan Rui Recycling Technology Co., Ltd.	2	802,922	221,440 (USD8,000)	221,440 (USD8,000)	37,766	-	8.27 %	1,338,204	Y	N	N
0	The Company	Jiin Yeeh Ding (H.K.) Enterprises Ltd.	2	802,922	318,320 (USD11,500)	318,320 (USD11,500)	56,128	-	11.89 %	1,338,204	Y	N	N

Note 1: The numbers filled in as follows:

1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: The relationship between the endorser /guarantor and the endorsed/guaranteed has the following 7 types, just indicate the type:

1. Having business relationship.
2. The endorser/guarantor company and the endorsed/guaranteed party both be hold more than 50% of the Company.
3. The endorser /guarantor parent company directly and indirectly holds more than 50 % of voting shares of the endorser /guarantor subsidiary.
4. The endorser /guarantor company and the endorsed /guaranteed party both be held more than 90% by the parent company.
5. Company that is mutually protected under contractual requirements based on the needs of the contractor.
6. Company that is endorsed by its shareholders in accordance with its shareholding ratio because of the joint investment relationship.
7. Performance guarantees for pre-sale contracts under the Consumer Protection Act.

Note 3: The endorsement /guarantee provided to individual guarantee party shall not exceed 30% of the most recent audited net worth of the Company.

Note 4: The total endorsement /guarantee of the Company to others shall not exceed 50% of the most recent audited net worth of the Company.

Note 5: If the amounts were based on foreign currencies, please refer to the spot exchange rate on the financial statement date(exchange rate on December 31,2020 is USD/NTD: 27.68)

(Continued)

Jiin Yeeh Ding Enterprise Corp. Notes to the Financial Statements

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

Name of Company	Types of security/and name	Relationship with the security issuer	Account Subject	Ending balance				Note
				Number of shares (thousands)	Book value	Ownership	Fair value	
The Company	Chung Tai Resource Technology Corp.	-	Non-current financial assets at fair value through profit or loss	4,004	103,054	4.94 %	103,054	
Gold Finance Limited	Zhejiang Taiwei Environmental Technology Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	(Notes)	-	13.81 %	-	
Hung Wei Development Co., Ltd.	OFCO INDUSTRIAL CORPORATION	-	current financial assets at fair value through profit or loss	483	17,871	0.55 %	17,871	
Hung Wei Development Co., Ltd.	YUNG FU CO., LTD	-	Non-current financial assets at fair value through profit or loss	1,099	31,215	1.83 %	31,215	

Notes: It is a limited company with only capital contribution and no shares.

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (ix) Trading in derivative instruments: Please refer to notes 6(b).

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2021 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Gold Finance Limited	Samoa	Investment	1,069,602	1,069,602	34,067	100.00 %	821,434	55,547	55,547	Subsidiaries
The Company	Grand Tone Enterprise Co., Ltd.	Taiwan	Waste removal	145,000	145,000	- (Note1)	100.00 %	197,334	38,239	38,313	Subsidiaries
The Company	Hung Wei Development Co., Ltd.	Taiwan	Real Estate development	100,000	50,000	10,000	100.00 %	109,739	9,834	9,834	Subsidiaries
The Company	Su Fong Enterprise Co., Ltd.	Taiwan	Waste removal	12,000	12,000	1,200	40.00 %	9,004	(5,086)	(2,034)	An associate
Gold Finance Limited	Jiin Yeeh Ding (H.K.) Enterprise Ltd.	Hong Kong	Waste removal	274,364	274,364	- (Note1)	100.00 %	456,717	65,608	65,608	Subsidiaries
Gold Finance Limited	Shinling Jung Recycling Technology Co., Ltd.	Hong Kong	Investment	674,925	674,925	- (Note1)	100.00 %	138,089	(39,172)	(39,172)	Subsidiaries
Gold Finance Limited	Yuan Rui Recycling Technology Co., Ltd.	Hong Kong	Trade	29,476	29,476	- (Note1)	100.00 %	44,600	33,473	33,473	Subsidiaries

Note 1: It is a limited company with only capital contribution and no shares.

(Continued)

Jiin Yeeh Ding Enterprise Corp. Notes to the Financial Statements

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Lianyungang Rongding Metal Co., Ltd.	Production and sales of copper, gold, silver and palladium	USD25,885	(2)	USD 21,385	-	-	USD 21,385	(46,995)	82.62%	(38,825) (Note2)	138,436	-
Zhejiang Taiwei Environmental Technology Co., Ltd	Soil environmental pollution control, repair and detection technology development	USD 1,445	(2)	USD 61	-	-	USD 61	-	13.81%	-	-	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2021 (Note3)	Investment Amounts Authorized by Investment Commission, MOEA (Note3)	Upper Limit on Investment (Note4)
666,202 USD 24,068 thousand	666,202 USD 24,068 thousand	1,605,845

Note 1: Method of Investment:

Type1: Indirectly investment in Mainland China through companies remit money in the third region.

Type2: Indirectly investment in Mainland China through companies registered in the third region.

Type3: Indirectly investment in Mainland China through an existing company registered in the third region.

Type4: Directly investment in Mainland China.

Note 2: It is calculated based on the financial statements reviewed by the accountant during the same period. In addition, the conversion is based on the announced exchange rate.

Note 3: The amounts in New Taiwan Dollars were translated at the exchange rates at the balance sheet date or the average exchange rate.

Note 4: It is calculated in accordance with the "Principles for the Review of Investment or Technical Cooperation in Mainland China" revised by the Investment Review Committee on August 29, 2008 to 60% of the net value.

(iii) Significant transactions:

For the year ended December 31, 2021, the significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions" and "Business relationships and significant intercompany transactions".

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
YEEH DING CORP.		14,659,277	12.22 %
Zhuang, Rui-Yuan		6,654,892	5.54 %

Note: (1) The information on major shareholders in this table is calculated by Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter, showing who holds more than 5% of the common shares and preferred shares that have been delivered (including treasury shares) without physical registration. Due to different calculation bases, there may be differences between the share capital recorded in the company's financial report and the actual number.

(2) If the above-mentioned information is that the shareholders hand over the shares to the trust, it will be disclosed by the special account opened by the trustee. As for the insider equity declaration of shareholders holding more than 10%, according to the Securities and Exchange Act, their shareholding includes the shares held by themselves plus the shares that they have delivered to the trust, having the right to exercise decision-making power over the trust property, etc., please refer to Public Information Observatory for the information on the declaration of insider equity.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2021.

Jiin Yeeh Ding Enterprise Corp.

Statement of cash and cash equivalents

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Patty cash		\$ <u>318</u>
Cash in bank	Check deposit	49
Cash in bank	Demand deposit	258,388
Cash in bank	Foreign deposit (USD \$615 thousand, exchange rate 27.68)	17,026
	Foreign deposit (CNY \$11, exchange rate 4.344)	50
	Foreign deposit (HKD \$12 thousand, exchange rate 3.549)	41
	Foreign deposit (JPY \$895 thousand, exchange rate 0.2405)	215
Cash in bank	Due to January 8, 2022 to February 19, 2022, and the interest rate range is 0.33%~0.37%	286,900
	Subtotal	<u>562,669</u>
		<u>\$ 562,987</u>

Jiin Yeeh Ding Enterprise Corp.

Statement of trade receivables

December 31, 2021

Client name	Description	Amount
Notes receivable— non-related parties	Operating revenues	\$ <u>92</u>
Trade receivables— non-related parties		
B Company	"	79,874
I Company	"	43,747
H Company	"	11,100
Others (individual accounts with less than 5% of the total amount)	"	36,415
Less: Allowance for doubtful accounts	"	<u>(121)</u>
Subtotal		<u>171,015</u>
Trade receivables— related parties		
Lianyungang Rongding Metal Co., Ltd.	"	22,816
Grand Tone Enterprise Co., Ltd.	"	<u>251</u>
Subtotal		<u>23,067</u>
Total		\$ <u><u>194,174</u></u>

Statement of other receivables

Item	Description	Amount
non-related parties		
Tax receivables		\$ <u>11,042</u>
Subtotal		<u>11,042</u>
related parties		
Grand Tone Enterprise Co., Ltd.	Business operation	\$ 107
Lianyungang Rongding Metal Co., Ltd.	Business operation	71,524
Jiin Yeen Ding (H.K.) Enterprise Ltd.	Business operation	126
Yuan Rui Recycling Technology Co., Ltd.	Business operation	59
Hung Wei Development Co., Ltd.	Business operation	<u>11</u>
Subtotal		<u>71,827</u>
Total		\$ <u><u>82,869</u></u>

Jiin Yeeh Ding Enterprise Corp.**Statement of inventories****December 31, 2021**

Item	Amount	
	Cost	Net realizable value
Raw materials	\$ 10,834	10,968
Work in progress	91,201	116,487
Finished goods	233,609	289,421
Merchandise Inventories	253	248
Subtotal	335,897	417,124
Less: Allowance for inventory market decline and obsolescence	(3,187)	
Inventories	\$ 332,710	

Jiin Yeeh Ding Enterprise Corp.

**Statement of changes in financial assets measured at fair
value through profit or loss - non-current**

For the year ended December 31, 2021

Name of financial instrument	Beginning Balance		Additions		Decrease		Ending Balance		Collateral	Note
	Shares or units	Fair value	Shares or units	Amount (Note 1)	Shares or unit	Amount	Shares or units	Fair value		
Chung Tai Resource Technology Corp.	4,004	\$ <u>96,168</u>	-	<u>6,886</u>	-	<u>-</u>	4,004	<u>103,054</u>	None	

Note 1: Evaluation gain from mark-to-market.

Jiin Yeeh Ding Enterprise Corp.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2021

Name of financial instrument	Beginning Balance		Addition		Decrease		Investment income/(loss) recognized under equity method, net	Exchange differences on translation	Others (Note 1)	Ending Balance			Market Value or Net Assets Value	
	Shares or units	Shares or units	Shares or units	Amount	Shares or units	Amount (Note 2)				Shares or units	Shareholding ratio	Amount	Amount	Collateral
Gold Finance Limited	34,067	\$ 782,668	-	-	-	-	55,547	(16,781)	-	34,067	100.00 %	821,434	821,434	None
Grand Tone Enterprise Co., Ltd.	-	168,487	-	-	-	9,640	38,313	-	174	-	100.00 %	197,334	198,783	"
Su Fong Enterprise Co., Ltd.	12,000	11,038	-	-	-	-	(2,034)	-	-	12,000	40.00 %	9,004	22,510	"
Hung Wei Development Co., Ltd.	5,000	49,905	5,000	50,000	-	-	9,834	-	-	10,000	100.00 %	109,739	109,739	"
Total		<u>\$ 1,012,098</u>		<u>50,000</u>		<u>9,640</u>	<u>101,660</u>	<u>(16,781)</u>	<u>174</u>			<u>1,137,511</u>	<u>1,152,466</u>	

Note 1: Share of other comprehensive income of subsidiaries accounted for using equity method.

Note 2: Cash dividend received for the year, recognized as decrease of investment accounted for using equity method.

Jiin Yeeh Ding Enterprise Corp.**Statement of other current financial assets****December 31, 2021**

Please refer to note 6(i).

Statement of other non--current financial assets

Please refer to note 6(i).

Statement of changes in property, plant and equipment

Please refer to note 6(g).

Statement of changes in right-of-use assets

Please refer to note 6(h).

Jiin Yeeh Ding Enterprise Corp.

Statement of trade payables

December 31, 2021

<u>Client name</u>	<u>Description</u>	<u>Amount</u>
Accounts payable— non-related parties		
G Supplier	Operating costs	\$ 16,493
J Supplier	"	15,115
Q Supplier	"	8,006
M Supplier	"	7,117
P Supplier	"	7,027
C Supplier	"	6,492
Others (individual accounts with less than 5% of the total amount)		<u>43,789</u>
Subtotal		<u>104,039</u>
Accounts payable— related parties		
Grand Tone Enterprise Co., Ltd.	"	<u>5,225</u>
Subtotal		<u>5,225</u>
Total		<u><u>\$ 109,264</u></u>

Jiin Yeeh Ding Enterprise Corp.**Statement of lease liabilities****December 31, 2021**

Item	Lease term	Discount rate	Ending balance
Lands	2018/5/1~2039/9/30	1.11%~1.50%	\$ 10,980
Buildings	2016/7/1~2026/6/30	1.49%	4,437
Machinery equipment	2019/2/15~2024/7/6	1.15%~1.51%	2,677
Transportation equipment	2020/9/30~2023/9/29	1.51%	<u>1,055</u>
			19,149
Less: current portion			<u>(4,004)</u>
			<u>\$ 15,145</u>

Jiin Yeeh Ding Enterprise Corp.**Statement of other payables****December 31, 2021**

Item	Description	Amount
non-related parties		
Salary payable		\$ 81,401
Expense payable	Material treatment, professional service etc.	5,179
Others (individual accounts with less than 5% of the total amount)		<u>2,772</u>
Subtotal		<u>89,352</u>
related parties		
Grand Tone Enterprise Co., Ltd.	Freight, professional service fee etc.	<u>108</u>
Total		<u><u>\$ 89,460</u></u>

Jiin Yeeh Ding Enterprise Corp.
Statement of operating revenue
For the year ended December 31, 2021

Item	Quantity (kg)	Amount
Gold and mixed metal including gold	3,245,471	\$ 1,079,372
Copper	5,497,545	1,021,508
Other (individual accounts with less than 5% of the total amount)	4,516,590	<u>262,052</u>
Subtotal		2,362,932
Less: sales return and discount		<u>(4,851)</u>
Operating revenues		<u><u>\$ 2,358,081</u></u>

Jiin Yeeh Ding Enterprise Corp.

Statement of operating costs

For the year ended December 31, 2021

Item	Amount	
	Subtotal	Total
Raw material, January 1	\$ 9,153	
Add: purchase	1,594,954	
Less: Raw material, December 31	<u>(10,834)</u>	
Cost of raw material used		1,593,273
Direct labor		36,562
Manufacturing expense		75,682
Other cost		<u>46,300</u>
Cost of manufacturing		1,751,817
Add: Work in process, January 1		124,670
Less: Work in process, December 1		(91,201)
Adjustment of expenses		<u>(821)</u>
Cost of finished goods		1,784,465
Gain on physical inventory		234,502
Loss on physical inventory		(233,609)
Cost of self-manufactured products		<u>1,785,358</u>
Add: Merchandise, January 1	200	
Purchase	1,398	
Less: Merchandise, December 31	<u>(253)</u>	
Cost of goods sold		1,345
Loss from inventory impairment	<u>1,577</u>	
Other cost of goods sold		<u>1,577</u>
Total operating costs		<u><u>\$ 1,788,280</u></u>

Jiin Yeeh Ding Enterprise Corp.

**Summary statement of current period employee benefits,
depreciation, depletion and amortization expenses by function**

For the year ended December 31, 2021

Please refer to note 12.

Statement of administrative expenses

Item	Sales	Administration	Research and Development	Total
Salary and wages	\$ 21,362	89,464	1,700	112,526
Professional service fee	-	7,728	-	7,728
Exportation expense	11,240	-	-	11,240
Insurance fee	1,451	3,560	192	5,203
Other expenses	1,082	6,501	6	7,589
Other (individual accounts with less than 5% of the total amount)	5,726	12,606	285	18,617
Total	\$ 40,861	119,859	2,183	162,903