

Ennoconn Corporation and Subsidiaries

Consolidated Financial Report and CPA Audit Report

2019 and 2018

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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Statement of Consolidated Financial Report of Affiliated Enterprises

In 2019 (from Jan. 1, 2019, to Dec. 31, 2019), the Company, according to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the entities that must be included in preparing the consolidated financial statements covering affiliated enterprises are entirely the same as those that the International Financial Reporting Standards (IFRS) 10 requires to be included in preparing the consolidated financial report comprising the parent and its subsidiaries, and if the required disclosures to be made in the consolidated financial statements covering affiliated enterprises are already made in the consolidated financial report comprising the parent and its subsidiaries, then a separate consolidated financial statements covering affiliated enterprises need not be prepared. Hereby declare

Company name: Ennoconn Corporation

Person in charge: Chu, Fu-chuan

Mar. 31, 2020

CPA Audit Report

To Ennoconn Corporation:

Audit Opinion

We have audited the Consolidated Balance Sheets of Ennoconn Corporation and its subsidiaries (hereinafter referred to as the Ennoconn Group) as of Dec. 31, 2019, and 2018, the related Consolidated Statements of Comprehensive Income, Changes in Equity, Cash Flows, and Notes to the Consolidated Financial Statements for the year 2019 and 2018 from Jan. 1 to Dec. 31 (including the Summary of Significant Accounting Policies).

In our opinions, based on our audit results and the other CPAs' audit reports (please refer to section of "Others"), all material aspects of the consolidated financial report above were prepared in compliance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations and Interpretation Announcements endorsed and released effective by the Financial Supervisory Commission (FSC), and are sufficient to present the consolidated financial position of the Ennoconn Group as of Dec. 31, 2019, and 2018, and its consolidated financial performance and consolidated cash flows for the year 2019 and 2018 from Jan. 1, to Dec. 31.

Basis of Audit Opinion

We have conducted our audit following the "Regulations Governing Auditing and Attestation of Financial Statements by CPAs" and Generally Accepted Auditing Standards (GAAS). Our responsibilities under these standards will be further explained in the section of "CPA's Responsibility for Auditing Individual Financial Statements." Following the code of professional ethics of accountants, the persons subject to the independence standards of our accounting firm have maintained their independence from the Ennoconn Group and fulfilled other responsibilities of the rules. Based on our audit results and the audit reports of other CPAs, we believe in having acquired sufficient and appropriate audit evidence to serve as the basis of our audit opinion.

Key Audit Matters

Key audit matters refer to the most substantial issues in the audit of the 2019 consolidated financial statements of the Ennoconn Group based on our professional judgment. These matters have been covered in the process of auditing the consolidated financial statements as a whole and forming audit opinions. We do not express a separate opinion on these matters.

The key audit matters of Ennoconn Group's consolidated financial statements in 2019 are described as follows:

Impairment Evaluation of Goodwill

The goodwill of Ennoconn Group mainly comes from the merger and acquisition of group enterprises. On Dec. 31, 2019, the value of goodwill was NT\$13,485,947 thousand, accounting for 15.15% of the total consolidated assets. According to IAS 36 "Impairment of Assets," the management must carry out an annual impairment test. Since the process includes the assumptions such as the possible future operating cash flow and the weighted average cost of capital ratio used in estimating use-value as the evaluation of the impairment test results, which involve the subjective judgment of the management and may be subject to future market or economic conditions development due to the impact of the economic climate, the estimate is highly uncertain. Therefore, we have listed the impairment of goodwill as a key audit matter.

Our audit procedures for this critical matter consist of obtaining the evaluation report of goodwill impairment from the independent evaluation specialist entrusted by the management, understanding and reviewing the assumptions used in the evaluation model, including the prediction of future operating cash flow, growth rate, profit rate, and discount rate, and comprehensively evaluating the rationality of the above goodwill impairment evaluation.

Other Matters

Among the subsidiaries listed in the Company's consolidated financial statements, the financial statements of some subsidiaries were reviewed by other CPAs. Therefore, our opinions expressed in the consolidated financial statements, information regarding the financial statements of these subsidiaries, including the amounts and disclosures, are recognized and disclosed according to other CPAs' audit reports. The total assets of these subsidiaries as of Dec. 31, 2019, and 2018 were NT\$42,707,107 thousand and NT\$30,265,884 thousand respectively, accounting for 47.98% and 40.33% of the total consolidated assets; the net operating revenue of these subsidiaries as of Jan. 1 to Dec. 31, 2019, and 2018 were NT\$40,714,804 thousand and NT\$35,563,124 thousand respectively, accounting for 49.95% and 51.57% of the net consolidated operating revenue.

In the consolidated financial statements above, some of the financial statements of investees were audited by other CPAs under the equity method. Therefore, in our opinion expressed in the consolidated financial statements, information regarding the investment of affiliated enterprises under the equity method, and relevant disclosures are recognized and disclosed according to other CPAs' audit reports. The investment balance of these investees under the equity method on Dec. 31, 2019, and 2018 were NT\$34,430 thousand and NT\$361,903 thousand respectively, accounting for 0.04% and 0.48% of the total consolidated assets; the comprehensive income recognized under the equity method on Dec. 31, 2019, and 2018 were NT\$(5,406) thousand and NT\$9,488 thousand respectively, accounting for (0.27)% and 0.31% of the total consolidated comprehensive income.

We have also audited the individual financial statements of Ennoconn Corporation for the year of 2019 and 2018 and issued the audit report with an unqualified opinion and other items for reference.

Responsibility of Management and Governing Bodies for the Consolidated Financial Statements

The responsibility of the management is to appropriately present consolidated financial statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and to maintain essential internal control to ensure it contains no material misstatement due to fraud or error therein.

In preparing for the consolidated financial statements, it is also the management's responsibility to assess Ennoconn Group's ability to continue as a going concern, the disclosure of relevant matters, as well as the adoption of going concern accounting base. Unless the management intends to liquidate or cease operations of Ennoconn Group, or there is no practicable measure other than liquidation or termination of the business.

The governing bodies of Ennoconn Group (including the Audit Committee) is responsible for overseeing the financial reporting procedures.

CPA's Responsibility for Auditing Individual Financial Statements

The purpose of our audit of the consolidated financial statements is to attain reasonable assurance as to whether the consolidated financial statements as a whole contain any material misstatement that may be caused by fraud or error and to issue an audit report. Reasonable assurance is a high degree of certainty but not a guarantee that an audit conducted under the Generally Accepted Auditing Standards (GAAS) will always detect any material misstatement in the consolidated financial statements. Misstatements may be attributable to fraud or error. It is considered as material if the misstated individual amount or the aggregated total can be reasonably expected to affect the economic decisions made by the users of the consolidated financial statements.

When auditing under GAAS, we have practiced professional judgment and maintains professional skepticism. We have also performed the following tasks:

1. Identify and assess the risks of material misrepresentation in the consolidated financial statements due to fraud or error, design and implement proper countermeasures for the assessed risks, and attain sufficient and appropriate audit evidence as to the basis of audit opinions. For the reason that fraud may involve collusion, forgery, intentional omission, false declaration, or the override of internal control, hence the risk of failing to detect any material misstatement caused by fraud is higher than that caused by the error.

2. Acquire the essential understanding of internal control relevant to audit to design appropriate audit procedures under the circumstances, but not to express opinions on the effectiveness of internal control of Ennoconn Group.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Based on the audit evidence obtained, conclude on the appropriateness of the going concern accounting base adopted by the management and whether there is any material uncertainty in the events or circumstances that may cause substantial doubts about the Ennoconn Group's ability to continue as a going concern. If we believe that there is a material uncertainty in such events or circumstances, we shall remind the users of consolidated financial statements to pay attention to the relevant disclosure of the consolidated financial statements in the audit report. Or we shall amend the audit opinion when such disclosure is inadequate. Our conclusions are based on the audit evidence obtained as of the audit report date. However, future events or circumstances may cause Ennoconn Group no longer having the ability to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of consolidated financial statements (including relevant notes), and whether the consolidated financial statements fairly represent the related transactions and events.
6. Attain sufficient and appropriate audit evidence regarding the financial information of entities within Ennoconn Group to express opinions on the consolidated financial statements. We are responsible for the guidance, supervision, and implementation of the audit, as well as forming an audit opinion on Ennoconn Corporation.

The matters we communicate with the governing body include the planned audit scope and time, as well as material audit findings (including a significant lack of internal control identified during the audit).

We have also provided a declaration to the governing body, stating that the persons subject to the independence standards of our accounting firm have complied with the code of professional ethics of CPAs. We have also communicated with the governing body all relations and other matters (including relevant protective measures) that may affect the independence of the CPA.

From the matters communicated with the governing body, we determine the key audit matters for the audit of consolidated financial statements of Ennoconn Group in 2019. We have stated these matters in the audit report. Unless the law or regulation does not allow public disclosure of specific issues, or in rare circumstances, we determine not to communicate particular matters in the audit report due to the reasonable probability that the negative impact of such communication is higher than the public interest.

Deloitte & Touche
CPA Yang, Ching-ting

CPA Liu, Shui-en

Securities and Futures Commission
Approval No.
Taiwan-Finance-Securities-VI-0930128050

Securities and Futures Commission Approval
No.
Taiwan-Finance-Securities-VI-0920123784

Mar. 31, 2020

Ennoconn Corporation and Subsidiaries
Consolidated Balance Sheets
As of Dec. 31, 2019, and 2018

Unit: NT\$1,000

Code	Assets	Dec. 31, 2019		Dec. 31, 2018 (audited after restatement)	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 18,339,874	21	\$ 12,456,516	17
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	113,653	-	90,944	-
1120	Financial assets measured at fair value through other comprehensive income - current (Notes 4 and 8)	39,160	-	40,880	-
1136	Financial assets measured at amortized cost - current (Note 4, 9 and 37)	49,484	-	4,374	-
1140	Contract assets - current (Note 4 and 26)	5,009,480	6	4,382,925	6
1150	Net notes receivable (Note 4 and 10)	161,558	-	107,095	-
1172	Net accounts receivable (Note 4, 5, 10 and 37)	15,907,220	18	15,927,435	21
1180	Accounts receivable - related parties (Note 4, 5, 10 and 36)	1,209,727	1	561,866	1
130X	Net inventory (Note 4, 5, 11 and 37)	11,544,237	13	11,171,069	15
1470	Other current assets (Note 4, 19 and 37)	3,912,597	4	3,399,781	4
11XX	Total current assets	<u>56,286,990</u>	<u>63</u>	<u>48,142,885</u>	<u>64</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss - non-current (Note 4, 7 and 21)	524,539	1	413,028	1
1520	Financial assets measured at fair value through other comprehensive income - non-current (Note 4 and 8)	328,893	-	323,342	-
1550	Investment under equity method (Note 4 and 13)	439,424	1	754,061	1
1600	Property, plant, and equipment (Note 4, 5, 14 and 37)	4,848,647	5	4,686,418	6
1755	Right-of-use assets (Note 3, 4, 15 and 37)	3,221,299	4	-	-
1805	Goodwill (Note 4, 5, 16 and 31)	13,485,947	15	10,936,255	15
1821	Other intangible assets (Note 4 and 17)	7,290,278	8	7,538,713	10
1840	Deferred income tax assets (Note 4 and 28)	1,504,865	2	1,449,285	2
1960	Advance investment payments (Note 4 and 18)	63,699	-	4,800	-
1990	Other non-current assets (Note 4, 19, 24 and 37)	1,024,179	1	799,564	1
15XX	Total non-current assets	<u>32,731,770</u>	<u>37</u>	<u>26,905,466</u>	<u>36</u>
1XXX	Total assets	<u>\$ 89,018,760</u>	<u>100</u>	<u>\$ 75,048,351</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term loans (Note 4 and 20)	\$ 10,256,786	12	\$ 9,643,490	13
2120	Financial liabilities at fair value through profit or loss - current (Note 4, 7 and 21)	24,284	-	16,609	-
2130	Contract liabilities - current (Note 4 and 26)	5,697,907	6	4,766,754	6
2150	Notes payable - non-related parties (Note 4)	951,880	1	1,044,159	1
2160	Notes payable - related parties (Note 4)	3,272	-	-	-
2170	Accounts payable (Note 4)	14,334,257	16	12,534,220	17
2180	Accounts payable - related parties (Note 4 and 36)	1,312,692	2	1,683,076	2
2200	Other payables (Note 4, 22 and 36)	5,237,789	6	5,204,574	7
2230	Current tax liabilities (Note 4)	526,362	1	594,253	1
2250	Liability reserve - current (Note 4 and 23)	1,838,832	2	998,470	1
2280	Lease liabilities - current (Note 3, 4 and 15)	980,830	1	-	-
2320	Long-term liabilities due within one year or one operating cycle (Note 4, 20 and 21)	698,509	1	8,562,224	12
2399	Other current liabilities (Note 4 and 22)	280,699	-	124,830	-
21XX	Total current liabilities	<u>42,144,099</u>	<u>48</u>	<u>45,172,659</u>	<u>60</u>
	Non-current liabilities				
2500	Financial liabilities at fair value through profit or loss - non-current (Note 4, 7 and 21)	24,718	-	-	-
2530	Bonds payable (Note 4 and 21)	7,079,439	8	-	-
2540	Long-term loans (Note 4 and 20)	7,001,332	8	1,861,575	2
2550	Liability reserve - non-current (Note 4 and 23)	698,117	1	380,856	1
2570	Deferred tax liabilities (Note 4 and 28)	469,043	-	538,584	1
2580	Lease liabilities - non-current (Note 3, 4 and 15)	2,466,745	3	-	-
2640	Net defined benefit liability - non-current (Note 4 and 24)	486,102	-	301,747	-
2670	Other non-current liabilities (Note 4 and 22)	722,548	1	893,752	1
25XX	Total non-current liabilities	<u>18,948,044</u>	<u>21</u>	<u>3,976,514</u>	<u>5</u>
2XXX	Total liabilities	<u>61,092,143</u>	<u>69</u>	<u>49,149,173</u>	<u>65</u>
	Equity attributable to owners of the Company (Note 4, 21, 25, 33 and 34)				
3110	Common stock	835,745	1	775,745	1
3200	Capital surplus	6,339,752	7	4,728,440	6
	Retained earnings				
3310	Legal capital reserve	535,830	1	425,018	-
3320	Special capital reserve	384,452	-	495,665	1
3350	Undistributed earnings	1,211,091	1	800,779	1
3300	Total retained earnings	<u>2,131,373</u>	<u>2</u>	<u>1,721,462</u>	<u>2</u>
3490	Other equity	(850,114)	(1)	(384,452)	-
3500	Treasury stock	(236,232)	-	(236,048)	-
31XX	Total equity attributable to owners of the Company	<u>8,220,524</u>	<u>9</u>	<u>6,605,147</u>	<u>9</u>
36XX	Non-controlling interests (Note 4, 16, 25, 31 and 32)	<u>19,706,093</u>	<u>22</u>	<u>19,294,031</u>	<u>26</u>
3XXX	Total equity	<u>27,926,617</u>	<u>31</u>	<u>25,899,178</u>	<u>35</u>
	Total liabilities and equity	<u>\$ 89,018,760</u>	<u>100</u>	<u>\$ 75,048,351</u>	<u>100</u>

The attached notes are part of this consolidated financial report.
(Please refer to Deloitte & Touche's audit report on Mar. 31, 2020.)

Chairman: Chu, Fu-chuan

Manager: Tsai, Neng-chi

Accounting Supervisor: Wu, Yu-mei

Ennoconn Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
Jan. 1 to Dec. 31, 2019 and Jan. 1 to Dec. 31, 2018

Unit: NT\$1,000
Earnings per share in NT\$

Code		2019		2018 (audited after restatement)	
		Amount	%	Amount	%
4100	Operating revenue (Note 4, 26, 36 and 42)	\$ 81,506,216	100	\$ 68,962,459	100
5110	Operational cost (Note 11, 15, 27, and 36)	(62,753,571)	(77)	(53,698,549)	(78)
5900	Gross profit	<u>18,752,645</u>	<u>23</u>	<u>15,263,910</u>	<u>22</u>
	Operating expense (Note 15, 24 and 27)				
6100	Selling expense	(3,378,558)	(4)	(2,939,769)	(4)
6200	Administrative expense	(4,138,693)	(5)	(3,290,798)	(5)
6300	R&D expense	(7,788,264)	(10)	(5,876,650)	(9)
6450	Expected credit impairment loss	(<u>69,783</u>)	<u>-</u>	(<u>246,600</u>)	<u>-</u>
6000	Total operating expense	(<u>15,375,298</u>)	(<u>19</u>)	(<u>12,353,817</u>)	(<u>18</u>)
6900	Operating profit	<u>3,377,347</u>	<u>4</u>	<u>2,910,093</u>	<u>4</u>
	Non-operating revenue and expenses (Note 13, 21 and 27)				
7190	Other income	\$ 169,887.00	-	91,488	-
7020	Other gains and losses	\$ 816,760.00	1	1,084,124	2
7050	Financial cost	(573,930)	(1)	(485,009)	(1)
7060	Profit and loss of affiliated enterprises under equity method	<u>21,892</u>	<u>-</u>	<u>16,945</u>	<u>-</u>
7000	Total non-operating revenue and expenses	<u>434,609</u>	<u>-</u>	<u>707,548</u>	<u>1</u>

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Code		2019		2018 (audited after restatement)	
		Amount	%	Amount	%
7900	Profit before tax	\$ 3,811,956	4	\$ 3,617,641	5
7950	Tax expense (Note 4 and 28)	(785,648)	(1)	(778,822)	(1)
8200	Net profit	<u>3,026,308</u>	<u>3</u>	<u>2,838,819</u>	<u>4</u>
	Other comprehensive income (Note 4, 24, 25 and 28)				
8310	Items not reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	(31,011)	-	(1,723)	-
8316	Unrealized profit and loss of equity instrument investments measured at fair value through other comprehensive income	(81,356)	-	(49,160)	-
8320	Share of other comprehensive income from affiliated enterprises and joint venture recognized under equity method - items not reclassified to profit or loss	(8)	-	-	-
8349	Income tax related to items not reclassified to profit or loss	<u>16,979</u>	<u>-</u>	<u>11,966</u>	<u>-</u>
		<u>(95,396)</u>	<u>-</u>	<u>(38,917)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on the translation of financial statements of foreign operations	(941,760)	(1)	230,302	-
8370	Share of other comprehensive income from affiliated enterprises and joint venture recognized under equity method	<u>(451)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(942,211)</u>	<u>(1)</u>	<u>230,302</u>	<u>-</u>
8300	Other comprehensive income (net amount after tax)	<u>(1,037,607)</u>	<u>(1)</u>	<u>191,385</u>	<u>-</u>

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Code		2019		2018 (audited after restatement)	
		Amount	%	Amount	%
8500	Total comprehensive income (loss)	<u>\$ 1,988,701</u>	<u>2</u>	<u>\$ 3,030,204</u>	<u>4</u>
	Net profit attributable to:				
8610	Owners of the Company	\$ 1,080,242	1	\$ 1,094,298	2
8620	Non-controlling interests	<u>1,946,066</u>	<u>2</u>	<u>1,744,521</u>	<u>2</u>
8600		<u>\$ 3,026,308</u>	<u>3</u>	<u>\$ 2,838,819</u>	<u>4</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 595,713	1	\$ 1,182,455	2
8720	Non-controlling interests	<u>1,392,988</u>	<u>1</u>	<u>1,847,749</u>	<u>2</u>
8700		<u>\$ 1,988,701</u>	<u>2</u>	<u>\$ 3,030,204</u>	<u>4</u>
	Earnings per share (Note 29)				
9750	Basic	<u>\$ 13.22</u>		<u>\$ 14.27</u>	
9850	Diluted	<u>\$ 10.80</u>		<u>\$ 13.30</u>	

The attached notes are part of this consolidated financial report.
(Please refer to Deloitte & Touche's audit report on Mar. 31, 2020.)

Chairman: Chu, Fu-chuan

Manager: Tsai, Neng-chi

Accounting Supervisor: Wu, Yu-mei

Ennoconn Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
Jan. 1 to Dec. 31, 2019 and Jan. 1 to Dec. 31, 2018

Unit: NTS1,000

Equity attributable to owners of the parent company

Code		Capital surplus							Other equity item												
		Common stock capital		Stock issuance premium	Conversion premium of converted corporate bonds	Stock option for convertible corporate bonds	Changes in equity of subsidiaries	Others	Total	Retained earnings				Exchange differences on the translation of financial statements of foreign operations	Unrealized profit and loss of available-for-sale financial assets	Unrealized profit and loss of financial assets measured at fair value through other comprehensive income	Total	Treasury stock	Grand total	Non-controlling interests	Total equity
		Number of shares (1,000 shares)	Share capital							Legal capital reserve	Special capital reserve	Undistributed earnings	Total								
A1	Balance on Jan. 1, 2018	76,528	\$ 765,288	\$ 2,901,495	\$ 1,005,235	\$ 408,529	\$ 734,913	\$ -	\$ 5,050,172	\$ 312,681	\$ 41,036	\$ 1,352,416	\$ 1,706,133	(\$ 456,250)	(\$ 39,415)	\$ -	(\$ 495,665)	(\$ 233,608)	\$ 6,792,320	\$10,981,914	\$17,774,234
A3	Impact amount of retrospective application and restatement	-	-	-	-	-	-	-	-	-	(62,436)	(62,436)	-	39,415	(17,106)	22,309	-	(40,127)	-	2,777,427	2,737,300
A5	Balance after retrospective application and restatement on Jan. 1, 2018	76,528	765,288	2,901,495	1,005,235	408,529	734,913	-	5,050,172	312,681	41,036	1,289,980	1,643,697	(456,250)	-	(17,106)	(473,356)	(233,608)	6,752,193	13,759,341	20,511,534
B1	Earnings allocation and distribution in 2017																				
B1	Appropriation of legal capital reserve	-	-	-	-	-	-	-	-	112,337	-	(112,337)	-	-	-	-	-	-	-	-	-
B3	Appropriation of special capital reserve	-	-	-	-	-	-	-	-	-	454,629	(454,629)	-	-	-	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	-	-	-	-	-	(682,864)	(682,864)	-	-	-	-	-	-	(682,864)	(682,864)
	Subtotal	-	-	-	-	-	-	-	-	112,337	454,629	(1,249,830)	(682,864)	-	-	-	-	-	-	(682,864)	(682,864)
M7	Changes in ownership interests of subsidiaries	-	-	-	-	-	(734,913)	-	(734,913)	-	-	(328,588)	(328,588)	-	-	-	-	-	(1,063,501)	2,928,351	1,864,850
O1	Cash dividends to shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(527,998)	(527,998)
D1	Net profit in 2018	-	-	-	-	-	-	-	-	-	1,108,117	1,108,117	-	-	-	-	-	-	1,108,117	1,760,760	2,868,877
D3	Other comprehensive income after tax in 2018	-	-	-	-	-	-	-	-	-	-	(747)	(747)	111,088	-	(22,184)	88,904	-	88,157	103,228	191,385
D5	Total comprehensive income in 2018	-	-	-	-	-	-	-	-	-	1,107,370	1,107,370	111,088	-	(22,184)	88,904	-	1,196,274	1,863,988	3,060,262	
I1	Corporate bond converted into common stock	1,046	10,457	-	437,216	(24,035)	-	-	413,181	-	-	-	-	-	-	-	-	-	423,638	-	423,638
L1	Treasury stock repurchased	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,440)	(2,440)	-	(2,440)
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,128,721	1,128,721
Z1	Balance on Dec. 31, 2018	77,574	775,745	2,901,495	1,442,451	384,494	-	-	4,728,440	425,018	495,665	818,932	1,739,615	(345,162)	-	(39,290)	(384,452)	(236,048)	6,623,300	19,152,403	25,775,703
A3	Impact amount of retrospective restatement (Note 16)	-	-	-	-	-	-	-	-	-	(18,153)	(18,153)	-	-	-	-	-	-	(18,153)	141,628	123,475
A5	Balance after retroactive application and restatement on Jan. 1, 2019	77,574	775,745	2,901,495	1,442,451	384,494	-	-	4,728,440	425,018	495,665	800,779	1,721,462	(345,162)	-	(39,290)	(384,452)	(236,048)	6,605,147	19,294,031	25,899,178
B1	Earnings allocation and distribution in 2018																				
B1	Legal capital reserve	-	-	-	-	-	-	-	-	110,812	-	(110,812)	-	-	-	-	-	-	-	-	-
B3	Special capital reserve	-	-	-	-	-	-	-	-	(111,213)	111,213	-	-	-	-	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	-	-	-	-	(580,436)	(580,436)	-	-	-	-	-	-	-	(580,436)	(580,436)
	Subtotal	-	-	-	-	-	-	-	-	110,812	(111,213)	(580,035)	(580,436)	-	-	-	-	-	(580,436)	-	(580,436)
M7	Changes in ownership interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(71,028)	(71,028)	-	-	-	-	-	(71,028)	832,863	761,835
O1	Cash dividends to shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,041,681)	(1,041,681)
C5	Changes in other capital surplus																				
C5	Convertible bonds issued by the Company recognized as equity components	-	-	-	-	332,132	-	-	332,132	-	-	-	-	-	-	-	-	-	332,132	-	332,132
C17	The invalidation of the stock option of convertible bonds	-	-	-	(249,881)	249,881	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	82,251	249,881	-	-	332,132	-	-	-	-	-	-	-	-	-	332,132	-	332,132
D1	Net profit in 2019	-	-	-	-	-	-	-	-	-	1,080,242	1,080,242	-	-	-	-	-	-	1,080,242	1,946,066	3,026,308
D3	Other comprehensive income after tax in 2019	-	-	-	-	-	-	-	-	-	(19,382)	(19,382)	(432,582)	-	(32,565)	(465,147)	-	(484,529)	(553,078)	(1,037,607)	
D5	Comprehensive income after tax in 2019	-	-	-	-	-	-	-	-	-	1,060,860	1,060,860	(432,582)	-	(32,565)	(465,147)	-	595,713	1,392,988	1,988,701	
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	515	515	-	-	(515)	(515)	-	-	-	-	
E1	Cash capital increase	6,000	60,000	1,279,180	-	-	-	-	1,279,180	-	-	-	-	-	-	-	-	-	1,339,180	-	1,339,180
L1	Repurchase/disposal of treasury stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(184)	(184)	-	(184)
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(772,108)	(772,108)
Z1	Balance on Dec. 31, 2019	83,574	\$ 835,745	\$ 4,180,675	\$ 1,442,451	\$ 466,745	\$ 249,881	\$ -	\$ 6,339,752	\$ 535,830	\$ 384,452	\$ 1,211,091	\$ 2,131,373	(\$ 777,744)	\$ -	(\$ 72,370)	(\$ 850,114)	(\$ 236,232)	\$ 8,220,524	\$19,706,093	\$27,926,617

The attached notes are part of this consolidated financial report.
(Please refer to Deloitte & Touche's audit report on Mar. 31, 2020.)

Chairman: Chu, Fu-chuan

Manager: Tsai, Neng-chi

Accounting Supervisor: Wu, Yu-mei

Ennoconn Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Jan. 1 to Dec. 31, 2019 and Jan. 1 to Dec. 31, 2018

Unit: NT\$1,000

Code		2019	2018 (audited after restatement)
	Cash flows from operating activities		
A10000	Profit before tax	\$ 3,811,956	\$ 3,617,641
A20010	Income expense item		
A21000	Expected credit impairment loss	69,783	246,600
A20100	Depreciation expense	1,385,468	458,367
A20200	Amortization expense	1,425,749	1,186,714
A21900	Consideration cost of the employee stock option	20,180	-
A20900	Financial cost	573,930	485,009
A22300	Profit and loss of affiliated enterprises recognized under equity method	(21,892)	(16,945)
A21200	Interest income	(115,002)	(77,136)
A21300	Dividends income	(13,856)	-
A23700	Inventory price loss (recovery gain)	(209,750)	85,937
A29900	Inventory scrap loss	301,188	26,747
A23700	Impairment loss	66,814	-
A22500	Gains on disposal of property, plant, and equipment	(4,762)	(20,611)
A20400	Net profit of financial assets or liabilities at fair value through profit or loss	(82,009)	(89,284)
A23100	Loss on the recovery of corporate bonds	187,228	-
A24100	Gains on foreign exchange	(7,907)	(4,172)
A21100	Gains on bargain purchase	(29,913)	(56,174)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets enforced at fair value through profit or loss	(12,985)	1,292,042
A31125	Contract assets	(176,962)	(1,003,715)
A31130	Notes receivable	(54,463)	56,126
A31150	Accounts receivable	942,409	(1,665,989)
A31200	Inventory	160,597	(1,596,925)
A31240	Other current assets	(49,211)	(851,311)
A32125	Contract liabilities	34,260	(500,496)
A32130	Notes payable	(89,007)	(227,798)
A32150	Accounts payable	430,945	555,369
A32180	Other payables	(581,246)	2,956,500
A32200	Liability reserve	(1,414,505)	(588,760)
A32230	Other current liabilities	110,967	43,070
A32990	Others	(185,414)	18,107
A33000	Cash inflow from operations	6,472,590	4,328,913
A33100	Interest received	114,417	83,524
A33200	Dividends received	13,856	-
A33300	Interest paid	(461,439)	(294,763)
A33500	Income tax paid	(897,779)	(587,675)
AAAA	Net cash inflow from operating activities	<u>5,241,645</u>	<u>3,529,999</u>

(continued on next page)

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Code		2019	2018 (audited after restatement)
	Cash flows from investment activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(\$ 108,752)	\$ -
B00020	Sale of financial assets measured at fair value through other comprehensive income	14,434	-
B00040	Acquisition of financial assets measured at amortized cost	(45,110)	-
B00050	Disposal of financial assets measured at amortized cost	-	65,888
B01800	Acquisition of long-term equity investment under equity method	(17,063)	(641,404)
B02000	Increase in advance investment payments	(63,699)	(4,800)
B02200	Acquisition of net cash inflow (outflow) from subsidiaries	145,550	(4,265,980)
B02700	Acquisition of property, plant, and equipment	(781,652)	(767,835)
B02800	Disposal of property, plant, and equipment	135,572	147,505
B04500	Acquisition of intangible assets	(684,042)	(849,978)
B03800	Decrease (increase) in refundable deposits	(126,556)	28,069
B06500	Decrease (increase) in other financial assets	88,860	(229,466)
B07100	Increase in prepayments of equipment	(<u>200,682</u>)	(<u>59,593</u>)
BBBB	Net cash outflow from investment activities	(<u>1,643,140</u>)	(<u>6,577,594</u>)
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term loans	(165,457)	6,517,532
C01200	Issuance of convertible bonds	6,007,148	-
C01300	Repayment of corporate bonds	(6,242,205)	-
C01600	Long-term loans	5,884,831	1,116,673
C01700	Repayment of long-term loans	(1,281,362)	(1,224,411)
C04020	Repayment of lease principal	(686,997)	-
C04600	Cash capital increase	1,319,000	-
C04500	Distribution of cash dividends	(580,436)	(682,864)
C05800	Cash dividends paid to non-controlling interests	(1,041,681)	(527,998)
C05800	Changes in non-controlling interests	(<u>853,785</u>)	<u>349,093</u>
CCCC	Net cash flow from financing activities	<u>2,359,056</u>	<u>5,548,025</u>
DDDD	Effect of fluctuation in exchange on cash and cash equivalents	(<u>74,203</u>)	(<u>195,935</u>)
EEEE	Net increase in cash and cash equivalents	5,883,358	2,304,495
E00100	Opening balance of cash and cash equivalents of the period	<u>12,456,516</u>	<u>10,152,021</u>
E00200	Ending balance of cash and cash equivalents of the period	<u>\$ 18,339,874</u>	<u>\$ 12,456,516</u>

The attached notes are part of this consolidated financial report.
(Please refer to Deloitte & Touche's audit report on Mar. 31, 2020.)

Chairman: Chu, Fu-chuan

Manager: Tsai, Neng-chi

Accounting Supervisor: Wu, Yu-mei

Ennoconn Corporation and Subsidiaries
Notes to the Consolidated Financial Statements
Jan. 1 to Dec. 31, 2019 and Jan. 1 to Dec. 31, 2018
(Unless otherwise noted, the amount is in NT\$1,000.)

I. Company Overview

Ennoconn Corporation (hereinafter referred to as the Company) was established on Jul. 12, 1999, with primary business operations in data storage, processing equipment, along with manufacturing and sales of industrial motherboards. The registered place and business operation site of the Company is 3 - 6F, No. 10, Jiankang Road, Zhonghe District, New Taipei City.

The Company's initial public offering was conducted on Nov. 21, 2012. On Dec. 18 of the same year, it was traded on the OTC market of Taipei Exchange (TPEx) and listed on TWSE on Mar. 28, 2014.

The consolidated financial report is presented in the New Taiwan Dollars, the functional currency of the Company.

II. Approval Date and Procedures of Financial Report

The Board of Directors has approved the consolidated financial report on Mar. 31, 2020.

III. Application of Newly Issued and Revised Standards and Interpretations

(I) The amended "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Announcement of Standing Interpretations Committee (SIC) (hereinafter referred to as "IFRSs") accredited and issued by the Financial Supervision Commission (hereinafter referred to as "FSC") are applicable for the first time. Except for the following, the application of amended "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IFRSs accredited and issued by FSC should not cause material changes in accounting policies of the consolidated company:

1. IFRS 16 "Leases"

IFRS 16 regulates the recognition of lease agreements, as well as lessor and lessee accounting; this will replace the relevant interpretations of IAS 17 "Leases" and IFRIC 4 "Determining Whether an Arrangement Contains a Lease." Please refer to Note 4 for related accounting policies.

Definition of "Leases"

The consolidated company chooses to evaluate whether a contract signed (or changed) after Jan. 1, 2019, is (or contains) a lease under IFRS 16. Contracts previously identified as a lease under IAS 17 and IFRIC 4 shall not be reevaluated and shall be handled by the transitional provisions of IFRS 16.

The Consolidated Company as the Lessee

Apart from the low-value underlying asset lease and short-term lease are recognized as expenses on the straight-line basis, other leases are recognized as the right-of-use assets and lease liabilities in the Consolidated Balance Sheets. The Consolidated Statements of Comprehensive Income separately presents the depreciation expenses of the right-of-use assets, and the interest expenses accrued from lease liabilities under the effective interest method. In the Consolidated Statements of Cash Flows, cash payments for the principle of lease liabilities shall be stated as financing activities, whereas cash payments for the interest shall be stated as operating activities. Before the application of IFRS 16, contracts stated as operating leases were recognized as expense on a straight-line basis, whereas lease payments paid

in advance to obtain the acquisition of right-of-use land in China are recognized as the advance lease payments. Cash flow from operating leases is stated as operating activities in the Consolidated Statements of Cash Flows. Contracts classified as financial leases are recognized as lease assets and lease payables in the Consolidated Balance Sheets.

Previous operating lease agreements under IAS 17, the measurement of lease liabilities on January 1, 2019, is to discount the remaining lease payments at the lessee's incremental borrowing rate on that day, and all right-of-use assets are measured by the number of lease liabilities on that day. IAS 36 applies to all impairment assessment of the recognized right-of-use assets.

The consolidated company also applies the following expedient practices:

- (1) A single discount rate is adopted for the lease portfolio with similar characteristics to measure lease liabilities.
- (2) Lease terms that end before Dec. 31, 2019, will be treated as short-term leases.
- (3) Initial direct cost is not included in the right-of-use asset measurement as of Jan. 1, 2019.
- (4) When measuring lease liabilities, decisions such as lease terms will be made after use.

For leases classified as the financial lease under IAS 17, the carrying amount of the leased asset and the lease liability on Dec. 31, 2018, will be adopted as the carrying amount of the right-of-use asset and the lease liability on Jan. 1, 2019.

On Jan. 1, 2019, the applicable interest rate interval of increased loan for the recognized lease liabilities of the consolidated company is 0.84% ~ 13%. The difference between the amount of the lease liabilities and the total future minimum lease payments of the non-cancellable operating lease on Dec. 31, 2018, is as follows:

Total future minimum lease payments of non-cancellable operating leases on Dec. 31, 2018	\$ 2,848,251
Less: Short-term lease subject to the exemption	-
Less: Low-value asset lease subject to the exemption	-
Total undiscounted amount on Jan. 1, 2019	<u>\$ 2,848,251</u>

Present value after discounted at the incremental borrowing rate of interest on Jan. 1, 2019	\$ 2,408,381
Plus: Lease payable of financial lease on Dec. 31, 2018	-
Plus: Adjustment due to different treatment of extension of lease option	<u>510,980</u>
The balance of lease liabilities on Jan. 1, 2019	<u>\$ 2,919,361</u>

The Consolidated Company as the Lessor

The adjustments of assets, liabilities, and equity item as of Jan. 1, 2019 for the first-time application of IFRS 16 are as follows:

There will be no adjustment made to the lessor's lease at the time of transition, and IFRS 16 will apply from Jan.1, 2019.

	Jan. 1, 2019 Amount before restatement	Adjustment of the first-time application adjustment	Jan. 1, 2019 Amount after restatement
Advance lease payments - current	\$ 6,004	(\$ 6,004)	\$ -
Property, plant, and equipment	4,686,418	(386,478)	4,299,940
Right-of-use assets	-	3,390,668	3,390,668
Advance lease payments - non-current	<u>78,825</u>	<u>(78,825)</u>	<u>-</u>
Impact on assets	<u>\$ 4,771,247</u>	<u>\$ 2,919,361</u>	<u>\$ 7,690,608</u>
Lease payable - current	\$ 196,788	(\$ 196,788)	\$ -
Lease liability - current	-	818,904	818,904
Lease payable - non-current	285,996	(285,996)	-
Lease liabilities - non-current	<u>-</u>	<u>2,583,241</u>	<u>2,583,241</u>
Impact on liabilities	<u>\$ 482,784</u>	<u>\$ 2,919,361</u>	<u>\$ 3,402,145</u>
Impact on equity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2. IFRIC 23 "Uncertainty over Income Tax Treatments"

IFRIC 23 clarifies that when there is uncertainty over income tax treatment, the Company must assume that the tax authorities will have all relevant data available for review. If it is judged that the tax treatment declared is likely to be accepted by the tax authorities, the Company's decision on the taxable income, tax basis, unused tax loss, unused tax deduction, and tax rate must be consistent with tax treatments adopted during income tax declaration. If the tax authorities are not likely to accept the tax treatment of the declaration, the Company shall adopt the most probable amount or expected value (should adopt the method which can better predict the final outcome of uncertainty) for assessment. If the facts and circumstances change, the Company shall reevaluate its judgment and estimation.

3. Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"

The amendment stipulates that in case of the plan amendment, curtailment, or settlement, the current service cost and net interest in the remaining period of the year shall be determined based on the actuarial assumption used to remeasure the net defined benefit liabilities (assets) at the time of occurrence. Also, the amendment clarifies the impact of the plan amendment, curtailment, or settlement on the relevant provisions of the asset ceiling. The consolidated company will postpone the application of the amendment mentioned above.

(II) Applicable IFRSs accredited by FSC in 2020

Newly issued, amended, and revised standards and interpretations	Effective date issued by IASB
Amendments to IFRS 3 "Definition of a Business"	Jan. 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 "Reforming Interest Rate Benchmarks"	Jan. 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 "Definition of Material"	Jan. 1, 2020 (Note 3)

Note 1: This amendment applies to business combination beginning on Jan. 1, 2020, and acquisition of assets that occurred after the date described above during the annual reporting period.

Note 2: This amendment shall apply retrospectively for the annual period starting from Jan. 1, 2020.

Note 3: The application of this amendment is postponed for the annual period starting from Jan. 1, 2020.

1. Amendments to IFRS 3 "Definition of a Business"
The amendment clarifies that a business (activities and portfolio acquired in a business combination) should at least include the substantive process of input and processing input, and the integration of the two can significantly contribute to the ability to create output. The definition of output will focus on the commodities and services provided to customers, thus remove the form of remuneration that helps to reduce costs in the past definition of output. At the same time, the requirement that the acquirer should evaluate whether the market participants can replace the missing input and process to continue to provide output is also removed.

In addition, the amendment adds a simplified method, concentration test, to evaluate whether the acquired activities and portfolio conform to the business, which can be selected by the enterprise itself.

2. Amendments to IAS 1 and IAS 8 "Definition of Material"

This amendment does not modify the definition of materiality, but only provides a more understandable explanation. After the amendment, there is an additional explanation in the definition of materiality that the non-materiality information may obscure material information. Furthermore, IAS 1 currently uses "could influence users" as the threshold of materiality. The amended requirements will change to "could be reasonably expected to influence users" as the threshold of materiality.

Besides the above impacts, as of the date of approval of this consolidated financial report, the consolidated company has continued to evaluate the effects of the amendments to other standards and interpretations on the financial position and financial performance, and associated impacts will be disclosed when the evaluation is completed.

(III) IFRSs Issued by IASB but Not Accredited and Issued by FSC

Newly issued, amended, and revised standards and interpretations	Effective date issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Affiliated Enterprise or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	Jan. 1, 2021
Amendment to IAS 1 "Classify liabilities as current or non-current"	Jan. 1, 2022

Note 1: Unless otherwise noted, the above newly issued, amended, and revised standards and interpretations will take effect during the annual reporting period after their respective dates.

1. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Affiliated Enterprise or Joint Venture"

The amendment provides that if the Company sells or invests assets in affiliated enterprises (or joint ventures), or loses control of subsidiaries, but retains material influence (or joint control) over the subsidiary and if the above assets or former subsidiaries meet the definition of "business" in IFRS 3 "business combination," the Company shall fully recognize the profits and losses arising from such transactions.

In addition, if the Company sells or invests assets in associates (or joint venture), or loses control over a subsidiary in a transaction with affiliated enterprises (or joint venture), but retains material influence (or joint control) over the subsidiary and if the above assets or former subsidiary do not comply with the definition of "business" in IFRS 3, the Company shall only recognize the profit and loss arising from such transactions within the scope of equity unrelated to the investors' interest in such affiliated enterprises (or joint ventures), namely, the profit and loss attributable to the Company's share shall be written off.

2. Amendment to IAS 1 "Classify liabilities as current or non-current"
 The amendment clarifies that when determining whether the liability is classified as non-current, one shall evaluate whether the consolidated company has the right to defer the settlement period to at least 12 months after the reporting period at the end of the reporting period. If the consolidated company has the right at the end of the reporting period, whether or not the consolidated company expects to exercise the right, the liability is classified as non-current. This amendment also clarifies that if the consolidated company is required to comply with specific conditions before it has the right of the deferred settlement of liabilities, the consolidated company must comply with particular requirements on the terminal date of the reporting period, even if the lender tests whether the consolidated company complies with such terms on a later date.
 The amendment provides that for the aim of liability classification, the above settlement refers to the transfer of cash, other economic resources, or equity instruments of the consolidated company to the counterparty, resulting in the elimination of liabilities. However, if the terms of liability may, at the option of the counterparty, be transferred to the equity instrument of the consolidated company, resulting in its settlement, and if the option is separately recognized in equity under IAS 32 "Financial Instruments: Presentation," the preceding terms do not affect the classification of liabilities.

Besides the impacts above, as of the date of approval of this consolidated financial report, the consolidated company has continued to evaluate the effects of the amendments to other standards and interpretations on the financial position and financial performance, and associated impacts will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of Compliance

This consolidated financial report is prepared following the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IFRSs accredited and issued by FSC.

(II) Basis of Preparation

Apart from financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of plan assets, this consolidated financial report is prepared based on historical cost.

Fair value measurement is divided into Level 1 to Level 3, according to the observability and importance of relevant input values:

1. Level 1 input: Refers to the quotation (unadjusted) of the same assets or liabilities available in the active market on the measurement date.
2. Level 2 input: Refers to the observable input value of assets or liabilities directly (i.e., price) or indirectly (i.e., derived from price) in addition to the quotation of Level 1.
3. Level 3 input: Refers to the unobservable input value of assets or liabilities.

(III) Criteria for Distinguishing Current from Non-current Assets and Liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (but excluding those limited for exchange or settlement of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due and settled within 12 months after the balance sheet date (even if long-term refinancing or rescheduling payment agreements have been completed after the balance sheet date and before the issuing date of the financial report are treated as current liabilities); and
3. Liabilities for which settlement date cannot be extended unconditionally to more than 12 months after the balance sheet date. However, if the terms of liabilities may be settled by issuing equity instruments at the option of the counterparty, the classification will not be affected.

Those that are not current assets or current liabilities mentioned above are classified as non-current assets or non-current liabilities.

(IV)

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and entities (subsidiaries) controlled by the Company. The Consolidated Statements of Comprehensive Income has included the operating profit and loss of subsidiaries that are acquired or disposed of from the acquisition date or until the disposal date in the current period. The financial report of the subsidiaries has been appropriately adjusted to facilitate their accounting policies are consistent with those used by the consolidated company. At the time of preparing the consolidated financial report, all transactions, account balances, gains, and expenses among the entities have been written off. A subsidiary's total comprehensive income is attributed to the owners of the Company and non-controlling interests, even if non-controlling interests become deficit balance in the process.

Where the change in the consolidated company's ownership interest in the subsidiary does not result in the loss of control, it shall be treated as an equity transaction. The carrying amounts of the consolidated company and non-controlling interests have been adjusted to reflect the changes in their relative interests in subsidiaries. The difference between the adjusted amount of non-controlling interest and the fair value of the consideration paid or received is directly recognized as equity and attributed to the owner of the Company.

For details of subsidiaries, shareholding ratio, and operations, Please refer to Note 12, table 8, and table 9.

(V)

Business Combination

The business combination is handled by the acquisition method, and acquisition-related costs are listed as expenses in the current period of cost occurred and service received.

Goodwill is measured by the aggregate of the fair value of the consideration transferred, the amount of non-controlling interests of the acquiree and the fair value of the acquiree's interests previously held by the acquirer on the acquisition date over the net amount of the identifiable assets acquired and liabilities assumed on the acquisition date.

The current ownership interest in the acquiree and the right to enjoy the non-controlling interest of the acquiree's net assets in proportion at the time of liquidation is measured by the share of the recognized amount of the identifiable net assets of the acquiree.

When the consideration transferred by the consolidated company in the business combination includes the assets or liabilities arising from contingent consideration agreement, the contingent consideration is measured at fair value on the acquisition date and is part of the transfer consideration paid in exchange for the acquiree. If the change in the fair value of the contingent consideration is an

adjustment during the measurement period, the acquisition cost is retroactively adjusted, and the goodwill is relatively adjusted. The adjustment of measurement period refers to the adjustment generated during the "measurement period" (no more than one year from the acquisition date) due to the acquisition of additional information of existing facts and circumstances on the acquisition date.

The subsequent treatment of changes in the fair value of contingent consideration not adjusted during the measurement period will depend on the classification of contingent consideration. Contingent consideration is measured at fair value on the subsequent balance sheet date, and changes in fair value are recognized in profit or loss.

A business combination concluded in stages is a remeasurement of the interests of the acquiree previously held by the combining companies based on the fair value on the acquisition date. If any interest or loss is arising from there, it is recognized as profit and loss/other comprehensive income. The amount recognized in other comprehensive income before the acquisition date due to the previously held interests of the acquiree is recognized on the same basis as if the consolidated company directly disposed of its previously held interests.

If the measurement of identifiable assets acquired and liabilities assumed from business combination has not been completed, the balance sheet date shall be recognized with the provisional sum, and retroactive adjustment or additional assets or liabilities shall be recognized during the measurement period to reflect the new information about the actual facts and conditions on the acquisition date.

(VI) Foreign Currency

When preparing the individual financial report, transactions denominated in another currency (foreign currency) other than the entity's functional currency shall be converted into the functional currency using the exchange rate on the date of the transaction.

Monetary items denominated in foreign currencies are converted using the closing exchange rates on each balance sheet date. The exchange difference arising from the delivery of monetary items or the conversion of monetary items shall be recognized in profit or loss in the period of occurrence.

Non-monetary items denominated in foreign currencies measured at fair value are converted using the exchange rate on the date when the fair value is determined. The exchange difference is recognized as the current profit and loss. However, if the change of fair value is recognized as other comprehensive income, the exchange difference generated is recognized as other comprehensive income.

Non-monetary items denominated in foreign currencies and measured at historical cost are converted using the exchange rates on the date of transaction, and will not be reconverted.

In the preparation of consolidated financial statements, the assets and liabilities of foreign operations (including the country of operation or currency used of the subsidiary is different from the Company) are converted into New Taiwan Dollars at the exchange rate on each balance sheet date. The income and expense items are converted at the average exchange rate of the current period. The resulting exchange differences are recognized in other comprehensive income (and attributed to the owners and non-controlling interests of the Company, respectively).

If the consolidated company disposes of all the rights and interests of the foreign operations, or disposes part of the rights and interests of the subsidiary of the foreign operations but loses control, or disposes the retained equity of the joint agreement or associates of the foreign operations as the financial assets and is disposed of under the accounting policies of the financial instruments, all

accumulated exchange differences attributable to the owners of the Company and related to the foreign operations will be reclassified to profit and loss.

If part of the disposal of a subsidiary of a foreign operation does not result in loss of control, the accumulated exchange difference shall be reattributed to the non-controlling interests of the subsidiary in proportion, and shall not be recognized as profit or loss. In the case of disposal of any other part of a foreign operation, the accumulated exchange difference is reclassified to profit or loss on a pro-rata basis.

(VII) Inventories

Inventories include raw materials, materials, partly-finished goods, finished goods, and stock in hand. Inventory is measured by the lower of cost and net realizable value. When comparing cost and net realizable value, except for similar stock in hand, it is based on individual items. The net realizable value refers to the balance of the estimated selling price in normal circumstances after deducting the estimated cost required till completion and the estimated cost to complete the sale. The inventory cost is calculated by the monthly weighted-average method.

(VIII) Investment in the Associates

Associates refer to the enterprise in which the consolidated company has material influence but not a subsidiary.

The consolidated company adopts the equity method for investment in associates. Under the equity method, investment in associates is initially recognized at cost, and the carrying amount obtained in the future is increased or decreased with the share of profit and loss of associates and other comprehensive income and profit distribution enjoyed by the consolidated company. In addition, changes in the equity of associates are recognized according to the shareholding ratio.

The amount that the acquisition cost exceeds the net fair value share of the identifiable assets and liabilities of the associate enjoyed by the consolidated company on the acquisition date is listed as goodwill, which is included in the carrying amount of the investment and shall not be amortized. The amount that the net fair value share of the identifiable assets and liabilities of the associate enjoyed by the consolidated company on the acquisition date exceeds the acquisition cost is listed as the current profit and loss.

When an associate issues new shares, if the consolidated company fails to subscribe by the shareholding ratio, resulting in a change in the shareholding ratio, and thus an increase or decrease in the equity net value of the investment, its increase or decrease shall be adjusted by the capital surplus - the change in the equity net value of the associate and joint venture recognized by the equity method and the investment by the equity method. However, if the ownership interests of the associate are not subscribed or acquired according to the shareholding ratio, the amount related to the associate recognized in other comprehensive income shall be reclassified according to the reduction ratio, and the basis of accounting treatment shall be the same as the basis that the associate must follow if it directly disposes of the related assets or liabilities; if the adjustment mentioned in the preceding paragraph should debit the capital surplus, the capital surplus generated by the investment under equity method is insufficient, the difference shall be debited to the retained earnings.

When the loss share of the consolidated company to the associate is equal to, or more than its equity in the associate (including the carrying amount of the investment in the associate under the equity method and other long-term equity that is substantially a part of the net investment of the consolidated company to the associate), the recognition of further loss shall be stopped. The consolidated

company recognizes extraneous losses and liabilities only to the extent of legal obligations, constructive obligations, or payments made on behalf of associates. When evaluating the impairment, the consolidated company considers the whole carrying amount (including goodwill) of the investment as a single asset, compares the recoverable amount with the carrying amount, and conducts an impairment test. The impairment loss recognized is not apportioned to any asset forming part of the investment carrying amount, including goodwill. Any reversal of impairment loss shall be recognized to the extent that the recoverable amount of the investment increases subsequently.

The consolidated company shall cease to adopt the equity method from the date when its investment ceases to be an associate, and its retained interest in the original associate shall be measured by its fair value. The difference between the fair value and the disposal price and the investment carrying amount on the date when the equity method ceases to be used shall be included in the current profit and loss. Also, the basis of the accounting treatment for all amounts recognized in other comprehensive income related to the associate is the same as the basis that the associate must follow if it directly disposes of related assets or liabilities. If the investment in an associate becomes a joint venture investment or the investment in a joint venture becomes an investment in an associate, the consolidated company continuously adopts the equity method without remeasuring the retained interest.

Gains and losses arising from countercurrent, downstream, and sidestream transactions between the consolidated company and its associates are recognized in the consolidated financial report only to the extent that they are not related to the equity interests of the consolidated company to its associates.

(IX) Property, Plant, and Equipment

Except for the self-owned land without depreciation, the rest of the property, plant, and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant, and equipment under construction are recognized at cost less accumulated impairment losses. Costs include professional service expenses and borrowing costs that meet the capitalization conditions. When the assets are completed and ready for use, they are classified into appropriate categories of property, plant, and equipment and begun to recognize depreciation.

Property, plant, and equipment are depreciated on a straight-line basis over their useful lives and depreciation shall be separately provided for each material part. The consolidated company shall inspect the estimated useful life, residual value, and depreciation method at least at the end of each year, and postpone the impact of changes in accounting estimates.

When derecognizing property, plant, and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss

(X) Goodwill

Goodwill acquired in a business combination is recognized as the cost of goodwill and subsequently measured at cost less accumulated impairment losses. For the purpose of the impairment test, goodwill is allocated to each cash-generating unit or group of cash-generating units (abbreviated as "CGU") that the consolidated company expects to benefit from the synergy of the merger.

Each year (and when there is any indication that the unit may have been impaired) the CGU of the amortized goodwill conducts the impairment test of the unit by comparing the carrying amount of the unit containing goodwill with its recoverable amount. If the goodwill allocated to the CGU is acquired from the

business combination of the current year, the unit shall carry out an impairment test before the end of the current year. If the recoverable amount of the CGU of the amortized goodwill is lower than its carrying amount, the impairment loss is to reduce the carrying amount of the amortized goodwill of the CGU first and then reduce the carrying amount of each asset in proportion to the carrying amount of other assets in the unit. Any impairment loss is directly recognized as current loss. The impairment loss of goodwill shall not be reversed in subsequent periods.

When disposing of operation in the CGU of the amortized goodwill, the amount of the goodwill related to the disposed of operation is the carrying amount included in the operation to determine the disposal profit and loss.

(XI) Intangible Assets

1. Separate Acquisition

The intangible assets with limited useful life acquired separately are measured at cost initially, and subsequently at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized on a straight-line basis over their useful lives, and the estimated useful lives, residual values, and amortization methods are reviewed at least at the end of each year. Also, the impact of changes in applicable accounting estimates is postponed. Intangible assets with indefinite useful life are presented at cost less accumulated impairment loss.

2. Acquired in a Business Combination

The intangible assets acquired in a business combination are recognized at the fair value on the acquisition date and separately recognized with goodwill. The following measurement method is the same as that of the intangible assets acquired separately.

3. Derecognition

When intangible assets are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the current profit and loss.

(XII) Impairment of Tangible and Intangible Assets (excluding goodwill) and Contract Cost-related Assets

On each balance sheet date, the consolidated company assesses whether there is any indication that tangible and intangible assets may have been impaired. If there is any indicator of impairment, the recoverable amount of the asset shall be estimated. If the recoverable amount of an individual asset cannot be determined, the consolidated company shall evaluate the recoverable amount of the CGU to which the asset belongs. Shared assets are allocated to the group of minimum CGU on a reasonable and consistent basis.

The recoverable amount is the higher of fair value less cost of sale and its use-value. If the recoverable amount of an individual asset or CGU is lower than its carrying amount, the carrying amount of the asset or CGU shall be reduced to its recoverable amount, and the impairment loss shall be recognized in profit or loss. For the inventories, property, plant, and equipment and intangible assets recognized in the customer contract, the impairment shall be recognized following the provisions of inventory impairment and the above provisions. After that, the amount by which the carrying amount of contract cost-related assets exceeds the residual consideration expected to receive by providing the relevant commodities or services after deducting the directly related cost is recognized as an impairment loss. Then, the carrying amount of the contract cost-related assets is continued to include in the CGU to evaluate the impairment of the CGU.

When the impairment loss is subsequently reversed, the carrying amount of the asset or CGU or the contract cost-related assets shall increase to the revised recoverable amount. Still, the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or CGU or the contract cost-related assets without impairment loss recognized in the previous year, and the reversal of the impairment loss shall be recognized in profit or loss. The reversal of impairment losses is recognized in profit or loss.

(XIII) Financial Instruments

Financial assets and financial liabilities are recognized in the Consolidated Balance Sheets when the consolidated company becomes a party to the contractual terms of the instrument.

When financial assets and financial liabilities are initially recognized, if financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are recognized as profit or loss immediately.

1. Financial Assets

Conventional transactions of financial assets are recognized and derecognized on trade date accounting.

(1) Measurement Types

The types of financial assets held by the consolidated company are financial assets at fair value through profit or loss, financial assets measured at amortized cost, and equity instrument investment measured at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets enforced at fair value through profit or loss and designated at fair value through profit or loss. Financial assets enforced at fair value through profit or loss include equity instrument investments not designated by the consolidated company to be measured at fair value through other comprehensive income, and debt instrument investments that are not classified as measured at amortized cost or measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value, and the profit or loss (including any dividends or interest generated by the financial assets), and the benefits or losses arising from the remeasurement is recognized in profit or loss. Please refer to Note 35 for the determination of fair value.

B. Financial assets measured at amortized cost

When the consolidated company's investments in financial assets satisfy the following two conditions at the same time, they are classified as financial assets measured by amortized cost:

- a. It is held under a business model for the purpose of holding financial assets to receive contractual cash flows; and
- b. The contractual terms generate cash flows on a specified date, and the cash flows are solely for principal payments and interest of outstanding principal amounts.

After the initial recognition, financial assets measured at amortized cost (including cash and cash equivalents, accounts

receivable measured at amortized cost, and other financial assets) are measured at the total carrying amount determined by the effective interest method minus the amortized cost of any impairment loss. Any loss and profit from foreign currency exchange are recognized in profit and loss.

Except for the following two circumstances, interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

- a. For the acquired or initiated credit impairment financial assets, the interest income is calculated by multiplying the effective interest rate after credit adjustment by financial assets at amortized cost.
- b. For the financial assets that are not acquired or initiated but subsequently become credit impairment, the interest income is calculated by multiplying the effective interest rate by financial assets at amortized cost.

Credit impairment financial assets refer to the issuer's or debtor's occurrence of significant financial difficulties, default, debtor's likely application for bankruptcy or other business reorganization, or the disappearance of the active market of financial assets due to financial difficulties.

Cash equivalents include time deposits with high liquidity, which can be converted into quota cash at any time and with little risk of value change within three months from the date of acquisition. They are used to meet short-term cash commitments.

- C. Equity instrument investment measured at fair value through other comprehensive income.

At the time of initial recognition, the consolidated company may make an irrevocable choice to measure the equity instrument investment not held for trading and not recognized by the acquirer of business combination at fair value through other comprehensive income.

Equity instrument investment measured at fair value through other comprehensive income is measured at fair value, and subsequent changes in fair value are recognized in other comprehensive income and accumulated in other equity. At the time of disposal of an investment, the accumulated profit and loss are transferred directly to the retained earnings and are not reclassified as profit and loss.

Dividends of equity instrument investments measured at fair value through other comprehensive income are recognized in profit and loss when the consolidated company's right to receive payments is established unless the dividends clearly represents the recovery of part of the investment cost.

- (2) Impairment of Financial Assets and Contract Assets

On each balance sheet date, the consolidated company assesses the impairment loss of financial assets (including accounts receivable) measured by amortized cost according to the expected credit loss, debt instrument investment measured at fair value through other comprehensive income, lease receivables and contract assets.

Accounts receivable and contract assets shall be recognized for a loss allowance based on lifetime expected credit losses. Other financial

assets are evaluated to see whether the credit risk has increased significantly since they were initially recognized. If not, they are recognized as the loss allowance for 12-month expected credit loss. If they have increased considerably, they are recognized as the loss allowance based on lifetime expected credit loss.

Expected credit loss is a weighted average credit loss weighted by the risk of default. The 12-month expected credit loss refers to the expected credit loss caused by possible default events of the financial instrument within 12 months after the reporting date. While the lifetime expected credit loss refers to the expected credit loss caused by all possible default events of the financial instrument during the expected lifetime. For internal credit risk management, the consolidated company determines that there is internal or external information indicating that the debtor is unable to settle the debt represents that the financial assets have breached the contract.

The impairment loss of all financial assets is to reduce their carrying amount through the allowance account. But the loss allowance of debt instrument investment measured at fair value through other comprehensive income is recognized in other comprehensive income, and the carrying amount is not reduced.

(3) Derecognition of Financial Assets

The consolidated company only derecognizes the financial assets when the contractual rights from the cash flow of the financial assets are invalid or when the financial assets have been transferred, and almost all the risks and remunerations of the ownership of the assets have been transferred to other enterprises.

If the consolidated company neither transfers nor retains nearly all risks and remunerations of the ownership of the financial asset and retains control over the asset, it shall continue to recognize the asset within the scope of continuous participation in the asset and recognize relevant liabilities for the possible payable amount. If the consolidated company retains almost all risks and remunerations of the ownership of the financial asset, the asset shall be continuously recognized, and the proceeds collected shall be recognized as the secured loans.

When a financial asset measured at amortized cost is derecognized as a whole, the difference between its carrying amount and the consideration received is recognized in profit or loss. When the debt instrument investment measured at fair value through other comprehensive income is derecognized as a whole, the difference between its carrying amount and the sum of the consideration received plus any accumulated profit or loss recognized in other comprehensive income is recognized in profit and loss. When the equity instrument investment measured at fair value through other comprehensive income is derecognized as a whole, the accumulated profit and loss are transferred directly to the retained earnings. They are not reclassified as profit and loss.

If the transferred asset is part of a more substantial financial asset and the transferred part meets the overall recognition, the consolidated company shall apportion the previous carrying amount of the more significant financial asset to each part according to the relative fair value of the continuous recognition part and the derecognition part on the transfer date. The carrying amount allocated to the derecognition

part and the consideration received for the derecognition part shall be treated in the way of overall derecognition. Based on the relative fair value of the continuous recognition part and the derecognition part, the consolidated company apportions the accumulated profit or loss recognized in other comprehensive profit and loss to each part.

2. Equity Instruments

The debt and equity instruments issued by the consolidated company are classified as financial liabilities or equity according to the essence of the contractual agreement and the definition of financial liabilities and equity instruments.

The equity instruments issued by the consolidated company are recognized at the proceeds obtained minus the direct issue costs.

Equity instruments reacquired by the consolidated company are recognized and deducted under equity. The purchase, sale, issuance, or write-off of the consolidated company's equity instruments are not recognized in profit or loss.

3. Financial Liabilities

(1) Subsequent Measurement

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

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading.

The financial liabilities held for trading are measured at fair value, and the gains or losses (excluding any dividends or interests paid by the financial liabilities) arising from the remeasurement are recognized in profit or loss. Please refer to Note 35 for the determination of fair value.

(2) Derecognition of Financial Liabilities

When derecognizing financial liabilities, the difference between its carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized as profit and loss.

4. Convertible Bonds

The compound financial instruments (convertible bonds) issued by the consolidated company are classified as financial liabilities and equity at the time of initial recognition according to the essence of the contractual agreement and the definition of financial liabilities and equity instruments.

At the time of initial recognition, the fair value of the components of liabilities is estimated at the current market interest rate of similar non-convertible instruments and measured at the amortized cost calculated by the effective interest method before the exercise of conversion or maturity date. The liability component embedded in non-equity derivatives is measured at fair value.

The conversion right classified as equity is equal to the residual amount of the overall fair value of the compound instrument minus the fair value of the liability component determined separately, which is recognized as equity after deducting the impact of income tax and will not be remeasured subsequently. When the conversion right is exercised, the amount of the relevant liability components and equity will be transferred to share capital and capital surplus - issuance premium. If the conversion right of convertible bonds is not exercised on the maturity date, the amount recognized in equity will be transferred to capital surplus - issuance premium.

The transaction costs related to the issuance of convertible bonds are the liabilities (included in the carrying amount of liabilities) and equity components (included in equity) allocated to the instrument in proportion to the total proceeds allocated.

5. Derivatives

The derivative signed by the consolidated company includes forward exchange contracts and foreign currency option contracts to manage the exchange rate risk of the consolidated company.

Derivatives are initially recognized at fair value at contract signing and subsequently remeasured at fair value on the balance sheet date. Any gains or losses arising from subsequent measurement are directly recognized in profit or loss. However, a derivative designated as an effective hedging instrument, the timing of its recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of derivatives is positive, they are recognized as financial assets; when the fair value is negative, they are recognized as financial liabilities.

If derivatives are embedded in the asset host contract within the scope of IFRS 9 "financial instruments," the classification of financial assets is determined by the overall agreement. For derivative embedded in the asset host contract (i.e., embedded in the host contract of financial liability) outside the scope of IFRS 9, the derivative is regarded as a separate derivative if the embedded derivative meets the definition of a derivative, its risk and characteristics are not closely related to the risk and characteristics of the host contract, and the hybrid contract is not at fair value through profit or loss.

(XIV) Liability Reserve

The amount recognized as the liability reserve is the best estimate of the expenses needed to settle the obligation on the balance sheet date, which is based on the risk and uncertainty of the obligation. The liability reserve is measured by the discounted value of the estimated cash flow of the obligation to settle.

1. Onerous Contract

When the consolidated company expects the inevitable cost of fulfilling contractual obligations exceeds the expected economic benefits from the contract, the current obligations arising from the onerous contract shall be recognized as the liability reserve.

2. Restructuring

When the consolidated company makes a detailed and formal restructuring plan and begins to carry out or publish the main contents of the plan, it shall recognize the liability reserve for restructuring. The restructuring provision includes the direct expenditure generated from the restructuring, which is necessary for restructuring and has nothing to do with the continuous activities of the enterprise.

3. Warranty

The warranty obligation to ensure that the products conform to the agreed specifications is recognized when the revenue of relevant commodities is recognized per the management's best estimate of the expenditure required to settle the obligations of the consolidated company.

4. Contingent Liabilities Obtained from Business Combination

(Applicable objects: (1) There is a business combination in consolidated financial statements; or (2) there is an acquisition of control and absorption of merger transactions in individual financial statements or financial statements of non-public companies)

If the contingent liabilities assumed in a business combination are present obligations arising from past events and their fair value can be reliably measured, they shall be recognized at the fair value as the initial measured amount on the acquisition date. At the subsequent balance sheet date, such contingent liabilities are measured at the amortized amount. However, if it is estimated that the current obligation amount is likely to be paid, the higher of the current obligation amount and the amortized amount shall be used for subsequent measurement.

(XV) Revenue Recognition

After the performance obligations are identified in contracts with customers, the consolidated company allocates the transaction price to each performance obligation and recognizes the revenue upon satisfaction of each performance obligation.

If the time interval between the transfer of commodities or services and the receipt of consideration is less than one year, the transaction price shall not be adjusted for the significant financial components of the contract.

1. Sales Revenue of Commodities

The sales revenue of commodities comes from the sales of industrial motherboards, information system integration products, and network communication products. Since the products mentioned above are delivered to the place designated by the customer according to the contract, the customer has the right to set the price and use of the commodities respectively and is mainly responsible for resale, and bears the risk of obsolete goods. The consolidated company recognizes the revenue and accounts receivable at each point in time.

During material processing, the control of the ownership of the processed products is not transferred and material is not recognized in revenue.

2. Service Revenue

Service revenue comes from product maintenance services, and related revenue is recognized when service is rendered.

3. Project Revenue

During the construction process, the property is the property construction contract controlled by the customer, and the consolidated company gradually recognizes the revenue over time. As the cost of construction is directly related to the completion of performance obligations, the consolidated company measures the completion progress based on the proportion of actual input cost to the expected total cost. The consolidated company gradually recognizes the contract assets during the construction process and reclassifies the assets to accounts receivable at the time of billing. If the construction amount received exceeds the recognized revenue, the difference is recognized as a contract liability. Retention amount withheld by customers is recognized in accordance with the contract terms to ensure that the consolidated company has completed all contractual obligations and recognized as contract assets before the completion of the obligation performance.

(XVI) Leases

2019

The consolidated company evaluates whether the contract is (or includes) a lease on the date of establishment.

1. The Consolidated Company as a Lessor

When the lease terms transfer almost all risks and remunerations attached to ownership of the asset to the lessee, it is classified as a financial lease. All other leases are classified as operating leases.

Under operating leases, lease payments after deduction of lease incentives are recognized as income on a straight-line basis over the relevant lease term. The initial direct cost incurred from the acquisition of the operating lease shall be added to the carrying amount of the underlying assets, and it shall be recognized as an expense within the lease term on a straight-line basis.

2. The Consolidated Company as a Lessee

Except that the lease payments of the low-value underlying assets and short-term leases applicable to the recognition exemption are recognized as expenses on a straight-line basis during the lease term, other leases are recognized as right-of-use assets and lease liabilities on the inception of the lease.

The right-of-use asset is initially measured at cost (including the initial measured amount of the lease liability, the lease payment paid before the inception of the lease minus the lease incentive received, the initial direct cost and the estimated cost of the recovery underlying asset), and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss, and the remeasurement of the lease liability is adjusted. The right-of-use assets are separately presented in the Consolidated Balance Sheets.

The right-of-use assets shall be depreciated on a straight-line basis from the inception of the lease to the end of the useful life or when the lease term expires, whichever is earlier.

The lease liability is initially measured by the present value of lease payments (including fixed payments and variable lease payments depending on the index or rate). If the implicit interest rate of a lease can be determined easily, the interest rate is used to discount the lease payment. If the interest rate cannot be determined easily, the lessee's incremental borrowing rate of interest shall be used.

Subsequently, the lease liability is measured at amortized cost basis using the effective interest method, and the interest paid is amortized over the lease term. If there is a change in future lease payments due to changes in the lease term or in the index or rate used to determine lease payments, the consolidated company shall remeasure the lease liabilities and adjusts the right-of-use assets accordingly. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasured amount is recognized in profit or loss. Lease liabilities are presented separately in the Consolidated Balance Sheets.

2018

Whenever lease terms transfer most risks and rewards of asset ownership to the lessee, they are classified as financial leases. All other leases are classified as operating leases.

1. The Consolidated Company as a Lessor

The lease revenue from operating leases is recognized as revenue on a straight-line basis over the relevant lease term.

2. The Consolidated Company as a Lessee
The financial lease takes lower of the total present value of the minimum lease payments of each period and the fair value of the leased asset on the inception of the lease as the cost recognized into the account, and at the same time recognizes the lease payment liability payable.
The implicit interest of the lease payment in each period is recognized as the current financial expenses. If it can be directly attributed to the qualified assets, it shall be capitalized.
Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

(XVII) Borrowing Cost

The borrowing cost directly attributable to the acquisition, construction, or production of qualified assets is a part of the cost of the asset until almost all necessary activities for the assets to reach the intended use or sale status have been completed.

The investment income earned from the temporary investment of a specific loan before the occurrence of capital expenditure meeting the requirements shall be deducted from the borrowing cost meeting the capitalization conditions.

Except for the above, all other borrowing costs are recognized as profit and loss in the current period.

(XVIII) Employee Benefits

1. Short-Term Employee Benefits

Liabilities related to short-term employee benefits are measured by the expected undiscounted amount paid in exchange for employee services.

2. Post-retirement Benefits

It is determined that the amount of pension to be allocated to a retirement plan is recognized as an expense during the service period of the employee.

The defined benefit-cost of defined benefit retirement plan (including service cost, net interest, and rereasurement) is calculated by the expected unit benefit method. The current service cost and the net interest of the net defined benefit liabilities (assets) are recognized as employee benefit expenses when incurred. The rereasurement (including actuarial profit and loss and plan asset remuneration after deducting interest) is recognized in other comprehensive income and included in retained earnings when incurred, and is not reclassified to profit and loss in subsequent periods.

Net defined benefit liabilities (assets) are the shortfall (surplus) of contribution in defined benefit retirement plans. The net defined benefit assets shall not exceed the present value of the refunded or reduced future contributions from the scheme.

(XIX) Employee Share-based Payment

The share-based payment arrangement based on equity settlement refers to the employee services obtained on the granting date measured at the fair value of the equity commodity granted, recognized as the consideration cost during the acquired period, and relatively adjusted the equity. The fair value of equity commodity shall reflect the influence of the vested and non-vested conditions of the market price. The recognized consideration cost is adjusted according to the expected amount of reward that meets the service conditions and the vested conditions of the non-market price until the final recognized amount is recognized based on the acquired amount on the date of acquisition.

(XX) Income Tax

Income tax expense is the sum of the current income tax and deferred income tax.

1. Current Income Tax

The surtax on the undistributed earnings calculated under the Income Tax Act shall be recognized in the year of resolution of the shareholders' meeting. The adjustment of the income tax payable in the previous year shall be included in the current income tax.

2. Deferred Tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities recorded and the tax base for calculating the taxable income.

Deferred income tax liabilities are generally recognized for all temporary taxable differences, and deferred income tax assets are recognized when there is a high probability that taxable income will be available for the use of income tax credits generated by temporary deductible differences, loss deduction or purchase of machinery and equipment.

The temporary taxable differences related to investment subsidiaries are recognized as deferred income tax liabilities, except that the consolidated company can control the reversal point of temporary differences, which are likely not to reverse in the foreseeable future. The temporary deductible difference related to such investment shall be recognized as deferred income tax assets only to the extent that it is likely to have enough taxable income to realize the temporary difference and it is expected to reverse in the foreseeable future.

The carrying amount of the deferred income tax assets shall be reviewed on each balance sheet date and reduced for those assets that are no longer likely to have sufficient tax income for recovery of all or part of the assets. Where the assets are not recognized as deferred income tax assets, they shall also be reviewed on each balance sheet date, and the carrying amount shall be increased in the future when it is likely to generate taxable income for the recovery of all or part of the assets.

Deferred income tax assets and liabilities are measured by the tax rate of the current period when the expected liabilities are settled, or the assets are realized. The tax rate is based on the tax rate and tax law that have been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences arising from how the consolidated company expects to recover or settle the carrying amount of its assets and liabilities on the balance sheet date.

3. Current and Deferred Tax

Current and deferred tax are recognized in profit or loss, however current and deferred tax related to items recognized in other comprehensive income or directly included in equity is recognized in other comprehensive income or directly included in equity, respectively.

V. Main Sources of Uncertainty in Material Accounting Judgments, Estimates, and Assumptions

When adopting accounting policies, management of the consolidated company must make relevant judgments, estimates, and assumptions based on historical experience and other relevant factors for those who are not easy to obtain relevant information from other sources. Actual results may differ from estimates.

Management will continue to review estimates and basic assumptions. If the revision of the estimate only affects the current period, it shall be recognized in the current revised period; if the revision of the accounting estimate affects both the current period and the future period, it shall be recognized in the current revised period and the forthcoming period.

Main Sources of Uncertainty in Estimates and Assumptions

- (I) **Estimated Impairment of Financial Assets**
The estimated impairment of accounts receivable and debt instrument investments is based on the assumption of the default rate and expected loss rate of the consolidated company. The consolidated company reviews historical experience, current market conditions, and forward-looking information to make assumptions and select input values for impairment evaluation. Please refer to Note 10 for important assumptions and input values. If the future actual cash flow is less than expected, there may be material impairment loss.
- (II) **Impairment of Inventories**
The net realizable value of inventories is the estimated balance of the estimated selling price in the ordinary course of business after deducting the estimated cost required for completion and the estimated cost needed to complete the sale. These estimates are based on current market conditions and historical sales experience of similar products. Changes in market conditions may have a material impact on these estimates.
- (III) **Impairment of Goodwill**
In determining whether goodwill is impaired, the use-value of the CGU allocated to goodwill must be estimated. To calculate the use-value, management should estimate the expected future cash flow from the CGU and determine the appropriate discount rate used to calculate the present value. If the actual cash flow is less than expected, there may be material impairment loss.

VI. Cash and Cash Equivalents

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Cash on hand	\$ 22,593	\$ 22,488
Bank check and demand deposits	18,049,768	12,024,265
Cash equivalents		
Time deposits with original maturity less than three months	<u>267,513</u>	<u>409,763</u>
	<u>\$ 18,339,874</u>	<u>\$ 12,456,516</u>

The market rate interval of bank deposits on the balance sheet date is as follows:

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Demand deposits	0.001%~3.50%	0.001%~3.51%
Time deposits	0.08%~6.80%	0.14%~6.81%

VII. Financial Assets at Fair Value through Profit or Loss

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Financial assets - current		
Enforced at fair value through profit or loss		
Held for trading		
Derivatives (not designated for hedging)		
- Forward exchange contract	\$ 11,260	\$ -
- Repurchase right of domestic convertible bonds	-	6
Non-derivative financial assets		
- Fund beneficiary voucher	600	-
- Oversea corporate bonds	38,490	-
- Stocks of listed (TPEX) and emerging companies	<u>63,303</u>	<u>90,938</u>
	<u>\$ 113,653</u>	<u>\$ 90,944</u>

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Financial assets - non-current		
Enforced at fair value through profit or loss		
Non-derivative financial assets		
- Fund beneficiary voucher	\$ 4,720	\$ -
- Listed (TPEX) stocks	14,118	9,558
- Non-listed (Non-TPEX-listed) and emerging stocks	472,658	379,824
- Oversea convertible bonds	<u>33,043</u>	<u>23,646</u>
	<u>\$524,539</u>	<u>\$413,028</u>

Financial liabilities – current

Held for trading

Derivatives (not designated for hedging)

- Foreign currency option contract	\$ 1,282	(\$ 245)
- Forward exchange contract	23,002	5,111
- Redemption right of domestic convertible bonds (Note 21)	-	11,743
	<u>\$ 24,284</u>	<u>\$ 16,609</u>

Financial liabilities - non-current

Held for trading

Derivatives (not designated for hedging)

- Redemption right of domestic convertible bonds (Note 21)	<u>\$ 24,718</u>	<u>\$ -</u>
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(I) The foreign currency option contracts of the consolidated company that are not applicable to hedge accounting and have yet to expire are as follows:

Dec. 31, 2019

<u>Currency</u>	<u>Maturity</u>	<u>Contractual Amount (\$1,000)</u>
Sell USD/Buy EUR	June 2017 ~ June 2020	USD 3,000/Euro 2,670

Dec. 31, 2018

<u>Currency</u>	<u>Maturity</u>	<u>Contractual Amount (\$1,000)</u>
Sell USD/Buy EUR	June 2017 ~ June 2020	USD 3,000/Euro 2,620

(II) The forward exchange contracts of the consolidated company that are not applicable to hedge accounting and have yet to expire are as follows:

Dec. 31, 2019

<u>Currency</u>	<u>Maturity</u>	<u>Contractual Amount (\$1,000)</u>
Sell EUR/Buy USD	January 2020 ~ March 2021	Euro 381/USD 426
Sell CHF/Buy EUR	January 2020 ~ April 2021	CHF 596/Euro 546
Sell EUR/Buy GBP	January 2020	Euro 1,633/GBP 1,400
Sell GBP/Buy EUR	February 2020	GBP 6,000/Euro 6,760

Dec. 31, 2018

<u>Currency</u>	<u>Maturity</u>	<u>Contractual Amount (\$1,000)</u>
Sell EUR/Buy USD	January 2019	EUR17/USD19
Sell CHF/Buy EUR	February 2019	CHF 570/Euro 504

VIII. Financial Assets Measured at Fair Value through Other Comprehensive Income
Equity Instrument Investments

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
<u>Current</u>		
Domestic investment		
Listed (TPEX) stocks	<u>\$ 39,160</u>	<u>\$ 40,880</u>
<u>Non-current</u>		
Domestic investment		
Non-listed (non-TPEX-listed) stocks	\$ -	\$ 10,450
Foreign investment		
Listed (TPEX) stocks	10	-
Non-listed (non-TPEX-listed) stocks	95,746	147,798
Limited partnership	<u>233,137</u>	<u>165,094</u>
	<u>\$ 328,893</u>	<u>\$ 323,342</u>

The consolidated company invests under the medium and long-term strategy and expects to make profits through long-term investment. In the opinion of the consolidated company's management, if the short-term fair value fluctuation of such investment is included in the profit and loss, it is not consistent with the aforesaid long-term investment plan, so they choose to designate such investment as measured at fair value through other comprehensive income.

IX. Financial Assets Measured at Amortized Cost

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
<u>Current</u>		
Domestic investment		
Time deposits with an original maturity of more than 3 months	<u>\$ 49,484</u>	<u>\$ 4,374</u>

As of Dec. 31, 2019, and 2018, the interest rate interval of time deposits with an original maturity of more than three months is 0.77% ~ 2.20% and 0.01% ~ 1.045% per annum. Please refer to Note 37 for information on the pledge of financial assets measured at amortized cost.

X. Notes Receivable and Accounts Receivable

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
<u>Notes receivable – arising from operations</u>		
Measured at amortized cost		
Total carrying amount	\$ 161,558	\$ 107,095
Less: loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 161,558</u>	<u>\$ 107,095</u>
<u>Accounts receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 16,894,122	\$ 16,879,854
Less: loss allowance	(986,902)	(952,419)
	<u>\$ 15,907,220</u>	<u>\$ 15,927,435</u>
Accounts receivable - related parties	<u>\$ 1,209,727</u>	<u>\$ 561,866</u>

Accounts Receivable Measured at Amortized Cost

The average credit period of the consolidated company for commodity sales is 30 to 75 days per month, and the accounts receivable shall not bear interest. The policy adopted by the consolidated company is to conduct transactions only with those with good credit

quality ratings and to attain sufficient guarantees if necessary to mitigate the risk of financial loss due to default. The credit rating information is provided by an independent rating agency. If such information is not available, the consolidated company will use other publicly available financial information and historical transaction records to rate major customers. The consolidated company continuously supervises the credit risk and the creditworthiness of the counterparty, reviews, and approves the credit line of the counterparty from time to time every year to manage the credit exposure.

The consolidated company recognizes the loss allowance of accounts receivable according to the lifetime expected credit losses. The lifetime expected credit losses is calculated by using the reserve matrix, which examines the past default records of customers, the current financial situation, and industrial economic situation, as well as the GDP forecast and industrial outlook. As the consolidated company's historical experience of credit loss indicates that there is no significant difference in the loss patterns of different customer groups, the reserve matrix does not further distinguish the customer groups and only set the expected credit loss rate based on the overdue days of accounts receivable.

If there is evidence that the counterparty is facing severe financial difficulties and the consolidated company cannot reasonably expect the recoverable amount, for example, if the counterparty is in the settlement, the consolidated company will directly write off the related receivables. Still, it will continue to pursue recovering activities, and the recovered amount will be recognized in profit and loss.

The consolidated company measures the loss allowance of accounts receivable according to the reserve matrix as follows:

Dec. 31, 2019

	Not overdue	1 ~ 30 days overdue	31 ~ 150 days overdue	151 ~ 270 days overdue	271 ~ 365 days overdue	1 ~ 2 years overdue	Overdue for more than 2 years	Total
Expected credit loss rate	0.17%	0.31%	4.37%	4.16%	14.39%	54.37%	93.45%	-
Total carrying amount	\$ 13,739,587	\$ 1,058,494	\$ 1,502,342	\$ 421,657	\$ 192,385	\$ 671,643	\$ 517,741	\$ 18,103,849
Loss allowance (lifetime expected credit loss)	(23,819)	(3,238)	(65,624)	(17,546)	(27,688)	(365,160)	(483,827)	(986,902)
Amortized cost	<u>\$ 13,715,768</u>	<u>\$ 1,055,256</u>	<u>\$ 1,436,718</u>	<u>\$ 404,111</u>	<u>\$ 164,697</u>	<u>\$ 306,483</u>	<u>\$ 33,914</u>	<u>\$ 17,116,947</u>

Dec. 31, 2018

	Not overdue	1 ~ 30 days overdue	31 ~ 150 days overdue	151 ~ 270 days overdue	271 ~ 365 days overdue	1 ~ 2 years overdue	Overdue for more than 2 years	Total
Expected credit loss rate	0.23%	3.05%	3.60%	9.25%	35.09%	74.49%	100%	
Total carrying amount	\$ 13,508,169	\$ 1,424,269	\$ 1,082,039	\$ 317,773	\$ 205,192	\$ 774,819	\$ 129,459	\$ 17,441,720
Loss allowance (lifetime expected credit loss)	(30,876)	(43,504)	(38,993)	(29,400)	(72,007)	(608,180)	(129,459)	(952,419)
Amortized cost	<u>\$ 13,477,293</u>	<u>\$ 1,380,765</u>	<u>\$ 1,043,046</u>	<u>\$ 288,373</u>	<u>\$ 133,185</u>	<u>\$ 166,639</u>	<u>\$ -</u>	<u>\$ 16,489,301</u>

The changes in loss allowance of accounts receivable are as follows:

	2019	2018
Opening balance of the year	\$ 952,419	\$ 310,585
Plus: impairment loss recognized for the year	69,783	246,600
Plus: Acquisition through business combinations	195,160	488,011
Less: Actual write-off in current period	(228,009)	(19,409)
Differences in translation of foreign currency	(2,451)	(73,368)
Ending balance of the year	<u>\$ 986,902</u>	<u>\$ 952,419</u>

Please refer to Note 37 for details of pledge information of accounts receivable.

XI. Inventories

	Dec. 31, 2019	Dec. 31, 2018
Raw materials	\$ 4,741,940	\$ 5,123,912
Raw materials in transit	55,406	7,124
Goods in progress	2,244,652	2,085,099
Partly-finished goods	683,481	622,847
Finished goods	2,202,332	2,123,474
Stock in hand	2,034,846	1,678,988
Less: allowance for inventory price loss	(418,420)	(470,375)
	<u>\$ 11,544,237</u>	<u>\$ 11,171,069</u>

The sales cost in 2019 includes the inventory recovery benefit of NT\$209,750 thousand (mainly caused by the disposal of the inventory with recognized price loss) and the inventory scrap loss of NT\$301,188 thousand.

The sales cost in 2018 includes the inventory price loss of NT\$85,937 thousand and the inventory scrap loss of NT\$26,747 thousand.

Please refer to Note 37 for the inventory amount pledged as collateral for loans by the consolidated company.

XII. Subsidiaries

(I) Subsidiaries Included in Consolidated Financial Statements

The consolidated financial report is presented as follows:

Name of investor	Name of subsidiary	Nature of business	Percentage of shareholding		Explanation
			2019 Dec. 31	2018 Dec. 31	
The Company	Hong Kong Innovative Systems Integration Limited (hereinafter referred to as HK Innovative)	Professional investment	100%	100%	
"	Ennoconn International Investment Co., Ltd. (hereinafter referred to as Ennoconn International)	Professional investment	100%	100%	
"	Ennoconn Investment Holdings Co., Ltd (hereinafter referred to as EIH)	Professional investment	100%	100%	
HK Innovative	Nanjing Asiatek Inc. (hereinafter referred to as Asiatek)	Engaged in R&D and sales of hardware and software products, and provide installation, debugging, and technical consultation.	100%	100%	
"	Ennoconn (Foshan) Investment Co., Ltd. (hereinafter referred to as Foshan Ennoconn)	Professional investment	100%	100%	
"	ENGA Technology Co., Ltd. (hereinafter referred to as Hong Kong ENGA)	Wholesale, manufacturing, service and import and export of software and hardware related to industrial computer and industrial control system	100%	100%	
"	Ennoconn (Suzhou) Technology Co., Ltd. (hereinafter referred to as Suzhou Ennoconn)	R&D, production, and sales of industrial computers	100%	100%	
"	Victor Plus Holdings Ltd. (hereinafter referred to as Victor Plus)	Import and export trading	100%	-	Note 1
"	Ennoconn Investment Co., Ltd. (hereinafter referred to as Ennoconn Investment)	Professional investment	100%	-	Note 1
Suzhou Ennoconn	Kunshan Ennoconn Intelligent Technology Co., Ltd. (hereinafter referred to as Kunshan Ennoconn)	Intelligent technology development and hardware sales	100%	-	Note 1
Asiatek	Shenzhen Asiatek Inc. Co., Ltd. (hereinafter referred to as Shenzhen Asiatek)	R&D, production and sales of electronic materials required for software and hardware products	70%	-	Note 1
Ennoconn International	Goldtek Technology Co., Ltd. (hereinafter referred to as Goldtek Technology)	Telecommunication control RF equipment input and wholesale and retail of information software	56.74%	56.74%	
Goldtek Technology	Keenest Electronic Corp. (hereinafter referred to as Keenest)	Professional investment	100%	100%	
Keenest Electronic Corp.	Goldtek Technology (Shenzhen) Co., Ltd.	Research, design, and sales of electronic products, communication equipment, and spare parts, and after-sales service of the above products	100%	100%	
"	Sunlit Precision Technology Co., Ltd. and subsidiaries (hereinafter referred to as Sunlit Precision)	Metal stamping and casting industry	40.30%	40.30%	Note 2
The Company and Ennoconn International	Caswell Inc. and subsidiaries (hereinafter referred to as Caswell)	Electronic components, computer and peripheral equipment manufacturing, electronic materials wholesale and information software services	34.28%	34.48%	Note 3

(Continued on next page)

(continued from previous page)

Name of investor	Name of subsidiary	Nature of business	Percentage of shareholding		Explanation
			2019 Dec. 31	2018 Dec. 31	
Ennoconn International	EnnoMech Precision (Cayman) Co., Ltd. (hereinafter referred to as EnnoMech Cayman)	Professional investment	100%	100%	
"	SyS-P Co., Ltd. (hereinafter referred to as SyS-P)	International trade, information software wholesale, and service	100%	100%	
"	Taiwan Applied Module Corporation (hereinafter referred to as Taiwan Applied Module)	Product research, design, and sales of mobile payment, electronic signature, information security, etc.	100%	60%	Note 4
Ennoconn International	Thecus Technology Corp. (hereinafter referred to as Thecus Technology)	Electronic components, computer and peripheral equipment manufacturing, electronic materials wholesale and information software services	60%	60%	
"	Dexatek Technology Ltd. (hereinafter referred to as Dexatek)	Multimedia product R&D and design manufacturing business	60%	60%	
"	Marketech International Corp. and subsidiaries (hereinafter referred to as Marketech)	Integrated planning and service of high-tech industry facility and process system	44.69%	45.21%	Note 5
Ennoconn International and EIH	S&T AG and subsidiaries	Information system software and hardware integration services	26.93%	26.61%	Note 6
Ennoconn Investment Holdings Co., Ltd.	AIS Cayman Technology (hereinafter referred to as AIS Cayman)	Professional investment	60%	60%	
AIS Cayman	American Industrial Systems Inc. (hereinafter referred to as AIS)	Human-machine interface and industrial 4.0 and other related products	100%	100%	
"	Vecow Co., Ltd.	Manufacturing, processing, trading, import and export of communication machinery, electronic equipment, and electronic devices	100%	100%	Note 7
EIH	Kontron Canada Inc. (hereinafter referred to as KCI)	Communication products	-	-	Note 6
EnnoMech Cayman	Dominant United Enterprise Ltd.	Professional investment	100%	100%	
"	EnnoMech Precision Co., Ltd. (hereinafter referred to as EnnoMech Precision)	Electronic components, computer and peripheral equipment manufacturing, electronic materials wholesale and information software services	100%	100%	
"	HighAim Technology Inc. (hereinafter referred to as HighAim)	Professional investment	66.05%	66.05%	
Dominant United Enterprise Ltd.	EnnoMech Precision (Shenzhen) Co., Ltd. (hereinafter referred to as EnnoMech Shenzhen)	Electronic components, computer and peripheral equipment manufacturing, electronic materials wholesale and information software services	100%	100%	
HighAim	HighAim Technology Inc.	Design, R&D, and production of various molds, servers, and communication equipment	100%	100%	
"	Andrix International Ltd.	Import and export trading	100%	100%	
"	Funology Investment Inc.	Import and export trading	100%	100%	
Thecus Technology Corp.	Thecus NL BV	Sales of network storage equipment and maintenance services	100%	100%	
"	Thecus USA, Inc.	Sales of network storage equipment and maintenance services	100%	100%	
"	Thecus Technology Corp. (Delaware)	Professional investment	100%	100%	
SyS-P Co., Ltd.	SYS-P Corp.	International trade, information software wholesale, and service	-	100%	Note 8

Note 1: Victor Plus, Kunshan Ennoconn, and Shenzhen Asiatic were established in January 2019, and Ennoconn Investment was established in October 2019 and incorporated into the consolidated financial report.

Note 2: The consolidated company obtained more than half of the directorships in January 2019, which has substantial control, so it is listed as a subsidiary (see Note 31).

- Note 3: The shareholding of the Company and Ennoconn International Investment Co., Ltd. is 33.32% and 5.41% respectively. The consolidated company has obtained the majority of voting rights of the Board of Directors of Caswell Inc. and has the ability to dominate its personnel, financial and operating decision, so it is listed as a subsidiary. In April 2018, due to the failure to subscribe to the cash capital increase according to the shareholding ratio, it resulted in a decrease of the comprehensive shareholding ratio to 34.18%. From October to December 2018, Caswell Inc. carried out the redemption rights of treasury stocks, resulting in an increase of the comprehensive shareholding ratio to 34.48%. In December 2019, due to the issuance of treasury stocks by Caswell Inc., the comprehensive shareholding ratio decreased to 34.28% (see Note 32).
- Note 4: Ennoconn International Investment Co., Ltd. increased its shareholding in Taiwan Applied Module Corp. to 100%, and completed the share transfer in August 2019 (see Note 32).
- Note 5: The consolidated company obtained 46.79% of the equity through Ennoconn International Investment Co., Ltd. in May 2018. Considering the proportion of voting rights held by other shareholders, and it is judged to have substantial control. Therefore, it was listed as a subsidiary (see Note 31). In 2018, due to the failure of subscription according to the shareholding ratio, it resulted in a decrease of shareholding ratio to 45.21%. In 2019, the shareholding ratio decreased to 44.69% (see Note 32) due to the conversion of convertible bonds of Marketech.
- Note 6: The Company is a listed company in Frankfurt, Germany, and a group holding company. Due to the decentralized ownership structure of the Company, the shareholding ratio of the consolidated company to other shareholders is material. The consolidated company is the largest shareholder and holds more than half of the directorships with substantial control power. Therefore, it is listed as a subsidiary. In October 2018, through the equity transfer, 49% equity of KCI held by EIH was transferred to S&T AG and obtained its equity, resulting in an increase in the overall shareholding ratio to 26.61%. From July to December 2018, S&T AG carried out the redemption rights of treasury stocks, resulting in an increase of the comprehensive shareholding ratio to 26.93%.
- Note 7: The consolidated company acquired 100% equity through AIS Cayman Technology in June 2018 and included it in the consolidated financial report (see Note 31).
- Note 8: The operation was terminated and the liquidation process was completed in the second quarter of 2019.

The subsidiaries listed in the above table in the consolidated financial report are prepared on the basis of the financial statements audited by the CPA during the same period.

(II) Information of Subsidiaries with Material Non-controlling Interests

The proportion of shares and voting rights held by
non-controlling interests

Name of subsidiary	Dec. 31, 2019	Dec. 31, 2018
Caswell Inc.	65.72%	65.52%
S&T AG	73.07%	73.39%
Marketch	55.31%	54.79%

Please refer to Table 8 for information about the main operation premises and registration where the Company is registered.

Name of subsidiary	Profit and loss allocated to non-controlling interests		Non-controlling interests	
	2019	2018	Dec. 31, 2019	Dec. 31, 2018
Caswell (excluding non-controlling interests of subsidiaries)	\$ 143,732	\$ 186,059	\$ 1,888,628	\$ 1,883,507
S&T AG (excluding non-controlling interests of subsidiaries)	1,039,691	932,197	12,125,572	12,514,207
Marketch (excluding non-controlling interests of subsidiaries)	<u>361,163</u>	<u>238,871</u>	<u>3,324,539</u>	<u>3,246,337</u>
	<u>\$ 1,544,586</u>	<u>\$ 1,357,127</u>	<u>\$17,338,739</u>	<u>\$17,644,051</u>

The summary financial information of the following subsidiaries is prepared based on the amount before the elimination of intercompany transaction:

Marketch and subsidiaries

	Dec. 31, 2019	Dec. 31, 2018
Current assets	\$ 3,645,200	\$ 3,754,081
Non-current assets	1,064,535	668,311
Current liabilities	(1,361,281)	(1,320,697)
Non-current liabilities	(59,614)	(6,519)
Equity	<u>\$ 3,288,840</u>	<u>\$ 3,095,176</u>
Equity attributable to: (Note)		
Owners of the Company	\$ 1,176,209	\$ 1,180,309
Non-controlling interests of Caswell Inc.	1,888,628	1,883,507
Non-controlling interests of the subsidiaries of Caswell Inc.	<u>224,003</u>	<u>31,360</u>
	<u>\$ 3,288,840</u>	<u>\$ 3,095,176</u>

Note: Including the interest of Ennoconn Corporation and Ennoconn International Investment Co., Ltd. in the joint holding of Caswell.

	<u>2019</u>	<u>2018</u>
Operating revenue	<u>\$ 4,431,795</u>	<u>\$ 4,247,762</u>
Net profit	\$ 257,728	\$ 293,038
Other comprehensive income	(21,369)	(1,971)
Total comprehensive income	<u>\$ 236,359</u>	<u>\$ 291,067</u>
Net profit attributable to:		
Owners of the Company	\$ 75,576	\$ 100,435
Non-controlling interests of Caswell Inc.	143,732	186,059
Non-controlling interests of the subsidiaries of Caswell Inc.	<u>38,420</u>	<u>6,544</u>
	<u>\$ 257,728</u>	<u>\$ 293,038</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 68,815	\$ 100,091
Non-controlling interests of Caswell Inc.	130,811	185,058
Non-controlling interests of the subsidiaries of Caswell Inc.	<u>36,733</u>	<u>5,918</u>
	<u>\$ 236,359</u>	<u>\$ 291,067</u>
Cash flow		
Operating activities	\$ 220,731	(\$ 5,947)
Investing activities	(397,408)	(22,333)
Financing activities	(128,102)	534,069
Impact of fluctuation in exchange on cash	<u>(10,571)</u>	<u>(2,164)</u>
Net cash (outflow) inflow	<u>(\$ 315,350)</u>	<u>\$ 503,625</u>
Dividends paid to non-controlling interests Caswell Inc.	<u>\$ 154,638</u>	<u>\$ 158,049</u>

S&T AG, and subsidiaries

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Current assets	\$ 25,815,282	\$ 19,535,066
Non-current assets	22,636,419	18,123,367
Current liabilities	(17,778,933)	(13,476,829)
Non-current liabilities	<u>(10,459,297)</u>	<u>(3,442,684)</u>
Equity	<u>\$ 20,213,471</u>	<u>\$ 20,738,920</u>
Equity attributable to:		
Owners of the Company (Note)	\$ 7,672,639	\$ 7,826,755
Non-controlling interests of S&T AG	12,125,572	12,514,207
Non-controlling interests of the subsidiaries of S&T AG	415,260	397,958
	<u>\$ 20,213,471</u>	<u>\$ 20,738,920</u>

Note: Including the interest of Ennoconn International Investment Co., Ltd. and EIH in the joint holding of S&T AG.

	<u>2019</u>	<u>2018</u>
Operating revenue	<u>\$ 38,657,456</u>	<u>\$ 35,223,782</u>
Net profit	\$ 1,433,306	\$ 1,440,695
Other comprehensive income	<u>32,281</u>	<u>63,981</u>
Total comprehensive income	<u>\$ 1,465,587</u>	<u>\$ 1,504,676</u>
Net profit attributable to:		
Owners of the Company	\$ 380,254	\$ 384,961
Non-controlling interests of S&T AG	1,039,691	932,197
Non-controlling interests of the subsidiaries of S&T AG	<u>13,361</u>	<u>123,537</u>
	<u>\$ 1,433,306</u>	<u>\$ 1,440,695</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 382,523	\$ 402,267
Non-controlling interests of S&T AG	1,046,626	982,351
Non-controlling interests of the subsidiaries of S&T AG	<u>36,438</u>	<u>120,058</u>
	<u>\$ 1,465,587</u>	<u>\$ 1,504,676</u>
Cash flow		
Operating activities	\$ 2,607,326	\$ 1,070,990
Investing activities	(1,871,700)	(2,222,464)
Financing activities	3,946,246	(450,356)
Impact of fluctuation in exchange on cash	<u>38,349</u>	<u>11,272</u>
Net cash inflow (outflow)	<u>\$ 4,720,221</u>	<u>(\$ 1,590,558)</u>
Dividends paid to non-controlling interests	<u>\$ 270,381</u>	<u>\$ 247,334</u>

Marketech, and subsidiaries

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Current assets	\$ 15,635,023	\$ 15,268,921
Non-current assets	6,442,504	5,432,027
Current liabilities	(12,587,440)	(12,123,395)
Non-current liabilities	<u>(1,227,470)</u>	<u>(367,508)</u>
Equity	<u>\$ 8,262,617</u>	<u>\$ 8,210,045</u>
Equity attributable to:		
Owners of the Company	\$ 4,900,122	\$ 4,893,140
Non-controlling interests of Marketech	3,324,539	3,246,337
Non-controlling interests of the subsidiaries of Marketech	<u>37,956</u>	<u>70,568</u>
	<u>\$ 8,262,617</u>	<u>\$ 8,210,045</u>

	<u>2019</u>	<u>2018</u>
Operating revenue	<u>\$ 24,182,681</u>	<u>\$ 15,654,188</u>
Net profit	\$ 621,027	\$ 438,095
Other comprehensive income	(38,855)	(46,459)
Total comprehensive income	<u>\$ 582,172</u>	<u>\$ 391,636</u>
Net profit attributable to:		
Owners of the Company	\$ 293,750	\$ 205,827
Non-controlling interests of Marketech	361,163	238,871
Non-controlling interests of the subsidiaries of Marketech	(33,886)	(6,603)
	<u>\$ 621,027</u>	<u>\$ 438,095</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 276,811	\$ 184,886
Non-controlling interests of Marketech	340,161	214,065
Non-controlling interests of the subsidiaries of Marketech	(34,800)	(7,315)
	<u>\$ 582,172</u>	<u>\$ 391,636</u>
Cash flow		
Operating activities	\$ 975,847	\$ 97,169
Investing activities	(326,157)	(505,328)
Financing activities	(217,671)	301,928
Impact of fluctuation in exchange on cash	(26,433)	(38,984)
Net cash inflow (outflow)	<u>\$ 405,586</u>	<u>(\$ 145,215)</u>
Dividends paid to non-controlling interests	<u>\$ 306,632</u>	<u>\$ 235,461</u>

XIII. Investment Under Equity Method
Investment in Associates

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Associates not Individually Significant	<u>\$ 439,424</u>	<u>\$ 754,061</u>

Summary Information on Associates not Individually Significant

	<u>2019</u>	<u>2018</u>
Shares of the consolidated company		
Net profit of the year	\$ 21,892	\$ 16,945
Other comprehensive income	(459)	-
Total comprehensive income	<u>\$ 21,433</u>	<u>\$ 16,945</u>

Except for Shenzhen Xiangxing Technology Co., Ltd., the shares of profit and loss and other comprehensive income enjoyed by the investment and consolidated company adopting the equity method are recognized based on the financial statements audited by the CPA in the same period of each associate. However, the management of the Company believes that the financial report of the invested company has not been audited by the CPA and would not cause a significant impact.

XIV. Property, Plant, and Equipment

	Land owned	Buildings	Machinery	Leasehold improvement	Other equipment	Total
Cost						
Balance on Jan. 1, 2019	\$ 539,239	\$3,752,651	\$2,810,902	\$ 16,460	\$1,088,398	\$8,207,650
Impacts of retrospective application of IFRS 16	-	-	-	-	(499,731)	(499,731)
Balance on Jan. 1, 2019 (after restatement)	539,239	3,752,651	2,810,902	16,460	588,667	7,707,919
Addition	1,319	81,458	393,878	34,304	246,887	757,846
Reclassification	4,719	363,859	52,177	-	(219,310)	201,445
Acquired through business combinations	22,048	524,145	1,070,904	-	45,926	1,663,023
Disposal	(27,996)	(38,879)	(375,101)	(128)	(37,795)	(479,899)
Net exchange differences	(6,293)	(77,828)	(96,668)	(1,588)	3,919	(178,458)
Balance on Dec. 31, 2019	<u>\$ 533,036</u>	<u>\$4,605,406</u>	<u>\$3,856,092</u>	<u>\$ 49,048</u>	<u>\$ 628,294</u>	<u>\$9,671,876</u>
Accumulated depreciation and impairment						
Balance on Jan. 1, 2019	\$ -	\$1,252,316	\$1,871,879	\$ 8,074	\$ 388,963	\$3,521,232
Impacts of retrospective application of IFRS 16	-	-	-	-	(113,253)	(113,253)
Balance on Jan. 1, 2019 (after restatement)	-	1,252,316	1,871,879	8,074	275,710	3,407,979
Depreciation expense	-	177,162	369,775	5,963	68,074	620,974
Reclassification	-	2,368	8,538	-	1,553	12,459
Acquired through business combinations	-	326,393	868,011	-	43,753	1,238,157
Disposal	-	(3,450)	(310,852)	(96)	(34,691)	(349,089)
Net exchange differences	-	(30,746)	(64,300)	(387)	(11,818)	(107,251)
Balance on Dec. 31, 2019	<u>\$ -</u>	<u>\$1,724,043</u>	<u>\$2,743,051</u>	<u>\$ 13,554</u>	<u>\$ 342,581</u>	<u>\$4,823,229</u>
Net amount on Dec. 31, 2018	<u>\$ 533,036</u>	<u>\$2,881,363</u>	<u>\$1,113,041</u>	<u>\$ 35,494</u>	<u>\$ 285,713</u>	<u>\$4,848,647</u>
Cost						
Balance on Jan. 1, 2018	\$ 292,191	\$ 975,212	\$1,397,496	\$ 13,418	\$ 559,003	\$3,237,320
Addition	-	85,888	308,175	1,165	349,604	744,832
Reclassification	-	481,343	137,569	-	(543,337)	75,575
Acquired through business combinations	266,928	2,251,312	1,178,510	-	784,431	4,481,181
Disposal	(21,961)	(21,366)	(159,030)	-	(35,836)	(238,193)
Net exchange differences	2,081	(19,738)	(51,818)	1,877	(25,467)	(93,065)
Balance on Dec. 31, 2018	\$ 539,239	\$3,752,651	\$2,810,902	\$ 16,460	\$1,088,398	\$8,207,650
Accumulated depreciation and impairment						
Balance on Jan. 1, 2018	\$ -	\$ 171,854	\$ 695,944	\$ 4,360	\$ 164,611	\$1,036,769
Depreciation expense	-	87,885	276,273	3,204	91,005	458,367
Reclassification	-	2,950	(3,545)	-	(2,655)	(3,250)
Acquired through business combinations	-	1,005,077	959,066	-	161,634	2,125,777
Disposal	-	(10,012)	(79,714)	-	(21,573)	(111,299)
Net exchange differences	-	(5,438)	23,855	510	(4,059)	14,868
Balance on Dec. 31, 2018	\$ -	\$1,252,316	\$1,871,879	\$ 8,074	\$ 388,963	\$3,521,232
Net amount on Dec. 31, 2018	\$ 539,239	\$2,500,333	\$ 939,023	\$ 8,388	\$ 699,435	\$4,686,418

The property, plant, and equipment of the consolidated company are depreciated on a straight-line basis over the following years of useful life:

Buildings	2 ~ 55 years
Machinery	3 ~ 15 years
Leasehold improvement	2 ~ 10 years
Other equipment	1 ~ 15 years

Please refer to Note 37 for the amount of property, plant, and equipment pledged as collateral for loans.

XV. Lease Agreement
(I) Right-of-use Assets – 2019

	<u>Dec. 31, 2019</u>
Carrying amount of the right-of-use asset	
Land	\$ 740,349
Houses and buildings	1,951,145
Machinery	56
Office equipment	160,051
Other equipment	<u>369,698</u>
	<u>\$ 3,221,299</u>
	<u>2019</u>
Addition of right-of-use assets (including acquisition through business combination)	<u>\$ 793,382</u>
Depreciation expense of right-of-use assets	
Land	\$ 50,687
Houses and buildings	565,675
Machinery	195
Office equipment	591
Other equipment	<u>147,346</u>
	<u>\$ 764,494</u>

The above right-of-use land in mainland China has obtained the certificate of right-of-use land. Please refer to Note 37 for the pledge information.

(II) Lease Liability – 2019

	<u>Dec. 31, 2019</u>
Carrying amount of lease liability	
Current	<u>\$ 980,830</u>
Non-current	<u>\$ 2,466,745</u>

The discount rate interval for lease liabilities is as follows:

	<u>Dec. 31, 2019</u>
Land	0.985% ~ 13%
Houses and buildings	0.84% ~ 13%
Machinery	0.985% ~ 5.5%
Office equipment	0.985% ~ 13%
Other equipment	0.84% ~ 13%

(III) Important Lease Activities and Terms

The underlying assets leased by the consolidated company include land, houses and buildings, machinery, office equipment, and other equipment. The term of the tenancy agreement is usually between 2 and 75 years.

The lease benefit of some agreements depends on changes in the local price index. Some agreements also stipulate that the consolidated company shall advance the lessor's tax and insurance expenses related to the property. These fees are usually incurred once a year.

The tenancy agreement of some equipment includes options for a lease extension or lease termination. These agreements are managed by each region. Therefore,

the individual terms and conditions agreed are different in the consolidated company. The options are exercisable only by the consolidated company and not by the lessor. If it is not reasonably sure that the optional extension of the lease term will be exercised, the benefit related to the period covered by the option shall not be included in the lease liability.

(IV) Other Leasing Information
2019

	<u>2019</u>
Short-term lease expense	<u>\$ 111,772</u>
Total cash (outflow) of lease	<u>(\$ 874,953)</u>

2018

The total future minimum lease benefits for non-cancellable operating leases are as follows:

	<u>Dec. 31, 2018</u>
No more than 1 year	\$ 695,300
1 ~ 5 years	1,522,458
More than 5 years	<u>630,493</u>
	<u>\$ 2,848,251</u>

XVI. Goodwill

	<u>2019</u>	<u>2018</u>
<u>Cost</u>		
Opening balance of the year	\$ 10,936,255	\$ 8,064,476
Acquisition through business combinations in this year (Note 31)	2,943,724	2,751,603
Net exchange differences	(<u>327,939</u>)	<u>120,176</u>
Ending balance of the year	<u>\$ 13,552,040</u>	<u>\$ 10,936,255</u>
<u>Accumulated impairment losses</u>		
Opening balance of the year	\$ -	\$ -
Impairment loss recognized in this year	66,814	-
Net exchange differences	(<u>721</u>)	<u>-</u>
Ending balance of the year	<u>\$ 66,093</u>	<u>\$ -</u>
Net amount at the end of the year	<u>\$ 13,485,947</u>	<u>\$ 10,936,255</u>

The consolidated company shall perform impairment assessment on the recoverable amount of goodwill at the end of the reporting period and takes the fair value less disposal cost or use value as the basis for calculating the recoverable amount. The relevant fair value is a Level 1 fair value measurement; the calculation of the use-value is based on the estimated cash flow of the consolidated company's financial projections for the next five years and is calculated with the annual discount rate of 10.13%.

The consolidated company assessed goodwill impairment in 2019, and the estimated recoverable amount was less than the carrying amount. Therefore, it recognized a goodwill impairment of NT\$66,814. The main reason for the impairment is that the future operation of the CGU is not as expected.

In the first quarter of 2019, the consolidated company obtained the acquisition price allocation report of Marketech on the acquisition date (May 15, 2018). According to the fair value of its intangible assets measured in the report on the acquisition date, the consolidated company has adjusted the initial accounting treatment and provisional amount since the acquisition date and restated the comparative information.

The increase (decrease) of adjustment of relevant items in the balance sheet is as follows:

	<u>Dec. 31, 2018</u>	<u>Date of acquisition</u>
Goodwill	(<u>\$ 135,027</u>)	(<u>\$ 135,027</u>)
Patent	<u>\$ 18,617</u>	<u>\$ 20,782</u>
Customer relations	<u>\$ 239,885</u>	<u>\$ 267,778</u>
Retained earnings	(<u>\$ 18,153</u>)	<u>\$ -</u>
Non-controlling interests	<u>\$ 141,628</u>	<u>\$ 153,533</u>

The adjustment of related items in the comprehensive income statement is increased as follows:

	<u>2018</u>
Operating expenses – amortization expense	<u>\$ 30,058</u>

XVII. Other Intangible Assets

	<u>Right of trademark</u>	<u>Patent</u>	<u>Computer software</u>	<u>Customer relations</u>	<u>Others</u>	<u>Total</u>
<u>Cost</u>						
Balance on Jan. 1, 2019	\$ 2,329,811	\$ 596,332	\$ 3,676,151	\$ 2,185,790	\$ 1,769,988	\$ 10,558,072
Separate acquisition	-	-	666,829	-	17,213	684,042
Acquired through business combinations	42,839	-	56,461	-	520,557	619,857
Reclassification	-	-	197	-	-	197
Disposal	(415)	-	(74,264)	-	(25,480)	(100,159)
Net exchange differences	(25,448)	(1,094)	(100,964)	-	(38,816)	(166,322)
Balance on Dec. 31, 2019	<u>\$ 2,346,787</u>	<u>\$ 595,238</u>	<u>\$ 4,224,410</u>	<u>\$ 2,185,790</u>	<u>\$ 2,243,462</u>	<u>\$ 11,595,687</u>
<u>Accumulated amortization and impairment</u>						
Balance on Jan. 1, 2019	\$ 402,389	\$ 230,830	\$ 1,272,675	\$ 350,070	\$ 763,395	\$ 3,019,359
Amortization expense	166,847	65,624	565,531	521,316	106,431	1,425,749
Reclassification	-	-	-	-	-	-
Acquired through business combinations	-	-	-	-	-	-
Disposal	(410)	-	(53,681)	-	(25,480)	(79,571)
Net exchange differences	(13,669)	(913)	(12,368)	-	(33,178)	(60,128)
Balance on Dec. 31, 2019	<u>\$ 555,157</u>	<u>\$ 295,541</u>	<u>\$ 1,772,157</u>	<u>\$ 871,386</u>	<u>\$ 811,168</u>	<u>\$ 4,305,409</u>
Net amount on Dec. 31, 2018	<u>\$ 1,791,630</u>	<u>\$ 299,697</u>	<u>\$ 2,452,253</u>	<u>\$ 1,314,404</u>	<u>\$ 1,432,294</u>	<u>\$ 7,290,278</u>
<u>Cost</u>						
Balance on Jan. 1, 2018	\$ 2,335,023	\$ 574,342	\$ 2,928,625	\$ 1,918,012	\$ 1,605,633	\$ 9,361,635
Separate acquisition	1,086	-	674,773	-	174,119	849,978
Reclassification	-	(213)	630	-	-	417
Acquired through business combinations	-	20,782	36,615	267,778	1,873	327,048
Disposal	-	-	(16,687)	-	-	(16,687)
Net exchange differences	(6,298)	1,421	52,196	-	(11,638)	35,681
Balance on Dec. 31, 2018	<u>\$ 2,329,811</u>	<u>\$ 596,332</u>	<u>\$ 3,676,151</u>	<u>\$ 2,185,790</u>	<u>\$ 1,769,988</u>	<u>\$ 10,558,072</u>
<u>Accumulated amortization and impairment</u>						
Balance on Jan. 1, 2018	\$ 297,488	\$ 166,052	\$ 639,058	\$ 106,888	\$ 558,066	\$ 1,767,552
Amortization expense	108,182	64,268	556,369	243,182	213,519	1,185,520
Reclassification	-	(213)	(265)	-	-	(478)
Acquired through business combinations	-	-	26,426	-	653	27,079
Disposal	-	-	(14,160)	-	-	(14,160)
Net exchange differences	(3,281)	723	65,247	-	(8,843)	53,846
Balance on Dec. 31, 2018	<u>\$ 402,389</u>	<u>\$ 230,830</u>	<u>\$ 1,272,675</u>	<u>\$ 350,070</u>	<u>\$ 763,395</u>	<u>\$ 3,019,359</u>
Net amount on Dec. 31, 2018	<u>\$ 1,927,422</u>	<u>\$ 365,502</u>	<u>\$ 2,403,476</u>	<u>\$ 1,835,720</u>	<u>\$ 1,006,593</u>	<u>\$ 7,538,713</u>

The above intangible assets with limited useful life are amortized based on the straight-line method over their useful lives of 3 to 10 years.

Some of the trademarks mentioned above can be extended for a statutory period at a minimum cost. The management of the consolidated company believes that the consolidated company has the intention and ability to continue to extend the useful life. The management has also conducted researches on product life cycle investigation, market, competitiveness, environmental trends, and brand expansion opportunities. The research results show that the trademark is expected to generate net cash inflows with an indefinite useful life, so it is an intangible asset with an uncertain useful life. The useful life of the trademark will not be amortized until it is determined to be limited. However,

whether there is any sign of impairment or not, the impairment test shall be carried out regularly every year.

XVIII. Advance Investment Payments

Investor	Investee	Dec. 31, 2019		Dec. 31, 2018	
		Amount	Acquired Shareholding %	Amount	Acquired Shareholding %
Marketch International Corp.	Taiwan Specialty Chemicals Corporation	\$ -	-	\$ 4,800	70
Ennoconn International Investment Co., Ltd.	Poslab Technology Corp.	62,410	70	-	-
HighAim Technology Inc.	HighAim (Shenzhen) Technology Inc.	<u>1,289</u>	100	<u>-</u>	-
		<u>\$ 63,699</u>		<u>\$ 4,800</u>	

As of the balance sheet date, the investment mentioned above has yet to complete the equity transfer or establishment registration, and the remitted amount is recorded as the advance investment payments.

XIX. Other Assets

	Dec. 31, 2019	Dec. 31, 2018
Other receivables	\$ 1,675,157	\$ 1,580,852
Current income tax assets	48,732	49,161
Advance payments	1,941,828	1,531,728
Other financial assets (Note 1)	190,385	279,245
Advance lease payment (Note 2)	-	84,829
Refundable deposits (Note 37)	203,574	77,018
Advance payment for equipment	7,137	7,900
Others	<u>869,963</u>	<u>588,612</u>
	<u>\$ 4,936,776</u>	<u>\$ 4,199,345</u>
Current	\$ 3,912,597	\$ 3,399,781
Non-current	<u>1,024,179</u>	<u>799,564</u>
	<u>\$ 4,936,776</u>	<u>\$ 4,199,345</u>

Note 1: Other financial assets are pledged demand deposits, please refer to Note 37.

Note 2: The advance lease payment is for the right-of-use land located in mainland China, and the certificate of right-of-use land has been obtained. Please refer to Note 37 for pledge information.

XX. Loans
(I) Short-term Loans

	Dec. 31, 2019	Dec. 31, 2018
<u>Secured loans (Note 37)</u>		
Bank notes	\$ 391,407	\$ 151,741
<u>Unsecured loans</u>		
Bank notes	<u>9,865,379</u>	<u>9,491,749</u>
	<u>\$ 10,256,786</u>	<u>\$ 9,643,490</u>
<u>Interest rate interval</u>		
Secured loans	0.75%~5.75%	0.75%~4.08%
Unsecured loans	0.50%~12.50%	0.88%~18.5%

(II) Long-term Loans	Dec. 31, 2019	Dec. 31, 2018
<u>Secured loans (Note 37)</u>		
Bank notes	\$ 1,129,091	\$ 299,361
<u>Unsecured loans</u>		
Bank notes	6,570,750	2,769,906
Less: Long-term loans due within one year	(<u>698,509</u>)	(<u>1,207,692</u>)
	<u>\$ 7,001,332</u>	<u>\$ 1,861,575</u>
<u>Interest rate interval</u>		
Secured loans	1.00%~2.75%	0.65%~2.75%
Unsecured loans	0.40%~2.20%	1.55%~6.50%

The above-mentioned secured loans are mainly pledged by self-own land and buildings, which were either due for repayment or the principal and interest on the monthly amortization with terms of maturity in June 2032. The borrowing rate is the floating interest rate. Unsecured loans are due for repayment in April 2026, with the borrowing rate of the floating interest rate.

XXI. Convertible Bond

	Dec. 31, 2019	Dec. 31, 2018
The second domestic unsecured convertible bonds	\$ 11,964	\$ 1,170,468
The third domestic unsecured convertible bonds	5,720,498	-
The first overseas unsecured convertible bonds	1,346,977	6,172,298
Unsecured convertible bonds of subsidiaries	-	11,766
Less: Maturity or exercisable repurchase rights within one year	-	(<u>7,354,532</u>)
	<u>\$ 7,079,439</u>	<u>\$ -</u>

(I) To meet the needs of working capital and reinvestment, the Company issued the second domestic unsecured convertible bond on May 13, 2016. The issuance condition is as follows:

1. Total Issuance amount: NT\$1,800,000 thousand
2. Face value: NT\$100 thousand each
3. Coupon rate: 0%
4. Effective interest rate: 1.4306%
5. Book value at issuance: NT\$1,676,592 thousand
6. Duration: May 14, 2016 ~ May 13, 2021
7. Conversion period:

Except for the suspension period of conversion, the creditor may at any time request that the convertible bonds held be converted into the common stocks of the Company from the following day after two months of issuance date (Jul. 14, 2016) to the expiration date of May 13, 2021, under the regulations of the Company's corporate bonds conversion measures. Suspension period of conversion is as follows:

- (1) During the book closure period, the transfer of common stock is suspended in accordance with the law.
- (2) When the Company negotiates with TPEX for the period from fifteen business days prior to the book closure of stock dividends, cash dividends, or cash capital increase until the record date of interest allocation.

- (3) From the record date of capital reduction to one day before the trading date of capital reduction.
 - (4) Other suspension periods of stock transfer by law.
8. Conversion price and adjustment:
The conversion price at the time of initial issuance is set at NT\$435. In the event of an increase in the shares of the Company's issued common stock, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible bonds. As of Dec. 31, 2019, the conversion price was adjusted to NT\$383.5.
9. Repurchase rights of creditors:
Thirty days prior to the issuance of corporate bonds for three years (May 13, 2019), the bondholders may, under the provisions of the conversion measures, notify the Company in writing to require the Company to redeem the convertible bonds held by them in cash based on the nominal amount of the bonds plus interest compensation (103.0301% of the nominal amount of the bonds for three years).
10. Redemption rights of the Company:
From the day after the issuance of corporate bonds for two months (Jul. 14, 2016) to forty days (Apr. 3, 2021) before the maturity date, if the closing price of the Company's common stock exceeds 30% of the conversion price at that time for 30 consecutive business days or the outstanding balance of the Company's convertible bonds is less than 10% of the initial total issued amount, the Company may notify the bondholders under the conversion measures and redeem all bonds in cash at the nominal amount.
The convertible bonds include liability and equity components. The equity components are expressed under equity as capital surplus - stock options. The liability components are the liabilities of embedded derivative financial products and non-derivative financial products. The fair value of the embedded derivative financial products as of Dec. 31, 2019, and 2018 is NT\$118 thousand and NT\$11,743 thousand, respectively. As of Dec. 31, 2019, the measured amount of non-derivative financial liabilities is NT\$11,964 thousand at amortized cost, and its effective interest rate initially recognized is 1.4306%.

Issue proceeds (less transaction costs of NT\$3,395 thousand)	\$ 1,796,605
Equity components	(<u>99,172</u>)
Liability components on the date of issuance (including bonds payable of NT\$1,679,592 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$20,841 thousand)	1,697,433
Interest calculated at an effective interest rate of 1.4306%	58,908
Bonds payable converted into common stocks	(558,808)
Bonds payable exercised repurchase rights	(<u>1,185,451</u>)
Liability components on Dec. 31, 2019	<u>\$ 12,082</u>

- (II) To meet the needs of working capital and loan repayment, the Company issued the third domestic unsecured convertible bond on Feb. 26, 2019. The issuance condition is as follows:
1. Total issuance amount: NT\$6,000,000 thousand
 2. Face value: NT\$100 thousand each
 3. Coupon rate: 0%
 4. Effective interest rate: 1.1542%
 5. Book value at issuance: NT\$5,665,424 thousand
 6. Duration: Feb. 26, 2019 - Feb. 26, 2024

7. Conversion period:
Except for the suspension period of conversion, the creditor may at any time request that the convertible bonds held be converted into the common stocks of the Company from the following day after three months of issuance date (May 27, 2019) to the expiration date of Feb. 26, 2024, under the regulations of the Company's corporate bonds conversion measures. Suspension period of conversion is as follows:
- (1) During the book closure period, the transfer of common stock is suspended in accordance with the law.
 - (2) When the Company negotiates with TPEx for the period from 15 business days prior to the book closure of stock dividends, cash dividends, or cash capital increase until the record date of interest allocation.
 - (3) From the record date of capital reduction to one day before the trading date of capital reduction.
 - (4) Other suspension periods of stock transfer by law.
8. Conversion price and adjustment:
The conversion price at the time of initial issuance is set at NT\$272.8. In the event of an increase in the shares of the Company's issued common stock, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible bonds. As of Dec. 31, 2019, the conversion price was adjusted to NT\$259.6.
9. Repurchase rights of creditors:
Thirty days prior to the issuance of corporate bonds for three years (Feb. 26, 2022), the bondholders may, under the provisions of the conversion measures, notify the Company in writing to require the Company to redeem the convertible bonds held by them in cash based on the nominal amount of the bonds plus interest compensation (1.5075% of the nominal amount of the bonds for three years).
10. Redemption rights of the Company:
From the day after the issuance of corporate bonds for three months (May 27, 2019) to forty days (Jan. 17, 2024) before the maturity date, if the closing price of the Company's common stock exceeds 30% of the conversion price at that time for thirty consecutive business days or the outstanding balance of the Company's convertible bonds is less than 10% of the initial total issued amount, the Company may notify the bondholders under the conversion measures and redeem all bonds in cash at the nominal amount. The convertible bonds include liability and equity components. The equity components are expressed under equity as capital surplus - stock options. The liability components are the liabilities of embedded derivative financial products and non-derivative financial products. As of Dec. 31, 2019, the fair value of the embedded derivative financial products is NT\$24,600 thousand. As of Dec. 31, 2019, the measured amount of non-derivative financial liabilities is NT\$5,720,498 thousand at amortized cost, and its effective interest rate initially recognized is 1.1542%.

Issue proceeds (less transaction costs of NT\$4,852 thousand)	\$ 6,007,148
Equity components	(<u>332,132</u>)
Liability components on the date of issuance (including bonds payable of NT\$5,665,424 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$9,592 thousand)	5,675,016
Interest calculated at an effective interest rate of 1.1542%	55,074
Financial commodity evaluation loss	15,008
Bonds payable converted into common stocks	<u>-</u>
Liability components on Dec. 31, 2019	<u>\$ 5,745,098</u>

(III) To meet the needs of working capital and reinvestment, the Company issued the first overseas unsecured convertible bonds on Mar. 10, 2017, which are declared effective by the FSC and listed on the Singapore Exchange. The issuance condition is as follows:

1. Total issuance amount: US\$200,000 thousand. The fixed exchange rate of NT\$31.653 will be converted into New Taiwan Dollars equivalent to US dollars for the repayment, repurchase, and redemption of the bonds.
2. Face value: US\$200 thousand each
3. Coupon rate: 0%
4. Effective interest rate: 2.4144%
5. Book value at issuance: NT\$5,978,823 thousand
6. Duration: Mar. 10, 2017 ~ Mar. 10, 2022
7. Conversion period:
Except for the suspension period of conversion, the creditor may request at any time that the convertible bonds held be converted into the common stocks of the Company from the following day (Apr. 10, 2017) after thirty days of issuance date to ten days before (Feb. 28, 2022) the expiration date under the regulations of the Company's corporate bonds conversion measures.
8. Conversion price:
The creditors may request the Company to convert the bonds they hold into common stocks of the Company at a fixed exchange rate of NT\$31.653 to US\$1 and the conversion price of NT\$488 per share. In the event of an increase in the shares of the Company's issued common stock, the conversion price shall be adjusted under Article 13 of the Company's overseas regulations on issuance and conversion of unsecured convertible bonds. As of Dec. 31, 2019, the conversion price was adjusted to NT\$445.2.
9. Repayment upon maturity of bonds:
Unless the bonds have been redeemed, repurchased, and written-off or the bondholder has exercised the conversion right, the issuing company will repay the bonds in full on the maturity date according to the nominal amount of the bonds plus the earning rate, the annual interest rate of 1.25%.
10. Repurchase rights of creditors:
After two years (Mar. 10, 2019) and four years (Mar. 10, 2021) of issuance of corporate bonds, the bondholders may, under the provisions of the conversion measures, notify the Company in writing to require the Company to redeem the convertible bonds held by them in cash based on the nominal amount of the bonds plus interest compensation (namely the nominal amount of the bonds plus the annual interest rate of 1.25%).
11. Redemption rights of the Company:
After two years (Mar. 10, 2019) of issuance of the bonds, if twenty trading days in thirty consecutive business days of the common stock of the issuing

company, the closing price of the bonds on the TWSE converted to USD at the exchange rate at that time, when the total amount of the early redemption price multiplied by the conversion price at that time divided by the nominal amount of the bonds is more than 130%, the issuing company may redeem bonds in whole or in part in advance at the calculated price of the nominal amount of the bonds plus 1.25% of the annual interest rate. If more than 90% of the bonds have been redeemed, converted, repurchased, and written-off, the issuing company may redeem all the outstanding bonds in advance at the early redemption price of the issuing company.

The convertible bonds include liability and equity components. The equity components are expressed under equity as capital surplus - stock options. The liability components are the liabilities of non-derivative financial products, as of Dec. 31, 2019, its measured amount of amortized cost is NT\$1,346,977 thousand, and the effective interest rate initially recognized is 2.4144%.

Issue proceeds (less transaction costs of NT\$29,142 thousand)	\$ 6,301,458
Equity components	(<u>322,635</u>)
Liability components on date of issuance	5,978,823
Interest calculated at an effective interest rate of 2.4144%	336,157
Bonds payable converted into common stocks	(90,841)
Bonds payable exercised repurchase rights	(<u>4,877,162</u>)
Liability components on Dec. 31, 2019	<u>\$ 1,346,977</u>

(IV) The main conditions related to the issuance of unsecured convertible bonds of subsidiaries are as follows:

1. Total issuance amount: NT\$500,000 thousand
2. Face value: NT\$100 thousand each
3. Coupon rate: 0%
4. Effective interest rate: 1.788%
5. Duration: Aug. 22, 2016 ~ Aug. 22, 2019
6. Conversion period: From the next day of one month after the issuance date of the bonds to the maturity date, except for the suspension periods of stock transfer by the regulations or laws, the bondholders may request the Company for conversion into the common stocks of the Company. The rights and obligations of the common stocks after conversion are the same as those of the original common stocks.
7. Conversion price:
The conversion price of the convertible bond is determined under the prescribed mode stipulated by the provisions of the conversion measures. In case of any anti-dilution provision of the Company, the subsequent conversion price shall be adjusted under the prescribed mode stipulated by the conversion measures. On the recorded date of the adoption of the measures, the conversion price shall be redetermined under the prescribed mode of the conversion measures, if it is higher than the conversion price before the reenactment of the year, it will not be adjusted.
8. Redemption right:
 - (1) Redemption at maturity: The Company will repay the principal once the issuance of the bonds expires.
 - (2) Early redemption: From the day after the issuance of this corporate bonds for one month to forty days before the maturity date, if the closing price of the Company's common stock exceeds 30% of the conversion price at that time for thirty consecutive business days or

the outstanding balance of this convertible bonds is less than 10% of the initial total nominal amount, the Company may redeem all bonds in cash at the nominal amount at any time after that.

- (3) According to the conversion measures, all redeemed, repaid, or converted corporate bonds will be written-off, and all the rights and obligations attached to the corporate bonds will be extinguished and will not be issued.

XXII. Other Liabilities

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
<u>Other payables - current</u>		
Salary and bonus payable	\$ 1,620,900	\$ 1,310,831
Bonus of employee payable	218,123	242,843
Bonus of directors and supervisors payable	26,451	23,999
Project and equipment payable	7,573	31,379
Payable on behalf of purchase	535,504	1,378,208
Others	<u>2,829,238</u>	<u>2,217,314</u>
	<u>\$ 5,237,789</u>	<u>\$ 5,204,574</u>
 <u>Other liabilities</u>		
Provisional collection	\$ 43,981	\$ 23,140
Collection on behalf of others	52,161	23,213
Others	<u>907,105</u>	<u>972,229</u>
	<u>\$ 1,003,247</u>	<u>\$ 1,018,582</u>
 Current	 \$ 280,699	 \$ 124,830
Non-current	<u>722,548</u>	<u>893,752</u>
	<u>\$ 1,003,247</u>	<u>\$ 1,018,582</u>

XXIII. Liability Reserve

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
<u>Current</u>		
Warranty (I)	\$ 181,938	\$ 191,327
Restructuring (II)	237,900	7,814
Onerous contract (III)	387,654	185,683
Others (IV)	<u>1,031,340</u>	<u>613,646</u>
	<u>\$ 1,838,832</u>	<u>\$ 998,470</u>
 <u>Non-current</u>		
Warranty (I)	\$ 98,566	\$ 64,055
Onerous contract (III)	15,359	42,219
Provision for employee benefits liability (IV)	403,133	77,998
Others (V)	<u>181,059</u>	<u>196,584</u>
	<u>\$ 698,117</u>	<u>\$ 380,856</u>

	Employee benefits					Total
	Liability reserve	Warranty	Onerous contract	Reconstructing	Others	
Balance on Jan. 1, 2019	\$ 77,998	\$ 255,382	\$ 227,902	\$ 7,814	\$ 810,230	\$ 1,379,326
Acquisition through business combinations	219,023	62,398	475,513	324,797	1,046,030	2,127,761
Addition this year	66,905	71,872	85,660	27,259	254,261	505,957
Usage this year	(33,436)	(39,609)	(269,773)	(48,835)	(504,605)	(896,258)
Reversal of unused balance this year	(198)	(91,022)	(78,719)	(72,611)	(348,664)	(591,214)
Others	(2,860)	30,718	(30,718)	-	6,758	3,898
Net exchange differences	75,701	(9,235)	(6,852)	(524)	(51,611)	7,479
Balance on Dec. 31, 2019	<u>\$ 403,133</u>	<u>\$ 280,504</u>	<u>\$ 403,013</u>	<u>\$ 237,900</u>	<u>\$ 1,212,399</u>	<u>\$ 2,536,949</u>

- (I) The provision for employee benefits liability is the payment of long-term employee benefits and layoff payments.
- (II) The warranty reserve refers to the present value of the best estimate of the future economic benefits outflow of the consolidated company due to the warranty obligation. This estimate is based on the historical experience of warranty and examines the adjustment of new raw materials, process changes, or other factors affecting product quality.
- (III) The liability reserve for the onerous contract is the present value of the existing future benefit obligation estimated under an irrevocable purchase contract.
- (IV) Restructuring refers to the liability reserve arising from mergers and acquisitions.
- (V) Other items include litigation, employee benefits without leave, etc.

XXIV. Post-retirement Benefit Plan

(I) Defined Contribution Plan

The pension system of the "Labor Pension Act" adopted by the Company and domestic subsidiaries of the consolidated company is a defined contribution plan administered by the government. The pension is contributed to the individual accounts at the Bureau of Labor Insurance according to 6% of the employee's monthly salary.

The foreign subsidiaries of the consolidated company also allocate and make payments to the relevant statutory body following local laws and regulations.

(II) Defined Benefit Plan

1. The pension system conducted by the Company, Marketech International Corp. and Thecus Technology Corp. of the consolidated company under the domestic "Labor Standards Act" is a defined benefit retirement plan administered by the government. The payment of the employee's pension is based on the length of service and the average salary of six months before the approved retirement date. The Company contributes a pension of 2% of the total monthly salary of employees to the exclusive account deposited by the Labor Retirement Reserve Supervision Committee in the name of the Committee at the Bank of Taiwan. Before the end of the year, if the estimated balance of the exclusive account is insufficient to pay the labor who is expected to meet retirement conditions in the next year, the difference will be contributed once before the end of March of the following year. The exclusive account is administered by the Bureau of Labor Funds of the Ministry of Labor, and the Company retains no rights that may influence its investment and administration strategies.

2. As part of the consolidated company, Kontron shall comply with relevant local laws and regulations. When the employees who participate in the retirement plan meet the conditions (such as reaching the retirement age, losing the capacity to work, etc.), pension should be calculated and paid based on their years in service and wages at the time of resignation or retirement.

The amount of defined benefit plan included in the Consolidated Balance Sheets is as follows:

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Present value of defined benefit obligations	\$623,550	\$431,259
Fair value of plan assets	(138,188)	(130,255)
Contribution deficit (surplus)	<u>\$485,362</u>	<u>\$301,004</u>
Net defined benefit assets (listed under other non-current assets)	(\$ 740)	(\$ 743)
Net defined benefit liabilities	<u>486,102</u>	<u>301,747</u>
	<u>\$485,362</u>	<u>\$301,004</u>

Changes in net defined benefit liabilities (assets) are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities (assets)</u>
Jan. 1, 2018	<u>\$ 107,195</u>	(\$ 3,516)	<u>\$ 103,679</u>
Acquisition through business combinations	<u>323,149</u>	(<u>120,679</u>)	<u>202,470</u>
Service cost			
Current service cost	5,910	-	5,910
Interest expense (income)	<u>3,868</u>	(<u>1,684</u>)	<u>2,184</u>
Recognized in impairment	<u>9,778</u>	(<u>1,684</u>)	<u>8,094</u>
Return on plan assets (excluding the amount included in net interest)	-	(3,286)	(3,286)
Actuarial (gains) losses - changes in demographic assumptions	(17)	-	(17)
Actuarial (gains) losses - changes in financial assumptions	5,659	-	5,659
Actuarial (gains) losses - experience adjustments	(<u>633</u>)	<u>-</u>	(<u>633</u>)
Recognized in other comprehensive income	<u>5,009</u>	(<u>3,286</u>)	<u>1,723</u>
Employer contributions	<u>-</u>	(<u>15,168</u>)	(<u>15,168</u>)
Benefits paid	(<u>11,621</u>)	<u>11,621</u>	<u>-</u>
Settlements	(<u>647</u>)	<u>2,457</u>	<u>1,810</u>
Exchange differences	(<u>1,604</u>)	<u>-</u>	(<u>1,604</u>)
Dec. 31, 2018	<u>431,259</u>	(<u>130,255</u>)	<u>301,004</u>
Acquisition through business combinations	<u>241,942</u>	<u>-</u>	<u>241,942</u>
Service cost			
Current service cost	9,318	-	9,318
Interest expense (income)	<u>5,683</u>	(<u>1,315</u>)	<u>4,368</u>
Recognized in impairment	<u>15,001</u>	(<u>1,315</u>)	<u>13,686</u>

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Return on plan assets (excluding the amount included in net interest)	\$ -	(\$ 4,485)	(\$ 4,485)
Actuarial (gains) losses - changes in demographic assumptions	857	-	857
Actuarial (gains) losses - changes in financial assumptions	26,350	-	26,350
Actuarial (gains) losses - experience adjustments	<u>8,289</u>	<u>-</u>	<u>8,289</u>
Recognized in other comprehensive income	<u>35,496</u>	(<u>4,485</u>)	<u>31,011</u>
Employer contributions	<u>-</u>	(<u>8,939</u>)	(<u>8,939</u>)
Benefits paid	(<u>6,806</u>)	<u>6,806</u>	<u>-</u>
Settlements	<u>-</u>	<u>-</u>	<u>-</u>
Exchange differences	(<u>93,342</u>)	<u>-</u>	(<u>93,342</u>)
Dec. 31, 2019	<u>\$ 623,550</u>	(<u>\$ 138,188</u>)	<u>\$ 485,362</u>

The Company and the domestic subsidiaries are exposed to the following risks due to the pension system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds of the Ministry of Labor separately invests the labor pension fund in domestic (foreign) equity securities, debt securities, and bank deposits through its discretion and entrusted operation provided that the income of the distribution amount of the Company's plan assets is calculated at the rate of not less than the 2-year time deposit rate of the local bank.
2. Interest rate risk: The decrease in the interest rate of government bonds will increase the present value of defined benefit obligations, but the yield on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities.
3. Salary risk: The present value of defined benefit obligations is calculated with reference to future salaries of plan members. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

The primary risk exposure of Kontron's pension plan includes future salary changes and the life span of employees participating in the plan and market interest rate fluctuations. The present value of the defined benefit obligation of the consolidated company is calculated by a qualified actuary, and the material assumptions on the measurement date are as follows:

	Dec. 31, 2019	Dec. 31, 2018
Discount rate	0.62% ~ 1.26%	1.000% ~ 3.000%
Expected increase rate of salary	0.0% ~ 3.0%	2.0% ~ 4.0%
Mortality rate	Based on 90% of the fifth life experience table of the life insurance industry in Taiwan	Based on 90% of the fifth life experience table of the life insurance industry in Taiwan
Turnover rate	0% ~ 34%	0% ~ 34%

If there are reasonable and possible changes in material actuarial assumptions while all other assumptions remain unchanged, the amount of increase (decrease) in the present value of the defined benefit obligation is as follows:

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Discount rate		
Increase by 0.5%	(<u>\$ 36,670</u>)	(<u>\$ 16,535</u>)
Decrease by 0.5%	<u>\$ 40,635</u>	<u>\$ 10,777</u>
Expected increase rate of salary		
Increase by 0.5%	<u>\$ 20,866</u>	<u>\$ 10,519</u>
Decrease by 0.5%	(<u>\$ 19,860</u>)	(<u>\$ 16,369</u>)

As actuarial assumptions may be interlinked to each other, and it is unlikely to change only a single assumption, thus the sensitivity analysis above may not reflect the actual change in the present value of defined benefit obligations.

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
The expected amount of contribution within 1 year	<u>\$ 14,926</u>	<u>\$ 6,009</u>
The average maturity period of defined benefit obligations	9.8 years	17.45 years

XXV. Equity

(I) Share Capital Common stock

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Nominal shares (1,000 shares)	<u>250,000</u>	<u>150,000</u>
Nominal capital	<u>\$ 2,500,000</u>	<u>\$ 1,500,000</u>
Number of shares issued and paid (1,000 shares)	<u>83,574</u>	<u>77,574</u>
Issued capital	<u>\$ 835,745</u>	<u>\$ 775,745</u>

The par value of each issued common stock is NT\$10, and each share has one voting right and the right to receive dividends.

On Nov. 13, 2018, the Board of Directors resolved to issue 6,000 thousand new shares with a par value of NT\$10 per share in cash capital increase and set Feb. 25, 2019, as the record date for capital increase. The cash capital increase mentioned above has been approved and declared effective by the FSC, and the change of incorporation has been completed. The paid-in capital after the change is NT\$835,745 thousand.

In 2018, convertible bonds were converted into common stocks of NT\$10,457 thousand, and the paid-in capital after the change was NT\$775,745 thousand.

(II) Capital Surplus

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
<u>Used to offset loss, distribute cash, or replenish capital (1)</u>		
Stock issuance premium	\$ 3,694,775	\$ 2,415,595
Transfer of other company shares to issue new shares	485,900	485,900
Corporate bond conversion premium	1,442,451	1,442,451
<u>Only to offset the deficit</u>		
Recognized changes in equity ownership of subsidiaries (2)	-	-
Redemption of convertible bonds (invalid number of stocks subscribed) (3)	249,881	-
<u>Not for any other purposes</u>		
Stock options of convertible bonds	<u>466,745</u>	<u>384,494</u>
	<u>\$ 6,339,752</u>	<u>\$ 4,728,440</u>

1. Such capital surplus may be used to offset impairment loss, or to distribute cash or to allocate capital stock when the Company has no deficit, but only to a certain ratio of paid-in capital each year.
2. Such capital surplus refers to the impacts of equity transaction recognized due to changes in equity of the subsidiary when the Company has not acquired or disposed of equity of the subsidiary, or the adjustments of capital surplus recognized by the Company with the equity method.
3. Such capital surplus shall not be used for any purpose other than to offset the deficit as it is caused by the redemption of convertible bonds leads to invalidation of share options.

In the first quarter of 2019, the Company has issued 6,000 new shares with a face value of NT\$10 per share through cash capital increase with the issuance premium of NT\$220 per share. After deducting the issue cost of NT\$1,000 thousand, the Company generated a capital surplus of NT\$1,260,000 thousand.

In addition, the above new shares issued by cash capital increase, of which 600 thousand shares are reserved for 10% of the shares to be subscribed by employees following the Article 267 of the Company Act. The fair value of the equity commodities given on the grant date shall be measured per IFRS 2 "Share-based Payment," and the salary expense of NT\$20,180 thousand shall be recognized on the grant day as the capital surplus addition to the issuance premium.

(III) Retained Earnings and Dividends Policy

According to the earnings distribution policy of the Article of Incorporation of the Company, if there is "current net profit" in the final annual accounts of the Company, it shall be distributed in the following order:

1. Appropriate deficit
2. 10% appropriated as legal capital reserve, unless the accumulated legal capital reserve has reached the total capital of the Company.
3. Following laws and regulations, others to be allocated or reversed as special capital surplus.
4. After deducting the amount specified above in items 1 to 3, the "net current profit" of the final annual accounts, the Board of Directors shall prepare a distribution proposal for its distributable earnings together with the accumulated undistributed earnings at the beginning of the period and the adjustment amount of undistributed earnings of the current year, and submit it to the shareholders' meeting for resolution.

As the Company is currently at the growth stage, to cope with the business development and expansion in the future, the Board of Directors shall formulate a distribution plan in consideration of the Company's future capital expenditures budget and capital demand, and make distribution after the resolution of shareholders' meetings. However, the distribution of dividends shall be no less than 10% of the cash dividends distributed in the current year. For the bonus distribution policy of employees and directors as stipulated in the Article of Incorporation of the Company, Please refer to Note 26(6) the bonus of employees and directors.

The legal capital reserve shall be contributed until its balance reaches the total paid-in share capital of the Company. Legal capital reserve may be used to offset deficit. When the Company has no loss, the part of the legal capital reserve exceeding 25% of the total paid-in capital may be distributed in cash in addition to being appropriated as share capital.

According to the letter No. Financial-Supervisory-Securities-Corporate-

1010012865 and 1010047490, as well as "after the adoption of International Financial Reporting Standards (IFRSs), and Q&A on the application of special surplus reserve," the Company shall set aside and reverse the special surplus reserve.

The Company held the annual shareholders' meetings on Jun. 28, 2019 and Jun. 28, 2018, respectively, and in turn resolved and passed the following earnings distribution plans for 2018 and 2017:

	Earnings distribution plan		Dividends per share (\$)	
	2018	2017	2018	2017
Legal capital reserve	\$ 110,812	\$ 112,337		
(Reversal) Special capital reserve	(111,213)	454,629		
Cash dividends	580,436	682,864	\$ 7.00	\$ 9.00

The earnings distribution plan and dividends per share proposed by the Board of Directors for the year 2019 as of Mar. 31, 2020, are as follows:

	Earnings distribution plan	Dividends per share (\$)
Legal capital reserve	\$ 108,024	
Special capital reserve	465,662	
Cash dividends	331,678	\$ 4.00
Stock dividends	82,919	1.00

The earnings distribution plan for the year 2019 has yet to be resolved at the annual shareholders' meeting expected to be held on Jun. 23, 2020.

(IV) Other Equity Items

1. Exchange difference of translations of financial statements of foreign operations

	2019	2018
Opening balance of the year	(\$ 345,162)	(\$ 456,250)
Accrued in the current year		
Translation differences of foreign operations	(432,380)	111,088
Share of associates adopting equity method	(202)	-
Other comprehensive income of the year	(432,582)	111,088
Ending balance of the year	(\$ 777,744)	(\$ 345,162)

2. Unrealized gain and loss of financial assets measured at fair value through other comprehensive income

	2019	2018
Opening balance of the year	(\$ 39,290)	(\$ 17,106)
Accrued in the current year		
Unrealized gains (losses)		
Equity instruments	(32,565)	(22,184)
Other comprehensive income of the year	(32,565)	(22,184)
Ending balance of the year	(\$ 71,855)	(\$ 39,290)

(V) Non-controlling Interests

	2019	2018
Opening balance of the year	\$ 19,294,031	\$ 13,759,341
Net profit	1,946,066	1,744,521
Other comprehensive income of current period		
Exchange difference of translations of financial statements of foreign operations	(509,380)	119,216
Unrealized gain and loss of financial assets measured at fair value through other comprehensive income	(33,971)	(17,096)
Remeasurement of defined benefit plan	(9,478)	1,108
Share of associates adopting equity method	(249)	-
Cash dividends to shareholders of subsidiaries	(1,041,681)	(527,998)
Non-controlling interests in cash capital increase of subsidiaries	-	786,939
Acquisition of non-controlling interests in subsidiaries (Note 33)	832,863	3,086,218
Non-controlling interest transactions with subsidiaries (Note 34)	(772,108)	339,501
Non-controlling interests related to outstanding vested warrants held by employees of subsidiaries (Note 32)	-	2,281
Ending balance of the year	<u>\$ 19,706,093</u>	<u>\$ 19,294,031</u>

(VI) Treasury Stock

Reason for recovery	Shares transferred to employees (1,000 shares)	Shares of parent company held by subsidiaries (1,000 shares)	Total (1,000 shares)
No. of shares on Jan. 1, 2018	655	-	655
Increase this Year	-	10	10
Decrease this Year	-	-	-
No. of shares on Dec. 31, 2018	<u>655</u>	<u>10</u>	<u>665</u>
No. of shares on Jan. 1, 2019	655	10	665
Increase this Year	-	-	-
Decrease this Year	-	-	-
No. of shares on Dec. 31, 2019	<u>655</u>	<u>10</u>	<u>665</u>

For trading purposes, the subsidiary held the Company's shares on Dec. 31, 2019. The relevant information is as follows:

Name of subsidiary	Number of shares (1,000 shares)	Carrying amount	Market price
Marketch International Corp.	10	\$ 2,624	\$ 2,624

The treasury stocks held by the Company shall not be pledged, nor shall they enjoy the rights of dividends distribution and voting rights under the provisions of the Securities and Exchange Act. A subsidiary's holding of the Company's shares shall be treated as treasury stocks, except that it shall not participate in the Company's cash capital increase and has no voting rights, it enjoys the same rights as other shareholders.

XXVI. Revenue

	<u>2019</u>	<u>2018</u>
Customer contract revenue		
Commodity sales revenue	\$ 55,799,271	\$ 47,958,862
Service revenue	13,120,238	10,402,788
Construction revenue	<u>12,586,707</u>	<u>10,600,809</u>
	<u>\$ 81,506,216</u>	<u>\$ 68,962,459</u>

The commodities above are mainly sold to major manufacturers around the world according to the product application field and sold at a fixed price stipulated in the contract.

(I) Contract Assets and Contract Liabilities

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Accounts receivable (Note 10)	<u>\$ 17,116,947</u>	<u>\$ 16,489,301</u>
Contract assets		
Contract assets – construction contracts	\$ 4,095,623	\$ 4,229,541
Contract liabilities – sales contracts	760,777	59,622
Contract liabilities – service contracts	<u>153,080</u>	<u>93,762</u>
	<u>\$ 5,009,480</u>	<u>\$ 4,382,925</u>
Contract liabilities		
Contract liabilities – construction contracts	\$ 2,440,230	\$ 2,202,925
Contract liabilities – sales contracts	1,908,483	1,457,005
Contract liabilities – service contracts	604,167	29,322
Software installation service	-	1,077,502
Extended warranty service	<u>745,027</u>	<u>-</u>
Total	<u>\$ 5,697,907</u>	<u>\$ 4,766,754</u>

The change in contract assets and contract liabilities mainly comes from the difference between the time when the performance obligation is fulfilled and the time when the customer pays. Other material changes are acquisition through business combinations.

The amount of contract liabilities from the beginning of the year recognized as revenue in the current period is as follows:

	<u>2019</u>	<u>2018</u>
<u>Contract liabilities from the beginning of the year</u>		
Service contract	\$ 657,127	\$ 1,087,496
Property construction	28,925	-
Commodity sales	<u>1,721,083</u>	<u>-</u>
	<u>\$ 2,407,135</u>	<u>\$ 1,087,496</u>

(II) Breakdown Information of Customer Contract Revenue, Please refer to Note 42.

XXVII. Net Income

(I) Other Income

	<u>2019</u>	<u>2018</u>
Rental income	\$ 41,029	\$ 14,352
Interest income	115,002	77,136
Dividends income	<u>13,856</u>	<u>-</u>
	<u>\$ 169,887</u>	<u>\$ 91,488</u>

(II) Other Gains and Losses	2019	2018
Profit (loss) from financial assets and financial liabilities		
Financial assets enforced at fair value through profit or loss	(\$ 15,008)	\$ -
Financial liabilities held for trading	97,017	89,284
Loss on the recovery of corporate bonds	(187,228)	-
Subsidy income	87,550	-
Net foreign currency exchange loss	(117,782)	46,859
Proceeds from actual settlement of litigation	-	19,654
Gains on bargain purchase - acquisition of subsidiaries (Note 31)	29,913	56,174
Gains from disposal of property, plant and equipment	4,762	20,611
Impairment loss	(66,814)	-
Others	984,350	851,542
	<u>\$ 816,760</u>	<u>\$ 1,084,124</u>
(III) Financial Costs	2019	2018
Interest on bank notes	\$348,296	\$302,883
Interest on lease liabilities	76,184	-
Imputed interests of bonds payable	149,450	182,126
	<u>\$573,930</u>	<u>\$485,009</u>
(IV) Depreciation and Amortization Expense	2019	2018
Depreciation of property, plant, and equipment	\$ 620,974	\$ 458,367
Depreciation of right-of -use assets	764,494	-
Amortization expense of intangible assets	1,425,749	1,185,520
Amortization of long-term advance lease payments	-	1,194
	<u>\$ 2,811,217</u>	<u>\$ 1,645,081</u>
Depreciation expense summary by function		
Operating cost	\$ 302,694	\$ 146,009
Operating expense	1,082,774	312,358
	<u>\$ 1,385,468</u>	<u>\$ 458,367</u>
Amortization expense summary by functions		
Operating cost	\$ 247,173	\$ 134,203
Operating expense	1,178,576	1,052,511
	<u>\$ 1,425,749</u>	<u>\$ 1,186,714</u>

(V) Employee Benefits Expense

	<u>2019</u>	<u>2018</u>
Post-retirement benefit		
Defined contribution plan	\$ 250,854	\$ 157,018
Defined benefit plan	13,686	8,094
Salary, incentive, and bonus	11,028,507	8,702,093
Other employee benefits	<u>471,381</u>	<u>285,476</u>
	<u>\$ 11,764,428</u>	<u>\$ 9,152,681</u>
Summary by function		
Operating cost	\$ 1,251,713	\$ 720,929
Operating expense	<u>10,512,715</u>	<u>8,431,752</u>
	<u>\$ 11,764,428</u>	<u>\$ 9,152,681</u>

(VI) Remuneration of Employees and Directors

According to the provisions of the Article of Incorporation, the Company shall allocate not less than 2% of the profit before tax for employee remuneration and not more than 2% of the profit before tax for director remuneration, before deducting the profit before tax of the distributed remuneration of employees and directors in the current year. The Board of Directors resolved the remuneration of employees and directors in 2019 and 2018 on Mar. 30, 2020 and Mar. 29, 2019, as follows:

Estimated ratio

	<u>2019</u>	<u>2018</u>
Bonus of employees	3.3%	3.0%
Bonus of directors	0.3%	0.3%

Amount

	<u>2019</u>	<u>2018</u>
Bonus of employees	<u>\$ 36,726</u>	<u>\$ 33,116</u>
Bonus of directors	<u>\$ 3,060</u>	<u>\$ 3,060</u>

If there is any change in the amount after the date of issuance of the annual consolidated financial report, it shall be treated according to the change in accounting estimates and adjusted and recorded in the next year.

There is no difference between the actual distribution amount of employee bonuses and director bonuses in 2018 and 2017 and the recognized amount of consolidated financial reports in 2018 and 2017.

For information on the bonus of employees and directors as resolved by the Company's Board of Directors in 2020 and 2019, please visit to the Market Observation Post System of TWSE.

(VII) Foreign Exchange Gains and Losses

	<u>2019</u>	<u>2018</u>
Total foreign exchange gains	\$ 581,817	\$ 688,513
Total foreign exchange losses	(<u>699,599</u>)	(<u>641,654</u>)
Net (loss) gain	<u>(\$ 117,782)</u>	<u>\$ 46,859</u>

XXVIII. Income Tax

(I) Income Tax Recognized in Profit and Loss

The main components of income tax expenses are as follows:

	<u>2019</u>	<u>2018</u>
Current income tax		
Incurred in the current period	\$ 996,371	\$ 816,241
Surtax on unappropriated retained earnings	17,101	34,485
Land value increment tax	328	-
Adjustment of previous years	(27,265)	(4,698)
Deferred income tax		
Incurred in the current period	(200,887)	(71,369)
Changes in tax rate	<u>-</u>	<u>(14,725)</u>
Income tax expense recognized in profit and loss	<u>\$ 785,648</u>	<u>\$ 778,822</u>

The adjustment of accounting income and current income tax expense is as follows

	<u>2019</u>	<u>2018</u>
Profit before tax	<u>\$ 3,811,956</u>	<u>\$ 3,617,641</u>
Income tax of profit before tax calculated at the legal tax rate	\$ 960,655	\$ 882,651
Non-deductible tax expense	442,552	303,332
Tax exempt income	(174,480)	(164,262)
Surtax on unappropriated retained earnings	17,101	34,485
Land value increment tax	328	-
Overseas profit repatriated to withholding tax	7,876	-
Unrecognized temporary differences	(102,064)	(282,238)
Investment tax credit	(2,704)	(3,418)
Effect of different tax rates on consolidated entities	(350,765)	27,985
Unrecognized deficit deduction	14,414	(290)
Adjustment of current income tax expenses of previous years in the current period	(27,265)	(4,698)
Changes in tax rate	<u>-</u>	<u>(14,725)</u>
Income tax expense recognized in profit and loss	<u>\$ 785,648</u>	<u>\$ 778,822</u>

In 2018, the Income Tax Act of the R.O.C. was amended to adjust the business income tax rate from 17% to 20%. The amendment also stipulates that the tax rate applicable to the undistributed earnings in 2018 will be reduced from 10% to 5%.

The applicable tax rate of subsidiaries in China is 25%; the tax arising from other jurisdictions is calculated according to the applicable tax rate in the respective jurisdictions.

(II) Income Tax Recognized in Other Comprehensive Income

	<u>2019</u>	<u>2018</u>
<u>Deferred income tax</u>		
Changes in tax rate	\$ -	\$ -
Incurred in the current period		
- Unrealized gain and loss of financial assets measured at fair value through other comprehensive income	14,820	9,880
- Remeasurement of defined benefit plan	<u>2,159</u>	<u>2,086</u>
Income tax recognized in other comprehensive income	<u>\$ 16,979</u>	<u>\$ 11,966</u>

(III) Deferred Income Tax Assets and Liabilities

Changes in deferred income tax assets and liabilities are as follows:

2019

	Opening balance of the year	Acquired through business combination	Recognized in profit and loss	Recognized in other comprehensive income	Exchange differences	Ending balance of the year
Deferred income tax assets						
Allowance for inventory price loss	\$ 193,025	\$ 51,021	\$ 3,440	\$ -	(\$ 6,242)	\$ 241,244
Deficit deduction	767,982	-	4,134	-	(24,530)	747,586
Bad debt loss	41,774	-	16,922	-	(1,865)	56,831
Liability reserve	393,512	23,595	(144,159)	-	(7,922)	265,026
Others	52,992	7,214	125,287	14,820	(6,135)	194,178
	<u>\$ 1,449,285</u>	<u>\$ 81,830</u>	<u>\$ 5,624</u>	<u>\$ 14,820</u>	<u>(\$ 46,694)</u>	<u>\$ 1,504,865</u>
Deferred income tax liabilities						
Defined benefit retirement plan	\$ 771	\$ -	\$ 2,004	(\$ 2,159)	\$ -	\$ 616
Fiscal and tax differences	213,395	103,633	(4,856)	-	(3,651)	308,521
Asset revaluation	309,497	-	(168,082)	-	(4,493)	136,922
Others	14,921	30,505	(22,172)	-	(270)	22,984
	<u>\$ 538,584</u>	<u>\$ 134,138</u>	<u>(\$ 195,263)</u>	<u>(\$ 2,159)</u>	<u>(\$ 8,414)</u>	<u>\$ 469,043</u>

2018

	Opening balance of the year	Acquired through business combination	Recognized in impairment	Recognized in other comprehensive income	Exchange differences	Ending balance of the year
Deferred income tax assets						
Allowance for inventory price loss	\$ 148,737	\$ 13,191	\$ 37,716	\$ -	(\$ 6,619)	\$ 193,025
Deficit deduction	603,216	-	174,540	-	(9,774)	767,982
Bad debt loss	4,757	41,774	(4,757)	-	-	41,774
Liability reserve	441,403	36,336	(77,475)	-	(6,752)	393,512
Others	30,790	49,828	(49,554)	9,880	12,048	52,992
	<u>\$ 1,228,903</u>	<u>\$ 141,129</u>	<u>\$ 80,470</u>	<u>\$ 9,880</u>	<u>(\$ 11,097)</u>	<u>\$ 1,449,285</u>
Deferred income tax liabilities						
Defined benefit retirement plan	\$ 616	\$ -	\$ 2,241	(\$ 2,086)	\$ -	\$ 771
Fiscal and tax differences	193,279	42,870	(19,653)	-	(3,101)	213,395
Asset revaluation	257,841	46,452	7,896	-	(2,692)	309,497
Others	-	11,029	3,892	-	-	14,921
	<u>\$ 451,736</u>	<u>\$ 100,351</u>	<u>(\$ 5,624)</u>	<u>(\$ 2,086)</u>	<u>(\$ 5,793)</u>	<u>\$ 538,584</u>

(IV) Deduction Amount of Unused Loss of Deferred Income Tax Assets not Recognized in the Consolidated Balance Sheets

	2019	2018
Deficit deduction	<u>\$ 30,149</u>	<u>\$ 1,362,980</u>

(V) Information on Unused Deficit Deduction

As of Dec. 31, 2019, information on deficit deduction is as follows:

Balance before deduction	Final year of deduction
\$ 54,014	2022
20,938	2023
27,652	2024
38,208	2025
30,946	2026
61,492	2027
6,411	2028
28,859	2029
2,641	2034
5,132	2035
2,175	2036
6,702	2038
<u>\$ 285,170</u>	

(VI) Summary Amount of Temporary Differences Related to Investment and Unrecognized Deferred Income Tax Liabilities

As of Dec. 31, 2019, and 2018, the taxable temporary differences related to investment subsidiaries and not recognized as deferred income tax liabilities are NT\$1,834,070 thousand, and NT\$4,020,480 thousand respectively.

(VII) Verification of Income Tax

The tax collection authority has verified the declaration of business income tax settlement of the Company, Ennoconn International Investment Co., Ltd., Goldtek Technology Co., Ltd., Thecus Technology Corp., Caswell Inc., and Marketech International Corp. up to 2017.

XXIX. Earnings per Share

The earnings and the weighted average number of shares of common stock used to calculate the earnings per share are as follows:

Net profit

	<u>2019</u>	<u>2018</u>
Net income attributable to owners of the Company	\$ 1,080,242	\$ 1,094,298
Impacts of potential common stock with dilution effect		
The after-tax interest of convertible bonds	<u>119,560</u>	<u>145,701</u>
Net profit used to calculate diluted earnings per share	<u>\$ 1,199,802</u>	<u>\$ 1,239,999</u>

No. of shares unit: 1,000 shares

	<u>2019</u>	<u>2018</u>
The weighted average number of common stocks used to calculate basic earnings per share	81,742	76,686
Impacts of potential common stock with dilution effect		
Convertible bonds	29,202	16,396
Bonus of employees	<u>180</u>	<u>161</u>
The weighted average number of common stocks used to calculate diluted earnings per share	<u>111,124</u>	<u>93,243</u>

If the Company has the option to issue the employee bonus in stocks or cash when calculating the diluted earnings per share, it is assumed that the employee bonus will adopt the method of issuing stocks, and the weighted average number of outstanding shares will be included in the calculation of diluted earnings per share when the potential common stocks are diluted. When calculating the diluted earnings per share prior to the issuance of employee bonus stocks in the next annual resolution of the Board of Directors, the dilutive effect of such potential common stocks shall continue to be considered.

XXX. Share-based Payment Agreement

(I) The cash capital increase case of subsidiary Caswell Inc. before the stock listing, per Article 267 of the Company Act, 15% of 1,200 thousand shares shall be reserved for employee subscription with the tentative subscription price at NT\$101 per share. Among them, the transfer of restricted stock options shall not be allowed until three months after the listing and trading of shares. In addition, the transfer of treasury stocks in 2019 shall be subscribed by employees.

Caswell Inc. adopts the Black-Scholes option evaluation model to estimate the fair value of the share-based payment on the grant date.

The information on employee stock options is as follows:

Employee stock options	2019		2018	
	Unit (1,000)	Weighted average exercise price (\$)	Unit (1,000)	Weighted average exercise price (\$)
Opening outstanding	-	\$ -	-	\$ -
Granted this period	393	85.02	999	101
Lost this period	-	-	-	-
Exercised this period	(393)	85.02	(999)	101
Ending outstanding	<u>-</u>		<u>-</u>	

In 2018, based on the fair value of the equity commodity granted by Caswell Inc. on the grant date, the salary compensation expenses are recognized as NT\$3,723 thousand and used as an addition to the capital surplus. The Company recognizes the estimated capital increase of NT\$1,442 thousand for all changes in the equity of the subsidiary based on the shareholding ratio.

(II) The subsidiary, Marketech International Corp., provides stock option plan for its supervisors and senior employees.

The share option plan of Marketech International Corp. and its subsidiary - ADAT as of Dec. 31, 2019, is as follows:

Issuing company	Type of agreement	Grant date	Grant amount (1,000 shares)	Contract period	Vested conditions
Marketech	Employee stock option plan	Sep. 11, 2015	3,956	6 years	Service for 2 ~ 4 years
Marketech - ADAT	" (Plan 1)	Apr. 1, 2019	436	6 years	Service for 0 ~ 2 years
"	" (Plan 2)	Sep. 1, 2019	314	6 years	Service for 0 ~ 2 years

The above share-based payment agreements are all share-based payment transactions with equity settlement.

1. Marketech International Corp.

All outstanding vested stock options are measured on a market price basis on the acquisition date. The option is priced by the Black-Scholes valuation model. The inputs used in the valuation model are as follows:

Type of agreement	Stock option plan
Stock value on grant date (\$)	\$ 19.60
Exercise price (\$)	\$ 19.60
Expected volatility	34.91%
Duration	4.375 years
Expected dividends yield	0%
Risk-free interest rate	0.81%
Fair value per unit (\$)	\$ 5.8326

The information on employee stock options is as follows:

Employee stock options	2019		2018	
	Unit (1,000)	Weighted average exercise price (\$)	Unit (1,000)	Weighted average exercise price (\$)
Opening outstanding	1,325	\$ 16.70	-	\$ -
Acquisition through business combinations	-	-	2,031	-
Granted this period	-	-	-	-
Lost this period	(14)	-	(56)	-
Exercised this period	(763)	15.84	(650)	16.70
Ending outstanding	<u>548</u>	15.70	<u>1,325</u>	16.70
Exercisable at the end of the year	<u>548</u>		<u>83</u>	

2. The Subsidiary of Marketech - ADAT

All outstanding vested stock options are measured on a market price basis on the acquisition date. The option is priced by the Black-Scholes valuation model. The inputs used in the valuation model are as follows:

Type of agreement	Plan I	Plan II
Stock value on grant date (\$)	\$ 10.00	\$ 10.00
exercise price (\$)	\$ 10.00	\$ 10.00
Expected volatility	47.77%	44.29%
Duration	3.550 years	3.550 years
Expected dividends yield	0%	0%
Risk-free interest rate	0.61%	0.54%
Fair value per unit (\$)	\$ 2.4727	\$ 2.7873

The information on employee stock options is as follows:

Employee stock options	2019	
	Unit (1,000)	Weighted average Exercise price (\$)
Opening outstanding	-	\$ -
Acquisition through business combinations	750	10
Granted this period	-	-
Lost this period	-	-
Exercised this period	(<u>201</u>)	10
Ending outstanding	<u>549</u>	10
Exercisable at the end of the year	<u>24</u>	

XXXI. Business Combination

(I) Acquisition of Subsidiaries

	Main operating activities	Date of acquisition	The proportion of acquisitions with voting rights (%)	Transfer consideration
Sunlit Precision Technology Co., Ltd. and subsidiaries (hereinafter referred to as Sunlit Precision)	Metal stamping and casting industry	2019.01.15	40.30	\$ 358,484
EPRO DE	Internet of things industry	2019.03.01	100.00	80,616
EPRO HU	Internet of things industry	2019.03.01	86.00	-
APLIGO	Sales of netcom products	2019.04.01	52.00	32,387
Kapsch (Kapsch Carrier Com and Kapsch Public Transport Com)	Internet of things industry	2019.06.01	100.00	1
XTRO Holding GmbH	Information technology services	2019.06.01	100.00	33,886
Hawkeye Tech Co., Ltd.	Computer and peripheral commodity wholesale trade	2019.07.01	40.00	405,000
BASS Systems S.R.L.	Information technology services	2019.08.01	51.00	437,649
AIS Automation Dresden GmbH	Internet of things industry	2019.11.01	100.00	439,257
KCC Kapsch Group	Information technology services	2018.04.01	100.00	22,390
Active Internet Performance	Information technology services	2018.05.01	100.00	17,740

	<u>Main operating activities</u>	<u>Date of acquisition</u>	<u>The proportion of acquisitions with voting rights (%)</u>	<u>Transfer consideration</u>
Marketch International Corp. and subsidiaries (hereinafter referred to as Marketch)	High-tech industry facility and process system planning and integration services	2018.05.15	46.79	4,924,648
Vecow Co., Ltd. (hereinafter referred to as Vecow)	Manufacturing, processing, trading, import and export of communication machinery, electronic equipment, and electronic devices	2018.06.29	100.00	98,366
Exceet Group	Internet of things industry	2018.07.28	100.00	772,098
Fair Value	Information technology services	2018.08.01	100.00	29,608
Inocybe	Embedded system services	2018.08.01	100.00	152,159

The acquisition of such companies by the consolidated company is to expand the Group's business and acquire relevant development, design, and production technology.

(II) Assets Acquired and Liabilities Assumed on the Acquisition Date 2019

	<u>Sunlit Precision</u>	<u>Kapsch (Kapsch Carrier Com and Kapsch Public Transport Com)</u>	<u>Hawkeye</u>	<u>Bass Systems SRL</u>	<u>AIS Automation Dresden GmbH</u>	<u>Others</u>
Current assets						
Cash and cash equivalents	\$ 522,392	\$ 363,357	\$ 53,584	\$ 96,302	\$ 70,754	\$ 22,590
Notes and accounts receivable	295,758	750,063	113,204	410,196	66,415	51,633
Other receivables	14,933	66,519	2,607	271	19,946	28,889
Inventories	123,904	347,787	131,359	61,768	42,916	75,263
Prepayments	20,513	121,496	-	15,839	5,784	711
Current income tax assets	-	306,808	-	78	-	2,239
Contract assets	-	447,985	-	-	1,609	-
Others	-	2,726	39,070	11,342	-	279
Non-current assets						
Property, plant, and equipment	\$ 57,997	\$ 185,903	\$ 51,308	\$ 5,369	\$ 106,606	\$ 17,683
Right-of-use assets	39,463	279,174	23,196	2,565	4,677	18,560
Intangible assets	-	252,298	30,571	252,599	41,895	42,494
Deferred income tax assets	-	66,428	182	5,864	5,231	4,125
Others	-	168,720	4,989	4,995	9,709	12
Current liabilities						
Notes and accounts payable	(159,628)	(582,578)	(94,419)	(115,974)	(36,093)	(35,772)
Other payables	(9,796)	(340,144)	(36,481)	(382,092)	(41,118)	(28,643)
Current income tax liabilities	(33,163)	(125,122)	(9,775)	(9,146)	(11,768)	(1,790)
Lease liability	(22,411)	(94,056)	-	(2,565)	-	(15,295)
Liability reserve	-	(1,644,911)	-	(45,486)	(19,410)	(2,581)
Short-term loans	-	(737,458)	-	-	-	(41,295)
Contract liability	-	(846,761)	-	(2,724)	(45,397)	(2,011)
Others	(21,188)	-	(10,018)	-	-	(13,351)
Non-current liabilities						
Deferred income tax liabilities	-	(68,573)	-	(30,436)	(22,627)	(12,502)
Lease liability	(17,052)	(185,118)	(23,237)	-	(4,677)	(2,121)
Liability reserve	-	(415,373)	-	-	-	-
Others	-	(249,346)	(27,104)	-	(6,231)	(1,352)
	<u>\$ 811,722</u>	<u>(\$ 1,930,176)</u>	<u>\$ 249,036</u>	<u>\$ 278,765</u>	<u>\$ 188,221</u>	<u>\$ 107,765</u>

The initial accounting treatment for the acquisition of some companies on the balance sheet date is only provisional. At the date of issuance of this consolidated financial report, the required market evaluation and other calculations have not been completed. Therefore, the tentative value is only based on the best possible estimate of the management of the consolidated company.

The fair value of the accounts receivable from these companies in the merger transaction is close to the carrying amount, and there is no expected unrecoverable amount on the acquisition date.

2018

	Markettech	Vecow	KCC Kapsch Group	Exceet Group	Others
Current assets					
Cash and cash equivalents	\$ 1,935,003	\$ 44,078	\$ 57,849	\$ 38,610	\$ 38,956
Financial assets at fair value through profit or loss – current	65,300	11,240	-	-	-
Contract assets – current	3,225,826	-	-	-	-
Notes and accounts receivable	3,670,782	45,321	218,570	305,858	8,396
Other receivables	51,648	-	-	-	-
Inventories	3,042,843	85,847	13,512	778,689	4,017
Prepayments	574,112	-	-	-	-
Others	222,901	-	-	-	-
Non-current assets					
Financial assets at fair value through profit or loss - non-current	301,596	-	-	-	-
Investments under equity method	52,903	-	-	-	-
Property, plant, and equipment	2,043,907	85,850	14,811	198,354	12,482
Other intangible assets	11,409	-	-	-	-
Deferred income tax assets	141,129	-	-	-	-
Long-term advance lease payments	41,068	-	-	-	-
Others	51,802	7,993	24,208	141,551	41,321
Current liabilities					
Short-term loans	(\$ 1,475,545)	\$ -	\$ -	\$ -	\$ -
Contract liabilities – current	(2,818,334)	-	-	-	-
Notes and accounts payable	(4,491,262)	(182,450)	(195,316)	(507,551)	(84,813)
Other payables	(409,218)	-	-	-	-
Current income tax liabilities	(146,451)	-	-	-	-
Others	(55,669)	-	-	-	-
Non-current liabilities					
Bonds payable	(178,442)	-	-	-	-
Long-term loans	(200,000)	-	-	-	-
Net defined benefit liability	(153,576)	-	-	-	(48,894)
Deferred income tax liabilities	-	-	(52,147)	(70,246)	22,042
Others	-	-	(2,923)	(110,989)	30,373
	<u>\$ 5,503,732</u>	<u>\$ 97,879</u>	<u>\$ 78,564</u>	<u>\$ 774,276</u>	<u>\$ 23,880</u>

The initial accounting treatment for the acquisition of Markettech and Vecow is only provisional on the balance sheet date. At the date of issuance of this consolidated financial report, the required market evaluation and other calculations have not been completed. Therefore, the tentative value is only based on the best possible estimate of the management of the consolidated company.

The fair value of the accounts receivable from these companies in the merger transaction is close to the carrying amount, and there is no expected unrecoverable amount on the acquisition date.

(III) Goodwill Arising from Acquisition (gains on bargain purchase)
2019

	Sunlit Precision	Kapsch (Kapsch Carrier Com and Kapsch Public Transport Com)	Hawkeye	Bass Systems SRL	AIS Automation Dresden GmbH	Others
Transfer consideration						
Cash	\$ -	\$ 1	\$ 405,000	\$ -	\$ 439,257	\$ 139,171
Contingent consideration	-	-	-	437,649	-	-
Equity transaction agreement	<u>358,484</u>	-	-	-	-	<u>6,718</u>
	358,484	1	405,000	437,649	439,257	145,889
Add: Non-controlling interests	535,488	-	149,422	136,595	-	11,358
Less: Fair value of identifiable net assets acquired	(<u>811,722</u>)	<u>1,930,176</u>	(<u>249,036</u>)	(<u>278,765</u>)	(<u>188,221</u>)	(<u>107,764</u>)
	82,250	1,930,177	305,386	295,479	251,036	49,483
Gains on bargain purchase	-	-	-	-	-	<u>29,913</u>
Goodwill arising from acquisition	<u>\$ 82,250</u>	<u>\$ 1,930,177</u>	<u>\$ 305,386</u>	<u>\$ 295,479</u>	<u>\$ 251,036</u>	<u>\$ 79,396</u>

The goodwill arising from the acquisition mainly comes from control premium. In addition, the consideration paid for the merger includes the expected synergies of the merger, revenue growth, and future market development. However, such benefits do not meet the recognition criteria of identifiable intangible assets, so they are not recognized separately.

	2018				
	Marketech	Vecow	KKC Kapsch	Exceet Group	Others
Transfer consideration	\$ 4,924,648	\$ 98,366	\$ 22,390	\$ 1,083,132	\$ 251,940
Add: Non-controlling interests	3,081,884	-	-	-	-
Less: Fair value of identifiable net assets acquired	(5,792,292)	(97,879)	(78,564)	(774,276)	(23,920)
Goodwill arising from acquisition (gains on bargain purchase)	\$ 2,214,240	\$ 487	(\$ 56,174)	\$ 308,856	\$ 228,020

(IV) Acquisition of Net Cash Outflow (inflow) from Subsidiaries
2019

	Sunlit Precision	Kapsch (Kapsch Carrier Com and Kapsch Public Transport Com)	Hawkeye	Bass Systems SRL	AIS Automation Dresden GmbH	Others
Consideration paid in cash	\$ -	\$ 1	\$ 405,000	\$ -	\$ 439,257	\$ 139,171
Cash and cash equivalents acquired	(522,392)	(363,357)	(53,584)	(96,302)	(70,754)	(22,590)
	(\$ 522,392)	(\$ 363,356)	\$ 351,416	(\$ 96,302)	\$ 368,503	\$ 116,581

	2018				
	Marketech	Vecow	KKC Kapsch	Exceet Group	Others
Consideration paid in cash	\$ 4,924,648	\$ 98,366	\$ 22,390	\$ 1,083,132	\$ 251,940
Cash and cash equivalents acquired	(1,935,003)	(44,078)	(57,849)	(4,630)	(72,936)
	\$ 2,989,645	\$ 54,288	(\$ 35,459)	\$ 1,078,502	\$ 179,004

(V) The Impact of Business Combination on Operating Results
2019

Since the acquisition date, the operating results of the acquired company are as follows:

	Sunlit Precision	Kapsch (Kapsch Carrier Com and Kapsch Public Transport Com)	Hawkeye	Bass Systems SRL	AIS Automation Dresden GmbH	Others
Operating revenue	\$ 906,204	\$ 2,373,247	\$ 420,606	\$ 347,883	\$ 94,015	\$ 374,374
Net profit	\$ 28,147	\$ 379,239	\$ 50,214	\$ 38,353	\$ 692	\$ 14,276

2018

Since the acquisition date, the operating results of the acquired company are as follows:

	Marketech	Vecow	KKC Kapsch	Exceet Group	Others
Operating revenue	\$ 15,654,188	\$ 397,747	\$ 418,091	\$ 972,878	\$ 76,411
Net profit	\$ 468,154	\$ 51,589	(\$ 26,208)	\$ 19,301	(\$ 22,887)

XXXII. Equity Transactions with Non-controlling Interests

EIH increased its equity investment in S&T AG in Feb. 2018, resulting in an increase in the overall shareholding ratio of EIH and Ennoconn International from 22.33% to 24.29%. During the period from May to Sep. 2018, due to the failure to subscribe to the cash capital increase according to the shareholding ratio, resulting in a decrease of the shareholding ratio of S&T AG to 24.11%. In Oct. 2018, EIH transferred all of its 49% KCI equity to S&T AG and attained an increase in the overall shareholding ratio to 26.61%. From Jul. to Dec. 2019, S&T AG successively executed the repurchase of treasury stocks, resulting in an increase in the overall shareholding ratio to 26.93%.

S&T AG increased its investment in its subsidiaries in 2019 and 2018, resulting in changes in the shareholding ratio.

In Apr. 2018, Ennoconn Technology and Ennoconn International did not subscribe to the cash capital increase of Caswell, resulting in a decrease of the shareholding ratio from 38.73% to 34.18%. In Dec. 2018, due to the execution of the repurchase of treasury stocks by Caswell, resulting in an increase in the overall shareholding ratio to 34.48%. In Dec. 2018, Caswell carried out the transfer of treasury stocks, resulting in a decrease in the

overall shareholding ratio to 34.48%.

Marketech increased its equity due to the exercise of stock options in 2019, resulting in a decrease in Ennoconn International shareholdings from 45.21% to 44.69%.

In Apr. 2019, Nanjing Asiatek did not subscribe to the cash capital increase of Shenzhen Asiatek, resulting in a decrease of the shareholding ratio from 100% to 80%. In Dec. 2019, due to the reduction of investment, the shareholding ratio decreased from 80% to 70%.

Ennoconn International increased its investment in Taiwan Applied Module Corp. in Aug. 2019, resulting in an increase of shareholding ratio from 60% to 100%.

As the above transaction does not change the control over the Company, it is regarded as an equity transaction.

2019

	Marketech	S&T AG	Nanjing Asiatek	Taiwan Applied	Caswell
Cash consideration (paid) received	\$ -	(\$ 837,979)	\$ 20,246	(\$ 24,629)	\$ -
Carrying amount of net assets of subsidiaries shall be transferred out (in) non-controlling equity based on relative equity change	(<u>19,685</u>)	<u>777,036</u>	(<u>16,354</u>)	<u>22,650</u>	<u>8,461</u>
Difference in equity transactions	<u>(\$ 19,685)</u>	<u>(\$ 60,943)</u>	<u>\$ 3,892</u>	<u>(\$ 1,979)</u>	<u>\$ 8,461</u>

2018

	S&T AG	The subsidiary of S&T AG	Caswell
Cash consideration paid	(\$ 445,963)	(\$ 279,479)	\$ -
Carrying amount of net assets of subsidiaries shall be transferred out (in) non-controlling equity based on relative equity change	(<u>645,194</u>)	<u>58,868</u>	<u>246,825</u>
Difference in equity transactions	<u>(\$ 1,091,157)</u>	<u>(\$ 220,611)</u>	<u>\$ 246,825</u>

XXXIII. Non-cash Transactions

In 2018, the Company converted convertible bonds into share capital and capital surplus, with a total impact of NT\$423,638 thousand.

XXXIV. Capital Risk Management

Based on the characteristics of the current operating industry and the development of the Company in the future, as well as factors such as changes in the external environment, the consolidated company plans the working capital and dividends expenses needed by the consolidated company in the future, to ensure that the consolidated company can continue to operate and maintain the best capital structure, to maximize the remuneration of shareholders and improve the value of shareholders in the long run.

To maintain or adjust the capital structure, the consolidated company may adjust the amount of dividends paid to shareholders or issue new shares. Moreover, the consolidated company is not subject to other external capital requirements.

XXXV. Financial Instruments

(I) Fair Value Information - financial instruments not measured at fair value

Except as listed in the table below, the consolidated company's management believes that the carrying amount of financial assets and financial liabilities not measured at fair value approaches their carrying amount.

	Dec. 31, 2019	
	Carrying amount	Fair value
<u>Financial liabilities</u>		
Financial liabilities at amortized cost:		
- Convertible bonds	<u>\$ 7,079,439</u>	<u>\$ 7,801,080</u>

Dec. 31, 2018

	Carrying amount	Fair value
<u>Financial liabilities</u>		
Financial liabilities at amortized cost:		
- Convertible bonds	<u>\$ 7,342,766</u>	<u>\$ 7,416,674</u>

(II) Fair Value Information - financial instruments measured at fair value on recurring basis
1. Fair value level
Dec. 31, 2019

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 11,260	\$ -	\$ 11,260
Equity instrument investments				
Listed (TPEX) stocks	77,421	-	-	77,421
Non-listed (Non-TPEX-listed) and emerging stocks	-	-	472,658	472,658
Fund beneficiary voucher	600	-	4,720	5,320
Overseas corporate bonds/convertible bonds	<u>33,043</u>	<u>-</u>	<u>38,490</u>	<u>71,533</u>
Total	<u>\$ 111,064</u>	<u>\$ 11,260</u>	<u>\$ 515,868</u>	<u>\$ 638,192</u>
<u>Financial assets measured at fair value through other comprehensive income</u>				
Equity instrument investments				
Listed (TPEX) stocks	\$ 39,160	\$ -	\$ -	\$ 39,160
Non-listed (Non-TPEX-listed) and emerging stocks	-	-	328,893	328,893
Total	<u>\$ 39,160</u>	<u>\$ -</u>	<u>\$ 328,893</u>	<u>\$ 368,053</u>
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	<u>\$ -</u>	<u>\$ 49,002</u>	<u>\$ -</u>	<u>\$ 49,002</u>

Dec. 31, 2018

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 6	\$ -	\$ 6
Equity instrument investments				
Listed (TPEX) stocks	100,496	-	-	100,496
Non-listed (Non-TPEX-listed) and emerging stocks	-	-	379,824	379,824
Overseas convertible bonds	<u>-</u>	<u>-</u>	<u>23,646</u>	<u>23,646</u>
Total	<u>\$ 100,496</u>	<u>\$ 6</u>	<u>\$ 403,470</u>	<u>\$ 503,972</u>
<u>Financial assets measured at fair value through other comprehensive income</u>				
Equity instrument investments				
Listed (TPEX) stocks	\$ 40,880	\$ -	\$ -	\$ 40,880
Non-listed (Non-TPEX-listed) and emerging stocks	-	-	323,342	323,342
Total	<u>\$ 40,880</u>	<u>\$ -</u>	<u>\$ 323,342</u>	<u>\$ 364,222</u>
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	<u>\$ -</u>	<u>\$ 16,609</u>	<u>\$ -</u>	<u>\$ 16,609</u>

There was no transfer between Level 1 and Level 2 fair value measurements in 2019 and 2018.

2. Adjustment of financial instruments measured by Level 3 fair value
2019

Financial assets	Measured at fair value through profit or loss			Financial assets measured at fair value through other comprehensive income Measured at fair value Financial assets	
	Derivatives	Equity instruments	Total	Equity instruments	Total
Opening balance of the year	\$ 23,646	\$ 379,824	\$ 403,470	\$ 323,342	\$ 726,812
Business combination					
Recognized in profit or loss (other gains and losses)	(2,922)	34,780	31,858		31,858
Recognized in other comprehensive income (unrealized gain and loss of financial assets measured at fair value through other comprehensive income)				(84,551)	(84,551)
Purchase (including transfer in of advance investment payments)	50,803	64,827	115,630	209,752	214,871
Disposal/settlement	-	(2,047)	(2,047)	-	(2,047)
Differences in translation of foreign currency	6	(6)	-	(9,519)	(9,139)
Ending balance of the year	<u>\$ 71,533</u>	<u>\$ 477,378</u>	<u>\$ 548,911</u>	<u>\$ 328,893</u>	<u>\$ 877,804</u>
Changes in unrealized profits or losses of the year related to the assets held at the end of the year are recognized in profit or loss.	<u>(\$ 2,922)</u>	<u>\$ 34,780</u>	<u>\$ 31,858</u>	-	<u>\$ 31,858</u>

2018

Financial assets	Measured at fair value through profit or loss			Financial assets measured at fair value through other comprehensive income	
	Derivatives	Equity instruments	Total	Equity instruments	Total
Opening balance of the year	\$ -	\$ -	\$ -	\$ 291,958	\$ 291,958
Business combination	-	301,596	301,596	-	301,596
Recognized in profit or loss (other gains and losses)	-	31,431	31,431	-	31,431
Recognized in other comprehensive income (unrealized gain and loss of financial assets measured at fair value through other comprehensive income)	-	-	-	(49,400)	(49,400)
Purchase (including transfer in of advance investment payments)	23,646	51,200	74,846	75,000	149,846
Disposal/settlement	-	(4,403)	(4,403)	-	(4,403)
Differences in translation of foreign currency	-	-	-	5,784	5,784
Ending balance of the year	<u>\$ 23,646</u>	<u>\$ 379,824</u>	<u>\$ 403,470</u>	<u>\$ 323,342</u>	<u>\$ 726,812</u>
Changes in unrealized profits or losses of the year related to the assets held at the end of the year are recognized in profit or loss.	<u>\$ -</u>	<u>\$ 31,431</u>	<u>\$ 31,431</u>	-	<u>\$ 31,431</u>

3. Valuation technique and the input of Level 2 fair value measurement

Classification of financial instruments	Valuation technique and input
Derivative instruments – swap contracts, forward foreign exchange contracts, foreign currency option contracts, and interest rate swap contracts	Cash flow discount method: Estimate the future cash flow according to the observable forward exchange rate on the balance sheet date and the exchange rate stipulated in the contract, and discount them respectively at the discount rate that can reflect the credit risk of each counterpart.
Derivatives - options to repurchase and resell of convertible bonds	With the binary tree model for convertible bonds valuation, the assessment is carried out based on the volatility of conversion price, risk-free interest rate, risk discount rate, and the number of remaining years.
Private equity placement of domestic listed companies	The determination of fair value is based on the observable market price of the underlying subject and the option pricing model.

4. Valuation technique and the input of Level 3 fair value measurement

The domestic and overseas non-listed (OTC) equity investment adopts the income approach to calculate the present value of the expected income from holding the investment by discounting the cash flow.

(III) Classification of Financial Instruments

	Dec. 31, 2019	Dec. 31, 2018
<u>Financial assets</u>		
Measured at fair value through profit or loss		
Enforced at fair value through profit or loss	\$ 638,192	\$ 503,972
Financial assets measured at amortized cost (Note 1)	37,422,395	30,864,166
Financial assets measured at fair value through other comprehensive income (equity instrument investments)	368,053	364,222
<u>Financial liabilities</u>		
Fair value through loss and profit (held for trading)	49,002	16,609
Measured at amortized cost (Note 2)	45,191,313	40,536,336

Note 1: The balance refers to financial assets measured at amortized cost, including cash and cash equivalents, debt instrument investment, notes receivable, accounts receivable, other receivables, and guarantee deposits paid.

Note 2: The balance refers to the financial liabilities measured at amortized cost, including long-term and short-term loans, accounts payable, other payables (excluding salary and bonus payable), bonds payable, and guarantee deposits and margins received.

(IV) Objectives and Policies of Financial Risk Management

The consolidated company's main financial instruments include equity and debt instrument investment, accounts receivable, accounts payable, bonds payable, bank notes and lease liabilities. The financial management department of the consolidated company provides services to all business units, coordinates the entry into domestic and international financial markets, and supervises and manages the financial risks related to the operation of the consolidated company by analyzing the exposure of risk degree and extent. These risks include market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

1. Market Risks

Due to the consolidated company's operating activities, the main financial risks borne by the consolidated company are fluctuation in foreign exchange risk (see (1) below) and interest rate change risk (see (2) below).

There is no change in the consolidated company's exposure to market risks of financial instruments and how such exposure is managed and measured.

(1) Exchange Rate Risk

The consolidated company's sales and purchase transactions are denominated in foreign currency; as a consequence, the consolidated company is exposed to the risk of fluctuation in the exchange rate.

Please refer to Note 40 for the carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies (including monetary items denominated in a non-functional currency in the consolidated financial statements) on the balance sheet date.

Sensitivity Analysis

The consolidated company is mostly affected by the fluctuation of the US dollar exchange rate.

The table below details the sensitivity analysis of the consolidated company when the exchange rate of the New Taiwan Dollars (the functional currency) increases and decreases by 1% for each relevant foreign currency. 1% is the sensitivity ratio used internally to report exchange rate risk to the management, and also represents the management's evaluation of the reasonable range of possible changes in foreign currency exchange rate. The sensitivity analysis only includes the outstanding foreign currency monetary items, and its conversion at the end of the period is adjusted by 1% of the fluctuation in exchange. The amount in the table below indicates the amount that will reduce the profit before tax when the New Taiwan Dollars appreciates by 1% relative to each relevant currency; when the New Taiwan Dollars depreciates by 1% relative to each corresponding foreign currency, its impact on the profit before tax will be a positive number of the same amount.

	The impact of the US dollar	
	2019	2018
Loss and profit	(\$ 34,258) (i)	(\$ 31,135) (i)

(i) It is mainly derived from the net asset position of US dollar-denominated cash, receivables, and payables and short-term loans that are still outstanding on the balance sheet date of the consolidated company without cash flow hedging.

The increase in the exchange rate sensitivity of the consolidated company in 2019 and 2018 is mainly due to the increase in net assets position in the US dollar.

(2) Interest Rate Risk

Because the consolidated company borrows funds at both fixed and floating interest rates, interest rate risk arises.

The carrying amounts of the consolidated company's financial assets and financial liabilities subject to interest rate exposure on the balance sheet date are as follows:

	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Interest rate risk with fair value		
- Financial liabilities	\$ 7,079,439	\$ 7,354,532
Interest rate risk with cash flows		
- Financial assets	17,970,184	12,089,086
- Financial liabilities	17,956,627	12,712,757

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments on the balance sheet date. For assets and liabilities with floating rates, the analysis assumes the outstanding amount of assets and liabilities on the balance sheet date are outstanding throughout the reporting period. The rate of change used internally in reporting interest rates to the management is the 1% increase or decrease in interest rates, which also represents the management's evaluation of the reasonable range of possible changes in interest rates.

If the interest rate increases/decreases by 1%, and all other variables remain unchanged, the consolidated company's profit before tax in 2019 will decrease/increase by NT\$135 thousand, mainly due to the consolidated company's net position of variable interest rate bank deposits and variable interest rate loans.

If the interest rate increases/decreases by 1%, and all other variables remain unchanged, the consolidated company's profit before tax in 2018 will decrease/increase by NT\$6,237 thousand, mainly due to the consolidated company's net position of variable interest rate bank deposits and variable interest rate loans.

The decrease in the sensitivity of the consolidated company to interest rates in the current period is mainly due to the increase in bank deposits at variable interest rates.

(3) Other Price Risk

The consolidated company has equity price exposure arising from the holding of domestic and oversea listed stocks and funds. The consolidated company has appointed a specific team to monitor the price risk and assess when it is necessary to increase the risk hedging position.

Sensitivity Analysis

The following sensitivity analysis is based on the equity price exposure at the balance sheet date.

If the equity price increases/decreases by 1%, the profit and loss before tax in 2019 will increase/decrease by NT\$6,382 thousand due to the increase/decrease of the fair value of financial assets at fair value through profit or loss. In 2019, other comprehensive income before tax will increase/decrease by NT\$3,681 thousand due to the increase/decrease of the fair value of financial assets measured at fair value through other comprehensive income.

If the equity price increases/decreases by 1%, the profit and loss before tax in 2018 will increase/decrease by NT\$5,040 thousand due to the increase/decrease of the fair value of financial assets at fair value through profit or loss. In 2018, other comprehensive income before tax will increase/decrease by NT\$3,642 thousand due to the increase/decrease of the fair value of financial assets measured at fair value through other comprehensive income.

2. Credit Risk

Credit risk refers to the risk of financial loss of the Group caused by the counterparty's default of contractual obligations. As of the balance sheet date, the consolidated company's maximum credit risk exposure that may cause financial losses due to the failure of the counterparty to fulfill the obligation and the financial guarantee provided by the consolidated company is mainly from:

- (1) The carrying amount of financial assets recognized in the Consolidated Balance Sheets.
- (2) The maximum amount that the consolidated company may need to pay for providing a financial guarantee and the possibility of occurrence is not taken into account.

To mitigate credit risk, the management of the consolidated company has assigned a special team to determine the credit line, credit approval, and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, the consolidated company will review the recoverable amount of the receivables one by one on the balance sheet date to ensure that the unrecoverable receivables have been recognized with appropriate impairment loss. Accordingly, the consolidated company's management believes that the consolidated company's credit risk has been significantly reduced.

Accounts receivable cover a large number of customers, scattered in different industries and geographical areas. Due to the large and scattered customer base, the concentration of credit risk is not high.

3. Liquidity Risk

The consolidated company manages and maintains sufficient cash positions and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. The management of the consolidated company supervises the use of the bank's financing line and ensures compliance with the terms of the loan contract.

The bank note is an important source of liquidity for the consolidated company. Please refer to the following (2) description of financing lines for the unused financing lines of the consolidated company as of Dec. 31, 2019, and 2018.

- (1) Table of liquidity and interest rate risk for non-derivative financial liabilities

The maturity analysis of the remaining contracts of non-derivative financial liabilities is based on the undiscounted cash flow (including principal and interest) of the financial liabilities on the earliest possible repayment date of the consolidated company.

The undiscounted interest amount of the interest cash flow paid at a floating interest rate is derived from the interest rate on the balance sheet date.

Dec. 31, 2019

	Within 6 months (inclusive)	Over 6 months Up to 1 year	Over 1 year
<u>Non-derivative financial liabilities</u>			
No interest-bearing liabilities	\$ 22,366,253	\$ -	\$ -
Lease liabilities	452,743	580,704	3,079,284
Instruments with floating interest rates	6,580,664	4,454,843	7,113,936
Instruments with fixed interest rates	-	-	7,079,439

Further information on the maturity analysis of lease liabilities is as follows:

	Within 1 year	1 ~ 5 years	5 ~ 10 years	10 ~ 15 years	15 ~ 20 years	Over 20 years
Lease liabilities	<u>\$1,033,447</u>	<u>\$1,738,926</u>	<u>\$1,340,359</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Dec. 31, 2018

	Within 6 months (inclusive)	Over 6 months Up to 1 year	Over 1 year
<u>Non-derivative financial liabilities</u>			
No interest-bearing liabilities	\$ 22,666,227	\$ 14,141	\$ 842
Instruments with floating interest rates	9,201,965	2,915,666	1,864,255
Instruments with fixed interest rates	7,354,532	-	-

(2) Table of liquidity and interest rate risk for non-derivative financial liabilities

For the liquidity analysis of derivative financial instruments, for the derivative instruments adopting net settlement, it is prepared based on undiscounted contract net cash inflow and outflow. For the derivative instruments adopting total settlement, it is made based on undiscounted total cash inflow and outflow. When the amount payable or receivable is not fixed, the amount disclosed is determined based on the estimated interest rate projected by the yield curve on the balance sheet date.

Dec. 31, 2019

	Within 6 months (inclusive)	Over 6 months Up to 1 year	Over 1 year
<u>Net settlement</u>			
Foreign currency option contract	\$ 1,282	\$ -	\$ -
Forward exchange contract	<u>23,002</u>	<u>-</u>	<u>-</u>
	<u>\$ 24,284</u>	<u>\$ -</u>	<u>\$ -</u>

Dec. 31, 2018

	Within 6 months (inclusive)	Over 6 months Up to 1 year	Over 1 year
<u>Net settlement</u>			
Foreign currency option contract	(\$ 245)	\$ -	\$ -
Forward exchange contract	<u>5,111</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,866</u>	<u>\$ -</u>	<u>\$ -</u>

(3) Financing line

	Dec. 31, 2019	Dec. 31, 2018
Unsecured bank notes line		
- Amount used	\$ 16,436,129	\$ 12,261,655
- Amount unused	<u>18,517,707</u>	<u>10,419,454</u>
	<u>\$ 34,953,836</u>	<u>\$ 22,681,109</u>
Secured bank notes line		
- Amount used	\$ 1,520,498	\$ 451,102
- Amount unused	<u>1,344,114</u>	<u>1,720,458</u>
	<u>\$ 2,864,612</u>	<u>\$ 2,171,560</u>

XXXVI. Related Party Transactions

Transactions, account balances, gains and expenses between the Company and its subsidiaries (which are related parties of the Company) are eliminated in full on consolidation, so they are not disclosed in this note.

Transactions between the consolidated company and other related parties are as follows:

(I) Name of Related Party and Relationships

Name of related party	Relationship with the consolidated company
Hon Hai Precision Industry Co., Ltd.	Associates
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Associates
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Associates
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Associates
Hongfujin Precision Electronics (Henyang) Co., Ltd.	Associates
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Associates
Hongfujin Precision Electronics (Guizhou) Co., Ltd.	Associates
Hongfujin Precision Electronics (Guiyang) Co., Ltd.	Associates
Hongfujin Precision Electronics (Jiyuan) Co., Ltd.	Associates
Hongfujin Precision Electronics (Henyang) Co., Ltd.	Associates
Hongfusheng Precision Electronics (Yantai) Co., Ltd.	Associates
Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Associates
Hongfujin Precision Industry (Taiyuan) Co., Ltd.	Associates
Cloud Network Technology Singapore Pte.	Associates
Chung-Hsin Electric and Machinery Manufacturing Corp	Associates
WT Microelectronics Co., Ltd.	Associates
Macrotec Technology Corp.	Associates
Glory Technology Service Inc.	Associates
Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	Associates
Hong Kong Ennopower Information Technology Co., Ltd.	Associates
Kang Zhun Electronic Technology (Kunshan) Co., Ltd.	Associates
Shenzhen Yuzhan Precision Technology Co., Ltd.	Associates
Shenzhen Ennopower Information Technology Co., Ltd.	Associates
Shenzhen Fugui Precision Industrial Co., Ltd.	Associates
Hongqing Precision Machinery Co., Ltd.	Associates
Hongfujin Precision Electronics (Yantai) Co., Ltd.	Associates
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Associates
Foxconn (Nanjing) Software Co., Ltd.	Associates
Futaihua Industry (Shenzhen) Co., Ltd.	Associates
Futaihua Industry (Zhengzhou) Co., Ltd.	Associates
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Associates
FIH Precision Component (Beijing) Co., Ltd.	Associates
Forward Science Corporation	Associates
Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Associates
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Associates
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Associates
Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Associates
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Associates
Foxconn Brasil Industria e Comercio Ltda.	Associates
Foxconn CZ s.r.o	Associates
Macrotec Technology (Shanghai) Co. Ltd.	Associates
Tekcon Electronics Corp.	Associates
First Special Material (Shenzhen) Holding Limited	Associates
G-Tech Optoelectronics Corp.	Associates

Name of related party	Relationship with the consolidated company
Anpinda Precision Industry (Huizhou) Co., Ltd.	Associates
Chung-Hsin Electric and Machinery Manufacturing Corp. (Jiangsu)	Associates
Kunshan Fuchengke Precision Electrical Co., Ltd.	Associates
Wuhan Yuzhan Precision Technology Co., Ltd.	Associates
Henan Yuzhan Precision Technology Co., Ltd.	Associates
STS Glory Technology Corp.	Associates
Fujun Material Technology (Shenzhen) Co., Ltd.	Associates
Fuzhun Precision Electronics (Hebi) Co., Ltd.	Associates
Futaihua Precision Electronics (Jincheng) Co., Ltd.	Associates
Fuguikang Precision Electronics (Guizhou) Co., Ltd.	Associates
Ingrasys Technology Inc.	Associates
Foxconn Group Hengyang Cailun Technology Park Trade Union Committee	Associates
Fuding Precision Component (Shenzhen) Co., Ltd.	Associates
Futaijing Precision Electronics (Beijing) Co., Ltd.	Associates
Nanjing U-GYM Technology Corp.	Associates
STS Glory Technology Corp.	Associates
Flnet Co., Ltd.	Associates
Foxnum Technology Co., Ltd.	Associates
Hon Ling Technology Co., Ltd.	Associates
Foxconn Technology Group Trade Union Federation	Associates
Innolux Corporation	Associates
Hong Zhun Precision Tooling (Kunshan) Co., Ltd.	Associates
Fujin Precision Industry (Jincheng) Co., Ltd.	Associates
Chongqingshi Guanzhuo Technology Co., Ltd.	Associates
Chongqing Fugui Electronics Co., Ltd.	Associates
Socle Technology Corp.	Associates
ProbeLeader Co., Ltd.	Associates
Guizhou Funayuanchaung Science And Technology Co., Ltd.	Associates
Hon Hai Precision Industry Co., Ltd. Hsinchu Park Branch	Associates
UER Technology (Shenzhen) Corporation	Associates
Foxconn Technology Group Trade Union Co., Ltd.	Associates
Brilliant Network & Automation Integrated System Co., Ltd.	Associates

(II)	Operating Revenue		
Item	Category/name of related parties	2019	2018
Sales revenue	<u>Associates</u>		
	Futaihua Industry (Shenzhen) Co., Ltd.	\$ 353,829	\$ 1,196,932
	Hon Hai Precision Industry Co., Ltd.	417,835	589,997
	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	1,228,212	831,878
	Henan Yuzhan Precision Technology Co., Ltd.	470,645	-
	Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	726,324	319,392
	Others	154,268	37,942
Construction revenue	Associates	<u>543,775</u>	<u>175,855</u>
		<u>\$3,894,888</u>	<u>\$3,151,996</u>

The sales transaction price of the consolidated company to the related parties is determined according to the agreement of both parties, and the collection policy is the payment term of two months.

(III) Purchase and Processing Costs

Category/name of related parties	2019	2018
Associates		
Hon Hai Precision Industry Co., Ltd.	\$ 4,916,160	\$ 7,038,364
Others	<u>282,926</u>	<u>206,973</u>
	<u>\$ 5,199,086</u>	<u>\$ 7,245,337</u>

The sales transaction price of the consolidated company to the related parties is determined according to the agreement of both parties, and the payment policy is one to two months of monthly settlement.

(IV) Receivables from Related Parties (excluding loans)

Item	Related party type/name	Dec. 31, 2019	Dec. 31, 2018
Accounts receivable - related parties	<u>Associates</u>		
	Futaihua Industry (Shenzhen) Co., Ltd.	\$ 5,252	\$ 183,862
	Hon Hai Precision Industry Co., Ltd.	19,510	100,677
	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	258,342	166,623
	Hong Kong Ennpower Information Technology Co., Ltd.	126,784	104,333
	Henan Yuzhan Precision Technology Co., Ltd.	445,929	-
	Others	<u>353,910</u>	<u>6,371</u>
		<u>\$ 1,209,727</u>	<u>\$ 561,866</u>

The outstanding receivables from related parties are not guaranteed. Receivables from related parties in 2019 and 2018 have not been recognized for bad debts expense.

(V) Accounts Payable to Related Parties (excluding loans from related parties)

Item	Category/name of related parties	Dec. 31, 2019	Dec. 31, 2018
Accounts payable	<u>Associates</u>		
	Hon Hai Precision Industry Co., Ltd.	\$ 1,142,252	\$ 1,576,404
	Others	<u>170,441</u>	<u>106,672</u>
		<u>\$ 1,312,692</u>	<u>\$ 1,683,076</u>
Expense payable (account for other payable)	Associates Other payables	<u>\$ 82,135</u>	<u>\$ 213,008</u>

The balance of the outstanding payables to related parties is not guaranteed and will be settled in cash.

(VI) Endorsements

Endorsements/Guarantees for Others

Category/name of related parties	Dec. 31, 2019	Dec. 31, 2018
Innovative Systems Integration Limited	\$ 1,499,000	\$ -
Dexatek Technology Ltd.	304,900	254,144
Thecus Technology Corp.	200,000	100,000
HighAim Technology Inc.	419,720	706,445
HighAim Technology Inc.	\$ 194,870	\$ 92,145
The subsidiary of S&T AG	5,294,991	5,2019,896
The subsidiary of Marketech International Corp.	4,543,411	4,236,980
	<u>\$ 12,456,892</u>	<u>\$ 10,498,610</u>

(VII) Remuneration of Key Management

	2019	2018
Short-term employee benefits	\$ 275,698	\$ 228,792
Post-retirement benefits	4,804	2,455
Other long-term employee benefits	-	-
Share-based payment	-	-
	<u>\$ 280,502</u>	<u>\$ 231,247</u>

The Remuneration Committee determines the remuneration of directors and other key management according to the individual performance and market trends.

XXXVII. Pledged Assets

The following assets of the consolidated company are the collateral for the financing loans and the security deposit of the tariff collaterals for importing raw materials:

	Dec. 31, 2019	Dec. 31, 2018
Pledged time deposits (recognized as financial assets measured at amortized cost)	\$ 48,852	\$ 4,374
Pledged demand deposits (recognized as other financial assets)	190,385	279,245
Accounts receivable	347,586	443,601
Inventory	200	-
Land	63,316	80,728
Buildings - net amount	274,903	540,383
Right-of-use assets	40,078	-
Advance lease payments	-	84,829
Refundable deposits	124,268	68,834
Others	34,313	166,168
	<u>\$ 1,123,901</u>	<u>\$ 1,668,162</u>

XXXVIII. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) The material commitments and contingencies of the consolidated company on the balance sheet date are the total future minimum lease payments of the consolidated company's non-cancellable operating leases. Please refer to Note 36.

(II) As of Dec. 31, 2019, the Group has issued NT\$2,152 thousand of bills and guarantees for project performance and tariff guarantee.

XXXIX. Significant Subsequent Events

(I) The Company plans a cash capital increase of its subsidiary Ennoconn Investment Holding Co., Ltd. for an estimated total amount of US\$2,000

thousand.

- (II) The Company plans to increase the investment in ASI Cayman Technology Group through its subsidiary, Ennoconn Investment Holding Co., Ltd., for an estimated total amount of US\$6,700 thousand.

XL. Information on Foreign Currency Assets and Liabilities with Material Effect

The following information is summarized and expressed in foreign currencies other than the functional currency of each entity of the consolidated company. The disclosed exchange rate refers to the exchange rate converted from such foreign currencies to the functional currency. Foreign currency assets and liabilities with material effect are as follows:

Dec. 31, 2019

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 206,019	29.98 (USD:NTD)	\$ 6,176,437
USD	85,365	1.1204 (USD:EUR)	2,559,244
USD	42,880	0.1433 (USD:RMB)	1,285,544
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	122,771	29.98 (USD:NTD)	3,680,684
USD	66,306	1.1204 (USD:EUR)	1,987,852
USD	30,915	0.1433 (USD:RMB)	926,844

Dec. 31, 2018

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 215,814	30.715 (USD:NTD)	\$ 6,628,736
USD	70,266	1.146 (USD:EUR)	2,158,227
USD	36,431	0.145 (USD:RMB)	1,118,973
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	137,530	30.715 (USD:NTD)	4,224,234
USD	72,614	1.146 (USD:EUR)	2,230,352
USD	11,000	0.145 (USD:RMB)	337,865

The foreign currency exchange (loss) gains (realized and unrealized) of the consolidated company in 2019 and 2018 were NT\$(117,782) thousand and NT\$46,859 thousand respectively. Due to the variety of foreign currency transactions and functional currencies of the Group individual entities, the exchange gains and losses could not be disclosed according to the foreign currencies with material impact.

XLI. Supplementary Disclosures

- (I) Information Related to Material Transactions and (II) Information on Reinvestment
1. Loans to others. (Table 1)
 2. Endorsements/Guarantees for others (Table 2)
 3. Securities held at the end of the period (excluding investment in subsidiaries, affiliated companies, and joint ventures). (Table 3)
 4. Cumulative purchase or sale of the same securities amounted to NT\$300 million or more than 20% of the paid-in capital. (Table 4)

5. Acquisition of real estate reached NT\$300 million or more than 20% of the paid-in capital. (None)
 6. Disposal of real estate reached NT\$300 million or more than 20% of the paid-in capital. (None)
 7. Amount of goods purchased or sold with related parties reached NT\$100 million or more than 20% of the paid-in capital. (Table 5)
 8. Receivables from related parties amounted to NT\$100 million or more than 20% of paid-in capital. (Table 6)
 9. Derivative transactions (Note 7 and 35)
 10. Others: The business relationship among parent and subsidiaries and between subsidiaries, and significant transactions and amounts. (Table 7)
 11. Investee information. (Table 8)
- (II) Information on Investments in Mainland China:
1. Name of the invested company in mainland China, main business items, paid-in capital, investment method, outward and inward remittance of the fund, shareholding ratio, current profit and loss, investment profit and loss recognized, ending investment carrying amount, repatriation of investment profit and loss and investment limit in mainland China. (Table 9)
 2. The following material transactions with the mainland Chinese invested company, directly or indirectly through the third region, and their prices, payment terms, unrealized profits, and losses: (Note 39 and Table 1, 2, 5, 6 and 7)
 - (1) Purchase amount and percentage and ending balance and percentage of related payables.
 - (2) Sales amount and percentage and ending balance and percentage of related receivables.
 - (3) The amount of property transactions and the amount of profit and loss generated.
 - (4) The ending balance of the period and the purpose of bill endorsement, or provision of collateral.
 - (5) The maximum balance of financing, the ending balance of the period, the interest rate interval, and the total interest of the current period.
 - (6) Other transactions that have a material effect on the current profit and loss or financial situation, such as the provision or acceptance of labor services.

XLII. Segment information

The information provided by the consolidated company to the key business decision-makers is for resource allocation and performance evaluation of the segments, focusing on the product types offered. In 2019 and 2018, the consolidated company mainly engaged in the manufacturing and sales of data storage, processing equipment and industrial motherboard, network communication, and factory electromechanical system services.

(I) Revenue and Operating Results of the Segment

The consolidated company shall report the revenue and operating results of the segment as follows:

	Segment revenue		Segment profit and loss	
	2019	2018	2019	2018
Industrial computer software and hardware sales segment	\$ 12,461,064	\$ 11,585,313	\$ 1,093,622	\$ 901,978
Information system segment	42,660,568	35,223,782	1,045,318	1,100,270
Network communication production and marketing segment	4,803,355	4,575,070	343,277	373,471
Factory management system and electromechanical system service segment	24,506,593	14,912,580	730,609	493,478
Other segments	<u>5,851,036</u>	<u>5,477,284</u>	47,513	71,271
Total	90,282,616	71,774,029		
Elimination of inter department transactions	(<u>8,776,400</u>)	(<u>2,811,570</u>)		
Total	<u>\$ 81,506,216</u>	<u>\$ 68,962,459</u>		
Other income			169,887	91,488
Miscellaneous income			1,892,525	1,068,528
Interest expenses			(573,930)	(485,009)
Miscellaneous expenses			(958,757)	(14,779)
Share of profit and loss of associates under equity method			<u>21,892</u>	<u>16,945</u>
Profit before tax			<u>\$ 3,811,956</u>	<u>\$ 3,617,641</u>

Revenue reported above is generated from transactions with external customers. Segment profit and loss refer to the profit earned by each segment, excluding rental income, interest income, dividends income, profit and loss on disposal of an investment, profit and loss on the evaluation of financial assets, miscellaneous income, interest expense, impairment loss, miscellaneous expense, the share of profit and loss of associates under equity method and income tax expense. This measured amount is provided to the key business decision-makers to allocate resources to segments and assess their performance.

(II) Assets and Liabilities of the Segment

The information on assets and liabilities of the consolidated company is not provided to the business decision-makers, so the measured amount of the assets and liabilities of the segment to be disclosed is zero.

(III) Income from Main Products and Services

The income analysis of the main products and services of the consolidated company is as follows:

	2019	2018
Production and marketing of motherboard	\$ 9,505,359	\$ 11,561,874
Motherboard maintenance	929	16,700
Production and marketing of network communication	4,331,021	4,247,762
Information system software and hardware integration services	38,656,855	35,223,782
Factory management and electromechanical system service	24,182,625	14,675,155
Others	<u>4,829,427</u>	<u>3,237,186</u>
	<u>\$ 81,506,216</u>	<u>\$ 68,962,459</u>

(IV) Regional Information

The consolidated company operates mainly in three regions - Taiwan, China, and Europe.

The income from external customers of the consolidated company is classified according to the operating location and the non-current assets are listed as follows according to the location of the assets:

	Income from external customers		Non-current assets	
	2019	2018	Dec. 31, 2019	Dec. 31, 2018
Taiwan	\$ 19,813,221	\$ 29,281,632	\$ 5,878,386	\$ 4,837,084
China	12,066,709	3,850,398	417,189	485,304
Europe	39,383,396	28,280,702	7,642,628	4,993,891
Others	10,242,890	7,549,927	2,366,084	2,356,195
Total	<u>\$ 81,506,216</u>	<u>\$ 68,962,459</u>	<u>\$ 16,304,287</u>	<u>\$ 12,672,474</u>

Non-current assets do not include financial assets at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, investment under equity method, goodwill, advance investment payments, refundable deposits, net defined benefit assets, and deferred income tax assets.

(V) Major Customers Information

Details of major customers accounting for more than 10% of net consolidated sales revenue in 2019 and 2018 are as follows:

Customer Name	2019		2018	
	Amount	% of operating revenue	Amount	% of operating revenue
Company A	\$ 6,102,358	7.49%	\$ 6,904,385	10.01%

Ennoconn Corporation and Subsidiaries
Loans to Others
Jan. 1 to Dec. 31, 2019

Table 1

Unit: NT\$1,000

No. (Note 1)	Granting company	Borrower	Transaction item	Related party or not	Maximum balance of current period (Note 3)	Ending balance (Note 3)	Actual expenditure	Interest rate interval %	Nature of loan (Note 2)	Transaction amount	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Loans limits to individual party	Total loan limit	Remark
													Name	Value			
1	Caswell Inc.	Beijing Caswell Ltd.	Other receivable - related parties	Yes	\$ 14,990	\$ 14,990	\$ 14,990	2	1	\$ 142,802	Not applicable	\$ -	None	\$ -	\$ 142,802	\$ 485,644	
1	Caswell Inc.	Apligo GmbH	Other receivables - related parties	Yes	23,984	23,984	23,984	2.45	2	-	Operating turnover	-	None	-	242,822	485,644	
2	S&T AG, Austria	S&T Crna Gora d.o.o., Montenegro	Other receivables - related parties	Yes	146	146	-	3	2	-	Operating turnover	-	None	-	13,208,733	13,208,733	
2	S&T AG, Austria	Dorobet Ltd., Malta	Other receivables - related parties	Yes	11,757	11,757	11,757	5	2	-	Operating turnover	-	None	-	5,283,493	5,283,493	
2	S&T AG, Austria	S&T Services Bel LLC	Other receivables - related parties	Yes	21,162	21,162	12,764	3	2	-	Operating turnover	-	None	-	13,208,733	13,208,733	
2	S&T AG, Austria	S&T Serbia doo	Other receivables - related parties	Yes	30,231	30,231	-	3	2	-	Operating turnover	-	None	-	13,208,733	13,208,733	
2	S&T AG, Austria	S& Deutschland GmbH, Germany	Other receivables - related parties	Yes	39,636	39,636	26,872	3	2	-	Operating turnover	-	None	-	13,208,733	13,208,733	
2	S&T AG, Austria	S&T Consulting Hungary Kft., Hungary	Other receivables - related parties	Yes	56,431	49,377	42,323	3	2	-	Operating turnover	-	None	-	13,208,733	13,208,733	
2	S&T AG, Austria	S&T Slovakia sro	Other receivables - related parties	Yes	50,385	50,385	-	3	2	-	Operating turnover	-	None	-	13,208,733	13,208,733	
2	S&T AG, Austria	Kontron Austria GmbH	Other receivables - related parties	Yes	140,070	140,070	132,278	3	2	-	Operating turnover	-	None	-	5,283,493	5,283,493	
2	S&T AG, Austria	S&T CEE Holding s.r.o., Slowakei	Other receivables - related parties	Yes	487,055	453,465	438,350	5	2	-	Operating turnover	-	None	-	13,208,733	13,208,733	
2	S&T AG, Austria	Kontron Modular Computers SAS	Other receivables - related parties	Yes	100,770	100,770	83,975	3	2	-	Operating turnover	-	None	-	5,283,493	5,283,493	
2	S&T AG, Austria	RTSoft, AO, Russia	Other receivables - related parties	Yes	45,538	45,538	45,538	4	2	-	Operating turnover	-	None	-	5,283,493	5,283,493	
2	S&T AG, Austria	RTSoft, AO, Russia	Other receivables - related parties	Yes	33,590	33,590	33,590	5	2	-	Operating turnover	-	None	-	5,283,493	5,283,493	
2	S&T AG, Austria	S&T Romania S.R.L., Romania	Other receivables - related parties	Yes	307,786	297,037	172,469	3	2	-	Operating turnover	-	None	-	13,208,733	13,208,733	
2	S&T AG, Austria	Funworld gmbh, Austria	Other long-term receivables - other investments	No	12,764	12,764	11,421	3.00-4.00	2	-	Operating turnover	-	None	-	5,283,493	5,283,493	
2	S&T AG, Austria	Kontron Europe GmbH	Other receivables - related parties	Yes	181,386	181,386	181,386	3	2	-	Operating turnover	-	None	-	5,283,493	5,283,493	
2	S&T AG, Austria	Kontron Electronics Kft.	Other receivables - related parties	Yes	30,231	30,231	27,208	3	2	-	Operating turnover	-	None	-	5,283,493	5,283,493	
2	S&T AG, Austria	Kontron Transportation Austria AG	Other receivables - related parties	Yes	839,750	839,750	497,132	3	2	-	Operating turnover	-	None	-	13,208,733	13,208,733	
2	S&T AG, Austria	S&T Bulgaria e.o.o.d	Other receivables - related parties	Yes	8,398	8,398	8,398	3	2	-	Operating turnover	-	None	-	13,208,733	13,208,733	

(continued on next page)

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No. (Note 1)	Granting company	Borrower	Transaction item	Related party or not	Maximum balance of current period (Note 3)	Ending balance (Note 3)	Actual expenditure	Interest rate interval %	Nature of loan (Note 2)	Transaction amount	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Loans limits to individual party	Total loan limit	Remark
													Name	Value			
2	S&T AG, Austria	Kontron America Inc.	Other receivables - related parties	Yes	\$ 453,021	\$ 453,021	\$ 453,021	3	2	\$ -	- Operating turnover	\$ -	None	\$ -	\$ 5,283,493	\$ 5,283,493	
2	S&T AG, Austria	Kontron electronics GmbH (DE)	Other receivables - related parties	Yes	256,947	83,975	71,379	3	2	-	- Operating turnover	-	None	-	5,283,493	5,283,493	
2	S&T AG, Austria	Kontron Transportation Belgium NV	Other receivables - related parties	Yes	107,488	107,488	107,488	3	2	-	- Operating turnover	-	None	-	13,208,733	13,208,733	
3	KONTRON EUROPE GMBH	Kontron S&T AG	Other receivables - related parties	Yes	1,070,311	1,070,311	1,070,311	1.54-2.583	2	-	- Operating turnover	-	None	-	4,512,432	4,512,432	
4	Kontron Technology A/S	Kontron S&T AG	Other receivables - related parties	Yes	21,896	-	-	0	2	-	- Operating turnover	-	None	-	-	-	
5	Kontron S&T AG	Kontron Asia Pacific Design Sdn. Bhd.	Other receivables - related parties	Yes	577,067	572,180	138,935	1.2	2	-	- Operating turnover	-	None	-	4,754,326	4,754,326	
6	S&T Mazedonien	S&T AG, Austria	Other receivables - related parties	Yes	25,193	18,475	18,475	1	2	-	- Operating turnover	-	None	-	125,371	125,371	
7	Marketech International Corp.	eZoom Information, Inc.	Other receivables - related parties	Yes	50,000	-	-	-	2	-	- Operating turnover	-	None	-	2,320,005	2,320,005	
7	Marketech International Corp.	Marketech Integrated Construction Co., Ltd.	Other receivables - related parties	Yes	27,808	26,382	26,382	4.616	2	-	- Operating turnover	-	None	-	2,320,005	2,320,005	
8	MIC-Tech Viet Nam Co., Ltd.	Marketech Co., Ltd.	Other receivables - related parties	Yes	3,660	3,510	3,510	6.250	2	-	- Operating turnover	-	None	-	22,074	22,074	
9	Shanghai MIC-Tech Electronic Engineering Corp.	Fuzhou MIC-Tech Electronic Engineering Corp.	Other receivables - related parties	Yes	3,206	1,722	1,722	5.0025	2	-	- Operating turnover	-	None	-	406,605	406,605	
9	Shanghai MIC-Tech Electronic Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Other receivables - related parties	Yes	54,959	38,744	38,744	4.785-5.0025	2	-	- Operating turnover	-	None	-	203,303	406,605	
9	Shanghai MIC-Tech Electronic Engineering Corp.	MIC-Tech (Wuxi) Co., Ltd.	Other receivables - related parties	Yes	64,119	-	-	-	2	-	- Operating turnover	-	None	-	406,605	406,605	
10	MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Other receivables - related parties	Yes	50,369	34,439	34,439	4.785-5.0025	2	-	- Operating turnover	-	None	-	301,065	301,065	
11	Marketech Integrated Manufacturing Co., Ltd.	Marketech Integrated Construction Co., Ltd.	Other receivables - related parties	Yes	6,164	-	-	-	2	-	- Operating turnover	-	None	-	150,099	300,198	
12	AIS Cayman Technology Group	American Industrial Systems, Inc	Other receivables - related parties	Yes	29,980	29,980	29,980	3.5	2	-	- Operating turnover	-	None	-	160,182	160,182	

Note 1: (1) The issuer fills in 0.

(2) The investee company is numbered in sequence starting from Arabic numeral 1 according to the Company type.

Note 2: The filling method of nature of the loan is as follows:

(1) Please fill in 1 for business contacts.

(2) Please fill in 2 if there is a need for short-term financing.

Note 3: It refers to the loan amount approved by the Board of Directors.

Ennoconn Corporation and Subsidiaries
Endorsements/Guarantees for Others
Jan. 1 to Dec. 31, 2019

Table 2

Unit: Foreign currency/NT\$1,000

No.	Endorsement/guarantee provider name	Endorsed/guaranteed party		Limit on endorsements/guarantees provided for a single party	Maximum endorsement/guarantee balance for this period	Endorsement/guarantee closing balance	Actual expenditure	Amount of endorsements/guarantees collateralized by properties	Ratio of accumulated endorsements/guarantees to net worth in the latest financial statements (%)	Maximum endorsements/guarantees amount allowable	Endorsements/guarantees provided by parent company to subsidiary	Endorsements/guarantees provided by subsidiary to parent company	Endorsements/guarantees for Mainland China	Remark
		Company name	Relationship											
0	Ennoconn Corporation	Innovative Systems Integration Limited	Subsidiary	NT\$12,330,786 (limited to 150% of the Company's net worth)	NT\$899,400	NT\$899,400	NT\$2,998		11.05	NT\$16,441,048 (limited to 200% of the Company's net worth)	Y	N	Y	
0	Ennoconn Corporation	Innovative Systems Integration Limited	Subsidiary	NT\$12,330,786 (limited to 150% of the Company's net worth)	NT\$599,600	NT\$599,600	NT\$ -		7.37	NT\$16,441,048 (limited to 200% of the Company's net worth)	Y	N	Y	
0	Ennoconn Corporation	HighAim Technology Inc.	Subsidiary	NT\$12,330,786 (limited to 150% of the Company's net worth)	NT\$389,740	NT\$389,740	NT\$89,940		4.79	NT\$16,441,048 (limited to 200% of the Company's net worth)	Y	N	Y	
0	Ennoconn Corporation	HighAim Technology Inc.	Subsidiary	NT\$12,330,786 (limited to 150% of the Company's net worth)	NT\$194,870	NT\$194,870	NT\$ -		2.4	NT\$16,441,048 (limited to 200% of the Company's net worth)	Y	N	N	
0	Ennoconn Corporation	Dexatek Technology Ltd.	Subsidiary	NT\$12,330,786 (limited to 150% of the Company's net worth)	NT\$14,990	NT\$14,990	NT\$ -		0.18	NT\$16,441,048 (limited to 200% of the Company's net worth)	Y	N	N	
0	Ennoconn Corporation	Dexatek Technology Ltd.	Subsidiary	NT\$12,330,786 (limited to 150% of the Company's net worth)	NT\$290,000	NT\$290,000	NT\$60,000	-	3.56	NT\$16,441,048 (limited to 200% of the Company's net worth)	Y	N	N	
0	Ennoconn Corporation	Thecus Technology Corp.	Subsidiary	NT\$12,330,786 (limited to 150% of the Company's net worth)	NT\$200,000	NT\$200,000	NT\$75,000	-	2.46	NT\$16,441,048 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Technologies GmbH	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 65 NT\$2,183	Euro 65 NT\$2,183	Euro - NT\$ -	-	0.02	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S & T Plus sro	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 196.5 NT\$6,600	Euro 196 NT\$6,584	Euro - NT\$ -	-	0.05	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Austria GmbH	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 299 NT\$10,051	Euro 250 NT\$8,398	Euro 235 NT\$7,900	-	0.07	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Services GmbH	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 353 NT\$11,860	Euro 300 NT\$10,077	Euro - NT\$ -	-	0.08	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Europe GmbH	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 1,000 NT\$33,590	Euro 1,000 NT\$33,590	Euro - NT\$ -	-	0.27	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Slovenija d.d.	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 2,000 NT\$67,180	Euro 1,000 NT\$33,590	Euro - NT\$ -	-	0.27	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Bulgaria e.o.o.d.	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 3,037 NT\$102,013	Euro 795 NT\$26,704	Euro - NT\$ -	-	0.22	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Slovakia s.r.o.	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 4,000 NT\$134,360	Euro 4,000 NT\$134,360	Euro 2,536 NT\$85,168	-	1.09	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	

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No.	Endorsement/guarantee provider name	Endorsed/guaranteed party		Limit on endorsements/guarantees provided for a single party	Maximum endorsement/guarantee balance for this period	Endorsement/guarantee closing balance	Actual expenditure	Amount of endorsements/guarantees collateralized by properties	Ratio of accumulated endorsements/guarantees to net worth in the latest financial statements (%)	Maximum endorsements/guarantees amount allowable	Endorsements/guarantees provided by parent company to subsidiary	Endorsements/guarantees provided by subsidiary to parent company	Endorsements/guarantees for Mainland China	Remark
		Company name	Relationship											
1	S&T AG, Austria	S&T Smart Energy GmbH	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 4,700 NT\$157,873	Euro 4,200 NT\$141,078	Euro - NT\$ -	\$ -	1.14	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	diverse / Factoring CEE	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 20,000 NT\$671,800	Euro 15,000 NT\$503,850	Euro 6,099 NT\$204,881	-	4.08	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T CZ s.r.o.	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 1,768 NT\$59,400	Euro 1,764 NT\$59,256	Euro - NT\$ -	-	0.48	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Poland Sp.z.o.o.	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 9,413 NT\$316,171	Euro 9,374 NT\$314,874	Euro - NT\$ -	-	2.55	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Services Poland Sp.z.o.o.	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 9,413 NT\$316,171	EUR NTD	Euro - NT\$ -	-	2.55	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Belgium NV	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 2,801 NT\$94,076	Euro 2,776 NT\$93,236	Euro - NT\$ -	-	0.07-0.76	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 6,600 NT\$221,694	Euro 6,600 NT\$221,694	Euro 6,600 NT\$221,694	-	1.8	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 5,000 NT\$167,950	Euro 5,000 NT\$167,950	Euro 5,000 NT\$167,950	-	1.36	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 2,500 NT\$83,975	Euro 2,500 NT\$83,975	Euro - NT\$ -	-	0.68	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Anstion AG	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 17,000 NT\$574,389	Euro 15,125 NT\$508,057	Euro - NT\$ -	-	4.66	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Anstion AG	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 342 NT\$11,500	Euro 342 NT\$11,500	Euro - NT\$ -	-	0.09	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Albania Sh.p.k	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 300 NT\$10,077	Euro 300 NT\$10,077	Euro 66 NT\$2,222	-	0.08	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Consulting Hungary Kft.	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 15,869 NT\$533,046	Euro 15,869 NT\$533,046	Euro 1,297 NT\$43,566	-	4.32	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Electronics GmbH	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 300 NT\$10,077	Euro 300 NT\$10,077	Euro - NT\$ -	-	0.08	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron America Inc	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 18,367 NT\$616,953	Euro 17,932 NT\$602,349	Euro 3,652 NT\$122,670	-	5.00	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron S&T AG	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 8,200 NT\$275,438	Euro 4,000 NT\$134,360	Euro - NT\$ -	-	1.09	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Romania SRL	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 2,550 NT\$85,655	Euro 2,550 NT\$85,655	Euro 50 NT\$1,680	-	0.01-0.68	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	

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No.	Endorsement/guarantee provider name	Endorsed/guaranteed party		Limit on endorsements/guarantees provided for a single party	Maximum endorsement/guarantee balance for this period	Endorsement/guarantee closing balance	Actual expenditure	Amount of endorsements/guarantees collateralized by properties	Ratio of accumulated endorsements/guarantees to net worth in the latest financial statements (%)	Maximum endorsements/guarantees amount allowable	Endorsements/guarantees provided by parent company to subsidiary	Endorsements/guarantees provided by subsidiary to parent company	Endorsements/guarantees for Mainland China	Remark
		Company name	Relationship											
1	S&T AG, Austria	diverse / Factoring DACH	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 14,200 NT\$476,978	Euro 13,000 NT\$436,670	Euro 7,813 NT\$262,431	\$ -	3.54	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	ROSoft AO	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 737 NT\$24,755	Euro 737 NT\$24,755	Euro - NT\$ -	-	0.2	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	RTSoft Project OOO	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 2,890 NT\$97,079	Euro 2,890 NT\$97,079	Euro - NT\$ -	-	0.79	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Deutschland GmbH	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 600 NT\$20,154	Euro 400 NT\$13,436	Euro - NT\$ -	-	0.11	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T MEDTECH SRL (former GADA GROUP ROORMANIA SRL)	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 4,340 NT\$145,781	Euro 4,340 NT\$145,781	Euro 2,979 NT\$100,064	-	0.18	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Factoring Kontron Europe/Kontron Modular Computers SAS	Subsidiary	NT\$19,400,877 (limited to 150% of the Company's net worth)	Euro 30,000 NT\$1,007,700	Euro 25,000 NT\$839,750	Euro 16,720 NT\$561,632	-	8.17	NT\$25,867,836 (limited to 200% of the Company's net worth)	Y	N	N	
2	HighAim Technology Inc.	HighAim Technology Inc.	Subsidiary	NT\$526,059 (limited to 100% of the Company's net worth)	NT\$29,980	NT\$29,980	NT\$ -	-	5.72	NT\$526,059 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketech International Corp.	Marketech Integrated Pte Ltd.	Subsidiary	NT\$2,900,006 (limited to 50% of the Company's net worth)	NT\$36,484	NT\$17,084	NT\$5,661	-	0.30	NT\$5,800,013 (limited to 100% of the Company's net worth)	Y	N	N	
3	Marketech International Corp.	eZoom Information, Inc.	Subsidiary	NT\$2,900,006 (limited to 50% of the Company's net worth)	NT\$120,000	NT\$60,000	NT\$18,450	-	1.06	NT\$5,800,013 (limited to 100% of the Company's net worth)	Y	N	N	
3	Marketech International Corp.	Marketech International Sdn. Bhd.	Subsidiary	NT\$2,900,006 (limited to 50% of the Company's net worth)	NT\$245,720	NT\$239,840	NT\$ -	-	4.24	NT\$5,800,013 (limited to 100% of the Company's net worth)	Y	N	N	
3	Marketech International Corp.	Marketech International Corporation USA	Subsidiary	NT\$2,900,006 (limited to 50% of the Company's net worth)	NT\$125,560	NT\$119,920	NT\$ -	-	2.12	NT\$5,800,013 (limited to 100% of the Company's net worth)	Y	N	N	
3	Marketech International Corp.	MIC-Tech (Wuxi) Co., Ltd.	Subsidiary	NT\$2,900,006 (limited to 50% of the Company's net worth)	NT\$312,840	NT\$191,872	NT\$185,876	-	3.39	NT\$5,800,013 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketech International Corp.	MIC-Tech (Shanghai) Corp., Ltd.	Subsidiary	NT\$2,900,006 (limited to 50% of the Company's net worth)	NT\$1,096,052	NT\$815,306	NT\$7,647	-	14.41	NT\$5,800,013 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketech International Corp.	Shanghai MIC-Tech Electronic Engineering Corp.	Subsidiary	NT\$2,900,006 (limited to 50% of the Company's net worth)	NT\$1,571,232	NT\$1,536,251	NT\$1,075,132	-	27.15	NT\$5,800,013 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketech International Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Subsidiary	NT\$2,900,006 (limited to 50% of the Company's net worth)	NT\$507,461	NT\$359,319	NT\$188,099	-	6.35	NT\$5,800,013 (limited to 100% of the Company's net worth)	Y	N	Y	

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No.	Endorsement/guarantee provider name	Endorsed/guaranteed party		Limit on endorsements/guarantees provided for a single party	Maximum endorsement/guarantee balance for this period	Endorsement/guarantee closing balance	Actual expenditure	Amount of endorsements/guarantees collateralized by properties	Ratio of accumulated endorsements/guarantees to net worth in the latest financial statements (%)	Maximum endorsements/guarantees amount allowable	Endorsements/guarantees provided by parent company to subsidiary	Endorsements/guarantees provided by subsidiary to parent company	Endorsements/guarantees for Mainland China	Remark
		Company name	Relationship											
3	Marketech International Corp.	Special Triumph Sdn. Bhd.	A company with a contractual mutual-endorsement requirement for construction contracts	NT\$2,900,006 (limited to 50% of the Company's net worth)	NT\$12,741	NT\$ -	NT\$ -	\$ -	-	NT\$5,800,013 (limited to 100% of the Company's net worth)	N	N	N	
4	Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	Companies directly or indirectly held by the Company for more than 90% of voting rights	NT\$33,380 (limited to 150% of the Company's net worth)	NT\$7,933	NT\$ -	NT\$ -	-	-	NT\$33,380 (limited to 150% of the Company's net worth)	N	N	N	
5	Shanghai MIC-Tech Electronic Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	A company with a contractual mutual-endorsement requirement for construction contracts	NT\$1,524,768 (limited to 300% of the Company's net worth)	NT\$71,915	NT\$ -	NT\$ -	-	-	NT\$2,541,280 (limited to 500% of the Company's net worth)	N	N	Y	
5	Shanghai MIC-Tech Electronic Engineering Corp.	MIC-Tech (Shanghai) Corp., Ltd.	Companies directly or indirectly held by the Company for more than 90% of voting rights	NT\$1,524,768 (limited to 300% of the Company's net worth)	NT\$110,420	NT\$103,272	NT\$103,272	-	20.10	NT\$2,541,280 (limited to 500% of the Company's net worth)	N	N	Y	
5	Shanghai MIC-Tech Electronic Engineering Corp.	Marketech International Corp.	Companies directly or indirectly held by the Company for more than 50% of voting rights	NT\$1,524,768 (limited to 300% of the Company's net worth)	NT\$524,704	NT\$507,112	NT\$507,112	-	98.72	NT\$2,541,280 (limited to 500% of the Company's net worth)	N	Y	N	
6	MIC-Tech (Shanghai) Corp., Ltd.	Shanghai MIC-Tech Electronic Engineering Corp.	Companies directly or indirectly held by the Company for more than 90% of voting rights	NT\$1,128,993 (limited to 300% of the Company's net worth)	NT\$634,511	NT\$593,435	NT\$593,435	-	158.15	NT\$1,881,665 (limited to 500% of the Company's net worth)	N	N	Y	

Note 1: The conversion rate is the spot average exchange rate of the Bank of Taiwan on Dec. 31, 2019.

Note 2: Diverse/Factoring CEE includes S&T CZ, S&C CZ+(S&T+CZ), S&T HR, S&T SK and S&T SI, diverse/ Factoring DACH includes S&T Smart Energy GmbH, S&T Distribution GmbH, S&T EPS GmbH, BIT IT GmbH, S&T embedded GmbH, S&T Deutschland GmbH, S&T Services GmbH

Ennoconn Corporation and Subsidiaries
Securities Held at the End of the Period
Dec. 31, 2019

Table 3

Unit: NT\$1,000

Holding company	Type and name of securities	Relationship with the issuer of securities	Ledger account	End of period				Remark
				No. of shares/Unit	Carrying amount	Shareholding ratio %	Fair value	
Ennoconn International Investment Co., Ltd.	Winmate Inc.	None	Financial assets measured at fair value through other comprehensive income - current	712,000	\$ 35,600	-	<u>\$ 39,160</u>	
	Plus: Adjustment of financial assets valuation measured at fair value through other comprehensive income				<u>3,560</u>		<u>\$ 39,160</u>	
Goldtek Technology Co., Ltd.	Cloudtalk Inc.	None	Financial assets measured at fair value through other comprehensive income - non-current	484,260	\$ 123,501	12.81	\$ -	
Sunlit Precision Technology Co., Ltd.	Linka Group Limited	"	"	142,910	30,033	7.98	-	
Techno Precision (Shenzhen) Co., Ltd.	Miaoxin Tiancheng (Guangdong) Technology Co., Ltd.	"	"	9,408,000	67,065	16.00	67,065	
Ennoconn (Foshan) Investment Co., Ltd.	Venture Capital Investment Fund for Tech Innovation Smart Industry of Foshan City	"	"	RMB 36,902	158,796	18.57	158,796	
APLIGO	shares in Volksbank Karlsruhe	"	"	-	10	-	10	
Nanjing Asiatek Inc.	Shenzhen Execution System Technology Co., Ltd.	"	"	RMB 900	3,873	10.00	3,873	
HighAim Technology Inc.	Qingdao Bonin Fortune Access equipment Co., Ltd.	"	"	3,949,000	70,768	6.00	70,768	
S&T Hrvatska doo	Optima Telekom	"	"	Euro 105,433	3,541	-	3,541	
Kontron Austria GmbH	Others	"	"	Euro 9,038	304	-	304	
Secure Guard GmbH	Erste Immobilien Fonds	"	"	Euro 226,918	7,622	-	7,622	
S&T AG	Others	"	"	Euro 192,788	6,476	-	6,476	
S&T Slovenija d.d	Shares	"	"	Euro 7,656	258	-	258	
Diverse	Diverse	"	"	Euro 656	22	-	22	
AIS Automation Dresden	Others	"	"	Euro 302,411	<u>10,158</u>	-	<u>10,158</u>	
	Less: Adjustment of financial assets valuation measured at fair value through other comprehensive income				(<u>153,534</u>)			
					<u>\$ 328,893</u>		<u>\$ 328,893</u>	
Marketech International Corp.	Lasertec Corporation	"	Financial assets at fair value through profit or loss - current	40,000	\$ 61,382	-	\$ 61,382	
"	Solar Applied Materials Technology Co., Ltd.	None	"	44,078	990	-	990	
"	Aerospace Industrial Development Corporation	"	"	25,925	<u>931</u>	-	<u>931</u>	
					<u>\$ 63,303</u>		<u>\$ 63,303</u>	

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Holding company	Type and name of securities	Relationship with the issuer of securities	Ledger account	End of period				Remark
				No. of shares/Unit	Carrying amount	Shareholding ratio %	Fair value	
Marketech International Corp.	Taiwan Colour & Imaging Technology Corporation	None	Financial assets at fair value through profit or loss - non-current	1,700,000	\$ 1,575	12.59	\$ 1,575	
"	Chung-Hsin Electric and Machinery Manufacturing Corp	"	"	581,000	14,118	0.14	14,118	
"	Wings Global Technology Co., Ltd	"	"	750,000	14,049	18.75	14,049	
"	ProMOS Technologies Inc.	"	"	250,331	-	0.56	-	
"	Taiwan Puritic Corp.	"	"	6,191,181	202,012	10.32	202,012	
"	Sopower Technology Corp.	"	"	189,223	-	12.61	-	
"	VEEV Interactive Pte. Ltd.	"	"	840,000	-	6.32	-	
"	Taiwan Intelligent Fiber Optic Network Co., Ltd.	"	"	3,868,261	22,137	1.41	22,137	
"	H&D Venture Capital Investment Corp.	Entities under the control or material influence of the key management	"	499,200	2,945	6.67	2,945	
"	Civil Tech Holdings Ltd.	None	"	336,374	-	0.58	-	
"	ProbeLeader Co., Ltd.	Entities under the control or material influence of the key management	"	966,000	10,367	3.46	10,367	
"	Top Green Energy Technologies Inc.	None	"	1,111,111	-	0.89	-	
"	Chi Yuan Venture Capital Co., Ltd.	"	"	1,000,000	10,000	1.79	10,000	
"	Chun Shin Venture Capital Co., Ltd.	"	"	1,000,000	10,000	1.87	10,000	
"	Taiwan Foresight Co., Ltd.	"	"	380,000	4,589	2.24	4,589	
"	Long Time Technology Corp.	"	"	346,000	9,397	0.29	9,397	
"	Bon Dian Venture Capital Co., Ltd.	"	"	90,187	902	3.50	902	
"	Taiwan Specialty Chemicals Corporation	"	"	4,401,333	65,013	1.51	65,013	
"	Atech Totalsolution Co., Ltd.	"	"	128,000	-	0.23	-	
"	East Wind Life Sciences System Co., Ltd.	"	"	124,457	-	12.87	-	
"	Ecoland Corporation	"	"	310,715	-	13.51	-	
"	Kcashin Technology Corporation	"	"	642,500	10,000	19.01	10,000	
"	Radisen Co. Ltd.	"	"	87,803	7,172	19.41	7,172	
"	Foresight Energy Technologies Co., Ltd.	"	"	1,350,000	4,057	4.09	4,057	
"	Mycropore Corporation	"	"	971,000	21,991	5.81	21,991	
"	STEK Co., Ltd.	"	"	333,000	23,310	6.34	23,310	
"	SumCapital Healthcare Investment Company Ltd. (formerly known as Bi Yi Healthcare Investment Co., Ltd.)	Entities under the control or material influence of the key management	"	943,050	9,431	7.44	9,431	
"	Chi Yi Health Co., Ltd.	"	"	200,000	-	19.99	-	
"	Forward Science Corporation	"	"	2,000,000	<u>19,622</u>	10.00	<u>19,622</u>	
MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech (Beijing) Environment Co., Ltd.	Entities under the control or material influence of the key management	"	-	<u>-</u>	19.00	<u>-</u>	
					<u>\$ 462,687</u>		<u>\$ 462,687</u>	

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Holding company	Type and name of securities	Relationship with the issuer of securities	Ledger account	End of period				Remark
				No. of shares/Unit	Carrying amount	Shareholding ratio %	Fair value	
Marketech International Corp.	<u>Convertible bonds</u> Nitride Solutions Inc.	None	Financial assets at fair value through profit or loss - non-current	-	\$ -	-	\$ -	
"	Hallys Corporation	"	"	-	20,730	-	20,730	
	Radisen Co. Ltd.	"	"	-	12,313	-	12,313	
					<u>\$ 33,043</u>		<u>\$ 33,043</u>	
Sunlit Precision Technology Co., Ltd.	<u>Corporate debt</u> Guotai Junan International Holdings Limited	None	Financial assets at fair value through profit or loss - current	-	<u>\$ 38,490</u>		<u>\$ 38,490</u>	
Marketech International Corp.	<u>Preferred shares</u> Adant Technologies Inc.	None	Financial assets at fair value through profit or loss - non-current	174,520	\$ -	Note 3	\$ -	
"	Kinestral Technologies, Inc.	"	"	501,532	24,089	"	24,089	
					<u>\$ 24,089</u>		<u>\$ 24,089</u>	
HighAim Technology Inc	<u>Fund beneficiary voucher</u> Megabank Overseas Fund-Global AI Artificial Intelligence Fund	"	Financial assets at fair value through profit or loss - current		<u>\$ 600</u>		<u>\$ 600</u>	
Marketech International Corp.	Vertax Growth (SG) LP	None	Financial assets at fair value through profit or loss - non-current		<u>\$ 4,720</u>	19	<u>\$ 4,720</u>	

Note 1: Regarding the abovementioned securities, three are no guarantees, pledges, or other agreed restricted users as of the end of December 2019.

Note 2: Please refer to attached Tables 8 and 9 for information about investment in subsidiaries.

Note 3: It refers the preferred stocks held.

Ennoconn Corporation and Subsidiaries
Cumulative Purchase or Sale of the Same Securities Amounted to NT\$300 Million or More Than 20% of the Paid-in Capital
Jan. 1 to Dec. 31, 2019

Table 4 Unit: Foreign currency/NT\$1,000

Buying/selling company	Type and name of securities	Ledger account	Transaction counterpart	Relationship	Beginning of period		Buy		Sell				End of period	
					No. of units or shares	Amount	No. of units or shares	Amount	No. of units or shares	Selling price	Carrying amount	Disposal profit and loss	No. of units or shares	Amount
Caswell Inc.	Stock Hawkeye Tech, Co., Ltd.	Investment under equity method	Hawkeye Tech, Co., Ltd.	Subsidiary	-	\$ -	5,400,000	\$ 405,000	-	\$ -	\$ -	\$ -	5,400,000	\$ 423,943
S&T AG, Austria	BASS Systems SRL	Investment under equity method	BASS Systems SRL	Subsidiary	-	-	2,950,000	Euro 13,029 NT\$437,649	-	-	-	-	2,950,000	Euro 8,288 NT\$278,391 (Note 1)
//	Amanox Solutions AG	Investment under equity method	Amanox Solutions AG	Subsidiary	53,760	Euro 4,856 NT\$170,931	51,240	Euro 15,578 NT\$523,262	-	-	-	-	105,000	Euro 5,719 NT\$192,092 (Note 1)
	AIS Automation Dresden GmbH	Investment under equity method	Amanox Solutions AG	Subsidiary	-	-	51,000	Euro 13,077 NT\$439,257	-	-	-	-	51,000	Euro 13,097 NT\$439,950

Note 1: The conversion rate is the spot average rate of the Bank of Taiwan on Dec. 31, 2019.

Note 2: All transactions related to reinvestment in this table have been written off in full when preparing consolidated financial statements.

Ennoconn Corporation and Subsidiaries
The Amount of Goods Purchased or Sold with Related Parties Reached NT\$100 Million or More Than 20% of the Paid-in Capital
Jan. 1 to Dec. 31, 2019

Table 5

Unit: NT\$1,000

Purchasing/selling company	Name of trading counterpart	Relationship	Trading status				The situation and reason for the difference between the trading terms and the general trading		Notes and accounts receivable (payable)		Remark
			Purchas (sale)	Amount	Ratio of total purchase (sale)	Credit period	Unit price	Credit period	Balance	Ratio of total notes and accounts receivable (payable)	
Ennoconn Corporation	Hon Hai Precision Industry Co., Ltd.	Associates	Purchase and processing expense	\$ 620,929	0.95%	Payment term of 60 days	No material difference	No material difference	\$ -	-	
Ennoconn Corporation	Kontron Europe GmbH	Subsidiary	Sale	(711,738)	(0.87%)	Payment term of 90 days	No material difference	No material difference	189,867	1.03%	
Ennoconn Corporation	Kontron Canada Inc.	Subsidiary	Sale	(486,375)	(0.60%)	Payment term of 90 days	No material difference	No material difference	102,454	0.60%	
Ennoconn Corporation	Kontron America Inc.	Subsidiary	Sale	(138,425)	(0.17%)	Payment term of 90 days	No material difference	No material difference	29,831	0.17%	
Ennoconn Corporation	Victor Plus Holdings Ltd.	Subsidiary	Purchase	425,288	0.65%	Payment term of 90 days	No material difference	No material difference	339,531	2.17%	
Goldtek Technology Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	Associates	Purchase and processing expense	2,840,826	4.34%	Payment term of 60 days	No material difference	No material difference	(711,099)	(4.54%)	
Goldtek Technology Co., Ltd.	Sunlit Precision Technology Co., Ltd.	Subsidiary	Purchase	204,704	0.31%	Payment term of 60 days	No material difference	No material difference	(37,905)	(0.24%)	
Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Subsidiary	Sale	(224,884)	(0.28%)	Payment term of 90 days	No material difference	No material difference	161,925	0.95%	
Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Subsidiary	Purchase	612,880	0.94%	Payment term of 60 days	No material difference	No material difference	-	-	
Sunlit Precision Technology Co., Ltd.	T-Paragon Die Casting Co., Ltd.	Subsidiary	Purchase	74,908	0.11%	Payment term of 60 days	No material difference	No material difference	(17,510)	(0.11%)	
T-Paragon Die Casting Co., Ltd.	T-Paragon Metal (Shenzhen) Co., Ltd.	Subsidiary	Purchase	409,130	0.63%	Payment term of 60 days	No material difference	No material difference	(183,169)	(1.17%)	
Hon Hai Precision Industry Co., Ltd.	Caswell Inc.	Associates	Purchase	565,938	0.87%	Payment term of 90 days	No material difference	No material difference	(46,381)	(0.30%)	
Caswell Inc.	CAI	Parent and subsidiary company	Sale	(185,275)	(0.23%)	Payment term of 90 days	No material difference	No material difference	67,273	0.39%	
CAI	Caswell Inc.	Subsidiary and parent company	Purchase and processing expense	185,275	0.28%	Payment term of 90 days	No material difference	No material difference	(67,273)	(0.43%)	
Beijing Caswell Ltd.	Caswell Inc.	Subsidiary and parent company	Purchase	142,802	0.22%	Payment term of 90 days	No material difference	No material difference	79,682	0.51%	
Caswell Inc.	Beijing Caswell Ltd.	Parent and subsidiary company	Sale	(142,802)	(0.18%)	Payment term of 90 days	No material difference	No material difference	(79,682)	(0.47%)	
CASO, Inc.	Caswell Inc.	Subsidiary and parent company	Purchase	101,750	0.16%	Payment term of 70 days	No material difference	No material difference	10,392	0.07%	
Caswell Inc.	CASO, Inc.	Parent and subsidiary company	Sale	(101,750)	(0.12%)	Payment term of 70 days	No material difference	No material difference	(10,392)	(0.06%)	
Marketech International Corp.	Hong Kong Ennower Information Technology Co., Ltd.	Entities under the control or material influence of the key management	Sale (Note 2)	(241,845)	(0.30%)	Note 1	No material difference	No material difference	126,786	0.74%	
Shanghai MIC-Tech Electronic Engineering Corp.	Shenzhenshi Ennower Information Technology Co., Ltd.	Entities under the control or material influence of the key management	Sale (Note 2)	(170,086)	(0.21%)	Note 1	No material difference	No material difference	96,919	0.57%	
Shanghai Maohua Electronics Engineering Co., Ltd.	Shenzhenshi Ennower Information Technology Co., Ltd.	Entities under the control or material influence of the key management	Sale (Note 2)	(130,338)	(0.16%)	Note 1	No material difference	No material difference	-	-	
HighAim Technology Inc.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Associates	Sale	(411,810)	(0.51%)	Payment term of 90 days	No material difference	No material difference	26,240	0.15%	
HighAim Technology Inc.	Futaihua Industry (Shenzhen) Co., Ltd.	Associates	Sale	(234,381)	(0.29%)	Payment term of 90 days	No material difference	No material difference	3,966	0.02%	

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Purchasing/selling company	Name of trading counterpart	Relationship	Trading status				The situation and reason for the difference between the trading terms and the general trading		Notes and accounts receivable (payable)		Remark
			Purchase (sale)	Amount	Ratio of total purchase (sale)	Credit period	Unit price	Credit period	Balance	Ratio of total notes and accounts receivable (payable)	
HighAim Technology Inc.	Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Associates	Sale	(\$ 726,324	(0.96%)	Payment term of 90 days	No material difference	No material difference	\$ 212,459	1.24%	
HighAim Technology Inc.	Funology Investment Inc.	Subsidiary	Sale	(147,532)	(0.18%)	Payment term of 90 days	No material difference	No material difference	53,073	0.31%	
HighAim Technology Inc.	Andrix International Limited	Subsidiary	Sale	(105,495)	(0.13%)	Payment term of 90 days	No material difference	No material difference	40,718	0.24%	
Kontron Europe GmbH	Ennoconn Corporation	Parent company	Purchase and processing expense	711,738	1.09%	Payment term of 90 days	No material difference	No material difference	(189,867)	(1.21%)	
Kontron Canada Inc.	Ennoconn Corporation	Parent company	Purchase and processing expense	486,375	0.74%	Payment term of 90 days	No material difference	No material difference	(102,454)	(0.65%)	
Kontron America Inc.	Kontron Technology Beijing Co. Ltd.	Associates	Sale	(259,015)	(0.32%)	Payment term of 90 days	No material difference	No material difference	150,965	0.88%	
Kontron America Inc.	Kontron Europe GmbH	Subsidiary	Purchase	955,100	1.46%	Payment term of 90 days	No material difference	No material difference	(177,506)	(1.13%)	
Kontron America Inc.	Ennoconn Corporation	Parent company	Purchase	138,425	0.21%	Payment term of 90 days	No material difference	No material difference	(29,831)	(0.19%)	
Kontron Europe GmbH	Kontron America Inc.	Subsidiary	Sale	(955,100)	(1.17%)	Payment term of 90 days	No material difference	No material difference	177,506	1.04%	
Kontron Europe GmbH	RT Soft	Associates	Sale	(130,288)	(0.16%)	Payment term of 90 days	No material difference	No material difference	91,344	0.53%	
Kontron Europe GmbH	Kontron Asia Inc.	Associates	Purchase	179,284	0.22%	Payment term of 90 days	No material difference	No material difference	(17,870)	(0.11%)	
Kontron Europe GmbH	Kontron Technology Beijing Co. Ltd.	Associates	Sale	(143,617)	(0.18%)	Payment term of 90 days	No material difference	No material difference	2,717	0.02%	
Quanmax Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	Associates	Sale	(83,207)	(0.10%)	Payment term of 90 days	No material difference	No material difference	-	-	
Suzhou Ennoconn Corporation	Hon Hai Precision Industry Co., Ltd.	Associates	Purchase	517,809	0.79%	Payment term of 90 days	No material difference	No material difference	(7,020)	(0.04%)	
Suzhou Ennoconn Corporation	Victor Plus Holdings Ltd.	Subsidiary	Sale	(430,192)	(0.53%)	Payment term of 90 days	No material difference	No material difference	417,222	2.44%	
Nanjing Asiatek Inc.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Associates	Sale	(469,689)	(0.58%)	Payment term of 90 days	No material difference	No material difference	103,435	0.60%	
Nanjing Asiatek Inc.	Shenzhen Xiangxing Technology Co., Ltd.	Subsidiary	Purchase	341,418	0.52%	Payment term of 90 days	No material difference	No material difference	(7,353)	(0.05%)	
Nanjing Asiatek Inc.	Futaihua Industry (Shenzhen) Co., Ltd.	Associates	Sale	(101,019)	(0.12%)	Payment term of 90 days	No material difference	No material difference	1,278	0.01%	
HighAim Technology Inc.	Funology Investment Inc.	Subsidiary	Purchase	149,506	0.23%	Payment term of 90 days	No material difference	No material difference	(7,353)	(0.34%)	
HighAim Technology Inc.	Andrix International Limited	Subsidiary	Purchase	107,092	0.16%	Payment term of 90 days	No material difference	No material difference	(41,319)	0.26%	
Funology Investment Inc.	HighAim Technology Inc.	Parent company	Sale	(149,506)	(0.18%)	Payment term of 90 days	No material difference	No material difference	53,658	0.31%	
Funology Investment Inc.	HighAim Technology Inc.	Subsidiary	Purchase	147,532	0.23%	Payment term of 90 days	No material difference	No material difference	(53,037)	(0.34%)	
Andrix International Limited	HighAim Technology Inc.	Parent company	Sale	(107,092)	(0.13%)	Payment term of 90 days	No material difference	No material difference	41,319	0.24%	
Andrix International Limited	HighAim Technology Inc.	Subsidiary	Purchase	105,495	0.16%	Payment term of 90 days	No material difference	No material difference	(40,718)	0.26%	
Shenzhen Asiatek Inc.	Henan Yuzhan Precision Technology Co., Ltd.	Associates	Sale	(451,850)	(0.55%)	Payment term of 90 days	No material difference	No material difference	307,463	1.80%	

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Purchasing/selling company	Name of trading counterpart	Relationship	Trading status				The situation and reason for the difference between the trading terms and the general trading		Notes and accounts receivable (payable)		Remark
			Purchas (sale)	Amount	Ratio of total purchase (sale)	Credit period	Unit price	Credit period	Balance	Ratio of total notes and accounts receivable (payable)	
Shenzhen Asiatek Inc.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Associates	Sale	(\$ 284,364)	(0.35%)	Payment term of 90 days	No material difference	No material difference	\$ 62,220	0.36%	
Victor Plus Holdings Ltd.	Ennoconn Corporation	Parent company	Sale	(425,288)	(0.52%)	Payment term of 90 days	No material difference	No material difference	339,531	1.98%	
Victor Plus Holdings Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Parent company	Purchase	430,192	0.66%	Payment term of 90 days	No material difference	No material difference	(417,222)	(2.44%)	
S&T AG	S&T Services GmbH	Associates	Sale	(117,286)	(0.14%)	Payment term of 90 days	No material difference	No material difference	3,999	0.02%	
Kontron Austria GmbH	Kontron Electronics AG	Associates	Sale	(124,473)	(0.15%)	Payment term of 90 days	No material difference	No material difference	22,110	0.13%	
Kontron Asia Inc.	Hon Hai Precision Industry Co., Ltd.	Associates	Sale	(227,398)	(0.34%)	Payment term of 90 days	No material difference	No material difference	102	-	
Kontron Transportation France S.A.S.	Kontron Transportation Austria AG	Associates	Sale	(236,330)	(0.29%)	Payment term of 90 days	No material difference	No material difference	143,547	0.84%	
Kontron Transportation Austria AG	Kontron Transportation France S.A.S.	Associates	Sale	(116,731)	(0.14%)	Payment term of 90 days	No material difference	No material difference	114,486	0.67%	
S&T Croatia	Hon Hai Precision Industry Co., Ltd.	Associates	Purchase	277,803	0.42%	Payment term of 90 days	No material difference	No material difference	(242,227)	(1.55%)	

Note 1: Payment in installments according to the contract.

Note 2: It is the amount of revenue recognized for the contracted projects from Jan. 1 to Dec. 31, 2019 according to the percentage of completion method.

Ennoconn Corporation and Subsidiaries
Receivables from Related Parties Amounted NT\$100 Million or More Than 20% of Paid-in capital
Dec. 31, 2019

Table 6

Unit: NT\$1,000

The Company with accounts receivable	Transaction counterpart	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the period	Allowance for bad debts recognized
					Amount	Treatment		
Ennoconn Corporation	Kontron Canada Inc.	Parent company to the second-tier subsidiary	\$ 102,454	4.75	\$ -	-	\$ -	\$ -
"	Kontron Europe Gmbh	Parent company to second-tier subsidiary	189,867	3.75	-	-	-	-
"	Victor Plus Holding Ltd.	Parent company to second-tier subsidiary	339,531	-	-	-	-	-
Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holding Ltd.	Second-tier subsidiary to second-tier subsidiary	417,222	-	-	-	-	-
Kontron Europe GmbH	Kontron S&T AG	Second-tier subsidiary to second-tier subsidiary	1,544,657	-	-	-	-	-
"	Kontron America Inc.	Second-tier subsidiary to second-tier subsidiary	177,506	-	-	-	-	-
"	Kontron Electronics GmbH	Second-tier subsidiary to second-tier subsidiary	175,989	-	-	-	-	-
"	S&T AG	Second-tier subsidiary to second-tier subsidiary	104,775	-	-	-	-	-
Kontron S&T AG	Kontron Asia Pacific Design Sdn. Bhd.	Second-tier subsidiary to second-tier subsidiary	143,176	-	-	-	-	-
S&T AG, Austria	S&T CEE Holding s.r.o., Slowakei	Second-tier subsidiary to second-tier subsidiary	544,650	-	-	-	-	-
"	Kontron Europe GmbH	Second-tier subsidiary to second-tier subsidiary	571,200	-	-	-	-	-
"	S&T Romania srl	Second-tier subsidiary to second-tier subsidiary	188,717	-	-	-	-	-

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The Company with accounts receivable	Transaction counterpart	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the period	Allowance for bad debts recognized
					Amount	Treatment		
S&T AG, Austria	Kontron Transportation Austria AG	Second-tier subsidiary to second-tier subsidiary	\$ 506,373	-	\$ -	-	\$ -	-
"	Kontron Austria GmbH	Second-tier subsidiary to second-tier subsidiary	263,587	-	-	-	-	-
"	Kontron America Inc.	Second-tier subsidiary to second-tier subsidiary	462,191	-	-	-	-	-
"	Kontron S&T AG	Second-tier subsidiary to second-tier subsidiary	1,783,458	-	-	-	-	-
"	Kontron Transportation Belgium NV	Second-tier subsidiary to second-tier subsidiary	103,314	-	-	-	-	-
Kontron America Inc.	Kontron Technology Beijing Co. Ltd.	Second-tier subsidiary to second-tier subsidiary	146,516	-	-	-	-	-
AP Trans NV	Kontron Transportation Belgium NV.	Second-tier subsidiary to second-tier subsidiary	105,378	-	-	-	-	-
Kontron Transportation Austria AG	Kontron Transportation Espand SL	Second-tier subsidiary to second-tier subsidiary	249,088	-	-	-	-	-
"	Kontron Transportation Sp z.o.o.	Second-tier subsidiary to second-tier subsidiary	131,031	-	-	-	-	-
"	Kontron Transportation Taiwan Co. Ltd.	Second-tier subsidiary to second-tier subsidiary	224,271	-	-	-	-	-
"	Kontron Transportation France S.A.S.	Second-tier subsidiary to second-tier subsidiary	300,957	-	-	-	-	-

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The Company with accounts receivable	Transaction counterpart	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the period	Allowance for bad debts recognized
					Amount	Treatment		
Kontron Transportation Austria AG	Kontron Transportation Hungary kft.	Second-tier subsidiary to second-tier subsidiary	\$ 116,732	-	\$ -	-	\$ -	-
"	Kontron Transportation UK Ltd.	Second-tier subsidiary to second-tier subsidiary	202,517	-	-	-	-	-
Kontron Transportation UK Ltd.	Kontron Transportation Austria AG	Second-tier subsidiary to second-tier subsidiary	264,523	-	-	-	-	-
Kontron Transportation Deutschland GmH	"	Second-tier subsidiary to second-tier subsidiary	109,786	-	-	-	-	-
Kontron Transportation France S.A.S.	"	Second-tier subsidiary to second-tier subsidiary	139,317	-	-	-	-	-
Kontron Transportation Taiwan Co. Ltd.	"	Second-tier subsidiary to second-tier subsidiary	206,674	-	-	-	-	-
Sunlit Precision Technology Co., Ltd.	T-Paragon Metal (Shenzhen) Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	161,925	-	-	-	-	-
T-Paragon Metal (Shenzhen) Co., Ltd.	T-Paragon Die Casting Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	183,169	-	-	-	-	-

Note: All transactions listed in the above table have been written off when preparing the consolidated financial statements.

Ennoconn Corporation and Subsidiaries
The Business Relationship among Parent and Subsidiaries and between Subsidiaries, and Significant Transactions and Amounts
Jan. 1 to Dec. 31, 2019

Table 7

Unit: NT\$1,000

No. (Note 1)	Name of trader	Trading counterpart	Relationship with trader	Trading status			
				Ledger account	Amount	Trading terms	Ratio of total consolidated revenue or total assets %
0	The Company	Kontron Europe GmbH, Germany	Parent company to the second-tier subsidiary	Sale	\$ 711,738	General terms and condition	0.87%
0	The Company	Kontron Europe GmbH, Germany	Parent company to the second-tier subsidiary	Accounts receivable	189,867	General terms and condition	0.21%
0	The Company	Kontron Canada Inc., Canada	Parent company to the second-tier subsidiary	Sale	486,375	General terms and condition	0.60%
0	The Company	Kontron Canada Inc., Canada	Parent company to the second-tier subsidiary	Accounts receivable	102,454	General terms and condition	0.12%
0	The Company	Kontron America Inc.	Parent company to the second-tier subsidiary	Sale	138,425	General terms and condition	0.17%
0	The Company	Kontron America Inc.	Parent company to the second-tier subsidiary	Accounts receivable	29,831	General terms and condition	0.03%
0	The Company	Victor Plus Holding Ltd.	Parent company to the second-tier subsidiary	Purchase	425,288	General terms and condition	0.65%
0	The Company	Victor Plus Holding Ltd.	Parent company to the second-tier subsidiary	Accounts payable	339,531	General terms and condition	0.56%
1	Caswell Inc.	CASO	Parent company to the second-tier subsidiary	Sale	101,750	General terms and condition	0.12%
1	Caswell Inc.	CASO	Parent company to the second-tier subsidiary	Accounts receivable	10,392	General terms and condition	0.01%
1	Caswell Inc.	Beijing Caswell Ltd.	Parent company to the second-tier subsidiary	Sale	142,802	General terms and condition	0.18%
1	Caswell Inc.	Beijing Caswell Ltd.	Parent company to the second-tier subsidiary	Accounts receivable	79,682	General terms and condition	0.09%
1	Caswell Inc.	CAI	Parent company to the second-tier subsidiary	Sale	185,275	General terms and condition	0.23%
1	Caswell Inc.	CAI	Parent company to the second-tier subsidiary	Accounts receivable	67,273	General terms and condition	0.08%
1	Caswell Inc.	APLIGO	Parent company to the second-tier subsidiary	Sale	32,331	General terms and condition	0.04%
1	Caswell Inc.	APLIGO	Parent company to the second-tier subsidiary	Accounts receivable	19,625	General terms and condition	0.02%
1	Caswell Inc.	Hawkeye Tech, Co., Ltd.	Parent company to the second-tier subsidiary	Sale	448	General terms and condition	-
1	Caswell Inc.	Hawkeye Tech, Co., Ltd.	Parent company to the second-tier subsidiary	Accounts receivable	221	General terms and condition	-
2	HighAim Technology Inc.	Andrix International Ltd.	Second-tier subsidiary to second-tier subsidiary	Purchase	107,092	General terms and condition	0.16%
2	HighAim Technology Inc.	Andrix International Ltd.	Second-tier subsidiary to second-tier subsidiary	Accounts payable	41,319	General terms and condition	0.07%
2	HighAim Technology Inc.	Funology Investment Inc.	Second-tier subsidiary to second-tier subsidiary	Purchase	149,506	General terms and condition	0.23%
2	HighAim Technology Inc.	Funology Investment Inc.	Second-tier subsidiary to second-tier subsidiary	Accounts payable	53,658	General terms and condition	0.09%
3	Funology Investment Inc.	HighAim Technology Inc.	Second-tier subsidiary to second-tier subsidiary	Purchase	147,532	General terms and condition	0.23%
3	Funology Investment Inc.	HighAim Technology Inc.	Second-tier subsidiary to second-tier subsidiary	Accounts payable	53,037	General terms and condition	0.09%
4	Andrix International Ltd.	HighAim Technology Inc.	Second-tier subsidiary to second-tier subsidiary	Purchase	105,495	General terms and condition	0.16%
4	Andrix International Ltd.	HighAim Technology Inc.	Second-tier subsidiary to second-tier subsidiary	Accounts payable	40,718	General terms and condition	0.07%
5	Goldtek Technology Co., Ltd.	Sunlit Precision Technology Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Purchase	204,704	General terms and condition	0.31%
5	Goldtek Technology Co., Ltd.	Sunlit Precision Technology Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Accounts payable	37,905	General terms and condition	0.06%
6	Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Sale	224,884	General terms and condition	0.28%
6	Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Purchase	612,886	General terms and condition	0.94%
6	Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	161,925	General terms and condition	0.18%

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No. (Note 1)	Name of trader	Trading counterpart	Relationship with trader	Trading status			
				Ledger account	Amount	Trading terms	Ratio of total consolidated revenue or total assets %
7	Sunlit Precision Technology Co., Ltd.	T-Paragon Die Casting Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Purchase	\$ 74,908	General terms and condition	0.11%
7	Sunlit Precision Technology Co., Ltd.	T-Paragon Die Casting Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Accounts payable	17,510	General terms and condition	0.03%
8	Techno Precision (Shenzhen) Co., Ltd.	Techno Apogee Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Purchase	33,442	General terms and condition	0.05%
8	Techno Precision (Shenzhen) Co., Ltd.	Techno Apogee Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Accounts payable	7,781	General terms and condition	0.01%
9	T-Paragon Die Casting Co., Ltd.	T-Paragon Metal (Shenzhen) Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Sale	52,142	General terms and condition	0.06%
9	T-Paragon Die Casting Co., Ltd.	T-Paragon Metal (Shenzhen) Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Purchase	409,130	General terms and condition	0.63%
9	T-Paragon Die Casting Co., Ltd.	T-Paragon Metal (Shenzhen) Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Accounts payable	183,169	General terms and condition	0.30%
10	Marketech International Corp.	MIC-Tech (Shanghai) Corp., Ltd.	Second-tier subsidiary to second-tier subsidiary	Sale	27,628	General terms and condition	0.03%
10	Marketech International Corp.	Shanghai MIC-Tech Electronic Engineering Corp.	Second-tier subsidiary to second-tier subsidiary	Non-operating revenue	61,270	General terms and condition	0.08%
10	Marketech International Corp.	MIC-Tech (Shanghai) Corp., Ltd.	Second-tier subsidiary to second-tier subsidiary	Non-operating revenue	9,364	General terms and condition	0.01%
10	Marketech International Corp.	eZoom Information, Inc.	Second-tier subsidiary to second-tier subsidiary	Sale	19,890	General terms and condition	0.02%
10	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Second-tier subsidiary to second-tier subsidiary	Other receivables	26,602	General terms and condition	0.02%
11	eZoom Information, Inc.	Marketech International Corp.	Second-tier subsidiary to second-tier subsidiary	Sale	34,363	General terms and condition	0.04%
12	MIC-Tech Global Corp.	Marketech International Corp.	Second-tier subsidiary to second-tier subsidiary	Sale	94,822	General terms and condition	0.12%
12	MIC-Tech Global Corp.	Marketech International Corp.	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	20,272	General terms and condition	0.02%
13	Shanghai MIC-Tech Electronic Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Other receivables	38,744	General terms and condition	0.04%
14	Shanghai Maohua Electronics Engineering Co., Ltd.	Shanghai MIC-Tech Electronic Engineering Corp.	Second-tier subsidiary to second-tier subsidiary	Sale	26,938	General terms and condition	0.03%
14	Shanghai Maohua Electronics Engineering Co., Ltd.	Shanghai MIC-Tech Electronic Engineering Corp.	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	5,381	General terms and condition	0.01%
15	MIC-Tech (Shanghai) Corp., Ltd.	Marketech International Corp.	Second-tier subsidiary to second-tier subsidiary	Accounts payable	10,439	General terms and condition	0.02%
15	MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Other receivables	34,439	General terms and condition	0.04%
17	Kontron Canada Inc.	Ennoconn Corporation	Second-tier subsidiary to parent company	Purchase	486,375	General terms and condition	0.74%
17	Kontron Canada Inc.	Ennoconn Corporation	Second-tier subsidiary to parent company	Accounts payable	102,454	General terms and condition	0.17%
18	Kontron Europe GmbH	Ennoconn Corporation	Second-tier subsidiary to parent company	Purchase	711,738	General terms and condition	1.09%
18	Kontron Europe GmbH	Ennoconn Corporation	Second-tier subsidiary to parent company	Accounts payable	189,867	General terms and condition	0.31%
18	Kontron Europe GmbH	Kontron Electronics GmbH	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	181,333	General terms and condition	0.17%
18	Kontron Europe GmbH	Kontron S&T AG	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	1,610,866	General terms and condition	1.80%
18	Kontron Europe GmbH	Kontron America Inc.	Second-tier subsidiary to second-tier subsidiary	Sale	955,100	General terms and condition	1.17%
18	Kontron Europe GmbH	Kontron America Inc.	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	177,506	General terms and condition	0.20%
19	Kontron America Inc.	Kontron Technology Beijing Co. Ltd.	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	150,965	General terms and condition	0.17%
19	Kontron America Inc.	Ennoconn Corporation	Second-tier subsidiary to parent company	Purchase	138,425	General terms and condition	0.17%
19	Kontron America Inc.	Ennoconn Corporation	Second-tier subsidiary to parent company	Accounts payable	29,831	General terms and condition	0.05%
20	S&T AG	S&T Romania srl.	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	194,448	General terms and condition	0.22%
20	S&T AG	Kontron America Inc.	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	476,226	General terms and condition	0.53%
20	S&T AG	Kontron Transportation Belgium NV	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	106,451	General terms and condition	0.12%
20	S&T AG	S&T CEE Holding s.r.o.	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	561,189	General terms and condition	0.63%
20	S&T AG	Kontron Europe GmbH	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	588,545	General terms and condition	0.66%
20	S&T AG	Kontron Austria GmbH	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	271,591	General terms and condition	0.31%

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No. (Note 1)	Name of trader	Trading counterpart	Relationship with trader	Trading status			
				Ledger account	Amount	Trading terms	Ratio of total consolidated revenue or total assets %
20	S&T AG	Kontron S&T AG	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	\$ 1,837,615	General terms and condition	2.06%
20	S&T AG	Kontron Transportation Austria AG	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	521,750	General terms and condition	0.59%
23	Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Second-tier subsidiary to second-tier subsidiary	Sale	430,192	General terms and condition	0.53%
23	Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	417,222	General terms and condition	0.47%
24	APLIGO	American Industrial Systems Inc.	Second-tier subsidiary to second-tier subsidiary	Sale	90,516	General terms and condition	0.11%
25	Nanjing Asiatek Inc.	Shenzhen Xiangxing Technology Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Purchase	341,418	General terms and condition	0.52%
25	Nanjing Asiatek Inc.	Shenzhen Xiangxing Technology Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Accounts payable	7,353	General terms and condition	0.01%
26	Kontron Transportation Austria AG	Kapsch CarrierCom Espana SLU	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	256,652	General terms and condition	0.29%
26	Kontron Transportation Austria AG	Kapsch CarrierCom Sp.zo.o.	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	135,010	General terms and condition	0.15%
26	Kontron Transportation Austria AG	Kapsch CarrierCom Taiwan Co., Ltd.	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	231,081	General terms and condition	0.26%
26	Kontron Transportation Austria AG	Kontron Transportation Hungary kft	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	120,276	General terms and condition	0.14%
26	Kontron Transportation Austria AG	Kontron Transportation France S.A.Sa	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	310,096	General terms and condition	0.35%
26	Kontron Transportation Austria AG	Kontron Transportation UK Ltd.	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	208,667	General terms and condition	0.23%
27	Kontron S&T AG	Kontron Asia Pacific Design Sdn Bhd	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	147,524	General terms and condition	0.17%
28	AP Trans NV.	Kontron Transportation Beijing NV	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	2019,578	General terms and condition	0.12%
29	Kontron Transportation France S.A.S.	Kontron Transportation Austria AG	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	143,547	General terms and condition	0.16%
30	Kontron Transportation UK Ltd.	Kontron Transportation Austria AG	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	272,556	General terms and condition	0.31%
31	Kontron Transportation Deutschland GmbH	Kontron Transportation Austria AG	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	113,120	General terms and condition	0.13%
32	Kontron Transportation Taiwan Co. Ltd.	Kontron Transportation Austria AG	Second-tier subsidiary to second-tier subsidiary	Accounts receivable	212,950	General terms and condition	0.24%

Note 1: The business information between the parent company and the subsidiary company shall be indicated in the number column respectively, and the number shall be filled in as follows:

1. The parent company fills in 0.

2. The subsidiary company is numbered in sequence starting from Arabic numeral 1 according to the Company type.

Note 2: For the calculation of the ratio of the transaction amount to the total consolidated revenue or total assets, if it is an asset-liability account, it shall be calculated in the way that the ending balance accounts for the total consolidated assets; if it is a profit and loss account, it shall be calculated in the way that the accumulated amount at the end of the period accounts for the total consolidated revenue.

Note 3: All transactions listed in the above table have been written off when preparing the consolidated financial statements.

Ennoconn Corporation and Subsidiaries
Information about the Name, Location, etc. of the Investee
Jan. 1 to Dec. 31, 2019

Table 8

Unit: Foreign currency/NT\$1,000

Name of investor	Name of investee	Location	Main operations	Initial investment amount		Holding at the end of the period			Current profit and loss of the investee	Investment profit and loss recognized in the current period	Remark
				At the end of current period	At the end of last year	Number of shares	Percentage	Carrying amount			
Ennoconn Corporation	Hong Kong Innovative Systems Integration Limited	Hong Kong	Professional investment	HKD: 346,329 NTD: 1,370,770	HKD: 346,329 NTD: 1,340,135	518,216,530	100.00	HKD: 548,309 NTD: 2,113,862	HKD: 26,037 NTD: 102,155	HKD: 26,037 NTD: 102,155	
"	Ennoconn International Investment Co., Ltd.	Taiwan	Professional investment	NTD: 7,010,000	NTD: 6,830,000	711,735,000	100.00	NTD: 7,951,050	NTD: 762,295	NTD: 762,295	
"	Caswell Inc.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic materials wholesale and information software services	NTD: 1,031,800	NTD: 1,031,800	20,000,000	29.49	NTD: 1,038,557	NTD: 288,980	NTD: 65,011	Note 2
"	Ennoconn Investment Holdings Co., Ltd.	Samoa	Professional investment	USD: 239,360 NTD: 7,480,118	USD: 239,360 NTD: 7,486,118	239,360,000	100.00	USD: 246,093 NTD: 7,575,687	USD: 12,909 NTD: 398,181	USD: 12,909 NTD: 398,181	
Hong Kong Innovative Systems Integration Limited	ENGA Technology Co., Ltd.	Hong Kong	Wholesale, manufacturing, service and import and export of software and hardware related to industrial computer and industrial control system	USD: 3,500 NTD: 104,930	USD: 3,500 NTD: 105,683	3,500,000	100.00	HKD: 27,726 NTD: 106,719	HKD: 231 NTD: 912	HKD: 231 NTD: 912	
"	Victor Plus Holdings Ltd.	Seychelles	Import and export trading	USD: - NTD: -	USD: - NTD: -	500,000	100.00	HKD: - NTD: -	HKD: - NTD: -	HKD: - NTD: -	"
Ennoconn Investment Holdings Co., Ltd.	AIS Cayman Technology	Cayman Islands	Professional investment	USD: 5,535 NTD: 165,939	USD: 5,062 NTD: 155,479	2,460,000	60.00	USD: 7,568 NTD: 226,902	USD: 2,982 NTD: 92,176	USD: 1,789 NTD: 55,306	
"	S&T AG	Austria	Information system software and hardware integration services	EUR: 158,929 NTD: 5,338,425	EUR: 158,929 NTD: 5,594,301	16,835,008	25.78	EUR: 216,391 NTD: 7,265,877	EUR: 49,109 NTD: 1,690,668	EUR: 10,574 NTD: 364,056	Note 2
AIS Cayman	AIS	USA	Human-machine interface and industrial 4.0 and other related products	USD: 1,500 NTD: 44,970	USD: 1,500 NTD: 46,073	1,500,000	100.00	USD: 2,752 NTD: 82,505	USD: 1,587 NTD: 47,578	USD: 1,587 NTD: 47,578	
"	Vecow Co., Ltd.	Taiwan	Manufacturing, processing, trading, import and export of communication machinery, electronic equipment, and electronic devices	USD: 3,229 NTD: 96,865	USD: 106 NTD: 3,256	20,000,000	100.00	USD: 6,189 NTD: 185,546	USD: 1,565 NTD: 46,919	USD: 1,565 NTD: 46,919	
Ennoconn International Investment Co., Ltd.	Goldtek Technology Co., Ltd.	Taiwan	Telecommunication control RF equipment input and wholesale and retail of information software	NTD: 492,221	NTD: 492,221	17,022,831	56.74	NTD: 1,070,676	NTD: 712,568	NTD: 404,331	
"	Caswell Inc.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic materials wholesale and information software services	NTD: 149,500	NTD: 149,500	3,250,000	4.79	NTD: 137,652	NTD: 288,980	NTD: 10,565	Note 2
"	EnnoMech Precision (Cayman) Co., Ltd.	Cayman Islands	Professional investment	USD: 13,800 NTD: 413,724	USD: 13,800 NTD: 423,867	13,800,000	100.00	USD: 17,713 NTD: 531,037	USD: 540 NTD: 16,649	USD: 540 NTD: 16,649	
"	SyS-P Co., Ltd.	Taiwan	International trade, information software wholesale, and service	NTD: 30,000	NTD: 30,000	-	100.00	NTD: 30,483	NTD: 457	NTD: 457	
"	Ennowyse Corporation	Taiwan	Product research, design, and sales of mobile payment, electronic signature, information security, etc.	NTD: 75,029	NTD: 50,400	8,400,000	100.00	NTD: 54,133	NTD: (6,597)	NTD: (5,681)	Note 2
"	Thecus Technology Corp.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic materials wholesale and information software services	NTD: 102,000	NTD: 102,000	10,200,000	60.00	NTD: 11,261	NTD: (17,987)	NTD: (11,773)	Note 2
"	Dexatek Technology Ltd.	Taiwan	Multimedia product R&D and design manufacturing business	NTD: 236,862	NTD: 236,862	12,600,000	60.00	NTD: 265,582	NTD: 47,184	NTD: 20,595	Note 2
"	S&T AG	Austria	Information system software and hardware integration services	EUR: 7,523 NTD: 252,698	EUR: 7,523 NTD: 264,810	750,000	1.15	EUR: 11,797 NTD: 415,244	EUR: 49,109 NTD: 1,690,668	EUR: 471 NTD: 16,198	Note 2
"	Servtech Co., Ltd.	Taiwan	Wholesale of electronic products and information software services	NTD: 10,000	NTD: 10,000	400,000	7.23	NTD: 9,031	NTD: (19,602)	NTD: (1,418)	
"	Marketch International Corp.	Taiwan	High-tech industry facility and process system planning and integration services	NTD: 4,924,648	NTD: 4,924,648	83,468,613	44.69	NTD: 4,900,122	NTD: 703,006	NTD: 293,750	Note 2
"	DIVA Laboratories. Ltd.	Taiwan	R&D, manufacturing, and sales of medical equipment and computer peripherals.	NTD: 279,850	NTD: 279,850	14,500,000	20.13	NTD: 288,243	NTD: 56,052	NTD: 11,284	
EnnoMech Precision (Cayman) Co., Ltd.	HighAim Technology Inc.	Brunei	Professional investment	USD: 10,843 NTD: 325,073	USD: 10,843 NTD: 333,043	3,302,618	66.05	USD: 11,786 NTD: 353,353	USD: 1,179 NTD: 36,446	USD: 582 NTD: 18,001	Note 2
"	Dominate United Enterprise Ltd.	Samoa	Professional investment	USD: 2,100 NTD: 62,958	USD: 2,100 NTD: 64,502	2,100,000	100.00	USD: 2,153 NTD: 64,533	USD: 31 NTD: 972	USD: 31 NTD: 972	
"	EnnoMech Precision Co., Ltd.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic materials wholesale and information software services	NTD: 10,000	NTD: 10,000	1,000,000	100.00	USD: 1,112 NTD: 33,323	USD: (67) NTD: (2,094)	USD: (67) NTD: (2,094)	
HighAim Technology Inc.	Funology Investment Inc.	Samoa	Import and export trading	USD: 1 NTD: 31	USD: 1 NTD: 31	1,000	100.00	USD: 865 NTD: 25,920	USD: 66 NTD: 2,035	USD: 66 NTD: 2,035	
"	Andrix International Limited	Anguilla	Import and export trading	USD: 1 NTD: 31	USD: 1 NTD: 31	900	100.00	USD: 361 NTD: 10,812	USD: 53 NTD: 1,643	USD: 53 NTD: 1,643	
Caswell Inc.	CASO Inc.	Japan	Netcom product sales	NTD: 27,062	NTD: 27,062	2,000	99.00	NTD: 42,448	NTD: 8,928	NTD: 8,839	
"	Caswell International Investment Co., Ltd.	Samoa	Investment	NTD: 101,135	NTD: 101,135	3,206,000	100.00	NTD: 141,277	NTD: 28,150	NTD: 28,150	
"	Caswell Americas, Inc.	USA	Netcom product sales	NTD: 92,460	NTD: 92,460	3,000,000	100.00	NTD: 50,664	NTD: (8,715)	NTD: (8,715)	
"	APLIGO	Germany	Netcom product sales	NTD: 32,387	NTD: -	13,000	52.00	NTD: 35,339	NTD: 7,033	NTD: 4,036	
"	Hawkeye Tech. Co., Ltd.	Taiwan	Computer and peripheral commodity wholesale trade	NTD: 405,000	NTD: -	5,400,000	40.00	NTD: 423,943	NTD: 89,772	NTD: 18,943	
Thecus Technology Corp.	Thecus NL BV	Netherlands	Network storage device	NTD: 10,845	NTD: 10,845	2,600,000	100.00	NTD: 3,530	NTD: 14,408	NTD: 14,408	Note 2
"	Tecas USA., Inc.	USA	Network storage device	NTD: 23,367	NTD: 23,367	750,000,000	100.00	NTD: 3,698	NTD: (1,427)	NTD: (1,430)	Note 2
"	Thecus Technology Corp. (Delaware)	USA	Professional investment	NTD: -	NTD: 15,528	-	100.00	NTD: -	NTD: (16)	NTD: (16)	
Goldtek Technology Co., Ltd.	Keenest Electronic Corp.	Samoa	Professional investment	USD: 17,000 NTD: 519,500	USD: 12,000 NTD: 365,040	17,000,000	100.00	USD: 14,712 NTD: 441,054	USD: (2,235) NTD: (67,750)	USD: (2,235) NTD: (67,750)	
Keenest Electronic Corp.	Sunlit Precision Technology Co., Ltd.	Hong Kong	Metal stamping and casting industry	USD: 10,212 NTD: 306,156	USD: 10,212 NTD: 306,156	7,500,000	40.30	USD: 7,921 NTD: 237,486	USD: 719 NTD: 21,790	USD: (1,921) NTD: (58,223)	
Sunlit Precision Technology Co., Ltd.	T-Paragon Die Casting Co., Ltd.	Hong Kong	Finance/logistics	HKD: 7,500 NTD: 28,868	HKD: 7,500 NTD: 28,868	7,500,000	50.00	HKD: 20,084 NTD: 77,034	HKD: 3,165 NTD: 12,488	HKD: 1,583 NTD: 6,244	
SyS-P Co., Ltd.	SYS-P Corp	USA	International trade, information software wholesale, and service	USD: - NTD: -	USD: 15 NTD: 461	-	-	USD: - NTD: -	USD: (1) NTD: (6)	USD: (1) NTD: (6)	Note 5

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Name of investor	Name of investee	Location	Main operations	Initial investment amount		Holding at the end of the period			Current profit and loss of the investee	Investment profit and loss recognized in the current period	Remark
				At the end of current period	At the end of last year	Number of shares	Percentage	Carrying amount			
Taiwan Applied Module Corporation Marketech International Corp.	Servtech Co., Ltd.	Taiwan	Wholesale of information software services	NTD: 28,125	NTD: 28,125	1,125,000	20.34	NTD: 25,399	NTD: (19,602)	NTD: (3,988)	
	Marketech Integrated Pte. Ltd.	Singapore	Contracting of the automation supply system for the semiconductor industry	NTD: 215,087	NTD: 215,087	9,235,678	100.00	NTD: (52,050)	NTD: (68,169)	NTD: (68,169)	
"	Market Go Profits Ltd.	British Virgin Islands	Engaged in holding and reinvestment	NTD: 1,289,124	NTD: 1,282,562	40,069,104	100.00	NTD: 1,207,977	NTD: 166,487	NTD: 166,487	
"	MIC-Tech Global Corp.	South Korea	General international trade	NTD: 19,147	NTD: 19,147	131,560	100.00	NTD: 6,425	NTD: 199	NTD: 199	
"	Headquarter International Ltd.	British Virgin Islands	Engaged in holding and reinvestment	NTD: 42,475	NTD: 42,475	1,289,367	100.00	NTD: 37,667	NTD: (275)	NTD: (275)	
"	Tiger United Finance Ltd.	British Virgin Islands	Engaged in holding and reinvestment	NTD: 46,475	NTD: 46,475	1,410,367	100.00	NTD: 36,624	NTD: (293)	NTD: (293)	
"	Marketech Engineering Pte. Ltd.	Singapore	Contracting of mechanical and electrical installation and other engineering business	NTD: 20,902	NTD: 10,129	894,987	100.00	NTD: 7,715	NTD: (18,547)	NTD: (18,547)	
"	Marketech Integrated Manufacturing Company Limited	Myanmar	Design, manufacture, assembly and other services of automatic production machinery and components	NTD: 478,985	NTD: 438,298	1,535,600	100.00	NTD: 375,248	NTD: (30,633)	NTD: (30,633)	
"	MIC-Tech Viet Nam Co., Ltd.	Vietnam	Trade, installation, and maintenance of all kinds of factory mechanical equipment and peripheral	NTD: 39,345	NTD: 39,345	-	100.00	NTD: 27,593	NTD: 745	NTD: 745	
"	Marketech Co., Ltd.	Vietnam	Engineering professional contracting and relevant maintenance services	NTD: 45,246	NTD: 45,246	-	100.00	NTD: 3,338	NTD: (7,728)	NTD: (7,728)	
"	eZoom Information, Inc.	Taiwan	R&D, trading, consulting and other services of information system software and hardware applications	NTD: 195,737	NTD: 195,737	20,000,000	100.00	NTD: 121,118	NTD: (31,829)	NTD: (31,829)	
"	PT Marketech International Indonesia	Indonesia	Trading of machinery equipment and spare parts	NTD: 38,042	NTD: 38,042	1,199,000	99.92	NTD: 35,344	NTD: (2,218)	NTD: (2,218)	
"	Glory Technology Service Inc.	Taiwan	Sales and installation services of information and communication equipment	NTD: 42,714	NTD: 42,714	5,510,305	29.24	NTD: 63,804	NTD: 21,629	NTD: 6,324	
"	Hua Hsuan Technology Co., Ltd.	Taiwan	Sales of panel equipment and materials	NTD: 2,000	NTD: 2,000	200,000	20.00	NTD: 1,834	NTD: (41)	NTD: (8)	
"	ADAT Technology Co., Ltd.	Taiwan	R&D, application and service of information software; supply of electronic information and sale of equipment	NTD: 20,000	NTD: 20,000	2,000,000	29.41	NTD: 1,602	NTD: (38,512)	NTD: (38,512)	
"	Smart Health Corp.	Taiwan	Smart medical advisory services and investments	NTD: 1,500	NTD: -	150,000	42.86	NTD: 1,490	NTD: (23)	NTD: (10)	
"	Marketech Netherlands BV	Netherlands	International trade business and technical services of machinery, equipment, and components	NTD: 21,070	NTD: 10,671	600,000	100.00	NTD: 9,111	NTD: (7,229)	NTD: (7,229)	
"	Marketech International Sdn. Bhd.	Malaysia	Engineering professional contracting and relevant maintenance services	NTD: 86,103	NTD: 86,103	12,242,750	100.00	NTD: 62,433	NTD: (2,546)	NTD: (2,546)	
"	Market International Corporation USA	USA	Engineering professional contracting and relevant maintenance services	NTD: 22,485	NTD: -	750,000	100.00	NTD: 16,881	NTD: (5,779)	NTD: (5,779)	
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	British Virgin Islands	Engaged in holding and reinvestment	NTD: 1,292,627	NTD: 1,277,065	39,966,604	100.00	NTD: 1,206,356	NTD: 166,555	NTD: -	
Marketech Engineering Pte Ltd.	Marketech Integrated Construction Co., Ltd.	Myanmar	Contracting of mechanical and electrical installation and other engineering business	NTD: 19,342	NTD: 8,569	63,500	97.69	NTD: 7,531	NTD: 18,975	NTD: -	
MIC-Tech Ventures Asia Pacific Inc.	Rusky H.K. Limited	Hong Kong	Engaged in holding and reinvestment	NTD: 34,551	NTD: 34,551	833,000	100.00	NTD: (11,558)	NTD: (1,597)	NTD: -	
"	Frontken MIC Co. Limited	Hong Kong	Engaged in holding and reinvestment	NTD: 31,422	NTD: 31,422	2,337,608	100.00	NTD: 5,116	NTD: (99)	NTD: -	
"	MICT International Limited	Hong Kong	Engaged in holding and reinvestment	NTD: 132,282	NTD: 132,282	5,400,000	60.00	NTD: 51,665	NTD: (14,511)	NTD: -	
"	Leader Fortune Enterprise Co., Ltd.	Samoa	Engaged in holding and reinvestment	NTD: 8,990	NTD: 8,990	303,000	31.43	NTD: (4,462)	NTD: (86)	NTD: -	
"	Fortune Blessing Co., Limited.	Hong Kong	Engaged in holding and reinvestment	NTD: 15,563	NTD: -	500,000	27.78	NTD: 13,513	NTD: (5,026)	NTD: -	
Rusky H.K. Limited	PT Marketech International Indonesia	Indonesia	Trading of machinery equipment and spare parts	NTD: 32	NTD: 32	1,000	0.08	NTD: 31	NTD: (1,623)	NTD: -	
S&T CEE Holding s.r.o., Slovakia	S&T CZ s.r.o., Czech Republic	Czech Republic	IT server	EUR: 8,187	EUR: 8,187	49,500,000	99.00	EUR: 7,066	EUR: 1,200	EUR: 1,188	
"	S&T Plus s.r.o., Czech Republic	Czech Republic	Manufacturing and marketing of industrial computers	NTD: 275,003	NTD: 288,182	9,900,000	99.00	NTD: 237,338	NTD: 41,528	NTD: 41,113	
"	S & T Services Polska Sp.zoo, Poland	Poland	IT server	EUR: 471	EUR: 471	9,900,000	99.00	EUR: 2,679	EUR: 1,035	EUR: 1,024	
"	S & T Services Polska Sp.zoo, Poland	Poland	IT server	NTD: 15,825	NTD: 16,579	2,120	100.00	NTD: 89,977	NTD: 35,805	NTD: 35,447	
"	S&T Crna Gora d.o.o., Montenegro	Montenegro	IT server	EUR: 2,651	EUR: 2,651	25,000	100.00	EUR: 1,783	EUR: 458	EUR: 458	
"	S&T Crna Gora d.o.o., Montenegro	Montenegro	IT server	NTD: 89,059	NTD: 93,315	25,000	100.00	NTD: 66,602	NTD: 15,848	NTD: 15,848	
"	S&T Bulgaria e.o.o.d., Bulgaria	Bulgaria	Manufacturing and marketing of industrial computers	EUR: 33	EUR: 33	25,000	100.00	EUR: 739	EUR: 118	EUR: 118	
"	S&T Bulgaria e.o.o.d., Bulgaria	Bulgaria	Manufacturing and marketing of industrial computers	NTD: 1,112	NTD: 1,162	13,126	100.00	NTD: 24,827	NTD: 6,437	NTD: 6,437	
"	S&T Poland Sp.z.o.z., Poland	Poland	IT server	EUR: 1,271	EUR: 1,271	13,126	100.00	EUR: 2,001	EUR: 186	EUR: 186	
"	S&T Poland Sp.z.o.z., Poland	Poland	IT server	NTD: 42,691	NTD: 44,739	26,974	100.00	NTD: 67,228	NTD: 6,437	NTD: 6,437	
"	S&T Services s.r.o., Slovakia	Slovakia	IT server	EUR: 1	EUR: 1	26,974	100.00	EUR: 9,451	EUR: 3,715	EUR: 3,715	
"	S&T Services s.r.o., Slovakia	Slovakia	IT server	NTD: 34	NTD: 35	9,818	1.00	NTD: 317,448	NTD: 128,567	NTD: 128,567	
"	S&T Services s.r.o., Slovakia	Slovakia	IT server	EUR: -	EUR: 1	9,818	1.00	EUR: -	EUR: -	EUR: -	
"	S&T Slovenija d.d., Slovenia	Slovenia	IT server	NTD: -	NTD: 35	31,410	100.00	NTD: -	NTD: -	NTD: -	
"	S&T Slovenija d.d., Slovenia	Slovenia	IT server	EUR: 15,516	EUR: 15,516	31,410	100.00	EUR: 6,771	EUR: 1,721	EUR: 1,721	
"	S&T Slovenija d.d., Slovenia	Slovenia	IT server	NTD: 521,192	NTD: 546,163	221,300	100.00	NTD: 227,434	NTD: 59,572	NTD: 59,572	
S&T Slovenija d.d., Slovenia	S&T Hrvatska d.o.o., Croatia	Croatia	IT server	EUR: 1,094	EUR: 1,094	221,300	100.00	EUR: 12,543	EUR: 1,548	EUR: 1,548	
"	S&T Macedonia d.o.o.e.l., Macedonia	Macedonia	IT server	NTD: 36,750	NTD: 38,509	568,000	100.00	NTD: 421,321	NTD: 53,593	NTD: 53,593	
"	S&T Macedonia d.o.o.e.l., Macedonia	Macedonia	IT server	EUR: 85	EUR: 85	568,000	100.00	EUR: 3,847	EUR: 297	EUR: 297	
"	S&T Macedonia d.o.o.e.l., Macedonia	Macedonia	IT server	NTD: 2,870	NTD: 2,992	568,000	100.00	EUR: 129,248	NTD: 10,265	NTD: 10,265	
S&T AG, Austria	S&T CEE Holding s.r.o., Slovakia	Slovakia	IT server	EUR: (5,345)	EUR: (5,345)	1,881,565	100.00	EUR: 16,219	EUR: 5,543	EUR: 5,543	
"	S&T Plus s.r.o., Czech Republic	Czech Republic	Manufacturing and marketing of industrial computers	NTD: (179,525)	NTD: (188,144)	100,000	1.00	NTD: 544,811	NTD: 191,834	NTD: 191,834	
"	S&T Plus s.r.o., Czech Republic	Czech Republic	Manufacturing and marketing of industrial computers	EUR: 92	EUR: 92	100,000	1.00	EUR: 27	EUR: 1,035	EUR: 10	
"	S&T CZ s.r.o., Czech Republic	Czech Republic	IT server	NTD: 3,080	NTD: 3,238	500,000	1.00	NTD: 909	NTD: 35,805	NTD: 358	
"	S&T CZ s.r.o., Czech Republic	Czech Republic	IT server	EUR: 61	EUR: 61	500,000	1.00	EUR: 71	EUR: 1,200	EUR: 12	
"	S&T Romania S.R.L., Romania	Romania	IT server	NTD: 2,063	NTD: 2,147	2,461	31.00	NTD: 2,397	NTD: 41,528	NTD: 415	
"	S&T Romania S.R.L., Romania	Romania	IT server	EUR: 3,227	EUR: 3,227	2,461	31.00	EUR: 2,011	EUR: 219	EUR: 68	
"	S&T Romania S.R.L., Romania	Romania	IT server	NTD: 2019,398	NTD: 113,590	8,786	100.00	NTD: 67,555	NTD: 7,574	NTD: 2,353	
"	S&T Serbia d.o.o., Serbia	Serbia	IT server	EUR: 3,563	EUR: 3,563	8,786	100.00	EUR: 2,746	EUR: 585	EUR: 585	
"	S&T Serbia d.o.o., Serbia	Serbia	IT server	NTD: 119,673	NTD: 125,418	100	100.00	NTD: 92,247	NTD: 20,260	NTD: 20,260	
"	S&T Albania Sh.p.k., Albania	Albania	IT server	EUR: 282	EUR: 282	100	100.00	EUR: 610	EUR: 167	EUR: 167	
"	S&T Albania Sh.p.k., Albania	Albania	IT server	NTD: 9,460	NTD: 9,926	578,898	51.00	NTD: 20,483	NTD: 5,790	NTD: 5,790	
"	S&T Mold srl., Moldova	Modova	IT server	EUR: 1,800	EUR: 1,800	578,898	51.00	EUR: 1,014	EUR: 51	EUR: 26	
"	S&T Mold srl., Moldova	Modova	IT server	NTD: 60,462	NTD: 63,360	578,898	51.00	NTD: 34,053	NTD: 1,766	NTD: 900	

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Name of investor	Name of investee	Location	Main operations	Initial investment amount		Holding at the end of the period			Current profit and loss of the investee	Investment profit and loss recognized in the current period	Remark
				At the end of current period	At the end of last year	Number of shares	Percentage	Carrying amount			
S&T AG, Austria	S&T Consulting Hungary Kft., Hungary	Hungary	IT server	EUR: 11,947 NTD: 401,288	EUR: 11,947 NTD: 420,534	100,000	100.00	EUR: 7,549 NTD: 253,582	EUR: 1,308 NTD: 45,301	EUR: 1,308 NTD: 45,301	
"	S& Deutschland GmbH, Germany	Germany	IT server	EUR: 8,475 NTD: 284,682	EUR: 8,475 NTD: 298,327	25,000	100.00	EUR: 7,466 NTD: 250,782	EUR: (245) NTD: (8,485)	EUR: (245) NTD: (8,485)	
"	Computer Betting Company GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: 37,738 NTD: 1,267,611	EUR: 37,738 NTD: 1,328,378	36,336	100.00	EUR: 17,777 NTD: 597,134	EUR: 1,703 NTD: 58,954	EUR: 1,703 NTD: 58,954	
"	SecureGUARD GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: 2,371 NTD: 79,642	EUR: 2,371 NTD: 83,459	92,460	69.00	EUR: 1,148 NTD: 38,570	EUR: (337) NTD: (11,658)	EUR: (232) NTD: (8,044)	
"	Dorobet Ltd., Malta	Malta	Manufacturing and marketing of industrial computers	EUR: 101 NTD: 3,393	EUR: 101 NTD: 3,555	198,000	99.00	EUR: (134) NTD: (4,500)	EUR: (129) NTD: (4,467)	EUR: (127) NTD: (4,423)	
"	S & T Smart Energy GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: 6,963 NTD: 233,885	EUR: 5,763 NTD: 202,858	36,000	100.00	EUR: 2,639 NTD: 88,640	EUR: (66) NTD: (2,292)	EUR: (66) NTD: (2,292)	
"	Amanox Solutions AG; Switzerland	Switzerland	IT server	EUR: 15,578 NTD: 523,262	EUR: 4,856 NTD: 170,931	105,000	100.00	EUR: 5,719 NTD: 192,092	EUR: 1,004 NTD: 34,738	EUR: 1,004 NTD: 34,738	
"	Hamcos IT Service GmbH, Germany	Germany	IT server	EUR: 1,802 NTD: 60,536	EUR: 1,802 NTD: 63,430	98,000	49.00	EUR: 868 NTD: 29,162	EUR: 32 NTD: 1,109	EUR: 15 NTD: 543	
"	Kontron Austria GmbH, Austria (formerly S&T Electronics and Payment Systems GmbH)	Austria	Manufacturing and marketing of industrial computers	EUR: 4,222 NTD: 141,810	EUR: 4,222 NTD: 148,614	32,702	90.00	EUR: 8,976 NTD: 301,487	EUR: 3,975 NTD: 137,586	EUR: 3,578 NTD: 123,828	
"	S&T SME Distribution GmbH (formerly NES OE Vertriebs-GmbH), Austria	Austria	Manufacturing and marketing of industrial computers	EUR: 18 NTD: 600	EUR: 18 NTD: 634	17,850	51.00	EUR: 175 NTD: 5,893	EUR: (260) NTD: (8,991)	EUR: (132) NTD: (4,586)	
"	S&T Services GmbH, Austria	Austria	IT server	EUR: - NTD: -	EUR: 10,902 NTD: 383,750	35,000	100.00	EUR: - NTD: -	EUR: 1,507 NTD: 52,172	EUR: 1,507 NTD: 52,172	Note 4
"	S&T Technologies GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: 3,773 NTD: 126,725	EUR: 3,773 NTD: 132,810	35,000	100.00	EUR: 6,315 NTD: 212,114	EUR: 192 NTD: 6,651	EUR: 191 NTD: 6,651	
"	Linforge Technologies GmbH, Austria	Austria	IT server	EUR: - NTD: -	EUR: 1,181 NTD: 41,571	35,000	100.00	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	Note 4
"	GADA GROUP ROMANIA SRL, Romania	Romania	Manufacturing and marketing of industrial computers	EUR: 11,675 NTD: 392,158	EUR: 11,675 NTD: 410,960	105,000	100.00	EUR: 12,277 NTD: 412,374	EUR: 579 NTD: 20,052	EUR: 579 NTD: 20,052	
"	S&T Services Bel LLC	Belarus	IT server	EUR: 538 NTD: 18,079	EUR: 538 NTD: 18,938	113,267	100.00	EUR: 880 NTD: 29,576	EUR: 260 NTD: 9,000	EUR: 260 NTD: 9,000	
"	Kontron S&T AG, Germany	Germany	Manufacturing and marketing of industrial computers	EUR: 200,896 NTD: 6,748,106	EUR: 191,550 NTD: 6,742,560	58,651,441	97.00	EUR: 125,401 NTD: 4,212,212	EUR: 5,906 NTD: 204,424	EUR: 5,771 NTD: 199,743	
"	Affair OOO, Russia	Russia	Manufacturing and marketing of industrial computers	EUR: 5,870 NTD: 197,173	EUR: 5,870 NTD: 206,624	4,800,000	48.00	EUR: 3,223 NTD: 209,245	EUR: 14 NTD: 477	EUR: 7 NTD: 229	
"	Funworld gmbh, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: 330 NTD: 11,085	EUR: 330 NTD: 11,616	40,000	40.00	EUR: 465 NTD: 15,616	EUR: (43) NTD: (1,497)	EUR: (17) NTD: (599)	
"	Kontron Transportation Austria AG	Austria	Manufacturing and marketing of industrial computers	EUR: 10,902 NTD: 366,195	EUR: - NTD: -	10,000,000	100.00	EUR: 28,425 NTD: 954,782	EUR: 8,169 NTD: 282,732	EUR: 8,169 NTD: 282,732	
"	Kontron Transportation North America Inc.	USA	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	1,000	100.00	EUR: (446) NTD: (14,994)	EUR: (448) NTD: (15,503)	EUR: (448) NTD: (15,503)	
"	Kontron Transportation Belgium NV	Belgium	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	11,318,887	99.00	EUR: 2,158 NTD: 72,494	EUR: 778 NTD: 26,916	EUR: 777 NTD: 26,907	
"	BASS Systems SRL	Belgium	Manufacturing and marketing of industrial computers	EUR: 13,029 NTD: 437,649	EUR: - NTD: -	1,504,500	51.00	EUR: 8,288 NTD: 278,391	EUR: 1,142 NTD: 39,518	EUR: 582 NTD: 20,154	
"	Kapsch CarrierCom Romania S.R.L.	Romania	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	93	31.00	EUR: - NTD: -	EUR: (17) NTD: (577)	EUR: (5) NTD: (179)	Note 4
"	AIS Automation Dresden GmbH	Germany	Manufacturing and marketing of industrial computers	EUR: 13,077 NTD: 439,257	EUR: - NTD: -	51,000	100.00	EUR: 13,097 NTD: 439,950	EUR: 20 NTD: 713	EUR: 20 NTD: 713	
S& Deutschland GmbH, Germany	SteuDaTec System- und Netzwerktechnik GmbH	Germany	IT server	EUR: - NTD: -	EUR: 404 NTD: 14,221	-	-	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	Note 4
"	XTRO AG, Germany	Germany	IT server	EUR: 2,500 NTD: 83,975	EUR: 2,500 NTD: 88,000	50,000	100.00	EUR: 4,156 NTD: 139,613	EUR: 920 NTD: 31,855	EUR: 920 NTD: 31,855	
Computer Betting Company GmbH, Austria	S&T Romania S.R.L., Romania	Romania	IT server	EUR: 1,690 NTD: 56,759	EUR: 1,690 NTD: 59,488	5,460	69.00	EUR: 4,462 NTD: 149,872	EUR: 219 NTD: 7,574	EUR: 15 NTD: 5,221	
"	STS Sportwetten GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: 61 NTD: 2,147	36,400	100.00	EUR: - NTD: -	EUR: 8 NTD: 284	EUR: 8 NTD: 284	Note 4
"	S&T Slovakia s.r.o., Slovakia	Slovakia	IT server	EUR: 6,971 NTD: 234,146	EUR: 6,971 NTD: 245,379	1,659,696	100.00	EUR: 4,725 NTD: 158,708	EUR: 236 NTD: 8,174	EUR: 236 NTD: 8,174	
"	Kapsch CarrierCom Romania S.R.L.	Romania	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	207	69.00	EUR: - NTD: -	EUR: (16) NTD: (577)	EUR: (11) NTD: (398)	Note 4
S&T Consulting Hungary Kft., Hungary	S&T Services Kft., Hungary	Hungary	IT server	EUR: 3,627 NTD: 121,842	EUR: 3,627 NTD: 127,670	268,000	100.00	EUR: 2,764 NTD: 92,858	EUR: 508 NTD: 17,581	EUR: 508 NTD: 17,581	

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Name of investor	Name of investee	Location	Main operations	Initial investment amount		Holding at the end of the period			Current profit and loss of the investee	Investment profit and loss recognized in the current period	Remark
				At the end of current period	At the end of last year	Number of shares	Percentage	Carrying amount			
Kontron S&T AG, Germany	Kontron Asia Inc., Taiwan	Taiwan	Manufacturing and marketing of industrial computers	EUR: 2,797 NTD: 93,955	EUR: 2,797 NTD: 98,454	13,000	100.00	EUR: 1,920 NTD: 64,507	EUR: 217 NTD: 7,495	EUR: 217 NTD: 7,495	
"	KONTRON EUROPE GMBH	Germany	Manufacturing and marketing of industrial computers	EUR: 123,910 NTD: 4,162,135	EUR: 123,910 NTD: 4,361,632	23,600,000	100.00	EUR: 135,397 NTD: 4,547,975	EUR: 6,563 NTD: 227,135	EUR: 6,563 NTD: 227,135	
"	KONTRON AMERICA INC.	USA	Communication products	EUR: 17,790 NTD: 597,575	EUR: 17,790 NTD: 626,208	2,036,040	100.00	EUR: 19,508 NTD: 655,286	EUR: (372) NTD: (12,858)	EUR: (372) NTD: (12,858)	
"	KONTRON CANADA INC.	Canada	Communication products	EUR: 60,213 NTD: 2,022,546	EUR: 60,213 NTD: 2,119,498	50,000,200	100.00	EUR: 39,350 NTD: 1,321,759	EUR: 2,089 NTD: 72,304	EUR: 2,089 NTD: 72,304	
"	Kontron Asia Pacific Design Sdn. Bhd.	Malaysia	Manufacturing and marketing of industrial computers	EUR: 5,071 NTD: 170,345	EUR: 5,071 NTD: 178,499	44,581,102	100.00	EUR: (3,314) NTD: (111,326)	EUR: 13 NTD: 500	EUR: 13 NTD: 500	
"	Kontron (Beijing) Technology Co. Ltd.	China	Manufacturing and marketing of industrial computers	EUR: 918 NTD: 30,845	EUR: 918 NTD: 32,314	15,398,961	100.00	EUR: 9,462 NTD: 317,812	EUR: 152 NTD: 5,276	EUR: 152 NTD: 5,276	
KONTRON EUROPE GMBH, Germany (formerly S&T embedded GmbH, Germany)	Kontron Austria GmbH, Austria (formerly S&T Electronics and Payment Systems GmbH)	Austria	Manufacturing and marketing of industrial computers	EUR: 71 NTD: 2,372	EUR: 71 NTD: 2,486	3,634	10.00	EUR: 997 NTD: 33,499	EUR: 3,975 NTD: 137,586	EUR: 398 NTD: 13,759	
Kontron Europe GmbH	Kontron Electronics GmbH, Germany	Germany	Manufacturing and marketing of industrial computers	EUR: 19,262 NTD: 646,994	EUR: 19,262 NTD: 678,022	102,150	100.00	EUR: 20,021 NTD: 672,515	EUR: 240 NTD: 8,300	EUR: 240 NTD: 8,300	
"	Kontron Modular Computers SAS	France	Manufacturing and marketing of industrial computers	EUR: 5,158 NTD: 173,267	EUR: 5,158 NTD: 181,562	344,503	100.00	EUR: 5,625 NTD: 188,937	EUR: (493) NTD: (17,052)	EUR: (493) NTD: 17,052	
"	Kontron Technology A/S	Denmark	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	-	100.00	EUR: - NTD: -	EUR: (16) NTD: (564)	EUR: (16) NTD: (564)	
"	Kontron UK Ltd.	UK	Manufacturing and marketing of industrial computers	EUR: 1,712 NTD: 57,495	EUR: 1,712 NTD: 60,262	172,550	100.00	EUR: 4,460 NTD: 149,819	EUR: 86 NTD: 3,063	EUR: 86 NTD: 3,063	
"	Kontron ECT design s.r.o.	Czech Republic	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	500,000	100.00	EUR: 725 NTD: 24,336	EUR: 164 NTD: 5,669	EUR: 164 NTD: 5,669	
Kontron Holding Austria GmbH, Austria	Kontron Austria Electronics GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: 7,416 NTD: 261,043	-	-	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	Note 4
Kontron Austria GmbH, Austria (formerly S&T Electronics and Payment Systems GmbH)	Kontron Holding Austria GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: 2,484 NTD: 87,437	35,000	100.00	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	Note 4
"	Kontron Austria Electronics GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: 17 NTD: 598	-	-	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	Note 4
"	Kontron Electronics AG, Switzerland	Switzerland	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	1,000	100.00	EUR: (1,384) NTD: (46,495)	EUR: (865) NTD: (29,934)	EUR: (865) NTD: (29,934)	
S&T CZ s.r.o., Czech Republic	S&T PilsCom s.r.o.	Czech Republic	IT server	EUR: - NTD: -	EUR: 1,874 NTD: 65,965	-	-	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	Note 4
S&T Slovakia s.r.o., Slovakia	S&T Services s.r.o., Slovakia	Slovakia	IT server	EUR: - NTD: -	EUR: 36 NTD: 1,284	-	-	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	Note 4
Affair OOO, Russia	RTSoft Project OOO, Russia	Russia	Manufacturing and marketing of industrial computers	EUR: 6,636 NTD: 222,891	EUR: 6,636 NTD: 233,587	372,500	75.00	EUR: 5,738 NTD: 192,751	EUR: (224) NTD: (7,765)	EUR: (167) NTD: (15,785)	
S&T Mold srl., Moldova	S&T IT Technologie srl., Moldova	Moldova	IT server	EUR: 2 NTD: 82	EUR: 2 NTD: 70	50,000	100.00	EUR: 2 NTD: 79	EUR: (13) NTD: (437)	EUR: (13) NTD: (437)	
S&T Hrvatska d.o.o., Croatia	S&T Carrier Business	Croatia	IT server	EUR: - NTD: -	EUR: 744 NTD: 26,189	-	-	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	Note 4
S&T Macedonia d.o.o.e.l., Macedonia	S&T ICB d.o.o.e.l.	Macedonia	IT server	EUR: - NTD: -	EUR: 352 NTD: 12,390	-	-	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	Note 4
Kontron Electronics GmbH, Germany	Epro electronic GmbH	Germany	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	25,000	100.00	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	Note 4
Kapsch CarrierCom France SAS	Kapsch CarrierCom Saudi Arabia LLC	Saudi Arabia	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	25,000	5.00	EUR: 8 NTD: 284	EUR: 169 NTD: 5,864	EUR: 8 NTD: 293	
Kontron Transportation Austria AG	Kapsch CarrierCom Sp. z o.o.	Poland	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	100,000	100.00	EUR: (2) NTD: (79)	EUR: (2) NTD: (80)	EUR: (2) NTD: (80)	
"	Kapsch CarrierCom Espana, S.L.U.	Spain	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	250,000	100.00	EUR: 781 NTD: 26,222	EUR: 781 NTD: 27,018	EUR: 781 NTD: 27,018	
"	Kapsch CarrierCom-Unipessoal LDA Co., Ltd	Portugal	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	5,000	100.00	EUR: 378 NTD: 12,699	EUR: 378 NTD: 13,084	EUR: 378 NTD: 13,084	
"	Kapsch CarrierCom Taiwan Co., Ltd	Taiwan	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	50,000,000	100.00	EUR: (159) NTD: (5,348)	EUR: (155) NTD: (5,352)	EUR: (155) NTD: (5,352)	
"	Kontron Transportation s.r.o.	Czech Republic	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	30,400,000	100.00	EUR: 918 NTD: 30,848	EUR: 175 NTD: 6,040	EUR: 175 NTD: 6,040	

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Name of investor	Name of investee	Location	Main operations	Initial investment amount		Holding at the end of the period			Current profit and loss of the investee	Investment profit and loss recognized in the current period	Remark
				At the end of current period	At the end of last year	Number of shares	Percentage	Carrying amount			
Kontron Transportation Austria AG	Kontron Transportation Hungary Kft.	Poland	Manufacturing and marketing of industrial computers	EUR: -	EUR: -	67,000,000	100.00	EUR: (293)	EUR: (298)	EUR: (298)	
				NTD: -	NTD: -			NTD: (9,838)	NTD: (10,299)	NTD: (10,299)	
"	Kapsch CarrierCom Saudi Arabia LLC	Saudi Arabia	Manufacturing and marketing of industrial computers	EUR: -	EUR: -	475,000	95.00	EUR: 161	EUR: 169	EUR: 161	
"	Kapsch CarrierCom Deutschland GmbH	Germany	Manufacturing and marketing of industrial computers	NTD: -	NTD: -			NTD: 5,396	NTD: 5,864	NTD: 5,571	
"	Kapsch (Beijing) Information and communication Technology Co., Ltd	China	Manufacturing and marketing of industrial computers	EUR: -	EUR: -	25,000	100.00	EUR: 1,210	EUR: 1,369	EUR: 1,369	
"	Kapsch CarrierCom France SAS	France	Manufacturing and marketing of industrial computers	NTD: -	NTD: -			NTD: 40,639	NTD: 47,339	NTD: 47,379	
"	Kapsch CarrierCom UK Ltd.	UK	Manufacturing and marketing of industrial computers	EUR: -	EUR: -	1,000,000	100.00	EUR: 75	EUR: 75	EUR: 75	
"	AP Trans NV	Belgium	Manufacturing and marketing of industrial computers	NTD: -	NTD: -			NTD: 2,501	NTD: 2,605	NTD: 2,605	
Kontron Transportation Belgium NV	AP Trans NV	Belgium	Manufacturing and marketing of industrial computers	EUR: -	EUR: -	8,600,000	100.00	EUR: 842	EUR: 1,124	EUR: 1,124	
				NTD: -	NTD: -			NTD: 28,296	NTD: 38,900	NTD: 38,900	
Kontron Transportation Belgium NV	AP Trans NV	Belgium	Manufacturing and marketing of industrial computers	EUR: -	EUR: -	415,950	100.00	EUR: 393	EUR: 381	EUR: 381	
				NTD: -	NTD: -			NTD: 13,213	NTD: 13,196	NTD: 13,196	
Kontron Transportation Belgium NV	AP Trans NV	Belgium	Manufacturing and marketing of industrial computers	EUR: -	EUR: -	375,000	100.00	EUR: (13)	EUR: (13)	EUR: (13)	
				NTD: -	NTD: -			NTD: (428)	NTD: (441)	NTD: (14)	

Note 1: It is calculated according to the investee's financial statements audited by the CPA and the investor's shareholding ratio in the same period.

Note 2: The investment profit and loss recognized in the current period includes the amortization of the difference between the investment cost and the equity net worth.

Note 3: The intercompany profit and loss, long-term equity of the investee, and net worth of the investee have been entirely written off when preparing the consolidated financial statements.

Note 4: Due to the adjustment of the organizational structure in 2019, S&T AG has been merged and eliminated or dissolved and liquidated.

Note 5: In 2019, due to the adjustment of organizational structure, Sys-P Co., Ltd. has been merged and eliminated or dissolved and liquidated.

Ennoconn Corporation and Subsidiaries
Information on Investments in Mainland China
Jan. 1 to Dec. 31, 2019

Table 9
No "\$" added to this sheet

Unit: Foreign currency/NT\$1,000

Name of the investee in mainland China	Main operations	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of this period	The amount of investment remitted or repatriated in this period		Accumulated investment amount remitted from Taiwan at the end of this period	Current (loss) profit of the investee	The Company's shareholding ratio of direct or indirect investment	Investment (loss) profit recognized in this period	Carrying amount of the investment at the end of the period	As of the end of the year, the investment income has been repatriated
					Remitted	Repatriated						
Nanjing Asiatek Inc.	Engaged in R&D and sales of hardware and software products, and provide installation, debugging, and technical consultation.	USD 3,000 thousand NT\$ 89,940	Acquired 100% equity of the third region Hong Kong Innovative Systems Integration Limited (hereinafter referred to as Hong Kong Innovation) (registered in Hong Kong) with HKD 5,000 thousand and indirectly acquired 100% equity of the mainland region business Nanjing Asiatek Inc. (paid-in capital: USD 2,600 thousand), and through reinvestment Hong Kong Innovation in the third region, an additional USD 400 thousand is invested in Nanjing Asiatek Inc., a mainland business. Note 1(2)	HKD 5,000 thousand and USD 400 thousand NT\$ 31,237 Note 3	-	-	HKD 5,000 thousand and USD 400 thousand NT\$ 31,237 Note 3	RMB 11,554 NT\$ 50,866	100%	RMB 11,554 NT\$ 50,866 Note 2(2)B	RMB 50,769 NT\$ 195,409	-
Shenzhen Asiatek Inc.	R&D, production and sales of electronic materials required for software and hardware products	RMB 6,250 thousand NT\$ 27,188 thousand	Reinvested by the second-tier subsidiary Nanjing Asiatek Inc. Note 1(3)	-	-	-	-	RMB 4,663 NT\$ 20,853	70%	RMB 3,730 NT\$ 16,683	RMB 8,864 NT\$ 38,160	-
Shenzhen Xiangxing Technology Co., Ltd.	Sales of machinery and accessories and molds.	USD 1,500 thousand NT\$ 46,560	Reinvested by the second-tier subsidiary Nanjing Asiatek Inc. Note 1(3)	-	-	-	-	RMB 12,718 NT\$ 56,875	20%	RMB 2,544 NT\$ 11,375 Note 4	RMB 8,392 NT\$ 36,126	-
Ennoconn (Foshan) Investment Co., Ltd.	Professional investment	USD 9,800 thousand NT\$ 293,804	Reinvestment through Hong Kong Innovation, a third regional subsidiary Note 1(2)	USD 9,800 thousand NT\$ 293,804	-	-	USD 9,800 thousand NT\$ 293,804 Note 3	RMB 384 NT\$ 1,717	100%	RMB 384 NT\$ 1,717 Note 2(2)B	RMB 67,153 NT\$ 288,970	-
Beijing Caswell Ltd.	Production of electronic monitoring products and online communication products.	NT\$ 118,028	Reinvestment through Caswell International Investment Co., Ltd., the second-tier subsidiary of the third region. Note 1(1)	NT\$ 96,783 Note 3	-	-	NT\$ 96,783 Note 3	NT\$ 8,399	82%	NT\$ 6,887 Note 2(2)A	NT\$ 149,772	-
HighAim Technology Inc.	Design, R&D, and production of various molds, servers, and communication equipment.	USD 10,000 thousand NT\$ 299,800	Invest in HighAim Technology Inc. through EnnoMech Precision (Cayman) Co., Ltd., a second-tier subsidiary of the third region, and indirectly acquire the equity of its subsidiary. Note 1(2)	USD 10,843 thousand NT\$ 325,073 Note 3	-	-	USD 10,843 thousand NT\$ 325,073 Note 3	RMB 6,850 NT\$ 29,700	66.05%	RMB 4,525 NT\$ 19,617 Note 2(2)B	RMB 72,472 NT\$ 311,445	-
Kunshan Lidingcheng Intelligent Equipment Co., Ltd. Shenzhen HighAim	Leasing, sales, and after-sales service of intelligence, machinery equipment, and accessories.	RMB 1,000 thousand NT\$ 4,350	Reinvestment through HighAim Technology Inc., a second-tier subsidiary of the third region. Note 1(3)	-	-	-	-	RMB 195 NT\$ 872	66.05%	RMB 129 NT\$ 576 Note 4	RMB 789 NT\$ 3,398	-
EnnoMech Precision (Shenzhen) Co., Ltd.	Mechanism parts	USD 1,530 thousand NT\$ 45,869	Reinvestment through Dominate United Enterprise Ltd. in the third region. Note 1(2)	USD 1,530 thousand NT\$ 45,869 Note 3	-	-	USD 1,530 thousand NT\$ 45,869 Note 3	RMB 176 NT\$ 774	100%	RMB 176 NT\$ 774 Note 2(2)B	RMB 10,921 NT\$ 46,934	-
Goldtek Technology (Shenzhen) Co., Ltd.	Research, design, and sales of electronic products, communication equipment, and spare parts, and after-sales service of the above products	USD 6,000 thousand NT\$ 179,880 thousand	Reinvestment through Keenest Electronic Corp. in the third region. Note 1(2)	USD 1,000 thousand NT\$ 29,980 Note 3	USD 5,000 thousand NT\$ 149,900	-	USD 6,000 thousand NT\$ 179,880 Note 3	RMB (3,361) NT\$ (14,975)	100%	RMB (3,361) NT\$ (14,975) Note 2(2)B	RMB 36,502 NT\$ 156,865	-
Techno Precision (Shenzhen) Co., Ltd.	Stamping/assembly	HKD 23,000 NT\$ 88,527	Indirectly acquired the equity of its subsidiaries through the investment in Hong Kong Techno Precision Co., Ltd. in the third region. Note 1(3)	-	-	-	-	RMB (8,452) NT\$ (37,796)	40.30%	RMB (3,406) NT\$ (15,232) Note 2(2)A	RMB 2,270 NT\$ 9,772	-
T-Paragon Metal (Shenzhen) Co., Ltd.	Zinc/aluminum alloy die casting	HKD 5,000 NT\$ 19,245	Indirectly acquired the equity of its subsidiaries through the investment in Hong Kong Techno Precision Co., Ltd. in the third region. Note 1(3)	-	-	-	-	RMB 14,659 NT\$ 65,553	20.15%	RMB 2,954 NT\$ 13,209 Note 2(2)A	RMB 5,834 NT\$ 25,114	-
Techno Apogee Co., Ltd.	Manufacturing and sales of plastic and hardware	RMB 8,000 NT\$ 34,400	Indirectly acquired the equity of its subsidiaries through the investment in Hong Kong Techno Precision Co., Ltd. in the third region. Note 1(3)	-	-	-	-	RMB 569 NT\$ 2,547	28.21%	RMB 161 NT\$ 718 Note 2(2)A	RMB 2,387 NT\$ 10,276	-
Ennoconn (Suzhou) Technology Co., Ltd.	R&D, production, and sales of industrial computers	USD 30,000 thousand NT\$ 899,400	Reinvestment through Hong Kong Innovation, a third regional subsidiary Note 1(2)	USD 30,000 thousand NT\$ 899,400 Note 3	-	-	USD 30,000 thousand NT\$ 899,400 Note 3	RMB 11,206 NT\$ 49,584	100%	RMB 11,206 NT\$ 49,584 Note 2(2)B	RMB 213,077 NT\$ 916,911	-
Kunshan Ennoconn Intelligent Technology Co., Ltd.	Intelligent technology development and hardware sales	USD - NT\$ -	Reinvestment through Ennoconn (Suzhou) Technology Co., Ltd., a second-tier subsidiary of the third region Note 1(3)	USD - NT\$ -	-	-	USD - NT\$ -	RMB (91) NT\$ (405)	100%	RMB (91) NT\$ (405) Note 2(2)B	RMB () NT\$ () NT\$ (1,695)	-

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Name of the investee in mainland China	Main operations	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of this period	The amount of investment remitted or repatriated in this period		Accumulated investment amount remitted from Taiwan at the end of this period	Current (loss) profit of the investee	The Company's shareholding ratio of direct or indirect investment	Investment (loss) profit recognized in this period	Carrying amount of the investment at the end of the period	As of the end of the year, the investment income has been repatriated
					Remitted	Repatriated						
MIC-Tech (Wuxi) Co., Ltd.	Design, manufacturing, installation and repairs and maintenance services of semiconductor components and crystal special equipment, electronic components special equipment, environmental pollution prevention control equipment; assembly of packaging special equipment and refrigeration equipment; barbecue furnace assembly; wholesale, commission agency, import, and export business of the above products and their components, textiles, daily necessities, chemical products, cosmetics; lease of the self-owned plant; design, manufacturing, sales, and installation of automatic storage equipment and accessories, automatic transportation logistics equipment and accessories; R&D, sales, and installation of logistics deployment computer-aided engineering system	NT\$ 764,490	Reinvesting in third-region companies through Market Go Profits Ltd., followed with reinvestment in mainland companies Note 1(2)	NT\$ 614,590	NT\$ -	NT\$ -	NT\$ 614,590	NT\$ (719)	44.67%	NT\$ (62) Note 2(2)A	NT\$ 15,253	-
MIC-Tech (Shanghai) Corp., Ltd.	Semiconductor production, semiconductor equipment repairs and maintenance, testing equipment and its consumables, wholesale, commission agency, import and export and other related supporting businesses of power generation boilers; warehousing and distribution businesses mainly involving chemical and boiler products; international trade, entrepot trade; trade and trade agency between enterprises in the bonded area; business consulting services in the area	NT\$ 247,065	Reinvesting in third-region companies through Market Go Profits Ltd., followed with reinvestment in mainland companies Note 1(2)	NT\$ 14,990	NT\$ -	NT\$ -	NT\$ 14,990	NT\$ 39,698	44.67%	NT\$ 17,733 Note 2(2)A	NT\$ 168,107	-
Fuzhou MIC-Tech Electronic Engineering Corp.	Dust-free room and power system equipment, pipeline system equipment installation and related supporting services	NT\$ 8,994	Reinvesting in third-region companies through Market Go Profits Ltd., followed with reinvestment in mainland companies Note 1(2)	NT\$ 8,994	NT\$ -	NT\$ -	NT\$ 8,994	NTD: (568)	44.67%	NT\$ (254) Note 2(2)A	NT\$ (681)	-
Shanghai Maohua Electronics Engineering Co., Ltd.	Design, installation, debugging and technical services of regeneration of eliminated barrel, pipeline system and relevant facilities for semiconductor manufacturing industry; equipment maintenance industry, electronics, medical equipment technical consulting, electronic products, machinery and equipment, chemical products (excluding dangerous goods), communication products, metal products, material products wholesale, commission agency (excluding auction), import and export and related supporting services for semiconductor manufacturing industry.	NT\$ 17,988	Reinvesting in third-region companies through Market Go Profits Ltd., followed with reinvestment in mainland companies Note 1(2)	NT\$ 18,078	NT\$ -	NT\$ -	NT\$ 18,078	NT\$ (2,646)	38.86%	NT\$ (1,028) Note 2(2)A	NT\$ (6,427)	-
Shanghai MIC-Tech Electronic Engineering Corp.	General contracting of mechanical and electrical installation engineering construction, professional contracting of mechanical and electrical installation engineering, professional contracting of electronic engineering, professional contracting of chemical and petroleum equipment pipeline installation engineering, professional contracting of the pipeline, and provision of post-engineering warranty service and relevant engineering technical consulting services.	NT\$ 582,218	Reinvesting in third-region companies through Market Go Profits Ltd., followed with reinvestment in mainland companies Note 1(2)	NT\$ 255,430	NT\$ -	NT\$ -	NT\$ 255,430	NT\$ 110,192	44.67%	NT\$ 49,223 Note 2(2)A	NT\$ 227,038	-

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Name of the investee in mainland China	Main operations	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of this period	The amount of investment remitted or repatriated in this period		Accumulated investment amount remitted from Taiwan at the end of this period	Current (loss) profit of the investee	The Company's shareholding ratio of direct or indirect investment	Investment (loss) profit recognized in this period	Carrying amount of the investment at the end of the period	As of the end of the year, the investment income has been repatriated
					Remitted	Repatriated						
Wuxi Hanhua Electronic Technology Co., Ltd.	Equipment installation and repairs and maintenance of semiconductor components and crystal special equipment, electronic components special equipment, environmental pollution prevention equipment; wholesale, commission agency, import, and export business of the above products; cleaning and maintenance of industrial equipment.	NT\$ 9,144	Reinvesting in third-region companies through Market Go Profits Ltd., followed with reinvestment in mainland companies Note 1(2)	NT\$ 1,469	NT\$ -	NT\$ -	NT\$ 1,469	NT\$(122)	21.89%	NT\$ (27) Note 2(2)A	NT\$ -	-
ChenGao M&E Engineering (Shanghai)Co., Ltd.	Engineering design of microelectronics product project and display device project, relevant technical and management consulting services	NT\$ 5,996	Reinvesting in third-region companies through Market Go Profits Ltd., followed with reinvestment in mainland companies Note 1(2)	NT\$ 5,996	NT\$ -	NT\$ -	NT\$ 5,996	NT\$(588)	44.67%	NT\$ (264) Note 2(2)A	NT\$ -	-
Frontken MIC (Wuxi) Co., Ltd.	Cleaning of special equipment for semiconductor components and integrated circuits; cleaning of parts and wafers for semiconductor special components, integrated circuits, and micro components; R&D of semiconductor cleaning technology; assembly, installation, and repairs and maintenance services of refrigeration equipment; design, manufacturing, sales, and installation of automatic storage equipment and accessories, automatic transportation logistics equipment and accessories; R&D, sales and installation of logistics deployment computer-aided engineering system; wholesale, commission agency, import & export business of the above products and their accessories	NT\$ 69,194	Reinvesting in third-region companies through Market Go Profits Ltd., followed with reinvestment in mainland companies Note 1(2)	NT\$ 27,678	NT\$ -	NT\$ -	NT\$ 27,678	NT\$ (100)	44.67%	NT\$ (45) Note 2(2)A	NT\$ 2,276	-
Integrated Manufacturing & Services Co., Ltd.	Development and production of special equipment for solar cell production, manufacturing of key parts such as optical engine, light source, projection screen, high-definition projection tube, and microdisplay projection equipment module for large screen color projection display, manufacturing of new electronic components, cleaning and regeneration services.	NT\$ 209,860	Reinvesting in third-region companies through Market Go Profits Ltd., followed with reinvestment in mainland companies Note 1(2)	NT\$ 80,946	NT\$ 35,976	NT\$ -	NT\$ 116,922	NT\$ (14,495)	26.80%	NT\$ (3,885) Note 2(2)A	NT\$ 22,741	-
MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency, import & export of chemical products (excluding hazardous chemicals, precursor chemicals, and special chemicals), semiconductors, testing equipment and consumables, solar energy equipment consumables, boilers for power generation, mechanical equipment and accessories, and other related supporting businesses; international trade, entrepot trade, trade, and trade agency among enterprises in the bonded area, trade advisory services; and installation, repairs & maintenance of semiconductor equipment, automation equipment, electronic equipment, and its spare parts.	NT\$ 44,970	Reinvesting in third-region companies through Market Go Profits Ltd., followed with reinvestment in mainland companies Note 1(2)	NT\$ 44,970	NT\$ -	NT\$ -	NT\$ 44,970	NT\$ 828	44.67%	NT\$ 370 Note 2(2)A	NT\$ 8,323	-

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Name of the investee in mainland China	Main operations	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of this period	The amount of investment remitted or repatriated in this period		Accumulated investment amount remitted from Taiwan at the end of this period	Current (loss) profit of the investee	The Company's shareholding ratio of direct or indirect investment	Investment (loss) profit recognized in this period	Carrying amount of the investment at the end of the period	As of the end of the year, the investment income has been repatriated
Macrotec Technology (Shanghai) Co. Ltd.	Wholesale, commission agency, import & export of electronic products, food, textiles, daily necessities, cosmetics, valve switches, instruments and meters, metal products, mechanical and electrical equipment and related supporting businesses; international trade, entrepot trade, trade between enterprises in the bonded area and trade agents in the area; simple commercial processing in the bonded area; trade consulting services in the bonded area.	NT\$ 28,688	Reinvesting in third-region companies through Market Go Profits Ltd., followed with reinvestment in mainland companies Note 1(2)	NT\$ 9,016	NT\$ -	NT\$ -	NT\$ 9,016	NT\$ (86)	14.04%	NT\$ (12) Note 2(2)A	NT\$ (1,995)	-
Nanjing U-GYM Technology Corp.	R&D, design, manufacturing, sales, installation and maintenance services of semiconductor-related components, equipment and materials; semiconductor-related R&D, technology transfer, technical consultation, technical services, supply chain management services, import & export of all kinds of commodities and technologies for self-operation and agency; property management services; park face services; accommodation services; retail of general merchandise, food and beverage; venue leasing; business management services; conference and exhibition services; warehousing services; handling and transportation agency services.	NT\$ 35,976	Reinvesting in third-region companies through Market Go Profits Ltd., followed with reinvestment in mainland companies Note 1(2)	NT\$ -	NT\$ 14,990	NT\$ -	NT\$ 14,990	NT\$ (5,007)	12.41%	NT\$ (621) Note 2(2)A	NT\$ 3,807	-

Name of investor	The accumulated amount of investment remitted from Taiwan to the mainland at the end of the year	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Investment quota in mainland China in accordance with the regulations of the Investment Commission of the Ministry of Economic Affairs
Ennoconn Corporation	HKD 5,000 thousand and USD 40,146 thousand NT\$1,246,132 (Note 3)	HKD 5,000 thousand and USD 65,746 thousand NT\$2,040,756 (Note 3)	NT\$4,932,314
Goldtek Technology Co., Ltd.	USD 6,000 thousand and HKD 80,100 thousand NT\$488,185 (Note 3)	USD 6,000 thousand and HKD 80,100 thousand NT\$488,135 (Note 3)	NT\$1,106,455
Caswell Inc.	USD 3,116 thousand NT\$93,418 (Note 3)	USD 3,116 thousand NT\$93,418 (Note 3)	NT\$1,515,234
Ennoconn International Investment Co., Ltd.	USD 12,373 thousand NT\$382,474 (Note 3)	USD 12,373 thousand NT\$382,474 (Note 3)	NT\$4,772,204
Marketech International Corp.	NT\$1,144,930 (Note 3)	NT\$1,958,202 (Note 3)	NT\$3,502,781

Note 1: Investment methods can be divided into the following three types, just mark the type:

- (1) Direct investment in the mainland China.
- (2) Reinvestment in mainland China through companies in the third region (please specify the investment company in the third region).
- (3) Others.

Note 2: The column of investment profit and loss recognized in this period:

- (1) If it is in preparation and there is no investment profit or loss, it should be noted.
- (2) The recognition basis of investment profit and loss is divided into the following three types, which should be noted.
 - A. The financial statements audited by an international CPA firm that has a cooperative relationship with a CPA firm in R.O.C.
 - B. The financial statements have been audited by the parent company's CPA in Taiwan.
 - C. Others.

Note 3: The conversion rate is the spot average exchange rate of the Bank of Taiwan on Dec. 31, 2019.

Note 4: It is a non-material associate, and its financial report has not been audited by a CPA and does not have a significant influence.