

Stock Code: 6414



Ennoconn Corporation

2020 Annual Report

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<http://www.ennocnn.com>

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Table of Contents

Chapter 1	Letter to Shareholders	1
Chapter 2	Company Introduction	3
I.	Founding Date	3
II.	Formation History	3
Chapter 3	Corporate Governance Report	6
I.	Organization	6
II.	Information on Directors, Presidents, Vice Presidents, Assistant Managers, and Heads of Departments and Branches	10
III.	Implementation of Corporate Governance	27
IV.	Information on CPA Professional Fees	64
V.	Change of Independent Auditors	64
VI.	The Company's Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of its CPA or at an Affiliated Enterprise.....	64
VII.	Transfer & Pledge of Stock Equity by Directors, Supervisors, Managerial Officers and Holders of 10% or More of Company Shares in the Most Recent Fiscal Year and up to the Date of this Annual Report Printed.....	65
VIII.	Information on the Relationship between the Top Ten Shareholders	66
IX.	The Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, its Directors and Supervisors, Managerial Officers, and Any Companies Controlled either Directly or Indirectly by the Company.....	67
Chapter 4	Company Shares and Fund Raising.....	68
I.	Capital and Shares	68
II.	Shareholder Structure	70
III.	Shareholding Distribution Status	71
IV.	List of Major Shareholders	71
V.	Market Price, Net Value, Earnings Per Share, Dividends and Related Information for the Most Recent Two Fiscal Years	72
VI.	The Company's Dividend Policy and Implementation Status	72
VII.	Effect upon Business Performance and Earnings Per Share of any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting	74
VIII.	Employee Bonus and Director Compensation.....	74
IX.	Share Repurchase.....	75
X.	Issuance of Corporate Bonds	76

XI.	Preferred Shares	82
XII.	Global Depository Receipts (GDR)	82
XIII.	Subscription of Warrants for Employees	82
XIV.	Name of Managerial Officer Holding Warrants for Employees and Top Ten Employees in terms of Subscription of Warrants, and the Acquisition Status	82
XV.	Subscription of New Shares for Employee Restricted Stocks	82
XVI.	Name of Managerial Officer Holding the New Shares for Employee Restricted Stocks and Top Ten Employees in terms of Subscription of the New Share, and the Acquisition Status	82
XVII.	Issuance of New Shares due to Acquisition of Shares of Another Company	82
XVIII.	Implementation of Fund Usage Plan	84

Chapter 5 Operational Highlights 111

I.	Business Activities	111
II.	Overview of the Market, Production, and Sales	133
III.	Information of Employees in the Most Recent Two Fiscal Years and up to the Date of this Annual Report Printed.....	143
IV.	Disbursements for Environmental Protection.....	143
V.	Labor Relations.....	144
VI.	Important Contracts	146

Chapter 6 Financial Standing 147

I.	Most Recent 5-Year Concise Financial Information with Name of the CPAs and Auditors' Opinions	147
II.	Most Recent 5-Year Financial Analysis.....	153
III.	Audit Committee's Review Report.....	157
IV.	Consolidated Financial Statements with Subsidiaries Audited by CPAs	157
V.	Financial Statements for the Most Recent Year.....	157
VI.	Financial Difficulties of the Company and Affiliated Enterprises in the Most Recent Year up to the Date of this Annual Report Printed	157

Chapter 7 Review and Analysis of the Company's Financial Position and Financial Performance and Risk 158

I.	Financial Position	158
II.	Financial Performance	160
III.	Analysis of Cash Flow	162
IV.	Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year	162

V.	The Main Reasons, Improvement Plan and Investment Plan for the Upcoming Fiscal Year of the Most Recent Annual Reinvestment Policy and its Profit or Loss	163
VI.	Risk	163
VII.	Other Important Matters	168
Chapter 8	Special Notes	169
I.	Information on the Company Affiliates	169
II.	The Most Recent Fiscal Year and up to the Date of this Annual Report Printed, Private Placement Securities	212
III.	The Most Recent Fiscal Year and up to the Date of this Annual Report Printed, Subsidiary Companies Holding or Disposal of the Company's Stock List	212
IV.	Other Supplementary Information	212
Chapter 9.	Matters Affecting Shareholders' Equity or Stock Price	213

Chapter 1. Letter to Shareholders

Thanks to the collective efforts of all employees of Ennoconn Corp., the net consolidated operating income for 2020 was NT\$84.09 billion, the net income was NT\$1.11 billion, and earnings per share were NT\$12.13. Compared to 2019, the consolidated operating income increased by 3.17%, and the net income grew by 2.90%.

Looking back on the grim year of the industrial, with the core competitive advantages of Ennoconn Corp.'s various business units in R&D, technology, products, etc. together with the global talent deployment and localized services, deepened key technology development, niche product integration value-added, and omnichannel integration and serial connection, the Company is committed to the three effects of Ennoconn Corp.'s digital transformation: management efficiency, revenue efficiency, and operational efficiency to continuously enhance the efficiency of the Company's overall operating results.

As a result of COVID-19's quarantine in various countries and the impact of the Chian-US trade war, which have accelerated the migration and reorganization of the global supply chain map and deconstructed the cross-regional long chain into a regional short-chain, being close to local market service needs has become extremely important. Ennoconn Corp. focuses on resource integration, expanding the overall local manufacturing services in customer regions, and developing high growth, high value, and high margin products and solutions at the same time. In terms of increments, the lottery machines and game consoles of Ennoconn smart gaming have obtained the world's largest customer's product design and manufacturing turnkey contract and exclusively provide customers with one-stop overall product services. The ATM, POS, and self-service checkout machines of Ennoconn smart retail have also won product design and manufacturing turnkey contracts from the world's largest customer and set up transcontinental regional factories exclusively for customers to provide professional manufacturing services for all kinds of products. In terms of quality improvement, Ennoconn Corp. adjusted its business organization and merged the subsidiaries in response to industry trends and market needs, and added two major units, namely smart IoT and edge IoT. Of which, the smart IoT includes machine vision (applied to industries such as factory automation testing and robots) and office vision (applied to smart video conferencing and projection systems). Edge IoT includes mobile edge (applied to logistics, warehousing, medical, and other mobile devices) and edge connection (applied to the network of equipment in factories, buildings, environmental control, etc.). The above are all niche emerging industries with high market growth and high margins.

Looking forward to the future, Ennoconn Corp. will continue to expand its performance in the fields of smart retail, smart gaming, smart manufacturing, smart home, smart transportation, communication network security, system integration, and brand marketing. In the future, new industries such as machine vision, mobile edge, edge connection, niche telecommunications, EV charging piles, electric vehicles, unmanned self-driving cars, etc., will deepen the technology, expand the market and strive to become a complete solution provider for smart applications. Also, to further serve global customers, Ennoconn Corp. is integrating and building advanced SCM (supply chain management), PLM (product life cycle management), DFM (design for manufacturing), and other important value-added services systems to improve customer satisfaction and adhesion.

With the original intention, the Ennoconn Corp. management team and all employees are committed to continue to shoulder heavy burdens, fight and compete, face challenges, and create innovations. I sincerely thank all shareholders for your long-term support and encouragement to the Company. The management team and all employees will continue to uphold the mission and responsibility of operations and profitable growth entrusted by shareholders and actively maximize the benefits of the Company and shareholders.

Yours respectfully,
Good health and good luck.

Chairman Fu-Chuan Chu



Chapter 2. Company Profile

I. Date of Incorporation: Jul. 12, 1999

II. Company History:

Date	Major Events
July 1999	The Company was founded and registered
February 2004	Developed the first industrial motherboard (IP-4PCI20E).
May to October 2006	Increased cash capital to NT\$98 million and introduced investment from Portwell, Inc.
February 2007	Increased cash capital to NT\$200 million and introduced investment from Hon Hai Precision Industry Co., Ltd.
October 2007	Received orders of OEM motherboards for POS from the international company Group A.
January 2008	Successfully developed POS PC system with Digipos, a major European POS manufacturer.
March 2008	Obtained ISO 9001 certification.
October 2008	Successfully self-developed All in One POS system (TESS).
October 2008	Successfully developed a high-level network storage system with Netgear, a major US manufacturer of Netcom.
November 2008	Successfully developed Touch Monitor for POS system with Digipos, a major European POS manufacturer.
December 2008	Successfully developed Panel PC system with Digipos, a major European POS manufacturer.
December 2008	Successfully developed a low-voltage, independent display embedded game console control card with Japanese customer OEC.
January 2009	Received orders for the ATM control system from the international company Group A.
November 2009	Successfully developed photo Kiosks to enhance the design experience of display-related equipment.
September 2010	Successfully developed a low-level network storage system with Netgear, a major US manufacturer of Netcom.
September 2010	Launched a small, energy-saving POS PC that is fanless and easy to maintain.
April 2011	The aluminum die-casting All-In-One POS of the surface capacitive touch screen is favored by Digipos, a major European manufacturer.
July 2011	Cooperated the first ODM system project with Japanese POS manufacturer Company B.
December 2011	Developed a new generation of motherboards equipped with Intel HM65 PCH for OEC, a partner factory of KONAMI, a Japanese heavyweight gaming machine manufacturer.
March 2012	The Company acquired 100% equity of "INNOVATIVE SYSTEMS INTEGRATION LIMITED," and indirectly fully held the subsidiary's reinvestment business in mainland China "NANJING ASIATEK INC." Expanded in-vehicle system business.

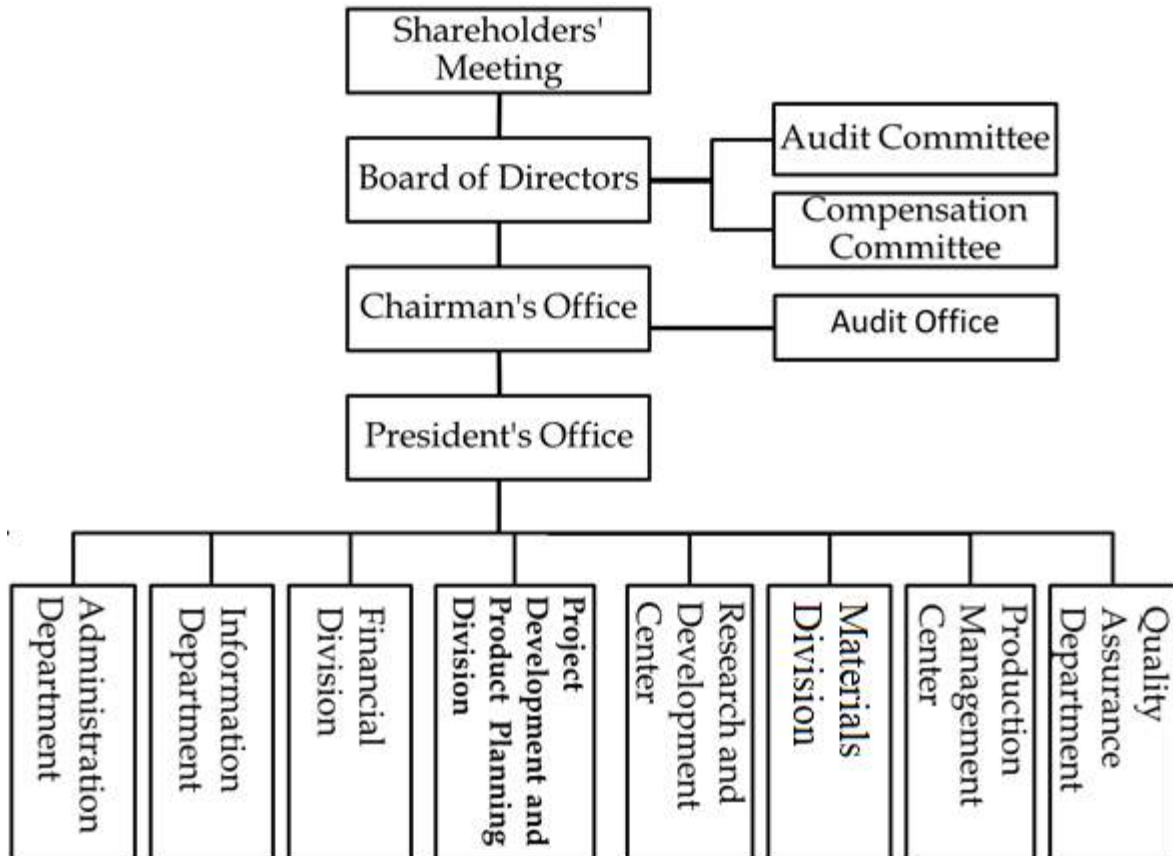
Date	Major Events
June 2012	Cooperated with the world's largest POS manufacturer Company B on the motherboard ODM project.
August 2012	With the self-made product All-in-One POS, we contacted Wincor Nixdorf, the largest POS brand in Europe, and obtained the order.
November 2012	Financial Supervisory Commission (FSC) approved the public offering of the Company's shares.
December 2012	Listed as an emerging stock in Taipei Exchange (TPEX).
March 2014	Approved by the Taiwan Stock Exchange (TWSE) to list the stocks for trading.
August to October 2014	Acquired 55.4% equity of "Goldtek Technology Co., Ltd.," a professional manufacturer of industrial-standard handheld devices, through the investment of the subsidiary Ennoconn International Investment Co., Ltd.
October to December 2014	Acquired a total of 38.7% equity in the network security equipment manufacturer "Caswell Inc." through public acquisitions, share swap, and investment through the subsidiary, Ennoconn International Investment Co., Ltd., and rapidly expanded new fields and new products.
April to July 2015	Established "EnnoMech Precision Co., Ltd." to produce industrial computer mechanical components, providing manufacturing capabilities such as stamping, spray painting, laser etching, shaping, and polishing, the products dedicated to customer agency.
October 2015	Established "SyS-P Co., Ltd." to step into the global after-sales service field of the POS industry.
October 2015	In response to the bank's 3.0 technology development trend, invested in "Taiwan Applied Module Corporation" at the end of 2015, and actively stepped into the emerging industry of bank payment technology.
January 2016	Transnationally cooperated with Kontron, a leading German industrial computer brand, reinvested a subsidiary of US\$57.3 million to acquire 49% equity of Kontron Canada Inc., a communication business subsidiary of Kontron. In addition to strengthening the integration and extending the advantage of Ennoconn and Kontron in communication products, we will further join hands to activate the growth of global cybersecurity, big data, cloud communication, and IoT application business opportunities through comprehensive integrated synergy.
July 2016	Acquired 60% equity of "AIS Cayman Technology Group" through subsidiary investment to develop the man-machine interface, industry 4.0 and other related products.
August 2016	In response to the IoT market trend, invested 60% equity in "Dexatek Technology Ltd." to establish product-related technologies in the field of smart life.
October 2016	Invested in nearly 30% of the equity of "S&T AG" to become the largest single shareholder. S&T's main product and service application areas have expanded to medical, communications, big data, automation, smart grid, energy optimization technologies, etc., to deeply cultivate software R&D capabilities and customer service experience. Through Kontron's excellent brand and marketing channels, the industry chain layout of the vertical market is introduced. Ennoconn Corp., S&T, and Kontron's three-way strategic

Date	Major Events
	alliance will further extend the core advantages and benefits of each other's software R&D, hardware manufacturing, system integration, brand, and distribution channel. etc., work together to expand the industrial computer market share and steadily develop a diversified global operation.
January 2018	Ennoconn Corp. invested 19.5% equity of "DIVA Laboratories. Ltd." through its subsidiary and officially entered the medical field. DIVA is a major manufacturer of medical displays, currently accounting for about 3% of the global market share. Major customers include Philips, GE, etc., and the products are sold in Japan, Europe, the US, and so on.
May 2018	Acquired approximately 47.15% equity of "Marketch International Corp." via a public acquisition. Through this strategic cooperation, Ennoconn Corp., together with Marketch, will enhance the vertical and horizontal development advantages of manufacturing internet in multiple aspects, such as factory equipment management, manufacturing execution management system, turnkey transfer, combining with the core niche to accelerate the expansion of operation scale of both parties and bring the integration benefits into play to enhance the competitive advantage.
June 2018	Merged and acquired "Vecow Co., Ltd." through the subsidiary AIS to expand product lines, and deepen into the application fields of industrial wide temperature embedded computers, machine vision, image monitoring analysis, smart transportation, smart control, industrial automation, AGV unmanned vehicles, multiport ethernet, etc.
September 2018	Expanded and deployed global gaming industry customer services and combined upstream and downstream supply chains to provide a complete electromechanical integration program.
March 2019	Provided Ennoconn Corp.'s own brand and application services, through Ennoconn (Suzhou) Technology Co., Ltd., in various vertical fields, machinery equipment, plant automation, automotive assembly line control system, sewage purification system, etc. in Greater China.
January 2020	Ennoconn Corp. invested 70% equity of "Poslab," a smart retail solution provider, through its subsidiaries to enhance the vertical integration capabilities of smart retail products. In the future, it will also cooperate with the system integration business group to create greater business opportunities.
January 2021	The Company issued new shares to increase capital as the consideration for acquiring the shares of its subsidiary AIS Cayman Technology for share swap. After the share swap, the Group holds 100% equity of AIS Cayman Technology, which can reinforce the combination of each other's strengths, improve the overall operating efficiency, jointly layout the machine vision and AI application market, and strengthen the synergy of cooperation between the two parties.

Chapter 3. Corporate Governance Report

I. Organization

(I) Organization Chart



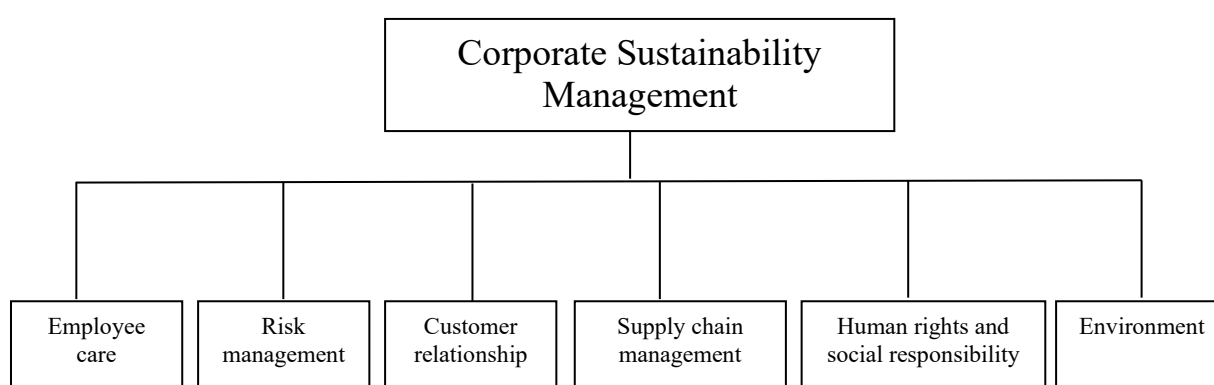
(II) Department Functions

Department/Division	Functions
Chairman's Office	<p>Chairman/Chief Executive Officer (CEO):</p> <ol style="list-style-type: none"> 1. Integrate the Company's resources and participate in the Board of Directors' decision-making process to support the Company's growth. 2. Establish, consolidate or change corporate culture. 3. Formulate corporate strategies and objectives, as well as strategic guidelines such as mergers and acquisitions. 4. Form a senior management team to achieve organizational goals.
President's Office	<ol style="list-style-type: none"> 1. Comprehensively manage the Company's operating objectives and lead various departments to implement the Company's plans. 2. Plan the blueprint for business strategy, product planning, and technical development, and comprehensively manage all company affairs.
Audit Office	Be responsible for the Company's audit operations, evaluation, and implementation of the internal control system, as well as provide suggestions for improvement to promote effective operations.
Administration Department	<ol style="list-style-type: none"> 1. Be responsible for the establishment, implementation, and improvement of the Company's human resources policy and various personnel management systems. 2. Provide staff services and general affairs.
Information Department	Be responsible for the Company's information system planning, construction, and maintenance.
Financial Division	Be responsible for the Company's financial planning, accounting treatment, formulation and implementation of accounting policies, financial data analysis, and matters related to legal affairs
Smart Business Division	<ol style="list-style-type: none"> 1. Be responsible for the formulation of the Company's global business development, product sales, customer service, operating strategy, and development direction. 2. Be responsible for product planning, project opening, R&D design, production, and schedule control to the end of the product life cycle. 3. Be responsible for the profit & loss of the product line, set the sales price, and control the cost.
R&D Center	Coordinate the Company's R&D and engineering resources, and formulate R&D directions.
Materials Division	Be responsible for the procurement of raw materials and general materials. Supply chain operations.
Production Management Center	Be responsible for manufacturing arrangements.
Quality Assurance Department	Be responsible for various quality control, understand customer requirements for quality, and master product design and production quality.

(III) Corporate Sustainability Management:

Upholding the philosophy of what is taken from society is used in society, the Company has been investing its resources in corporate social responsibility (CSR) for a long time, implementing the concept of social feedback and sustainable management, and establishing the Corporate Sustainability Management Committee. The unit manages six committees: employee care, risk management, customer relations, supply chain management, human rights & social responsibility, and the environmental committee. With the systematic strategic organization, the company improves corporate governance efficiency and strengthens the implementation of corporate philosophy.

Ennoconn Corp.'s internal Corporate Sustainability Management Committee is responsible for sustainability management and corporate social responsibility (CSR), policy formulation and implementation, and regular reports with the Board of Directors.



Committee	In charge of
Corporate Sustainability Management	<ol style="list-style-type: none"> 1. The management and responsibility of all committees under CSR. 2. Formulation of management policies and regulations review for the committees under its jurisdiction. 3. Implementation of cross-departmental coordination processing and data integration from various units. 4. Information disclosure, corporate internal control promotion, communication with related parties. 5. Reporting to the Board of Directors.
Employee care	<ol style="list-style-type: none"> 1. Principles of fairness in salary, benefits, hiring, and promotion. 2. Labor safety and various functional education and training. 3. Friendly and safe working environment, reasonable working hours, and gender equality. 4. Employee health promotion. 5. Employee recognition and communication channels with the Company.
Risk management	<ol style="list-style-type: none"> 1. Operation, financial risk management & evaluation, and regular institutional investor conferences for shareholders to disclose information on operating conditions. 2. Operation and maintenance, formulation of various risk response procedures. 3. Major disaster response measures.
Customer relationship	<ol style="list-style-type: none"> 1. Customer relationship maintenance and satisfaction survey. 2. Quality maintenance. 3. Customer confidential management.

Committee	In charge of
Supply chain management	<ol style="list-style-type: none"> 1. Establishment of a supply chain that meets quality, safety, environmental protection, delivery capabilities, and cost control, and team services. 2. Supplier evaluation and formulation, supplier risk management. 3. Supplier complaint channel.
Human rights and social responsibility	<ol style="list-style-type: none"> 1. Corporate social welfare activities, strategic goal formulation. 2. Promotion of social participation from the inside out, and convention and execution of public welfare activities. 3. Establishment of a working environment that complied with human rights and eliminates illegality.
Environment	<ol style="list-style-type: none"> 1. Integration of internal environmental safety and health policies. 2. Green manufacturing orientation.

II. Information on Directors, President, Vice President, Associate Managers, and Supervisors of All Divisions and Branch Units:

(I) Directors' Information:

Apr. 25, 2021 Unit: shares; %

Title	Name	Gender	Nationality or place of registration	Date first elected	Date elected	Term	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Main experience (education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation	
Chairman	Fu-Chuan Chu	Male	R.O.C.	2012.10.04	2019.06.28	3 years	790,787	0.95%	879,530	0.91%	0	0%	0	0%	Bachelor of Electronic Engineering, St. John's and St. Mary's Institute of Technology Senior Associate Manager of Hon Hai Precision Industry Co., Ltd.	Chairman and CEO of the Company Chairman of Caswell Inc. Chairman of Goldtek Technology Co., Ltd. Chairman of Dexatek Technology Ltd. Director of Ennoconn (Suzhou) Technology Co., Ltd. Chairman of Poslab Chairman of AIS Cayman Technology Group Director of Ennoconn International Investment Co., Ltd. Director of Marketch International Corporation Director of EnnoMech Precision Co., Ltd. Director of Vecow Co., Ltd. Director of S&T AG Director of ENGA Technology Co., Ltd.	None	None	None	Note 1

Title	Name	Gender	Nationality or place of registration	Date first elected	Date elected	Term	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Main experience (education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation	
Director	Cheng-Ching Chu	Male	R.O.C.	2019.06.28	2019.06.28	3 years	0	0%	0	0%	0	0%	0	0%	Master Degree in Mechanical Engineering, National Cheng Kung University	Chief Procurement Officer of Hon Hai Precision Industry Co., Ltd.	None	None	None	None
Director	Baoxin International Investments Ltd.	-	R.O.C.	2007.03.12	2019.06.28	3 years	29,074,437	34.79%	31,933,417	32.98%	0	0%	0	0%	-	Vice President of Business Management, Hon Hai Precision Industry Co., Ltd. Chairman of Ennoconn International Investment Co., Ltd. Chairman of EnnoMech Precision Co., Ltd. Chairman of EnnoMech Precision (Cayman) Co., Ltd. Chairman of Ennoconn Investment Holdings Co., Ltd Chairman of Ennoconn (Foshan) Investment Co., Ltd.	None	None	None	None
	Representative: Chao-Tsung Lou	Male	R.O.C.	2011.11.29	2019.06.28	3 years	176,071	0.21%	193,373	0.20%	1,313	0.00%	0	0%	Bachelor of Business Administration, Feng Chia University Engineering Management, Nan Ya Plastics Corporation	Chairman of Ennoconn Investment Co., Ltd. Chairman of Ennoconn Investment Co., Ltd. Director of Marketch International Corporation Director of Goldtek Technology Co., Ltd. Director of Caswell Inc. Director of Innovative Systems Integration Ltd. Director of Shijun International Investment Co., Ltd. Chairman of Ennoconn (Suzhou)				

Title	Name	Gender	Nationality or place of registration	Date first elected	Date elected	Term	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Main experience (education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation	
Director	Baoxin International Investments Ltd.	-	R.O.C.	2007.03.12	2019.06.28	3 years	29,074,437	34.79%	31,933,417	32.98%	0	0%	0	0%	-	Technology Co., Ltd. Director of ENGA Technology Co., Ltd.				
	Representative: Chia-Lin Teng	Male	R.O.C.	2019.06.28	2019.06.28	3 years	0	0%	0	0%	0	0%	0	0%	Master of Electrical Engineering, University of Bridgeport, Connecticut, USA	Vice President of IoT Business Division, Foxconn Industrial Internet Co., Ltd.	None	None	None	None
Independent Director	Wen-Chang Fang	Male	R.O.C.	2013.01.22	2019.06.28	3 years	0	0%	0	0%	0	0%	0	0%	PhD in Computer Science, Northwestern University, USA Chief of Graduate School of Information Management, National Taipei University Chief of Graduate School of Business Administration, National Taipei University Chairperson of Department of Business Administration, National Taipei University Director of E-Business Research Center, National Taipei University Dean of College of Business, National Taipei University	Professor of Department of Business Administration, College of Business, National Taipei University Director of Taipei Jingwen High School Director of Da-Yeh University Independent Director of ACSIP Technology Corp.	None	None	None	None
Independent Director	Yu-Hui Su	Female	R.O.C.	2017.05.18	2019.06.28	3 years	0	0%	0	0%	0	0%	0	0%	PhD in Business Administration, National Taiwan University Chairperson of the Department of Accounting, Soochow	Professor of the Department of Accounting, Soochow University Independent Director and Remuneration	None	None	None	None

Title	Name	Gender	Nationality or place of registration	Date first elected	Date elected	Term	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Main experience (education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation	
															University Adjunct Professor of the Department of Accounting, National Taiwan University Director of the Taiwan Accounting Association	Committee Member of In Win Development Inc. Independent Director and Audit Committee Member of Makalot Industrial Co., Ltd.				
Independent Director	Chien-Min Wang	Male	R.O.C.	2019.06.28	2019.06.28	3 years	0	0%	0	0%	0	0%	0	0%	Department of Electrical Engineering, Chung Yuan Christian University MBA, University of California, Los Angeles Sales Department Manager of Macronix International Co., Ltd. Senior Regional Manager of Cisco Systems, Inc. President of Strategic Account of Broadcom Corp. Asia Pacific Region President of I-Ching Semiconductor Ltd. Asia Pacific Region	CEO of Shenzhen ShuWei Ltd. Consultant of Suzhou Kuan-Ching Semiconductor Co., Ltd.	None	None	None	None

Note 1: Where the chairman and president or person of an equivalent rank (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the future improvement measures adopted in response thereto (for example increasing the seats for independent directors, over half of the directors may not act as employees or officers, etc.).

The chairman of the Company also serves as the CEO. To enhance the operating efficiency and execution of decision-making, the Company has actively trained suitable candidates to strengthen the independence of the Board of Directors. Besides, the chairman of the Board also closely communicates with the directors on the Company's operating status and planning policies to implement corporate governance. In the future, the Company also plans to increase the number of independent directors to enhance the Board of Directors' functions and strengthen the supervision function. At present, the Company has the following specific measures:

1. The current independent directors have expertise in financial accounting and the industry, respectively, and can effectively perform their supervisory functions.
2. Every year, all directors are arranged to participate in professional director courses of external institutions such as the Securities and Futures Institute to enhance the operational effectiveness of the Board of Directors.
3. The independent directors can fully discuss and put forward suggestions in all functional committees for the reference of the Board of Directors to implement corporate governance.
4. More than half of the Board of Directors do not concurrently serve as employees or managers.

1. Major Institutional Shareholders:

Name of institutional shareholder	Major shareholders
Baoxin International Investments Ltd.	Hon Hai Precision Industry Co., Ltd.

Note: Directors are institutional shareholders.

2. Major Shareholders of Institutional Shareholders with Corporations as Their Major Shareholders:

Name of institutional shareholder	Major shareholders
Hon Hai Precision Industry Co., Ltd.	<p>Terry Guo (9.68%)</p> <p>CTBC Hosting Terry Gou Trust Treasury Account (2.89%)</p> <p>Investment account in the Singaporean government in custody for Citibank (1.90%)</p> <p>Citibank in custody for Hon Hai Precision Industry Co., Ltd. Depositary Receipts Account (1.40%)</p> <p>Citibank in custody for Norwegian Central Bank Investment Account (1.21%)</p> <p>New Labor Pension Fund (1.18%)</p> <p>Vanguard Emerging Markets Stock Index Fund (1.18%)</p> <p>JPMorgan Chase Bank in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.08%)</p> <p>Standard Chartered Bank Hosting the Fidelity Puritan Trust: Fidelity Low-Priced Stocks Fund (1.03%)</p> <p>Fubon Life Insurance Co., Ltd. (0.92%)</p>

Note: The record date for shareholding is Apr.25, 2021.

3. Professional Qualifications and Independence Status of Directors:

Qualification	Meets one of the following professional qualification requirements, together with at least five years of work experience			Independence criteria												Number of other public companies where the individual concurrently serves as an independent director
	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college, or university	A judge, public prosecutor, attorney, CPA, or another professional or technical specialist who has passed a national examination and has been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Name																
Fu-Chuan Chu			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Cheng-Ching Chu			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Baoxin International Investments Ltd. Representative: Chao-Tsung Lou			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓		0
Baoxin International Investments Ltd. Representative: Chia-Lin Teng			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		0
Wen-Chang Fang	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Yu-Hui Su	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Chien-Min Wang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note: Please check “ ” the corresponding boxes if the directors meet the following conditions during the two years prior to the nomination and during the term of office.✓

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top ten in shareholdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company or of a corporate shareholder that ranks among the top five in shareholdings.
- (6) Not a director, supervisor, or employees of another company controlled by the same person with more than half of the Company's director seats or voting shares.
- (7) Not a director, supervisor, or employee of another company or institution whose spouse is a chairman, president, or person holding an equivalent position.
- (8) Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company.
- (9) Not a professional individual who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, nor a spouse thereof. These restrictions do not apply to any member of the Remuneration Committee who exercises powers pursuant to Article 7 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.
- (10) Does not have a marital relationship with, or a relative within the second degree of kinship with, any other director of the Company.
- (11) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

4. Diversity of the Board Members:

Following Article 20 of the Company's Corporate Governance Best Practice Principles, diversity should be considered in the Board of Directors' composition. It is advisable that directors concurrently serve as the Company's managerial officers not exceed one-third of the directors' seats. An appropriate diversification policy should be formulated based on its own operation, business type, and development needs. It should include but not limited to the following two major standards:

- I. Basic requirements and values: gender, age, nationality, and culture.
- II. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience, etc.

The members of the Board of Directors shall have the knowledge, skills, and accomplishments necessary to perform their duties. To achieve the ideal goal of corporate governance, the overall Board of Directors should have the following capabilities:

- I. Operational judgment capabilities.
- II. Accounting and financial analysis capabilities.
- III. Business management capabilities.
- IV. Crisis management capabilities.
- V. Industrial knowledge.
- VI. International market perspective.
- VI. Leadership.
- VIII. Decision-making capabilities.

The current Board of Directors of the Company is composed of seven directors, including three independent directors. The members have experience and expertise in the fields of financial accounting, management, and the industrial computer industry. The Company formulates and implements a diversification policy for the Board members to improve the Company's Board structure. Please refer to the table below for the capabilities of the Board members:

Name	Operational judgment capabilities	Accounting and financial analysis capabilities	Business management capabilities	Crisis management capabilities	Industrial knowledge	International market perspective	Leadership	Decision-making capabilities
Fu-Chuan Chu	V		V	V	V	V	V	V
Chao-Tsung Lou	V	V	V	V	V	V	V	V
Cheng-Ching Chu	V		V		V	V	V	
Chia-Lin Teng	V		V		V	V	V	
Wen-Chang Fang				V	V			
Yu-Hui Su		V		V		V		
Chien-Min Wang			V		V	V		

The Company also attaches importance to gender equality in the composition of the Board members. The target ratio of female directors is set at 25% or more. Currently, there are seven directors, including 1 female director, with a ratio of 14%. The implementation status of the diversification of the Company's Board members is summarized in the following table:

Diversified core projects Name of directors	Basic composition									Industry experience				Professional capabilities			
	Nationality	Gender	Concurrently as an employee of the Company	Age			Independent directors' tenure			Industrial computer	Computer and peripheral equipment	Network communication	Accounting and finance	Business management	Financial accounting	Information technology	Risk management
				51 to 55	56 to 60	Over 60	Under 3 years	3 to 9 years	Over 9 years								
Fu-Chuan Chu	R.O.C.	Male	V		V					V	V			V		V	V
Chao-Tsung Lou	R.O.C.	Male		V						V	V			V	V		V
Cheng-Ching Chu	R.O.C.	Male			V						V			V		V	
Chia-Lin Teng	R.O.C.	Male		V							V			V		V	
Wen-Chang Fang	R.O.C.	Male			V			V				V				V	V
Yu-Hui Su	R.O.C.	Female		V				V					V		V		V
Chien-Min Wang	R.O.C.	Male		V			V				V	V		V		V	

5. Performance Evaluation of the Board of Directors and its Relationship with Remuneration:

The Company has established the "Performance Evaluation Measures for the Board of Directors" since Dec. 26, 2012, and regularly carried out the Board members' self-performance evaluation every year. The evaluation indicators include compliance with relevant laws and regulations, participation in the Company's operations, compliance with directors' interest avoidance, and the number of hours directors should participate in continuing education each year.

The Board of Directors of the Company passed the amendments to the "Performance Evaluation Measures for the Board of Directors," on Nov. 11, 2020, stipulating that the Board of Directors should conduct at least one performance evaluation for the Board, the Board members of directors, and the Functional Committee every year. The internal evaluation shall be conducted at the end of each year, and the performance evaluation of the current year shall be conducted following these measures. In 2021, the average results of the evaluation of the Board of Directors and the Functional Committee are above 95 points, and they will be reported to the Board of Directors on Mar. 29, 2021.

The measurement items for the performance evaluation of the Company's Board of directors include the following five aspects:

- (1) The degree of participation in the Company's operations.
- (2) Improvement in the quality of the Board's decision-making.
- (3) The composition and structure of the Board of Directors.
- (4) The election and continuing education of directors.
- (5) Internal control.

The measurement items for the performance evaluation of the Board members include the following six aspects:

- (1) Mastery of the Company goals and tasks.
- (2) Recognition of directors' responsibilities.
- (3) Their degree of participation in the Company's operations.
- (4) The management of internal relationships and communication.
- (5) The professionalism and continuing education of directors.
- (6) Internal control.

The measurement items for the performance evaluation of the Functional Committee include the following five aspects:

- (1) The degree of participation in the Company's operations.
- (2) Recognition of the Functional Committee's responsibilities.
- (3) Improvement in the quality of the Functional Committee's decision-making.
- (4) The composition and member election of the Functional Committee.
- (5) Internal control.

The evaluation is carried out by the Finance Department, using an internal questionnaire. According to the operation and participation of the Board of Directors, the Remuneration Committee, and the Audit Committee, the directors evaluate the operations of the Board of Directors and the Functional Committee and their own participation. The results of the above-mentioned performance evaluation will be used as a reference for selecting or nominating directors. The performance evaluation results of directors and the Functional Committee members will be used as a reference for determining their individual remuneration.

The Company has completed the performance evaluation of the Board, the Board members, and the Functional Committee of 2020 in the first quarter of 2021. It has also submitted the

evaluation results and the direction of continuous improvement for the next year.

According to Article 20 of the Articles of Incorporation, the remuneration of the Company's directors may not exceed 2% of the current year's profit as the directors' remuneration of the current year. Reasonable remuneration shall be given considering the Company's operational results and its contributions to the Company's performance. The procedures for determining remuneration are based on the results of the performance evaluation of directors. In addition to referring to the Company's overall operating performance, future business risks, and development trends of the industry, it also refers to the individual's performance achievement rate and contributions to the Company's performance and gives reasonable remuneration. The relevant performance appraisal and remuneration reasonableness are reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system is reviewed in due course depending on the actual operating conditions and the relevant laws and regulations to balance the Company's sustainable management and risk control.

6. The Succession Plan and Implementation Status of the Board Members and Important Management Level Formulated by the Company:

(1) The Board Members:

1. Succession plan:

Diversity should be considered for the Board members, taking the scale of the Company, and measure the actual operational needs in terms of the Company's business development scale and major shareholder's shareholding situation. In addition to the knowledge and academic experience that directors should possess, it is also necessary to consider the proportion of independent directors to director seats.

2. Implementation status:

Through senior managers' participation in various seminars, etc., to seek potential candidates from industry talents or contacts and evaluate their suitability.

(2) Important management levels:

1. Succession plan:

The Company's succession plan foremost conducts a prudent assessment of the current status of the organization, the characteristics of the position and the organization, and the possible future strategic direction of the Company to determine the talents that are in line with the organization's strategic direction to develop future talents, and draw up senior management that meets the succession plan.

The Company will provide diverse training for senior management, including curriculum training, leadership training, business combat capabilities, cross-functional management capabilities, and change management capabilities, and formulate career development plans for senior management to enhance work development opportunities and leadership ability through rotation, assignment, etc.

The Company will regularly review the performance of senior management to assess the suitability of successors.

2. Implementation status:

Since 2019, we have reviewed the succession status of the Company's senior management every year, based on the results of the review to discuss with the chairman and adjust the succession plan. At the same time, we attempt to find external talents to join the Company as necessary.

(II) Information on President, Vice Presidents, Associate Managers, and the Supervisors of All Divisions and Branch Units:

Apr. 25, 2020 Unit: shares; %

Title	Nationality	Name	Gender	Date elected	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Main experience (education)	Other position concurrently held at other companies	Managers who are spouses or within the second degree of kinship			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation	
CEO	R.O.C.	Fu-Chuan Chu	Male	100.06.11	879,530	0.91%	0	0%	0	0%	Bachelor of Electronic Engineering, St. John's and St. Mary's Institute of Technology Senior Associate Manager of Hon Hai Precision Industry Co., Ltd.	Chairman and CEO of the Company Chairman of Caswell Inc. Chairman of Goldtek Technology Co., Ltd. Chairman of Dexatek Technology Ltd. Director of Ennoconn (Suzhou) Technology Co., Ltd. Chairman of Poslab Chairman of AIS Cayman Technology Group Director of Ennoconn International Investment Co., Ltd. Director of Marketech International Corporation Director of EnnoMech Precision Co., Ltd. Director of Vecow Co., Ltd. Director of S&T AG Director of ENGA Technology Co., Ltd.	None	None	None	Note 1 (Same as Note 1 on page 8)
President	R.O.C.	Neng-Chi Tsai	Male	108.12.19	181,264	0.19%	0	0%	0	0%	MBA of University on the West Coast of America President of American Industrial Systems Inc.	President of the Company Chairman of American Industrial Systems Inc. Chairman of Vecow Co., Ltd. Director of AIS Cayman Technology Group Director of Ennoconn International Investment Co., Ltd. Director of Caswell Inc.	None	None	None	None
R&D Center Associate Manager	R.O.C.	Sheng-Hsiung Chang	Male	108.12.16	0	0%	0	0%	0	0%	Department of Electrical Engineering, Lee-Ming Institute of Technology R&D Manager of ADLINK Technology Inc.	None	None	None	None	None
Chief Financial Officer	R.O.C.	You-Mei Wu	Female	107.08.13	3,294	0.00%	0	0%	0	0%	Master of Financial Management, National Chengchi University University of Reading, U.K.MSc International Securities Investment and Banking Leader of Brokerage Firms Division, Securities and Futures Bureau, Financial Supervisory Commission	Representative of Corporate Director, Marketech International Corp. Supervisor of Ennoconn International Investment Co., Ltd.	None	None	None	None

(III) Remuneration Paid During the Most Recent Fiscal Year to Directors (Including Independent Directors), President, and Vice Presidents

1. Remuneration to Directors (Including Independent Directors):

Dec. 31, 2020 Unit: NT\$ thousands

Title	Name	Remuneration to directors								Ratio of total remuneration (A+B+C+D) to net income (%) (Note 7)		Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+G) to net income (%)		Compensation paid to directors from an invested company other than the Company's subsidiaries																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
		Base compensation (A) (Note 3)		Severance pay and pension (B) (Note 4)		Directors' compensation(C) (Note 5)		Business execution expenses (D) (Note 6)				Salary, bonuses, and allowances (E) (Note 8)		Severance pay and pension (F) (Note 3)		Employee compensation (G) (Note 9)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					

1. Please state the policy, system, standard, and structure of the remuneration payment for independent directors, and state the relevance to the amount of remuneration based on the responsibilities, risks, investment time, and other factors: The remuneration of the Company's independent directors not only takes into account the results of the performance evaluation of the Board of Directors but also in accordance with the provisions of the Company's Articles of Incorporation, according to their involvement in the Company's operations and the value of their contributions, are submitted with reference to the industry standard to the Board of Directors for resolution.
 2. Other than disclosures in the above table, remuneration received by the Company's directors for providing services (e.g., serving as a consultant for non-employees, etc.) to all companies in financial statements in the most recent year: None.
- Note 1: The Company conducted general re-election of directors at the annual shareholders' meeting on Jun. 28, 2019. There are seven new directors, namely director Mr. Fu-Chuan Chu, director Mr. Cheng-Ching Chu, corporate director Baoxin International Investment Co., Ltd. taking two seats (corporate representatives are Mr. Chao-Tsung Lou and Mr. Chia-Lin Teng), independent director Mr. Wen-Chang Fang, independent director Ms. Yu-Hui Su, and independent director Mr. Chien-Ming Wang.
- Note 2: The Company conducted general re-election of directors at the annual shareholders' meeting on Jun. 28, 2019. After the election, Mr. Chin-Tai Deng, former representative of the corporate director Baoxin International Investment Co., Ltd., former director Mr. Ying-Kuang Liu and former independent director Mr. Chun-Lang Huang were discharged after the term of office expires.
- Note 3: It is the remuneration to directors in 2020 (including director's salary, job allowance, severance pay, various bonuses, incentives, etc.).
- Note 4: It refers to the number of provisions and payments in 2020 by the law.
- Note 5: The distribution of directors' remuneration for 2019 passed by the Company's Board of Directors on Mar. 31, 2020, and annual shareholders' meeting on Jun. 23, 2020.
- Note 6: 2020 directors' related business execution expenses (including the remuneration of the corporate director representative appointed by the Company for the subsidiary, consisting of travel expenses, special expenses, allowances, accommodation, and company car paid or offered, etc.).
- Note 7: Net income refers to the net income in the 2020 parent company-only financial statement.
- Note 8: It refers to the salary, job allowance, and severance pay, various bonuses, incentive fees, travel expenses, special expenses, allowances, accommodation, company car, etc. received by directors concurrently serve as employees (including concurrently serving as the president, vice president, other managers, and employees) in 2020. Any salary listed under IFRS 2 "Share-based Payment," including employee stock options, new restricted employee shares, and cash capital increase by stock subscription, shall also be included in the remuneration.
- Note 9: It refers to employee remuneration (including stock and cash) received by directors serving concurrently as employees (including the president, vice presidents, other managerial officers, and employees), where the distribution is based on the employee compensation passed by the Board of Directors on Mar. 31, 2020, and the annual shareholders' meeting on Jun. 23, 2020.

Range of Remuneration

Range of remuneration paid to directors	Name of directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Under \$1,000,000	Fu-Chuan Chu, Cheng-Ching Chu, Chao-Tsung Lou, Chia-Lin Teng, Chin-Tai Deng, Ying-Kuang Liu, Wen-Chang Fang, Yu-Hui Su, Chien-Ming Wang, Chun-Lang Huang	Cheng-Ching Chu, Chia-Lin Teng, Chin-Tai Deng, Ying-Kuang Liu, Wen-Chang Fang, Yu-Hui Su, Chien-Ming Wang, Chun-Lang Huang	Cheng-Ching Chu, Chao-Tsung Lou, Chia-Lin Teng, Chin-Tai Deng, Ying-Kuang Liu, Wen-Chang Fang, Yu-Hui Su, Chien-Ming Wang, Chun-Lang Huang	Cheng-Ching Chu, Chia-Lin Teng, Chin-Tai Deng, Ying-Kuang Liu, Wen-Chang Fang, Yu-Hui Su, Chien-Ming Wang, Chun-Lang Huang
\$1,000,000 (inclusive) to \$2,000,000 (exclusive)	Baoxin International Investments Ltd.	Baoxin International Investments Ltd., Chao-Tsung Lou	Baoxin International Investments Ltd.	Baoxin International Investments Ltd., Chao-Tsung Lou
\$2,000,000 (inclusive) to \$3,500,000 (exclusive)		Fu-Chuan Chu		
\$3,500,000 (inclusive) to \$5,000,000 (exclusive)				
\$5,000,000 (inclusive) to \$10,000,000 (exclusive)				
\$10,000,000 (inclusive) to \$15,000,000 (exclusive)				
N\$15,000,000 (inclusive) to \$30,000,000 (exclusive)			Fu-Chuan Chu	Fu-Chuan Chu
\$30,000,000 (inclusive) to \$50,000,000 (exclusive)				
\$50,000,000 (inclusive) to \$100,000,000 (exclusive)				
\$100,000,000 and above				
Total	11 Persons (including one corporate director)	11 Persons (including one corporate director)	11 Persons (including one corporate director)	11 Persons (including one corporate director)

2. Remuneration to President and Vice President

Dec. 31, 2020 Unit: NT\$ thousands

Title	Name	Salary (A) (Note 3)		Severance pay and pension (B) (Note 4)		Bonuses and allowances (C) (Note 5)		Employee compensation (D) (Note 6)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 7)		Compensati on paid to directors from an invested company other than the Company's subsidiaries
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO	Fu-Chuan Chu	5,253	5,253	116	116	12,326	12,326	6,400	0	6,400	0	2.13	2.13	0
President	Neng-Chi Tsai (Note 1)													
Chairman's Office Senior Vice President	Chin-Tai Deng (Note 1) (Note 2)													
Business Division Vice President	Chia-Chi Kuo (Note 2)													

Range of Remuneration

Range of remuneration paid to president and vice president	Name of the president and vice president	
	The Company	All invested businesses
Under \$1,000,000	Chin-Tai Deng, Chia-Chi Kuo	Chin-Tai Deng, Chia-Chi Kuo
\$1,000,000 (inclusive) to \$2,000,000 (exclusive)	Neng-Chi Tsai	Neng-Chi Tsai
\$2,000,000 (inclusive) to \$3,500,000 (exclusive)		
\$3,500,000 (inclusive) to \$5,000,000 (exclusive)		
\$5,000,000 (inclusive) to \$10,000,000 (exclusive)		
\$10,000,000 (inclusive) to \$15,000,000 (exclusive)		
N\$15,000,000 (inclusive) to \$30,000,000 (exclusive)	Fu-Chuan Chu	Fu-Chuan Chu
\$30,000,000 (inclusive) to \$50,000,000 (exclusive)		
\$50,000,000 (inclusive) to \$100,000,000 (exclusive)		
\$100,000,000 and above		
Total	4 Persons	4 Persons

Note 1: The Company has discharged Mr. Chin-Tai Deng from the post of president by the resolution of the Board of Directors on Dec. 19, 2019. He was transferred to senior vice president of the chairman's office and resigned on Feb. 25, 2020.

Note 2: Vice president Chia-Chi Kuo resigned on Mar. 31, 2020.

Note 3: It refers to the salary, job allowance, and severance pay to the president and vice president in 2020.

Note 4: It refers to the number of provisions and payments in 2020 by the law.

Note 5: It refers to the amount of various bonuses, incentive fees, travel expenses, special expenses, allowances, accommodation, company car, etc., of the president and vice president in 2020. Salary expenses recognized pursuant to IFRS 2 "Share-based Payment," including employee stock options, restricted stock award shares, and cash capital increase by stock subscription shall be included as remuneration.

Note 6: The distribution is based on the employee compensation passed by the Board of Directors on Mar. 31, 2020, and the annual shareholders' meeting on Jun. 23, 2020.

Note 7: Net income refers to the net income in the 2020 parent company-only financial statement.

3. Remuneration to Managers

Unit: NT\$ thousands

Title	Name	Stock amount	Cash amount	Total	Ratio of total amount to net income (%)
CEO	Fu-Chuan Chu	0	6,877	6,877	0.62%
President	Neng-Chi Tsai				
Chief Financial Officer	You-Mei Wu				
Associate Manager of R&D Center	Sheng-Hsiung Chang				

(IV) Compare the Analysis on the Proportion of Remuneration Paid to the Company's Directors, Presidents, and Vice Presidents in the most recent two years by the Company and all Companies in the Consolidated Financial Statements to Net Income of Parent Company-only Financial Reports, also Explain the Policies, Standards and Combinations, the Procedures for Determining Compensation, and the Correlation with Business Performance and Future Risks:

1. Analysis on the proportion of remuneration paid to the Company's directors, president, and vice president by the Company and all companies in the consolidated financial statements to net income tax in the most recent two years:

Year Title	2019		2020	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Proportion of directors' remuneration	3.50%	3.63%	2.39%	2.67%
Proportion of the president and vice president remuneration	3.55%	3.55%	2.13%	2.13%

2. Policies, standards and combinations, the procedures for determining compensation, and the correlation with business performance and future risks:

(1) The remuneration received by the Company's directors is determined following the Company's Articles of Incorporation. The Board of Directors drafts the compensation distribution plan and submits it to the shareholders' meeting. The salary remuneration of directors and managerial officers shall be distributed after being deliberated by the Remuneration Committee and resolved by the Board of Directors.

The remuneration for managerial officers of the Company is mainly divided into salary, bonus, and employee compensation. Salary and bonus are deliberated by the Remuneration Committee and then resolved by the Board of Directors. Employee compensation is based on the Company's operating conditions and the allocation

proportion stipulated in the Company's Articles of Incorporation, which shall be reported to the shareholders' meeting after the resolution of the Board of Directors.

The remuneration evaluation items for the Company's directors and managerial officers include the target achievement rate, the Company's profit margin, contribution, and important aspects such as whether a moral hazard event has occurred.

- (2) The Company has purchased liability insurance for directors and managerial officers, and there are no litigation cases. In the future, directors are less likely to assume responsibilities, obligations, or liabilities.

III. Implementation of Corporate Governance

(I) Information on the Operation of the Board of Directors:

The Company's Board of Directors held a total of five meetings (A) in 2020; the attendance of directors was as follows:

Title	Name	Number of attendance in person (B)	Number of times by proxy	Attendance rate (%) (B/A)	Remarks
Chairman	Fu-Chuan Chu	5	0	100%	None
Director	Cheng-Ching Chu	4	1	80%	None
Director	Baoxin International Investments Ltd. Representative: Chao-Tsung Lou	5	0	100%	None
Director	Baoxin International Investments Ltd. Representative: Chia-Lin Teng	5	0	100%	None
Independent Director	Wen-Chang Fang	5	0	100%	None
Independent Director	Yu-Hui Su	5	0	100%	None
Independent Director	Chien-Min Wang	5	0	100%	None

Other matters:

- I. With regard to the implementation of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions, and the Company's response to such opinions shall be specified:

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act:

Date of meeting	Major resolution	Independent directors' opinions	The Company's response to independent directors' opinions
2020.03.31 The 6th Meeting of the 9th Board of Directors	(1) Approved the Company's 2019 business report. (2) Approved the Company's 2019 consolidated and parent company-only financial statements. (3) Approved the Company's 2019 compensation distribution for directors and employees.	Unanimously approved by all directors present (including independent directors)	Not applicable

	<p>(4) Approved the Company's 2019 earnings distribution plan.</p> <p>(5) Approved the issuance of new shares to increase capital through the capitalization of retained earnings.</p> <p>(6) Approved the amendment of the Company's "Articles of Incorporation."</p> <p>(7) Approved the amendment of the Company's "Procedures for Acquisition or Disposal of Assets."</p> <p>(8) Approved the convention of the 2020 annual shareholders' meeting.</p> <p>(9) Approved the Company's 2019 "Effectiveness Assessment of Internal Control System" and "Internal Control System Statement."</p> <p>(10) Approved the amendment of the Company's "Purchase and Payment Cycle."</p> <p>(11) Approved the amendments of the Company's "Regulation Governing the Procedures for Preparation of Financial Statements."</p> <p>(12) Approved the lifting of the restriction on competing with the Company by the president.</p> <p>(13) Approved the Company's proposal to increase investment in AIS Cayman Technology Group through its subsidiary, Ennoconn Investment Holdings Co., Ltd.</p> <p>(14) Approved the Company's capital increase proposal for the subsidiary Ennoconn Investment Holdings Co., Ltd.</p> <p>(15) Approved the application for the CTBC Bank credit line.</p> <p>(16) Approved the application for the First Bank credit line.</p> <p>(17) Approved the application for the Cathay United Bank credit line.</p> <p>(18) Approved the application for the Far Eastern International Bank credit line.</p> <p>(19) Approved the application for a financing line from the bank through the subsidiary Dexatek Technology Ltd.</p> <p>(20) Approved the application for a financing line from the bank through the subsidiary Thecus Technology Ltd.</p>		
2020.05.13 The 7th Meeting of the 9th Board of Directors	<p>(1) Reported the Company's consolidated financial report for the first quarter of 2020.</p> <p>(2) The report of the "2020 Audit Plan."</p>	Unanimously approved by all directors present (including independent directors)	Not applicable
2020.08.11 The 8th Meeting of the 9th Board of Directors	<p>(1) Approved the Company's 2019 distribution details of directors' compensation.</p> <p>(2) Approved the Company's 2019 compensation distribution for managers and employees.</p> <p>(3) Approved the Company's issuance of new shares to increase capital through the capitalization of retained earnings and related matters.</p> <p>(4) Approved the application for four banks' credit lines, including E.Sun Bank, Taishin Bank, Land Bank, and King's Town Bank.</p>	Unanimously approved by all directors present (including independent directors)	Not applicable

	(5) Approved the application for a financing line from CTBC Bank and Bank SinoPac through the subsidiary Ennoconn International Investment Co., Ltd.		
2020.11.11 The 9th Meeting of the 9th Board of Directors	<p>(1) Approved the Company's assessment that the overdue payments in the third quarter of 2020 are not of the nature of loans.</p> <p>(2) Approved the issuance of new ordinary shares in the third quarter of 2020 through the conversion of the Company's domestic unsecured convertible bonds.</p> <p>(3) Approved the amendment of the Company's "Rules of Procedure for Shareholders' Meeting," "Rules for the Director Elections," and "Operating Procedures of Endorsement and Guaranty."</p> <p>(4) Approved the amendment of the Company's "Regulations Governing Procedure for Board of Directors' Meetings," the "Organization Rules of the Audit Committee," the "Organization Rules of the Remuneration Committee," "Responsibilities of Independent Directors," "Performance Evaluation Measures of the Board of Directors," "Code of Ethical Conduct," and "Trading Procedures for Specific Company Affiliates and Group Enterprises."</p> <p>(5) Approved the drafting of the Company's 2021 audit plan.</p> <p>(6) Approved the amendment of the Company's "Purchase and Payment Cycle."</p> <p>(7) Approved the establishment of the Company's "Risk Management Policies and Procedures."</p> <p>(8) Approved the proposal of audit service fees for the appointment Deloitte & Touche.</p> <p>(9) Approved the assessment of independence status of the Company's CPA.</p> <p>(10) Approved the application for a short-term credit line from Bank SinoPac</p> <p>(11) Approved the application for a short-term credit line from Mega Bank</p> <p>(12) Approved the application for a financing line from CTBC Bank and Shanghai Commercial Bank through the subsidiary Dexatek Technology Ltd.</p> <p>(13) Approved the application for a financing line from First Bank and Bank SinoPac through the subsidiary Ennoconn International Investment Co., Ltd.</p>	Unanimously approved by all directors present (including independent directors)	Not applicable
2020.12.01 The 10th Meeting of the 9th Board of Directors	<p>(1) Approved the issuance of new shares to increase capital as the consideration payable by the Company for its acquisition of the shares of AIS Cayman Technology (hereinafter referred to as "AIS (Cayman) or that company"), making a share swap (hereinafter referred to as "this share swap"). It is proposed to sign a share swap cooperation agreement with AIS (Cayman).</p> <p>(2) Approved the Company's issuance of new shares to increase capital.</p> <p>(3) Approved the application for a short-term credit line from Cathay United Bank.</p>	Unanimously approved by all directors present (including independent directors)	Not applicable

(II) Any recorded or written Board resolutions to which independent directors have objections or reservations to be noted in addition to the above: The Company has implemented following Article 14-3 of the Securities and Exchange Act, and there is no objection or reservation of independent directors mentioned above.

II. Regarding recusals of directors from voting due to conflicts of interests, the directors' names, contents of motions, reasons for recusal, and results of the voting shall be specified.

Date of the Board Meeting	Name of directors	Contents of motions	Reason for recusal	Participation in voting
2020.08.11	Fu-Chuan Chu, Chia-Lin Teng, Chao-Tsung Lou, Cheng-Ching Chu, independent director Wen-Chang Fang, Yu-Hui Su, and Chien-Ming Wang	Discuss the Company's 2019 distribution details of directors' compensation	Related to self-interests	The person applied recusal due to conflicts of interest by the law and did not participate in discussion and voting.
2020.08.11	Fu-Chuan Chu	Discuss the Company's 2019 compensation distribution for managers and employees.	Related to self-interests	The person applied recusal due to conflicts of interest by the law and did not participate in discussion and voting.

III. TWSE/TPEX listed companies shall disclose the information of self-evaluation (or peer evaluation) of the Board of Directors, such as evaluation cycle, period, scope, method and contents :

Evaluation cycle	Period	Scope	Method	Content
Once a year	Jan. 1, 2020 to Dec. 31, 2020	Board of Directors The Board Members The Functional Committee	Internal self-evaluation Self-evaluation by the Board members	<p>(1) Performance evaluation of the Board of Directors Participation in the Company's operation, the decision quality of the Board of Directors, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control.</p> <p>(2) Performance evaluation of the Individual Board Members: mastery of the Company's goals and tasks, recognition of directors' responsibilities, participation in the Company's operation, internal relationship management and communication, the director's professional and continuing education, and internal control.</p> <p>(3) Performance evaluation of the Functional Committee: Participation in the Company's operation, recognition of the Functional Committee's responsibilities, the decision quality of the Functional Committee, composition of the Functional Committee, the election of the members, and internal control.</p>

The Company's 2020 Performance Evaluation Report of the Board, the Board Members, and the Functional Committees

- (I) Basis: In order to implement corporate governance, enhance the functions of the Company's Board of Directors, and establish performance objectives to enhance the operational efficiency of the Board of Directors, the 2020 performance evaluation of the Board, the Board members, and the Functional Committees is conducted following the Company's "Performance Evaluation Measures of the Board of Directors."
- (II) Performance evaluation period: Jan. 1, 2020 to Dec. 31, 2020.
- (III) Participants of self-evaluation questionnaire:
 - 1. Self-evaluation questionnaire for the Board members' performance evaluation: The self-evaluation questionnaire is filled out by the Company's seven current directors (including independent directors).
 - 2. Self-evaluation questionnaire for the Board's performance evaluation: It is filled out by the Company's deliberating unit
 - 3. Self-evaluation questionnaire for the Functional Committee's performance evaluation: It is filled out by the Company's deliberating unit based on the evaluation opinions of the Committee members.
- (IV) Evaluation conclusion
 - 1. Self-evaluation questionnaire for the Board members' performance (the average score was 97.9 in 2020 and 96.1 in 2019)
 - 2. Self-evaluation questionnaire for the Board's performance (new in this year, the score was 96 in 2020)
 - 3. Self-evaluation questionnaire for the Functional Committee's performance (the score was 96.7 in 2020 and 95.7 in 2019)
- IV. The objectives of strengthening the functions of the Board of Directors in the current year and the most recent year (such as the establishment of the Audit Committee, the enhancement of information transparency, etc.) and the evaluation of their implementation: The Company has set up the Audit Committee and the Remuneration Committee. At the same time, the Company regularly and from time to time discloses the operation and training status at the Market observation Post System to the investors so that the information disclosure can be real-time and transparent.

(II) Operation of Audit Committee:

1. Information on the Operation of the Audit Committee:

The Company's Audit Committee held a total of five meetings (A) in 2020; the attendance of independent directors was as follows:

Title	Name	Number of attendance in person (B)	By proxy Number of times	Attendance rate (%)	Remarks
Independent Director	Yu-Hui Su	5	0	100%	None
Independent Director	Wen-Chang Fang	5	0	100%	None
Independent Director	Chien-Min Wang	5	0	100%	None
Other matters:					
I. With regard to the implementation of the Audit Committee, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, the resolution of the Audit Committee, and the Company's response to the Audit Committee's opinions shall be specified. (I) Matters specified in Article 14-5 of Securities and Exchange Act: Approved by the Audit Committee and proposed to the Board of Directors.					
Date of meeting	Major resolution		Resolution of the Audit Committee	The Company's response to the Audit Committee's opinions	
2020.03.30 The 5th Meeting of the 3rd Audit Committee	(1) Approved the Company's 2019 consolidated and parent company-only financial statements (2) Approved the 2020 audit report and audit tracking report. (3) Approved the Company's 2019 business report (4) Approved the Company's 2019 earnings distribution plan (5) Approved the issuance of new shares to increase capital through the capitalization of retained earnings (6) Approved the amendment of the Company's "Procedures for Acquisition or Disposal of Assets" (7) Approved the Company's 2019 "Effectiveness Assessment of Internal Control System" and "Internal Control System Statement" (8) Approved the amendment of the Company's "Purchase and Payment Cycle" (9) Approved the amendments of the Company's "Regulation Governing the Procedures for Preparation of Financial Statements" (10) Approved the Company's proposal to increase investment in AIS Cayman Technology Group through its subsidiary, Ennoconn Investment Holdings Co., Ltd. (11) Approved the Company's capital increase proposal for the subsidiary Ennoconn Investment Holdings Co., Ltd. (12) Approved the application for the CTBC Bank credit line (13) Approved the application for the First Bank credit line (14) Approved the application for the Cathay United Bank credit line (15) Approved the application for the Far Eastern International Bank credit line		Unanimously approved by all members present.	There are no objections or reservations of members.	

	<p>(16) Approved the application for a financing line from the bank through the subsidiary Dexatek Technology Ltd.</p> <p>(17) Approved the application for a financing line from the bank through the subsidiary Thecus Technology Ltd.</p>		
2020.05.13 The 6th Meeting of the 3rd Audit Committee	(1) Approved the submission of the audit report for the completion of the new audit in 2020	Unanimously approved by all members present.	There are no objections or reservations of members.
2020.08.11 The 7th Meeting of the 3rd Audit Committee	<p>(1) Approved the submission of the consolidated financial report of the Company and its subsidiaries for the second quarter of 2020</p> <p>(2) Approved the submission of the Company's 2020 audit report</p> <p>(3) Approved the submission of the Company's first quarter of 2020 "Planning Implementation Table of Enhancing Financial Report Self-editing Capability"</p> <p>(4) Approved the application for four banks' credit lines, including E.Sun Bank, Taishin Bank, Land Bank, and King's Town Bank</p> <p>(5) Approved the application for a financing line from CTBC Bank and Bank SinoPac through the subsidiary Ennoconn International Investment Co., Ltd.</p>	Unanimously approved by all members present.	There are no objections or reservations of members.
2020.11.10 The 8th Meeting of the 3rd Audit Committee	<p>(1) Approved the submission of the consolidated financial report of the Company and its subsidiaries for the third quarter of 2020</p> <p>(2) Approved the Company's assessment that the overdue payments in the third quarter of 2020 are not of the nature of loans</p> <p>(3) Approved the submission of the Company's second quarter of 2020 "Planning Implementation Table of Enhancing Financial Report Self-editing Capability"</p> <p>(4) Approved the issuance of new ordinary shares in the third quarter of 2020 through the conversion of the Company's domestic unsecured convertible bonds</p> <p>(5) Approved the submission of the audit report for the completion of the new audit in 2020</p> <p>(6) Approved the submission of the 2021 audit plan</p> <p>(7) Approved the amendment of the Company's "Purchase and Payment Cycle"</p> <p>(8) Approved the establishment of the Company's "Risk Management Policies and Procedures"</p> <p>(9) Approved the amendment of the Company's "Rules of Procedure for Shareholders' Meeting," "Rules for the Director Elections," and "Operating Procedures of Endorsement and Guaranty"</p> <p>(10) Approved the amendment of the Company's "Regulations Governing Procedure for Board of Directors' Meetings," the "Organization Rules of the Audit Committee," the "Organization Rules of the Remuneration Committee," "Responsibilities of Independent Directors," "Performance Evaluation Measures of the Board of Directors," "Code of Ethical Conduct," and "Trading Procedures for Specific Company Affiliates and Group Enterprises."</p>	Unanimously approved by all members present.	There are no objections or reservations of members.

	<p>(11) Approved whether the case reported by Deloitte & Touche affects the auditing independence</p> <p>(12) Approved the proposal of audit service fees for the appointment Deloitte & Touche</p> <p>(13) Approved the evaluation of the independence of the Company's CPA</p> <p>(14) Approved the application for a financing line from CTBC Bank and Shanghai Commercial Bank through the subsidiary Dexatek Technology Ltd.</p> <p>(15) Approved the application for a financing line from First Bank and Bank SinoPac through the subsidiary Ennoconn International Investment Co., Ltd.</p>		
2020.12.01 The 9th Meeting of the 3rd Audit Committee	<p>(1) Approved the issuance of new shares to increase capital as the consideration payable by the Company for its acquisition of the shares of AIS Cayman Technology (hereinafter referred to as "AIS (Cayman) or that company"), making a share swap (hereinafter referred to as "this share swap"). It is proposed to sign a share swap cooperation agreement with AIS (Cayman)</p> <p>(2) Approved the issuance of new shares to increase capital in response to the needs of share swap</p> <p>(3) Approved the application for a short-term credit line from Cathay United Bank</p>	Unanimously approved by all members present.	There are no objections or reservations of members.
<p>(II) Except for the previous matters, other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.</p> <p>II. Regarding recusals of independent directors from voting due to conflicts of interests, the names of the independent directors, contents of motions, reasons for recusal, and results of the voting shall be specified: None.</p> <p>III. Communications between the independent directors, the Company's chief internal auditor, and CPAs (shall include the material items, methods, and results of audits of corporate finance or operations, etc.).</p> <p>The Company's independent directors have smooth communication channels with the chief internal auditor and CPAs, and they have reached a consistent conclusion:</p> <p>(I) Communication with CPAs: Before issuing major investment, financing matters, or financial reports, independent directors and CPAs will communicate on the content.</p>			
Date	Key communication points	Results	
2020.03.30	<p>(1) After the audit, CPAs explained the content of the 2019 consolidated financial statements, major audit findings (including adjustment of entries and significant deficiencies in internal control systems), and the content of the related audit report.</p> <p>(2) CPAs explained, discussed, and communicated the questions raised by the participants.</p> <p>(3) CPAs explained the key audit items in the audit report of the 2019 consolidated financial statements.</p>	The independent directors have no opinions and no suggestions.	
2020.05.13	<p>(1) After review, CPAs explained the contents of the consolidated financial statements for the first quarter of 2020 and the review report.</p> <p>(2) CPAs explained, discussed, and communicated the questions raised by the participants.</p>	The independent directors have no opinions and no suggestions.	
2020.08.11	<p>(1) After review, CPAs explained the contents of the consolidated financial statements for the second quarter of 2020 and the review report.</p> <p>(2) CPAs explained, discussed, and communicated the questions raised by the participants.</p>	The independent directors have no opinions and no suggestions.	

2020.11.10	(1) After review, CPAs explained the contents of the consolidated financial statements for the third quarter of 2020 and the review report. (2) CPAs explained, discussed, and communicated on the independence of CPAs. (3) CPAs explained, discussed, and communicated the questions raised by the participants.	The independent directors have no opinions and no suggestions.
2020.12.01	(1) The CPA explained the issuance of new shares to increase capital as the consideration payable by the Company for its acquisition of the shares of AIS Cayman Technology, making a share swap. (2) CPAs explained, discussed, and communicated the questions raised by the participants.	The independent directors have no opinions and no suggestions.
(II) Communication with chief internal auditor: The communication between the independent directors of the Company and the chief internal auditor is mainly through the following four methods: 1. After each audit item is completed, it shall be delivered to independent directors for review before the end of the following month. 2. Discuss the important audit findings and the status of improvements made on deficiencies in the Audit Committee and the Board of Directors at least once a quarter. 3. Perform various audit projects or conduct further analysis on the contents of the previous audit report following the instructions of the Independent Directors. 4. Communicate directly by phone or email. The key points of communication between the independent directors and chief internal auditor and the follow-up implementation are listed below:		
Date	Key communication points	Results
2020.03.30	(1) Reported the Company's completed audits in 2020 and follow-up on 2019 audits. (2) Submitted the Company's 2019 "Effectiveness Assessment of Internal Control System" and "Internal Control System Statement."	The independent directors have no opinions and no suggestions.
2020.05.13	Report the Company's completed audits in 2020.	The independent directors have no opinions and no suggestions.
2020.08.11	Report the Company's completed audits in 2020.	The independent directors have no opinions and no suggestions.
2020.11.10	(1) Reported the Company's completed audits in 2020. (2) Submitted the Company's 2021 audit plan. (3) Submitted the establishment of the Company's "Risk Management Policies and Procedures."	The independent directors have no opinions and no suggestions.

2. Key Tasks of the Audit Committee:

The Company's Audit Committee is composed of three independent directors, which meets at least once a quarter and is responsible for the fair presentation of the Company's financial statements, the selection (dismissal), independence and performance of CPAs, the effective implementation of the Company's internal control, the Company's compliance with relevant laws and regulations, as well as the management and control of the Company's existing or potential risks, etc. Its main duties are as follows:

- (1) Establishment or amendment of the internal control systems following Article 14-1 of the Securities and Exchange Act.
- (2) Evaluation of the effectiveness of the internal control system.
- (3) Under the provisions of Article 36-1 of the Securities and Exchange Act, stipulate or amend the procedures for handling major financial business activities involving acquisition or disposal of assets, engaging in derivative transactions, loans to other parties, and making endorsements, or providing guarantees for others.
- (4) Matters involving the director's own interests.
- (5) Major assets or derivatives transactions.
- (6) Major loans to other parties, endorsements, or guarantees provided.
- (7) The offering, issuance, or private placement of any equity-type securities.
- (8) Appointment, dismissal, and compensation of CPAs.
- (9) The appointment or discharge of a financial, accounting, or internal audit officer.
- (10) Quarterly and annual financial reports signed or stamped by the chairman, manager, and accounting supervisor.
- (11) Other major matters stipulated by the Company or the competent authority.

Key Tasks of the Audit Committee in 2020

- Approved the Company's 2019 "Effectiveness Assessment of Internal Control System"
- Approved the Company's 2019 consolidated and parent company-only financial statements
- Approved the Company's 2019 earnings distribution plan
- Approved the submission of the audit report completed in the 2020 audit
- Approved the submission of the consolidated financial report of the Company and its subsidiaries for the first three quarters of 2020
- Approved the amendment of the Company's "Rules of Procedure for Shareholders' Meetings," "Rules for the Director Elections," "Operating Procedures of Endorsement and Guaranty," "Regulations Governing Procedure for Board of Directors' Meetings," "Audit Committee Organization Rules," "Remuneration Committee Organization Rules," "Responsibilities of Independent Directors," "Performance Evaluation Measures of the Board of Directors," "Code of Ethical Conduct," and "Trading Procedures for Specific Company Affiliates and Group Enterprises."
- Approved the assessment of audit service fees for the appointment Deloitte & Touche.
- Approved the issuance of new shares to increase capital as the consideration payable by the Company for its acquisition of the shares of AIS Cayman Technology (hereinafter referred to as "AIS (Cayman) or that company"), making a share swap (hereinafter referred to as "this share swap")

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof:

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Does the Company establish and disclose its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		To establish a good corporate governance system, the Company has formulated the "Corporate Governance Best Practice Principles," which has standards for protecting the shareholders' rights, strengthening the board of directors' functions, respecting the shareholders' rights, and enhancing information transparency. For the Company's Corporate Governance Best Practice Principles, please visit the Company's website for inquiries.	No material discrepancy
II. Shareholding structure & shareholders' rights				
(I) Does the Company establish internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations, and does the Company implement the procedures in accordance with the procedure?	✓		(I) The Company has a spokesperson and a deputy spokesperson mechanism and established an investor relations mailbox. Shareholders' suggestions, doubts, and disputes are handled by the spokesperson or deputy spokesperson and the Company's stock affairs agency in a unified manner.	None
(II) Does the company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓		(II) The Company, through its stock affairs agency, has fully controlled the list of major shareholders and their ultimate owners, regularly disclosed insider shareholding changes every month according to laws and regulations and truly kept abreast of information regarding major shareholders.	None
(III) Does the Company establish and execute a risk management and firewall system within its affiliated companies?	✓		(III) The Company has established the "Trading Procedures for Specific Company Affiliates and Group Enterprises" and the "Operating Measures of Monitoring Subsidiaries" to regulate the management of personnel and assets with affiliated companies and conducts effective risk control through the implementation of internal control and internal audit systems.	None
(IV) Does the Company establish internal rules against insiders using undisclosed information to trade securities?	✓		(IV) The Company has established the "Management Procedures of the Prevention of Insider Trading" to regulate the operating procedures for confidentiality of major internal information, and regularly promoted that it is not allowed to use undisclosed information to trade the Company's securities.	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
III. Composition and responsibilities of the Board of Directors				
(I) Does the Board develop and implement a diversity policy for the composition of its members?	✓		(I) According to the Company's "Corporate Governance Best Practice Principles," the Board members shall take into consideration the concept of diversity and establish a diversity policy regarding its own operations, business type, and development needs, including basic requirements and values, gender, age, professional knowledge, professional background, professional skills, industry experience, etc. The Company has diversified Board members with backgrounds in science and engineering, finance, and industrial work experience to implement the diversity policy, thereby establishing a sound structure of the Board of Directors.	None
(II) In addition to the legally required Remuneration Committee and Audit Committee, does the Company voluntarily establish other functional committees?	✓		(II) In addition to the legally required Remuneration Committee and Audit Committee, the Company will develop the relevant measures based on needs in the future. The rest of the Company's governance operations are under the responsibility of various departments. In the future, the Company will establish various functional committees following the relevant laws and regulations and align with the Company's actual development needs.	None
(III) Does the Company establish standards to measure the performance of the Board, implement the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and make use of them as a reference for individual directors' remuneration and a nomination for renewal?	✓		(III) The Company's Board of Directors approved the establishment of "Performance Evaluation Measures for the Board of Directors" on Aug. 13, 2019, stipulating that the Board of Directors should conduct at least one performance evaluation of the Board, the Board members, and the Functional Committee every year. The internal evaluation results for the year 2020 have been reported to the Board of the Company on Mar. 29, 2021.	None
(IV) Does the Company regularly evaluate the independence of the CPAs?	✓		(IV) The Audit Committee and the Board of Directors assess the independence status of CPAs every year following Bulletin No. 10 of the CPA Code of Professional Ethics and Article 47 of the Certified Public Accountant Act. The CPAs are non-affiliates of the Company and the directors, and nothing that might affect the CPAs' independence was found.	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
IV. Does the Company deploy the competent and appropriate number of corporate governance personnel and designate a corporate governance officer responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors to comply with laws and regulations, handling matters related to Board meetings and shareholders' meetings according to the law, and producing minutes of the Board meetings and shareholders' meetings)?	✓		The Company has designated full-time personnel in charge of coordinating corporate governance-related affairs. The stock affairs department is responsible for implementing various corporate governance-related affairs, including handling matters related to the Board meetings and shareholders' meetings, producing minutes of the Board meetings and shareholders' meetings by the law, handling company registration and changes to company registration, regularly reviewing and amending the Company's Corporate Governance Best Practice Principles and related measures, providing the directors and the Audit Committee with the information required for business execution, regularly arranging continuing education and training courses for directors, etc., as well as regular reports the implementation of corporate governance to the Board of Directors every year.	None
V. Does the Company establish communication channels and build a dedicated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		The Company has designated a spokesperson and a deputy spokesperson and has set up a stakeholder relations mailbox on the Company's website as a communication channel. The Company not only responds to material corporate social responsibility issues properly but also regularly discloses financial and business information on the Market Observation Post System (MOPS) and the Company's website. In response to events that may have an impact on interested parties, the Company will also release important information on time.	None
VI. Does the Company appoint a professional stock affairs agency to deal with shareholder affairs?	✓		The Company has appointed the stock affairs agency department of Grand Fortune Securities Co., Ltd. to handle various stock affairs of the Company on its behalf.	None
VII. Information disclosure (I) Does the Company have a corporate website to disclose both the Company's financial standing and corporate governance status?	✓		(I) The Company has set up a corporate website and disclosed the Company profile, basic information, and other information on the website. The Company's financial standing and corporate governance status can also be queried through the Market Observation Post System (MOPS). Company Website: http://www.ennocn.com	None
(II) Does the Company have other information disclosure channels (e.g., setting up an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)?	✓		(II) The Company has set up a corporate website in both Chinese and English to provide relevant information to shareholders and stakeholders for reference. Besides, the Company is able to disclose important information that may affect shareholders and stakeholders promptly. The Company has also set up a spokesperson system to provide shareholders and stakeholders with the necessary consulting services.	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(III) Does the Company publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?			(III) The Company has always announced and declared financial reports within the prescribed period.	
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by directors and supervisors)?	✓		<ol style="list-style-type: none"> 1. Employee rights: Adhering to the concept of "labor and management as one," the Company focuses on rational and humane management to build smooth communication channels, maintain good labor-management relationships, jointly create productivity, share profits, and protect the employees' legal rights under the Labor Standards Act. 2. Employee wellness: The Company has established the Employee Welfare Committee, which handles various employee welfare matters, and is committed to talent training by actively encouraging employees to participate in various training courses, conducts labor-management meetings from time to time, and sets up suggestion boxes to learn about the thoughts of both parties, and creates a win-win situation for both parties. 3. Investor relations: The Company convenes shareholders' meetings every year in accordance with the Company Act and the relevant regulations, and provides shareholders with the opportunity to raise questions or submit proposals. Besides, the Company has set up a spokesperson system to deal with matters related to shareholder suggestions, doubts and disputes. The Company also handles matters related to the information announcement declaration according to the regulations of the competent authority to promptly provide information that may affect shareholders' decision-making. 4. Supplier relations: The Company maintains smooth communication channels with banks, employees, consumers, and suppliers to maintain good relationships. 5. Stakeholder rights: The Company has designated a spokesperson and a deputy spokesperson to communicate directly with stakeholders, thus respecting and maintaining the stakeholders' legal rights. 6. Directors' and supervisors' training record: Directors of the Company all possess industry professional background and practical experience in business management. The Company also provides the directors with corporate governance-related courses from time to time. 	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			7. Implementation of risk management policies and risk evaluation measures: The Company establishes various internal regulations and systems by the law and conducts various risk management and evaluation. 8. Implementation of customer policies: The Company maintains smooth communication channels with customers and maintains a good relationship. 9. The Company has purchased liability insurance for directors and independent directors to enhance the protection of shareholder rights and interests.	
IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation Results released by the TWSE’s Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved.				
The 7th corporate governance evaluation indicator improved item				
Number	Indicator item		Improvement	
2.23	Has the Company’s Performance Evaluation Measures for the Board of Directors been approved by the Board? Has the Company stipulated that an external evaluation shall be conducted at least every three years and executed the evaluation accordingly within the prescribed period? Has the Company disclosed the implementation status and evaluation results on the Company's website or in the annual report?		The Company has established Performance Evaluation Measures for the Board of Directors by the Board on Nov. 11, 2020, stipulated that an external evaluation shall be conducted at least every three years, and executed the evaluation accordingly within the prescribed period, as well as disclosed the implementation status and evaluation results on the Company's website or in the annual report.	
3.5	Does the Company upload the English version of the annual financial report to the Market Observation Post System (MOPS) seven days before the annual shareholders' meeting?		The Company has uploaded the English version of the annual financial report to the Market Observation Post System (MOPS) seven days before the annual shareholders' meeting this year.	
Improvements to be made and shall be prioritized in the 7th corporate governance evaluation indicator				
4.4	Does the Company refer to the internationally accepted guidelines for report preparation to compile corporate social responsibility (CSR) reports and other reports that disclose the Company's non-financial information?		The Company plans to invite professional institutions to guide the Company to compile a corporate social responsibility report.	
4.5	Has the CSR report prepared by the Company that discloses the Company's non-financial information verified by a third party?		The Company plans to send the CSR report to the third party for verification after it is completed.	

(IV) Composition, Duties, and Operation of the Remuneration Committee

1. Information of the Remuneration Committee Member

Title	Qualification Name	Meets one of the following professional qualification requirements, together with at least five years of work experience			Independence criteria										Number of other public companies where the individual concurrently serves as a remuneration committee member	Remarks
		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college, or university	A judge, public prosecutor, attorney, CPA, or another professional or technical specialist who has passed a national examination and has been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent Director	Wen-Chang Fang	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	None
Independent Director	Yu-Hui Su	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	None
Independent Director	Chien-Min Wang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	None

Note 1: Please check “” the corresponding boxes if the remuneration committee members meet the following conditions during the two years prior to the nomination and during the term of office.✓

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the registered countries.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top ten in shareholdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company or of a corporate shareholder that ranks among the top five in shareholdings.

- (6) Not a director, supervisor, or employees of another company controlled by the same person with more than half of the Company's director seats or voting shares.
- (7) Not a director, supervisor, or employee of another company or institution whose spouse is a chairman, president, or person holding an equivalent position.
- (8) Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company.
- (9) Not a professional individual who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or any affiliate of the Company, nor a spouse thereof.
- (10) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.

2. Operational Status of the Remuneration Committee:

(1) The Company's Remuneration Committee consists of three members.

(2) The term of the current committee: Jun. 28, 2019 to Jun. 27, 2022. A total of two (A) Remuneration Committee meetings were held in 2020. The attendance of members was as follows:

Title	Name	Number of attendance in person (B)	Number of times by proxy	Attendance rate (B/A)	Remarks
Convener	Wen-Chang Fang	2	0	100%	None
Member	Yu-Hui Su	2	0	100%	None
Member	Chien-Min Wang	2	0	100%	None
Other matters:					
I. If the Board of Directors does not or amend a recommendation of the Remuneration Committee, the date of the meeting, terms of the meetings, the content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the difference and the reason should be stated) shall be specified: None.					
II. If there were resolutions of the Remuneration Committee to which members objected or expressed reservations, and for which there is a record or declaration in writing, the date of the meeting, terms of the meetings, the content of the motion, all members' opinions, and the response to members' opinion shall be specified: None.					

3. Responsibilities of the Remuneration Committee:

The Company's Remuneration Committee shall exercise the due care of an administrator with good faith, faithfully fulfill the following duties, and submit its recommendations to the Board of Directors for discussion.

- (1) Establish and regularly review directors' and managers' performance evaluation and the policies, systems, standards, and structure of remuneration.
- (2) Evaluate and determine the remuneration of directors and managers on a regular basis.

(V) Corporate Social Responsibility:

Evaluation item	Implementation status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Does the Company assess the environment, society, and corporate governance (ESG) risks associated with its operations based on the principle of materiality and establish related risk management policies or strategies?	V		To effectively manage and implement operations such as corporate governance, ethical corporate management, and corporate social responsibility (CSR), the Company has continuously formulated management measures, such as "Corporate Social Responsibility Best Practice Principles," "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," and "Code of Ethical Conduct," which have been approved by the Board of Directors. Also, each functional unit shall carry out relevant measures under the division of responsibilities and the Company's policies and regularly review the implementation performance of each operation every six months. Each functional unit will also pay close attention to the relevant international initiatives and regulations and reviews at all times whether it is necessary to update the relevant management regulations and operating procedures.	No material difference.
II. Does the Company established exclusively (or concurrently) dedicated units to implement CSR, and has the Board of Directors appointed executive-level positions with responsibility for CSR and to report the status of the handling to the Board of Directors?	V		Each functional unit implements CSR-related operations under the division of responsibilities. Through the annual performance evaluation system, the supervisor of each responsible unit evaluates and reviews the implementation effectiveness during the period and sets future development goals and implementation contents, which will be executed upon approval by the President. The President's Office is responsible for compiling and preparing CSR reports. The Board's responsibilities include assessing the Company's performance on economic, environmental, and social issues. Senior management must report the Company's operational status and other important issues to the Board to maintain good interaction and communication.	No material difference.

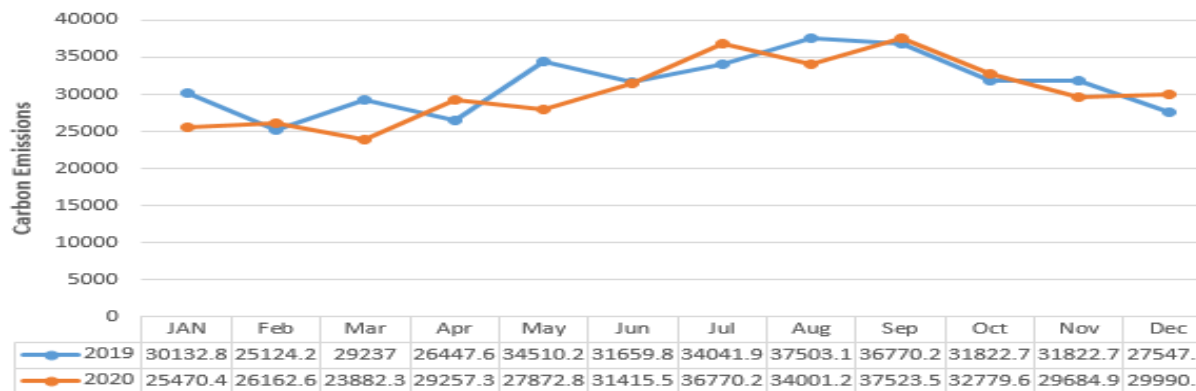
III. Environmental issues				
(I) Does the Company establish environmental management systems proper to its industry's characteristics?	V		(I) The Company's environmental management conforms to the relevant laws and regulations and adjusts its operation according to the industrial characteristics.	No material difference.
(II) Does the Company endeavor to utilize all resources more efficiently and use renewable materials that have a low impact on the environment?	V		(II) The Company has taken measures for recycling and waste classification for many years, and various disposed items are handled by qualified recycling manufacturers. In terms of packaging materials, the Company also uses recycled materials as much as possible to reduce the impact on the environmental load and advocates energy conservation in daily operations to improve energy efficiency. The Company promotes green general affairs in daily life to reduce the impact of disposable waste on the earth's environment.	No material difference.
(III) Does the Company evaluate the potential risks and opportunities of climate change for companies now and in the future, and adopt countermeasures related to climate issues?	V		(III) The Company strictly carries out energy-saving and carbon reduction measures by turning off lights when leaving and controlling air conditioner temperature to reduce energy waste.	No material difference.
(IV) Does the Company collect data for greenhouse gas emissions, water usage, and waste quantity in the past two years and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water usage reduction, and other waste management?	V		(IV) The Company has handled relevant management policies under laws and regulations.	No material difference.
IV. Social issues				
(I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(I) The Company truly abides by Labor Standards Act and relevant labor laws and regulations and has indeed transformed them into the Company's labor-management measures for compliance by management and staff to safeguard the legitimate rights and interests of employees. To fulfill its corporate social responsibilities and implement human rights protection, Ennoconn Corp. respects and supports internationally recognized human rights norms and principles, including the "Universal Declaration of Human Rights." "The United Nations Global Compact," and the "Declaration on Fundamental Principles and Rights at Work" of International Labor Organization, abide by local laws and regulations, and formulate human rights policies under the "United Nations Guiding Principles on Business and Human Rights" to prevent violations of human rights, and provide reasonable and dignified treatment to the employees of the Company. This policy applies to all staff of Ennoconn Corporation.	No material difference.
(II) Does the Company formulate and implement reasonable employee welfare measures (including salary, leave, and other benefits) and properly reflect the operating performance or results in employee compensation?	V		(II) The Company has formulated welfare measures following relevant laws and regulations and regularly evaluates performance and remuneration.	No material difference.

(III) Does the company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?	V		(III) The Company cares about every working partner and formulates the "Code of Occupational Health and Safety Practice" to maintain the safety and health of Ennoconn Corp.'s workplace and ensure the employees' safety and property and environmental safety. Furthermore, the Company will continue to enhance the staff's ability of hazard awareness in the office and the factory area, and promote a safe workplace culture, so that every colleague can work safely in a safe workplace. In cooperation with the health examination center, employees may schedule time for a physical health check on a regular basis each year.	No material difference.
(IV) Does the Company establish effective career development and training plans for its employees?	V		(IV) In order to enhance employees' job skills, integrate employees into the working environment swiftly, improve the quality of products and services, and enhance the overall competitiveness of the organization, the Company has launched the education and training program through a systematic training blueprint so that employees can grow together with the Company, as well as strengthen employees' self-skills and diversify their career development.	No material difference.
(V) Does the company comply with relevant laws and regulations, and international standards in terms of customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and complaint procedures to protect consumers' rights?	V		(V) In terms of consumer rights, the Company offers product liability insurance for products sold to safeguard consumer rights and has set up communication channels on Company's website to establish direct contact and communication with stakeholders.	No material difference.
(VI) Does the company formulate and implement supplier management policies that require suppliers to comply with relevant regulations on environmental protection, occupational safety, and health or labor human rights?	V		(VI) When establishing a new supplier, we will pay attention to whether there is any record of a supplier's impact on the environment and society. Also, all suppliers are required to jointly meet the requirements of green environmental protection according to the Company's policies and be committed to comply with the product environmental protection specifications to enhance corporate social responsibility.	No material difference.
V. Does the Company refer to the internationally accepted guidelines for report preparation to compile corporate social responsibility (CSR) reports and other reports that disclose the Company's non-financial information? Has the aforementioned report obtained the assurance or guarantee opinion of the third-party verification unit?		V	The company is not subject to regulations and needs to compile a CSR report compulsorily.	The Company has planned to invite a professional institute to guide the Company to compile a corporate social responsibility report under the internationally accepted guidelines for report preparation. Upon completion, it will be sent to the third party for verification.
VI. If the Company has established its own ethical corporate management principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe the implementation and any deviations from the Principles: No material difference.				

VII. Other important information to facilitate a better understanding of corporate social responsibility practices:

- (1) The Company has taken measures for recycling and waste classification for many years. Besides, the Company advocates energy conservation in daily operations and strictly implements energy-saving, carbon reduction, and water conservation measures by turning off lights when leaving and controlling air conditioner temperature to reduce energy waste.
- (2) The Company has appointed a fire safety manager; the office regularly carries out a fire security check and building public safety inspection. The Company has appointed a labor safety supervisor who is responsible for planning, execution, and verification of safety and health management to implement and achieve the goal of safety and health management.
- (3) The Company promotes charity and good deeds internally and makes donations to disadvantaged groups from time to time. Furthermore, the Company has set up invoice boxes in its offices to collect invoices and invites public welfare groups to participate in performances at the Company's large events.
- (4) The Company has established a spokesperson system to accept investors' suggestions and deal with doubts and disputes. The Company also maintains smooth communication channels with various stakeholders, including banks, employees, consumers, and suppliers, to maintain good relationships while respecting and safeguarding their legitimate rights and interests.
- (5) Ennoconn Corp. and Syin-Lu Social Welfare Foundation had participated in the 7th "Good Day Walk Together" hiking activity to support people with disabilities to get out of the house and interact with society and the crowd, learn to understand and respect each other and create a friendly and inclusive living environment. So that the general public can understand and accept them better.
- (6) Ennoconn Corporation had participated in the Department of Environmental Protection, New Taipei City Government's planning of beach cleaning activity on Xialiao Beach, Wanli District, with the concept of "what is taken from society is used in society," allowing colleagues and family members of Ennoconn Corp. to engage in environmental protection activities, make a contribution to the sustainable survival of the earth, and also take this activity to let the participating colleagues understand that not only "picking up," but also "reduce."
- (7) We had contacted the Taiwan Fund for Children and Families Center in New Taipei City and sponsored a scholarship of NT\$60,000 for students in the countryside. A total of 25 elementary and junior high school students received the scholarship. Encourage the students receiving the scholarship to work hard so that they can complete their education. The Company also promotes various social welfare and caring activities from time to time, such as organizing a blood donation campaign to save lives, uphold the spirit of giving back to the disadvantaged groups in society, and donating materials to disadvantaged groups (Andrew Food Bank (disadvantaged families), Yu-Cheng Social Welfare Foundation (disability welfare), Boyo Social Welfare Foundation - Puli Center (children and teenager education), Mother Chang's Home for Stray Animals (animal protection))."
- (8) The Company pays attention to the trend of climate change, strictly carries out energy-saving and carbon reduction measures, turns off the lights when leaving, and controls the air conditioner temperature to reduce energy waste and continuously improve the ability of climate change mitigation and adaptation.

Comparison Chart of Ennoconn Corporation's Monthly Carbon Emissions from 2019 to 2020



A. Carbon emissions and future quantitative management of water resources

a. Carbon emission and quantitative management objectives of water resources

- (a) The Company's future quantitative management objectives of carbon emission: Starting from 2019, it will achieve a reduction of at least 1% annually compared with the previous year.
- (b) The Company's future quantitative management objectives of water consumption: Starting from 2019, it will achieve a reduction of at least 1% annually compared with the previous year.

b. Measures to achieve objectives

- (a) Carbon reduction measures: The Company implements energy-saving plans through the three major aspects of the air-conditioning system, electric lighting, and other electricity, and regularly checks and replaces equipment to avoid excessive energy consumption of old equipment.
- (b) Water-saving measures: The Company implements water-saving internally and regularly inspects whether there are water leaks in faucets and water pipes.

c. The Company's current achievement

- (a) The Company's total carbon emissions were 377,085 tons in 2020, representing a decrease of 3.13% compared to 365,278 tonnes in 2019.
- (b) The Company's total water consumption was 3,062 tons in 2020, representing a decrease of 1.35% compared to 3,104 tonnes in 2019.

B. Potential risk assessment and response measures of climate change to the Company now and in the future

In the 2020 Global Risk Report published by the World Economic Forum, WEF, the top risk list is "extreme climate." In response to the impact of climate change on the business operation and to reveal information related to the specific greenhouse effect, the Company's Corporate Sustainable Management Committee regularly reports to the Board of Directors to let the directors and senior management understand the impact of climate change on the Company. Since 2020, all departments of the Company have also begun to conduct business check and risk identification for climate change, including direct or indirect impacts caused by extreme climate, industry impact caused by changes in relevant laws and regulations, technology or market demand as well as analysis of risks and opportunities caused by other cultural and social aspects to the Company's operating activities. Based on the analysis results, a risk management plan is set up as a policy of action in response to climate change and further estimates the impact of extreme climate on management costs and corporate finance.

The Company not only publishes the carbon emission data on its website regularly but also provides customers and stakeholders with convenient and timely access to the required information. Through the Corporate Sustainability Management Committee, a series of "energy saving, carbon reduction, love the earth" activities have

been carried out internally to strengthen awareness of all employees on energy conservation and environmental protection, improve energy efficiency, integrate internal environmental safety and health policies, and list energy cost reduction as one of annual audit item.

Climate change is one of the most important issues in global society at present. As a member of the global community, the Company should take the responsibility of protecting the global environment and care for climate issues in response to global environmental protection and energy-saving actions, continuously improving the supply chain and moving towards green manufacturing.

In our core business development, we work with our strategic partners to innovate and practice IoT solutions, actively introduce smart applications for various public construction and large-scale projects, and provide a more convenient, fast, and user-friendly operation platform, and create an efficient energy control environment for customers and strategic partners to control energy.

(9) Corporate social responsibility risk assessment

Based on the materiality principle of corporate social responsibility (CSR), the Company conducts risk assessment on relevant environmental, social, or corporate governance issues and formulates relevant risk management policies or strategies for the assessed risks as follows

Material issue	Risk assessment item	Risk management policies and strategies
Environment	Environmental protection and ecological conservation	The Company has devoted itself to environmental protection, formulated waste management measures, and effectively reduces the impact of the Company's daily operations on the environment through PDCA's management cycle control. The Company strictly carries out energy-saving and carbon reduction measures and promotes green general affairs to reduce the impact of disposable waste on the earth's environment through recycling.
Society	Labor and occupational safety	The Company cares about every working partner and formulates the "Code of Occupational Health and Safety Practice" to maintain the safety and health of Ennoconn Corp.'s workplace and ensure the employees' safety and property and environmental safety. Furthermore, the Company will continue to enhance the staff's ability of hazard awareness in the office and the factory area, and promote a safe workplace culture, so that every colleague can work safely in a safe workplace. In cooperation with the health examination center, employees may schedule time for a physical health check on a regular basis each year.
	Consumer rights and product safety	In terms of consumer rights, the Company offers product liability insurance for products sold to safeguard consumer rights and has set up communication channels on Company's website to establish direct contact and communication with stakeholders.
Corporate governance	Legal compliance	The Company has set up a dedicated corporate governance unit to regularly review and amend the Company's Corporate Governance Best Practice Principles and related measures and established the "Management Procedures of the Prevention of Insider Trading" to regulate the operating procedures for confidentiality of major internal information and strengthen the promotion of not using undisclosed information to trade the Company's securities. Relevant measures are implemented by the Company's internal control system.

(VI) The Company's Implementation of Ethical Corporate Management and Measures Adopted:

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons thereof
	Yes	No	Description	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the Company establish ethical corporate management policies, declare its ethical corporate management policies and procedures in its guidelines and external documents, and do the Board of Directors and management work proactively to implement their commitment to those management policies?</p> <p>(II) Does the Company establish an assessment mechanism for the risk of unethical conduct, regularly analyze and evaluate the business activities with high-potential unethical conduct within its business scope, and formulate a scheme to prevent unethical conduct, and at least cover the precautionary measures for the acts in "Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?"</p> <p>(III) Does the Company specify operation procedures, conduct guidelines, punishments for violation, and rules for appeal in the scheme for preventing unethical conduct and implement them accordingly?</p>	V		<p>(I) The Company has established the "Code of Ethical Conduct" and "Procedures for Ethical Corporate Management and Guidelines for Conduct," which specify the matters that should be noted by employees of the Company when performing their duties.</p> <p>(II) The Company strictly complies with corporate ethics and adheres to the corporate culture of integrity and honesty to create a sustainable business environment.</p> <p>(III) The Company regularly organizes corporate ethics education training and promotion for all employees. New employees are given a code of conduct on the day of taking office, which conveys the rights and obligations of employees. Moreover, the Company incorporates ethical corporate management into performance evaluation of employees and human resource policies and has established a clear and effective reward, punishment, and appeal system.</p>	No material discrepancy

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons thereof
	Yes	No	Description	
II. Fulfillment of Ethical Corporate Management				
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	V		(I) Before establishing business relationship with others, the Company first assesses the legality and ethical corporate management policy of agents, suppliers, customers, and other business counterparties, and evaluates whether they have any records of unethical conduct in the past to ensure that their business practices are fair, transparent and will not ask for, offer or accept bribes.	No material discrepancy
(II) Does the Company establish an exclusively dedicated unit under the Board to implement ethical corporate management, and report to the Board regularly (at least once a year) regarding its ethical corporate management policy, the scheme for preventing unethical conduct, and supervision of its implementation?	V		(II) The Company has set up the Corporate Sustainability Committee as an exclusively dedicated unit to implement this operating procedure and the amendment, implementation, interpretation, consulting services, and notification content registration and filing, and other related operations and supervision of the implementation of the behavior guidelines, and report to the Board of Directors yearly ,the latest date is March 29, 2021.	
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V		(III) In the event of a conflict of interest, employees can report to the head of the department or the president.	
(IV) Does the Company establish effective systems for both accounting and internal control to implement ethical corporate management, and does the internal audit unit draw up relevant audit plans based on evaluation results of the risk of unethical conduct, and check the compliance of the scheme for preventing unethical conduct, or entrust CPAs to carry out the audit?	V		(IV) The Company has established effective accounting and internal control systems and constantly reviews and revises them from time to time according to changes of laws and regulations and practical needs. Also, internal auditors regularly examine it to ensure that the design and implementation of the system remain effective, achieve corporate governance and risk control, and implement ethical corporate management. The Corporate Sustainability Committee is a dedicated unit to implement and supervise ethical corporate management-related operations and regularly reports such matters to the Board of Directors.	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(V) Does the company regularly hold internal and external educational training on ethical corporate management?			(V) The Company promotes the principle of ethical corporate management in various meetings from time to time so that its colleagues implement ethical corporate management-related norms internally and externally. Starting from 2019, the importance of Ethical Corporate Management Best Practice Principles will be propagated regularly during the quarterly training of recruits. In 2020, it was held on Apr. 21 and Oct. 13 respectively, with 27 participants.	No material discrepancy
III. Operation of the Company's Whistle-blowing System (I) Does the Company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party? (II) Does the Company establish standard operating procedures for the reported matters and the relevant confidential mechanism? (III) Does the Company provide protection to whistleblowers against receiving improper treatment?	V V V		When the Company discovers or receives a report regarding an employee's involvement in unethical conduct, the Company will immediately request the perpetrator to stop the relevant conduct if it is confirmed that the reported employee has violated the relevant laws and regulations or the Company's ethical corporate management policies and regulations, and will appropriately deal with the case. If necessary, the Company shall seek compensation for damages through legal proceedings to maintain the reputation and interests of the Company. Additionally, the Company will pay special attention to the confidentiality of whistleblowers to avoid improper treatment when dealing with related matters.	No material discrepancy
IV. Enhancing Disclosure of Information (I) Does the Company disclose its ethical corporate management principles and the results of its implementation on the Company website and Market Observation Post System (MOPS)?	V		The Company discloses its ethical corporate management-related information via MOPS and the media in a timely manner.	No material discrepancy
V. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies, please describe the implementation and any deviations from the Principles: The Company has established the "Procedures for Ethical Corporate Management and Guidelines for Conduct." There was no material discrepancy between its implementation and "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies."				

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons thereof
	Yes	No	Description	
<p>VI. Other important information to facilitate a better understanding of the Company's ethical corporate management:</p> <p>(I) The Company's website, annual report, and prospectus all disclose compliance with the ethical corporate management principles.</p> <p>(II) The Company's Board of Directors closely implements the system of recusal due to conflicts of interest.</p> <p>(III) The Company always pays attention to the development of relevant norms of ethical corporate management at home and abroad and formulates the Company's relevant management measures.</p> <p>(IV) The Company's whistle-blowing system</p> <p>1. Whistle-blowing channels: The Company encourages internal and external personnel to report unethical conduct or misconduct. In September 2015, the Company announced and provided information on the whistle-blowing channels for internal and external personnel and stakeholders at the stakeholder area of the Company's website.</p> <p>2. Whistle-blowing system: The Company's whistle-blowing system is stipulated in Article 21 of the "Ethical Corporate Management Best Practice Principles." The content is as follows: "The company encourages internal and external personnel to report unethical conduct or misconduct. The Company has established a whistle-blowing system on the Company's website for internal and external personnel to use." The whistleblower should provide at least the following information:</p> <p>(1) The whistleblower's name, ID number, address, telephone number, and e-mail where it can be reached.</p> <p>(2) The name of the accused or other information sufficient to identify the identity of the accused.</p> <p>(3) Specific evidence available for investigation.</p> <p>The Company's relevant personnel handling the report shall make a written statement that the whistleblower's identity and the content of the report shall be kept confidential, and the Company promises to protect the whistleblower from being improperly treated due to the whistle-blowing. The Company's dedicated unit will handle it according to the following procedures:</p> <p>(1) Whistle-blowing matters involving general employees should be reported to the president. Whistle-blowing matters involving directors or senior executives should be reported to independent directors.</p> <p>(2) The Company's dedicated unit and supervisor or personnel to whom the cases are reported as mentioned in the preceding subparagraph shall immediately ascertain the relevant facts. When necessary, legal compliance or other relevant departments will provide assistance.</p> <p>(3) If it is confirmed that the reported employee has violated the relevant laws and regulations or the Company's ethical corporate management policies and regulations, the Company will immediately request the employee to stop the relevant conduct and will appropriately deal with the situation. If necessary, the Company shall seek compensation for damages through legal proceedings to maintain the reputation and interests of the Company.</p> <p>(4) Written documents shall be retained for the acceptance of whistleblowing, investigation process, and investigation results, and shall be kept for five years, and their preservation may be done electronically. Before the expiration of the retention period, in the event of a lawsuit related to the whistleblowing content, the relevant information shall be retained until the conclusion of the litigation.</p>				

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(5) If whistleblowing matters are verified to be true, the Company's relevant units shall be responsible for reviewing the relevant internal control system and operating procedures, and proposing improvement measures to prevent the same conduct from happening again.				
(6) The Company's dedicated unit shall report the whistleblowing matters, its handling method, and subsequent review and improvement measures to the Board of Directors.				

(VII) If the Company has Adopted Corporate Governance Best Practice Principles or Related Bylaws, the Inquiry Method shall be Disclosed:

The Company has established the Corporate Governance Best Practice Principles. For the Company's corporate governance implementation, please refer to Chapter III, Corporate Governance Report of this annual report. The Company has established the Rules of Procedures of the Shareholders' Meeting, Regulations Governing Procedure for Board of Directors' Meetings, Audit committee Organization Rules, Remuneration Committee Organization Rules, Corporate Governance Best Practice Principles, Corporate Social Responsibility Principles, Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, Rules for the Director Elections, Operation Procedures of Capital Loan to Others, Operating Procedures of Endorsement and Guaranty, Procedures for Acquisition or Disposal of Assets, Procedures for the Trading of Financial Derivatives, Financial and Non-financial Information Management, Measures for Subsidiary Management and Control Operations, Management Procedures of the Prevention of Insider Trading, etc. For related bylaws, please visit the Company's website for inquiries.

(VIII) Other Important Information Regarding Corporate Governance

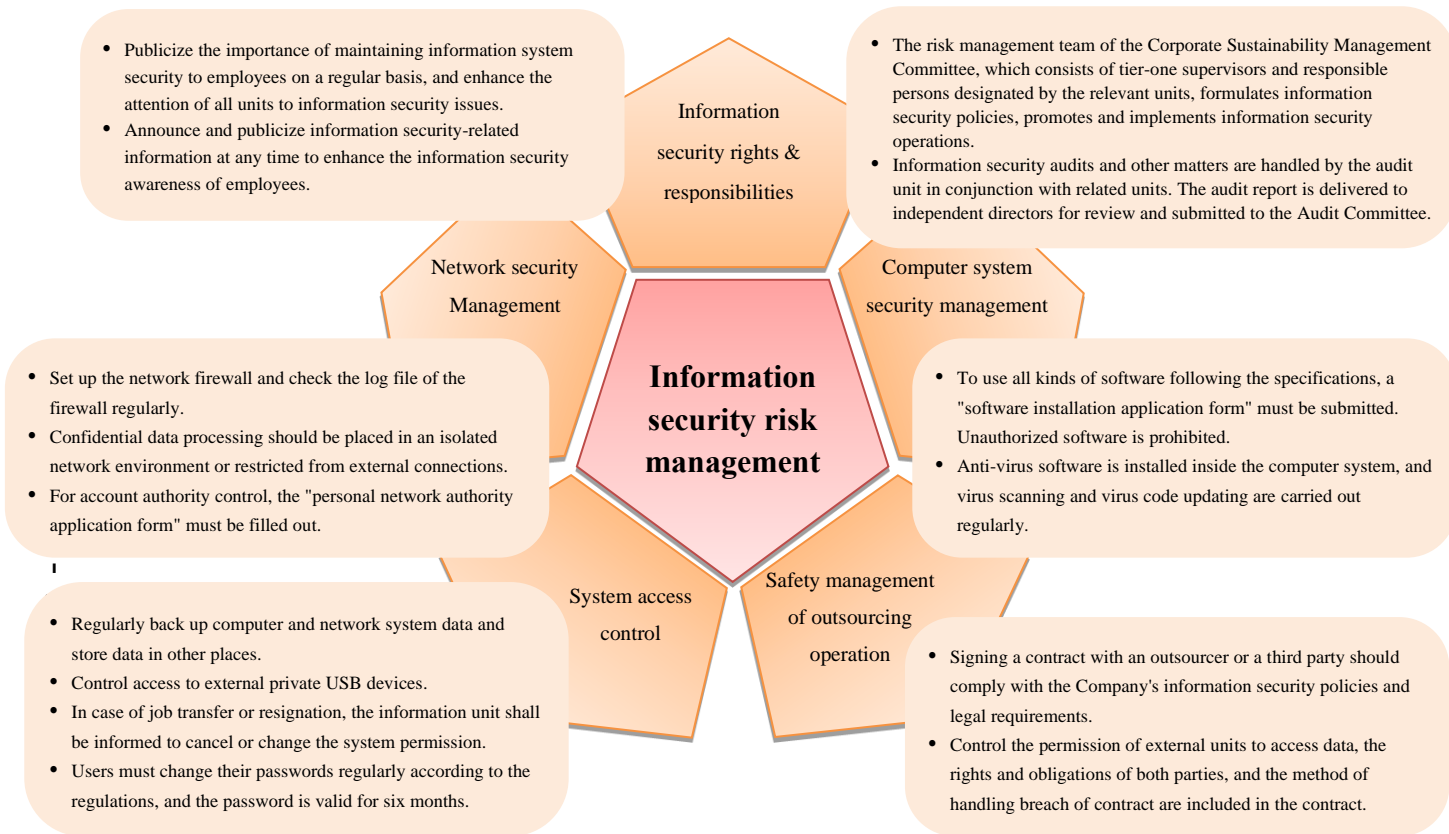
1. The Company has established the "Procedures for Prevention of Insider Trading," and announced the procedures to its managers and employees.
2. The Company's newly elected directors will be given the director's brochure when they take the office, which contains various laws and regulations (including the Procedures for Prevention of Insider Trading as mentioned in the preceding paragraph) and precautions to be taken to facilitate the new directors to comply.
3. Information security risk management policy of the Company

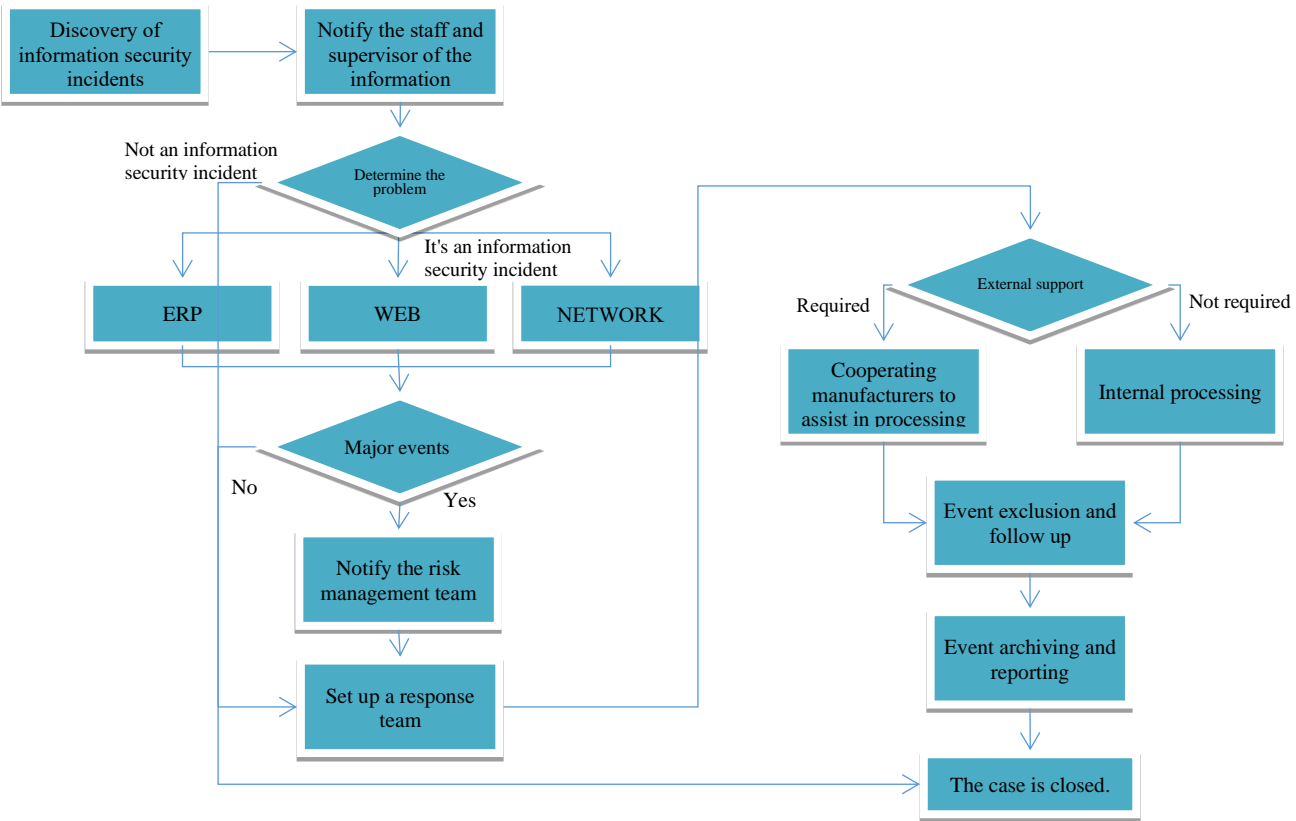
To strengthen information security management to maintain the confidentiality, integrity, and availability of the Company's important

information system, the Company has formulated a number of internal information security regulations and systems to regulate the information security behavior of the Company’s personnel. Regularly review whether the relevant systems are in line with the changes of the operating environment every year, and timely adjust them according to the needs to establish a safe and reliable technology industry.

Information security policy related management specifications

Access control of programs and data	Control operation of data output and input	Control operation of data processing	Safety control of archives and equipment
Purchase, use, and maintenance control of hardware and system software	System recovery plan and test program control operation	Control operation of information security inspection	Control operation of disclosing information





(IX) Status of Internal Control System

1. Statement of Internal Control System

Ennoconn Corporation

Statement of Internal Control System

Date: Mar. 29, 2021

The Company hereby states the results of the self-evaluation of the internal control system for 2020 as follows:

- I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and managers, and the Company has established an internal control system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance, and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. The internal control system has innate limitations. No matter how robust and effective the internal control system, it can only provide reasonable assurance of the achievement of the foregoing three goals. In addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the internal control system of the Company has self-monitoring mechanisms in place, and the Company will take corrective action against any defects identified.
- III. The Company uses the assessment items specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. Based on the process of control, the assessment items specified in the "Regulations" divide the internal control system into five constituent elements: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communications; and 5. monitoring activities. Each constituent element includes a certain number of items. For more information on such items, please refer to the "Regulations."
- IV. The Company has adopted the aforesaid assessment items for the internal control system to determine whether the design and implementation of the internal control system are effective.
- V. Based on the results of the determination in the preceding paragraph, the Company believes that, as of Dec. 31, 2020, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.
- VI. This statement will constitute the main content of the Company's annual report and the prospectus and will be disclosed to the public. Any falsehood or concealment with regard to the above contents will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Board of Directors on Mar. 29, 2021, and out of the seven directors in attendance (including attendance by proxy), none objected to it, and all consented to the content expressed in this statement.

Ennoconn Corporation

Chairman: Fu-Chuan Chu

President: Neng-Chi Tsai



2. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: None.

(X) Penalties Imposed upon the Company and its Employees in accordance with the law, Penalties Imposed by the Company upon its Employees for the Violation of the Internal Control System Policy, Principal Deficiencies, and Improvement Status during the most recent Fiscal Year up to the Publication Date of the Annual Report: None.

(XI) Major Resolutions of Shareholders' Meeting and Board Meetings During the most recent Fiscal Year up to the Publication Date of the Annual Report:

Type of meeting	Date of meeting	Major resolution
Board of Directors	2020.03.31	(1) Approved the Company's 2019 business report. (2) Approved the Company's 2019 consolidated and parent company-only financial statements. (3) Approved the Company's 2019 compensation distribution for directors and employees. (4) Approved the Company's 2019 earnings distribution plan. (5) Approved the issuance of new shares to increase capital through the capitalization of retained earnings. (6) Approved the amendment of the Company's "Articles of Incorporation." (7) Approved the amendment of the Company's "Procedures for Acquisition or Disposal of Assets." (8) Approved the convention of the 2020 annual shareholders' meeting. (9) Approved the Company's 2019 "Effectiveness Assessment of Internal Control System" and "Internal Control System Statement." (10) Approved the amendment of the Company's "Purchase and Payment Cycle." (11) Approved the amendments of the Company's "Regulation Governing the Procedures for Preparation of Financial Statements." (12) Approved the lifting of the restriction on competing with the Company by the president. (13) Approved the Company's proposal to increase investment in AIS Cayman Technology Group through its subsidiary, Ennoconn Investment Holdings Co., Ltd. (14) Approved the Company's capital increase proposal for the subsidiary Ennoconn Investment Holdings Co., Ltd. (15) Approved the application for the CTBC Bank credit line. (16) Approved the application for the First Bank credit line. (17) Approved the application for the Cathay United Bank credit line. (18) Approved the application for the Far Eastern International Bank credit line. (19) Approved the application for a financing line from the bank through the subsidiary Dexatek Technology Ltd. (20) Approved the application for a financing line from the bank through the subsidiary Thecus Technology Ltd.
Board of Directors	2020.05.13	(1) Reported the Company's consolidated financial report for the first quarter of 2020. (2) The report of the "2020 Audit Plan."
Board of Directors	2020.08.11	(1) Approved the Company's 2019 distribution details of directors' compensation. (2) Approved the Company's 2019 compensation distribution for managers and employees. (3) Approved the Company's issuance of new shares to increase capital through

Type of meeting	Date of meeting	Major resolution
		<p>the capitalization of retained earnings and related matters.</p> <p>(4) Approved the application for four banks' credit lines, including E.Sun Bank, Taishin Bank, Land Bank, and King's Town Bank.</p> <p>(5) Approved the application for a financing line from CTBC Bank and Bank SinoPac through the subsidiary Ennoconn International Investment Co., Ltd.</p>
Board of Directors	2020.11.11	<p>(1) Approved the Company's assessment that the overdue payments in the third quarter of 2020 are not of the nature of loans.</p> <p>(2) Approved the issuance of new ordinary shares in the third quarter of 2020 through the conversion of the Company's domestic unsecured convertible bonds.</p> <p>(3) Approved the amendment of the Company's "Rules of Procedure for Shareholders' Meeting," "Rules for the Director Elections," and "Operating Procedures of Endorsement and Guaranty."</p> <p>(4) Approved the amendment of the Company's "Regulations Governing Procedure for Board of Directors' Meetings," the "Organization Rules of the Audit Committee," the "Organization Rules of the Remuneration Committee," "Responsibilities of Independent Directors," "Performance Evaluation Measures of the Board of Directors," "Code of Ethical Conduct," and "Trading Procedures for Specific Company Affiliates and Group Enterprises."</p> <p>(5) Approved the drafting of the Company's 2021 audit plan.</p> <p>(6) Approved the amendment of the Company's "Purchase and Payment Cycle."</p> <p>(7) Approved the establishment of the Company's "Risk Management Policies and Procedures."</p> <p>(8) Approved the proposal of audit service fees for the appointment Deloitte & Touche.</p> <p>(9) Approved the assessment of independence status of the Company's CPA.</p> <p>(10) Approved the application for a short-term credit line from Bank SinoPac.</p> <p>(11) Approved the application for a short-term credit line from Mega Bank</p> <p>(12) Approved the application for a financing line from CTBC Bank and Shanghai Commercial Bank through the subsidiary Dexatek Technology Ltd.</p> <p>(13) Approved the application for a financing line from First Bank and Bank SinoPac through the subsidiary Ennoconn International Investment Co., Ltd.</p>
Board of Directors	2020.12.01	<p>(1) Approved the issuance of new shares to increase capital as the consideration payable by the Company for its acquisition of the shares of AIS Cayman Technology (hereinafter referred to as "AIS (Cayman) or that company"), making a share swap (hereinafter referred to as "this share swap"). It is proposed to sign a share swap cooperation agreement with AIS (Cayman).</p> <p>(2) Approved the Company's issuance of new shares to increase capital.</p> <p>(3) Approved the application for a short-term credit line from Cathay United Bank.</p>
Board of Directors	2021.03.29	<p>(1) Approved the Company's 2020 business report.</p> <p>(2) Approved the Company's 2020 consolidated and parent company-only financial statements.</p> <p>(3) Approved the Company's 2020 compensation distribution for directors and employees.</p> <p>(4) Approved the Company's 2020 earnings distribution plan.</p> <p>(5) Approved the Company's 2021 business plan</p> <p>(6) Approved the amendment of the Company's "Rules of Procedure for Shareholders' Meeting"</p> <p>(7) Approved the convention of the 2021 annual shareholders' meeting.</p> <p>(8) Approved the Company's assessment that the overdue payments in the</p>

Type of meeting	Date of meeting	Major resolution
		<p>fourth quarter of 2020 are not of the nature of loans</p> <p>(9) Approved the Company's 2020 "Effectiveness Assessment of Internal Control System" and "Internal Control System Statement"</p> <p>(10) Approved the amendment of the Company's "production cycle"</p> <p>(11) Approved the lifting of the restriction on competing with the Company by the president</p> <p>(12) Approved the application for the short-term credit line from eight financial institutions.</p> <p>(13) Approved the application for a financing line from the bank through the subsidiary Thecus Technology Ltd., and the Company would assume joint and several liabilities</p> <p>(14) Approved the application for a financing line from the bank through the subsidiary Poslab, and the Company would assume joint and several liabilities</p> <p>(15) Approved the application for a financing line from three banks through the subsidiary HighAim Technology Inc., and the Company would assume joint and several liabilities</p> <p>(16) Approved the application for a financing line from the bank through the subsidiary HighAim Technology Inc., and the Company would assume joint and several liabilities</p>
Shareholders' Meeting	2020.06.23	<p>(1) Acknowledged the 2019 financial statements and business reports. Implementation status: The resolution was passed, and the relevant contents were recorded in the minutes of the shareholders' meeting.</p> <p>(2) Acknowledged the Company's 2019 earnings distribution plan. Implementation status: Resolutions passed. In this earnings distribution plan, the stock dividend was distributed NT\$1 per share with a total amount of NT\$82,919,480, and the cash dividend was distributed NT\$4 per share with a total amount of NT\$331,677,888. which were distributed on Oct. 7, 2020.</p> <p>(3) Approved the issuance of new shares to increase capital through the capitalization of retained earnings Implementation status: Resolutions passed. The Company increased its capital through the issuance of 8,291,948 new shares, which were issued to shareholders and listed on the stock market on Oct. 7, 2020.</p> <p>(4) Approved the amendment of the Company's "Articles of Incorporation." Implementation status: The resolution was passed, the Company had subsequently applied for changes to the registration of the Company.</p> <p>(5) Approved the amendment of the Company's "Procedures for Acquisition or Disposal of Assets." Implementation status: The resolution was passed, the Company has also handled follow-up announcement matters at Market Observation Post System (MOPS).</p>

(XII) Any Dissenting Opinion Expressed by a Director or Supervisor with Respect to a Major Resolution Passed by the Board of Directors during the most recent Fiscal Year and up to the Publication Date of the Annual Report, where Said Dissenting Opinion Had Been Recorded or Prepared as a Written Declaration: None

(XIII) A Summary of Resignations and Dismissals of the Company's Chairperson,

President, Accounting Manager, Financial Manager, Chief Internal Auditor, or R&D Officer during the most recent Fiscal Year and up to the Publication Date of the Annual Report:

Apr. 30, 2021

TITLE	NAME	DATE APPOINTED	DATE DISMISSED	REASON FOR RESIGNATION OR DISMISSAL
R&D SUPERVISOR	HUNG-HSIANG CHEN	2018.02.22	2020.01.30	POSITION ADJUSTMENT

IV. Information on CPA Professional Fees

(I) Range of CPA Fees:

Name of CPA firm	Name of CPA		Audit period	Remarks
Deloitte & Touche	Ching-Ting Yang	Shui-En Liu	2020.01.01~2020.12.31	-

Range of fees		Category of fees	Audit fee	Non-audit fee	Total
1	Under NT\$2,000 thousand			✓	
2	\$2,000 thousand (inclusive) to \$4,000 thousand		✓		✓
3	\$4,000 thousand (inclusive) to \$6,000 thousand				
4	\$6,000 thousand (inclusive) to \$8,000 thousand				
5	\$8,000 thousand (inclusive) to \$10,000 thousand				
6	Over \$10,000 thousand (inclusive)				

Unit: NT\$ thousands

Audit fee	Non-audit fee					Remarks
	System design	Business registration	Human resources	Others	Subtotal	
2,550	0	80	0	60	140	Non-audit fee - others (1) Transfer pricing report (2) Other professional service reports

(II) When non-audit fees paid to the CPAs, to the accounting firm of the CPA, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees, as well as details of non-audit services, shall be disclosed: None.

(III) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts and percentage of the audit fees before and after the change and the reasons shall be disclosed: None.

(IV) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) thereof shall be disclosed: None.

V. Information on Replacement of CPAs:None.

VI. Company Chairperson, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Accounting Firm or an Affiliated Enterprise of Such Accounting Firm: None.

VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10% During the Most Recent Fiscal Year up to the Publication Date of the Annual Report:

(I) Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10%:

Title	Name	2020		As of Apr.30, 2021	
		Shareholding increase (decrease)	Pledged share increase (decrease)	Shareholding increase (decrease)	Pledged share increase (decrease)
Chairman and CEO	Fu-Chuan Chu	88,743	600,000	0	0
Director	Cheng-Ching Chu	0	0	0	0
Corporate directors and the major shareholder	Baoxin International Investments Ltd.	2,858,980	0	0	0
Director	Representative of Baoxin International Investments Ltd.: Chao-Tsung Lou	17,312	0	0	0
Director	Representative of Baoxin International Investments Ltd.: Chia-Lin Teng	0	0	0	0
Independent Director	Wen-Chang Fang	0	0	0	0
Independent Director	Yu-Hui Su	0	0	0	0
Independent Director	Chien-Min Wang	0	0	0	0
President	Neng-Chi Tsai	0	0	181,264	0
Associate Manager of R&D Center	Sheng-Hsiung Chang	0	0	0	0
Chief Financial Officer	You-Mei Wu	(6,706)	0	0	0

(II) Directors, Managers, and Shareholders with a Stake of more than 10 percent and the Counterparty of the Equity Transfer are Affiliates: None.

(III) Directors, Managers, and Shareholders with a Stake of more than 10 percent and the Counterparty of the Equity Pledge are Affiliates: None.

VIII. Relationship Information among the Top Ten Shareholders:

Apr. 25, 2021 Unit: Shares; %

NAME (NOTE 1)	OWN SHAREHOLDING		SPOUSE & MINOR SHAREHOLDING		TOTAL SHAREHOLDING BY NOMINEES		Among the top ten shareholders, title, name, and relationship with anyone who is a related party or a relative within the second degree of kinship		REMARKS
	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Title (or name)	Relation	
Bao Shin International Investment Co., Ltd.	31,933,417	32.98%	0	0	0	0	Hyield Venture Capital Co., Ltd	Same ultimate parent company	None
Representative of Bao Shin International Investments Co., Ltd.: Huang, Chiu-Lien	0	0.00%	0	0	0	0	None	None	None
Fubon Life Insurance Co., Ltd.	6,454,751	6.67%	0	0	0	0	None	None	None
Representative of Fubon Life Insurance Co., Ltd.: Tsai, Ming-Hsing	0	0.00%	0	0	0	0	None	None	None
New labor pension fund	2,514,147	2.60%	0	0	0	0	Bao Shin International Investments Co., Ltd.	Same ultimate parent company	None
Hyield Venture Capital Co., Ltd	1,985,983	2.05%	0	0	0	0	None	None	None
Representative of Hyield Venture Capital Co., Ltd.: Huang, De-Cai	0	0.00%	0	0	0	0	None	None	None
TransGlobe Life Insurance Inc.	1,528,168	1.58%	0	0	0	0	None	None	None
Representative of TransGlobe Life Insurance Inc. : Peng, Teng-De	0	0%	0	0	0	0	None	None	None
Old labor pension fund	1,134,900	1.17%	0	0	0	0	None	None	None
You, Ling-Xiao	1,077,993	1.11%	0	0	0	0	None	None	None
Chu, Fu-Chuan	879,530	0.91%	0	0	0	0	None	None	None
JPMorgan Chase Bank in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	777,668	0.80%	0	0	0	0	None	None	None
Vanguard Emerging Markets Stock Index Fund under JP Morgan Chase Bank N.A. Taipei Branch	729,316	0.75%	0	0	0	0	None	None	None

Note 1: All the top ten shareholders shall be listed. For institutional shareholders, the name of the institutional shareholder and the representative shall be indicated, respectively.

IX. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, its Directors and Supervisors, Managers, and any Companies Controlled Either Directly or Indirectly by the Company

Dec. 31, 2020
Unit: shares; %

Invested company	Investment by the Company		Investment by directors, supervisors, managers, and by companies directly or indirectly controlled by the Company		Total investments	
	Shares	Shareholdings (%)	Shares	Shareholdings (%)	Shares	Shareholdings (%)
Innovative Systems Integration Limited	518,216,530	100.00%	-	-	518,216,530	100.00%
Ennoconn International Investment Co., Ltd.	720,635,000	100.00%	-	-	720,635,000	100.00%
Caswell Inc.	20,000,000	27.37%	3,250,000	4.45%	23,250,000	31.82%
Ennoconn Investment Holdings Co., Ltd.	239,360,000	100.00%	-	-	239,360,000	100.00%

Note: The Company adopts long-term investment using the equity method.

Chapter IV. Capital Overview

I. Capital and Shares

(I) Capital Formation:

Unit: shares; NT\$

Month/Year	Issue price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Capital increase by assets other than cash	Others
1999.07.12 (Note 1)	10	4,000,000	40,000,000	1,000,000	10,000,000	Capital stock at establishment	-	-
1999.10.25 (Note 2)	10	4,000,000	40,000,000	4,000,000	40,000,000	Cash capital increase of 30,000,000	-	-
2001.01.15 (Note 3)	10	10,000,000	100,000,000	10,000,000	100,000,000	Cash capital increase of 60,000,000	-	-
2005.05.25 (Note 4)	20	10,000,000	100,000,000	4,000,000	40,000,000	Capital contributions by claims of 20,000,000	-	-
	10					Capital reduction of 80,000,000		
2005.06.24 (Note 5)	20	10,000,000	100,000,000	5,000,000	50,000,000	Cash capital increase of 10,000,000	-	-
2006.05.11 (Note 6)	10	60,000,000	600,000,000	14,000,000	140,000,000	Cash capital increase of 70,000,000	-	-
	10					Capital increase through retained earnings of 18,489,850		
	10					Capital increase through employee bonus of 1,510,150		
2006.10.04 (Note 7)	10	60,000,000	600,000,000	16,800,000	168,000,000	Cash capital increase of 28,000,000	-	-
2007.03.06 (Note 8)	12.5	60,000,000	600,000,000	36,800,000	368,000,000	Cash capital increase of 200,000,000	-	-
2007.06.22 (Note 9)	10	60,000,000	600,000,000	37,793,600	377,936,000	Capital increase through retained earnings of 9,936,000	-	-
2008.08.21 (Note 10)	10	60,000,000	600,000,000	40,040,000	400,400,000	Capital increase through retained earnings of 19,136,000	-	-
	10					Capital increase through employee bonus of 3,328,000		
2009.08.25 (Note 11)	10	60,000,000	600,000,000	41,675,111	416,751,110	Capital increase through retained earnings of 14,014,000	-	-
	12.26					Capital increase through employee bonus of 2,337,110		
2010.08.13 (Note 12)	10	60,000,000	600,000,000	46,185,340	461,853,400	Capital increase through retained earnings of 38,757,860	-	-
	13.58					Capital increase through employee bonus of 6,344,430		
2011.09.26 (Note 13)	10	60,000,000	600,000,000	47,409,788	474,097,880	Capital increase through retained earnings of 11,084,480	-	-
	14.24					Capital increase through employee bonus of 1,160,000		
2012.09.17 (Note 14)	25	60,000,000	600,000,000	53,945,984	539,459,840	Cash capital increase of 50,000,000	-	-
	13.96					Capital increase through retained earnings of 9,481,960		
2013.07.17 (Note 15)	10	100,000,000	1,000,000,000	60,450,341	604,503,410	Capital increase through retained earnings of 60,635,280	-	-
	42.42					Capital increase through employee bonus of 4,408,290		
2014.04.16 (Note 16)	128	100,000,000	1,000,000,000	66,530,341	665,303,410	Cash capital increase of 60,800,000	-	-
2015.01.21 (Note 17)	236	100,000,000	1,000,000,000	68,680,341	686,803,410	Share swap of 21,500,000	Share swap for Caswell Inc. of 8,600 thousand shares	-
2015.11.30 (Note 18)	10	100,000,000	1,000,000,000	68,875,760	688,757,600	Converted the first domestic convertible bonds of 1,954,190	-	-
2016.02.15 (Note 19)	10	100,000,000	1,000,000,000	69,728,698	697,286,980	Converted the first domestic convertible bonds of 8,529,380	-	-

Month/Year	Issue price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Capital increase by assets other than cash	Others
2016.05.19 (Note 20)	10	100,000,000	1,000,000,000	70,495,867	704,958,670	Converted the first domestic convertible bonds of 7,671,690	-	-
2016.08.11 (Note 21)	388	100,000,000	1,000,000,000	74,995,867	749,958,670	Cash capital increase of 45,000,000	-	-
2016.08.29 (Note 22)	10	100,000,000	1,000,000,000	75,618,210	756,182,100	Converted the first domestic convertible bonds of 6,223,430	-	-
2016.11.22 (Note 23)	10	100,000,000	1,000,000,000	76,152,738	761,527,380	Converted the first and second domestic convertible bonds of 5,345,280	-	-
2017.02.06 (Note 24)	10	100,000,000	1,000,000,000	76,300,802	763,008,020	Converted the first and second domestic convertible bonds of 1,480,640	-	-
2017.05.31 (Note 25)	10	100,000,000	1,000,000,000	76,388,434	763,884,340	Converted the first and second domestic convertible bonds 87,632	-	-
2017.08.07 (Note 26)	10	100,000,000	1,000,000,000	76,398,052	763,980,520	Converted the first and second domestic convertible bonds of 9,618	-	-
2017.12.07 (Note 27)	10	100,000,000	1,000,000,000	76,527,598	765,275,980	Converted the first and second domestic convertible bonds of 139,546	-	-
2018.02.01 (Note 28)	10	100,000,000	1,000,000,000	76,528,811	765,288,110	Converted the second domestic convertible bonds of 1,213	-	-
2018.05.24 (Note 29)	10	100,000,000	1,000,000,000	77,365,249	773,652,490	Converted the second domestic convertible bonds and first overseas convertible bonds of 836,438	-	-
2019.03.13 (Note 30)	10	100,000,000	1,000,000,000	83,574,472	835,744,720	Cash capital increase of 60,000,000	-	-
2020.09.21. (Note 31)	10	250,000,000	2,500,000,000	91,866,420	918,664,200	Capital increase through retained earnings of 8,291,948	-	-
2020.12.02. (Note 32)	10	250,000,000	2,500,000,000	93,272,019	932,720,190	Converted the third domestic convertible bonds of 1,405,599	-	-
2021.02.13 (Note 33)	10	250,000,000	2,500,000,000	96,812,019	968,120,190	The Company increased its capital through the issuance of 3,540,000 new shares and made a share swap with its subsidiary AIS (Cayman).	-	-

Note 1: The Department of Economic Development of Taipei City Government Approval Letter No. Jian-Shang-Er-Zi 88328790 issued on Sep. 16, 1999

Note 2: The Department of Economic Development of Taipei City Government Approval Letter No. Jian-Shang-Er-Zi 88347702 issued on Oct. 25, 1999

Note 3: The Ministry of Economic Affairs Approval Letter No. Jiang (090) Shang-Zi 0900100965 issued on Jan. 15, 2001

Note 4: The Ministry of Economic Affairs Approval Letter No. Jiang-Shou-Zhong-Zi 09432172260 issued on May 25, 2005

Note 5: The Ministry of Economic Affairs Approval Letter No. Jiang-Shou-Zhong-Zi 09432336280 issued on Jun. 24, 2005

Note 6: The Ministry of Economic Affairs Approval Letter No. Jiang-Shou-Zhong-Zi 09532165220 issued on May 11, 2006

Note 7: The Ministry of Economic Affairs Approval Letter No. Jiang-Shou-Zhong-Zi 09532926230 issued on Oct. 04, 2006

Note 8: The Ministry of Economic Affairs Approval Letter No. Jiang-Shou-Zhong-Zi 09631769360 issued on Mar. 06, 2007

Note 9: The Ministry of Economic Affairs Approval Letter No. Jiang-Shou-Zhong-Zi 09632312080 issued on Jun. 22, 2007

Note 10: The Economic Development Department of Taipei County Government Letter No. Bei-Jing-Deng-Zi 0973049365 issued on Aug. 21, 2008

Note 11: The Ministry of Economic Affairs Letter No. Jiang-Shou-Zhong-Zi 09832930520 issued on Aug. 25, 2009

Note 12: The Taipei County Government Letter No. Bei-Fu-Jing-Deng-Zi 0993148047 issued on Aug. 13, 2010

Note 13: The New Taipei City Government Letter No. Bei-Fu-Jing-Deng-Zi 1005059538 issued on Sep. 26, 2011

Note 14: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10101192660 issued on Sep. 27, 2012

Note 15: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10201140690 issued on Jul. 17, 2013

Note 16: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10301065980 issued on Apr. 16, 2014

Note 17: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10401002010 issued on Jan. 21, 2015

Note 18: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10401247880 issued on Nov. 30, 2015

Note 19: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10501027780 issued on Feb. 15, 2016

Note 20: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10501104050 issued on May 19, 2016

Note 21: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10501193160 issued on Aug. 11, 2016

Note 22: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10501209510 issued on Aug. 29, 2016

Note 23: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10501266500 issued on Nov. 22, 2016

Note 24: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10601014510 issued on Feb. 6, 2017

Note 25: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10601069670 issued on May 31, 2017

Note 26: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10601112420 issued on Aug. 7, 2017

Note 27: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10601164100 issued on Dec. 7, 2017

Note 28: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10701012860 issued on Feb. 1, 2018

Note 29: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10701057310 issued on May 24, 2018

Note 30: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10801036000 issued on Apr. 3, 2019

Note 31: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10901180310 issued on Sep. 21, 2020

Note 32: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 10901223000 issued on Dec. 2, 2020

Note 33: The Ministry of Economic Affairs Letter No. Jing-Shou-Shang-Zi 11001029270 issued on Feb. 23, 2021

(II) Share Type Issued:

Apr. 25, 2021 Unit: shares; %

Share type	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	96,812,019	153,187,981	250,000,000	Listed stocks (outstanding shares including 655,000 treasury shares)

II. Shareholder Structure:

Apr. 25, 2021 Unit: shares; %

Shareholder structure Quantity	Government agencies	Financial institutions	Other Institutional shareholders	Foreign institutions & natural persons	Domestic natural persons	Treasury shares	Total
Number of individuals	4	15	80	130	14,192	1	14,422
Shares Held	3,883,677	8,420,874	36,926,142	8,254,037	38,672,289	655,000	96,812,019
Shareholdings (%)	4.01%	8.70%	38.14%	8.53%	39.95%	0.68%	100.00%

III. Shareholding Distribution Status:

Apr. 25, 2021 Unit: shares; %

Shares	Number of Shareholders	Shares Held	Shareholdings (%)
1-999	2,853	461,527	0.48%
1,000-5,000	10,184	17,455,625	18.03%
5,001-10,000	790	5,924,793	6.12%
10,001-15,000	229	2,837,959	2.93%
15,001-20,000	113	2,006,282	2.07%
20,001-30,000	82	2,067,686	2.14%
30,001-40,000	38	1,324,064	1.37%
40,001-50,000	23	1,036,340	1.07%
50,001-100,000	55	3,681,112	3.80%
100,001-200,000	27	4,186,915	4.32%
200,001-400,000	11	2,899,669	3.00%
400,001-600,000	5	2,567,752	2.65%
600,001-800,000	4	2,853,406	2.95%
800,001-1,000,000	1	879,530	0.91%
1,000,001 以上	7	46,629,359	48.16%
合計	14,422	96,812,019	100%

Preferred shares: None.

IV. List of Major Shareholders

Apr. 25, 2021 Unit: shares; %

Shareholding	Shares	Shareholdings (%)
Name of the major shareholder		
Bao Shin International Investment Co., Ltd.	31,933,417	32.98%
Fubon Life Insurance Co., Ltd.	6,454,751	6.67%
New labor pension fund	2,514,147	2.60%
Hyield Venture Capital Co., Ltd	1,985,983	2.05%
TransGlobe Life Insurance Inc.	1,528,168	1.58%
Old labor pension fund	1,134,900	1.17%
Yoy,Ling-Xiao	1,077,993	1.11%
Chu, Fu-Chuan	879,530	0.91%
JPMorgan Chase Bank in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	777,668	0.80%
Vanguard Emerging Markets Stock Index Fund under JP Morgan Chase Bank N.A. Taipei Branch	729,316	0.75%

V. Share Prices for the past Two Fiscal Years, with Company Net Worth per Share, Earnings per Share, Dividends per Share, and Related Information

Unit: NT\$ thousands; thousand shares

Item \ Year		2019	2020	As of Mar.31, 2021
Market price per share	Highest	312.00	327.00	284.50
	Lowest	199.50	119.50	228.00
	Average	240.46	232.2	255.48
Net worth per share	Before distribution	98.36	99.17	Note 2
	After distribution	-		
Earnings per share	Weighted average shares	81,742	91,643	
	Earnings per share	12.03	12.13	
Dividends per share	Cash dividends		4.00	
	Stock dividends	Dividends from retained earnings	1.00	
		Dividends from capital surplus		
	Accumulated undistributed dividends		-	
Return on investment	Price/earnings ratio		19.99	
	Price/dividend ratio		60.12	
	Cash dividend yield rate		1.66%	

Note 1: Distribution of earnings for 2020 has been approved by the Board of Directors but not approved by the shareholders' meeting yet.

Note 2: No need to disclose relevant financial information.

Note 3: It was reorganized by the accountant and checked in 2019.

VI. The Company's Dividend Policy and Implementation Status:

(I) Dividend policy

Article 20 of the Company's Articles of Incorporation:

If the Company makes any profit in the year, it shall allocate not less than 2% of the total profit as employee compensation, which shall be distributed in stock or cash by resolution of the Board of Directors. The person to whom the compensation is distributed shall include employees of subordinate companies who meet certain criteria, and relevant measures are authorized to be formulated by the Board of Directors. By resolution of the Board of Directors, the Company may allocate not more than 2% of the above profits as the remuneration of the directors. The compensation distribution for directors and employees shall be submitted to the shareholder's meeting.

However, if the company still has accumulated losses, the amount to make up the loss should be reserved in advance, and then allocate the compensation for employees and directors according to the proportion mentioned in the preceding paragraph.

Article 20-1 of the Company's Articles of Incorporation:

If the Company has "net income after tax for the year" in final accounts every year, it shall be distributed in the following order:

- (1) Reserve an amount to make up the loss.
- (2) Set aside 10% according to the law as a legal reserve, except for the accumulated legal reserve that has reached the Company's paid-in capital.
- (3) Appropriate the amount or reverse special reserve according to the relevant regulations.
- (4) After deducting the amounts specified in preceding subparagraphs (1) to (3) from "net income for the year" in the final accounts, together with the accumulated unappropriated earnings at the beginning of the period, and the adjustment amount of the unappropriated earnings for the current year, the Board of Directors shall put forward a distribution proposal on the distributable earnings and submit it to the shareholders' meeting for resolution.

At present, the Company is in the growth stage and will expand in line with business development in the future. The distribution of earnings shall take into account the Company's future capital expenditure budgets and capital demand. The Board of Directors shall draft a distribution plan, and the distribution shall only be executed upon the resolution of the shareholders' meeting. However, regarding the dividend distribution in the current year, the cash dividend is no less than 10%.

In terms of the dividend distribution of the Company, it shall be not less than 40% of the accumulated earnings available for distribution in principle.

(II) The dividend distribution proposed at this shareholders' meeting

The Company's Board of Directors passed the 2020 earnings distribution proposal on Mar. 29, 2021 (not yet resolved by the shareholders' meeting)

- (1) Cash dividends of earnings distribution: 5 (\$/share).
- (2) Stock dividends of earnings distribution: 0 (\$/share).
- (3) Cash distributed from legal reserve and capital surplus: 0 (\$/share).
- (4) The total amount of cash (dividends) distributed to shareholders: NT\$480,785,095.
- (5) The total amount of stock (dividends) distributed to shareholders: NT\$0.

(III) When it is expected that there will be material changes in the dividend policy, it should be explained:

As of the publication date of the annual report, the Company has no plans to change its dividend policy.

VII. Effect upon Business Performance and Earnings per Share of any Stock Dividend Distribution Proposed or Adopted at the most recent Shareholders' Meeting: N/A.

VIII. Employee Bonus and Director Compensation

(I) The percentages or ranges with respect to an employee, director, and supervisor compensation, as set forth in the Company's Articles of Incorporation: Please refer to VI-(I) for details.

(II) The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

(1) The basis for estimating the amount of compensation for employees and directors in the current period: Please refer to the aforementioned description as stated in VI-(I) dividend policy.

(2) The basis for calculating the number of shares of employees' compensation distributed by shares in the current period: None.

(3) Accounting treatment in case there is a discrepancy between the actual amount of distribution and the estimated figures: It is regarded as a change in accounting estimates and listed as the profit and loss of the actual distribution year.

(III) Information on compensation distribution approved by the Board of Directors:

(1) The amount of compensation distributed for employees and directors in cash or stock. If there is any discrepancy between that recognized expenses and the estimated figure for the fiscal year, the discrepancy, cause, and the status of treatment shall be disclosed:

The Company's 2020 compensation for employees and directors was resolved by the Board of Directors on Mar. 29, 2021. The Company's cash compensation distributed for employees in 2020 totaled NT\$24,000,000, accounting for 2.03% of the 2020 final accounts profit; the compensation for directors totaled NT\$3,060,000, accounting for 0.28% of the 2020 final accounts profit. The estimated cash employee compensation was NT\$24,000,000, and director compensation was NT\$3,060,000 in 2020, which were respectively estimated at 2.03% and 0.28% of the pre-tax profit as stated in VI-(I) dividend policy and there is no discrepancy from the annual estimated amount.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income for the current period and total employee compensation: In 2020, the Company distributed cash dividends to employees, and there was no employee compensation distributed in stocks.

- (IV) The actual distribution of employee and director compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director compensation, the discrepancy, cause, and the status of treatment shall be disclosed:

In the Company's 2019 earnings distribution, the compensation distribution for employees and directors is as follows.

Unit: NT\$

2019	Amount recognized in the financial statements	Actual distribution amount approved by the Board of Directors	Discrepancy	Cause of the discrepancy
Cash bonus to employees	36,726,422	36,726,422	0	None
Director compensation	3,060,000	3,060,000	0	
Total	39,786,422	39,786,422	0	

IX. Share Repurchases (Executed):

Purpose of the repurchase	Shares transferred to employees
Period for the repurchase	Mar. 30, 2017 to May 8, 2017
Price range of repurchase	\$388 to 500
Type and number of shares repurchased	Common stock 1,000,000 shares
Amount of shares repurchased	NT\$356,652,934
The ratio of repurchased shares to the planned repurchase shares (%)	66.67%
Number of shares canceled and transferred	345,000 shares
Cumulative number of shares held by the company	655,000 shares
The ratio of the cumulative number of shares held by the Company to the total number of shares issued (%)	0.70%

X. Corporate Bonds

(I) Domestic and overseas corporate bonds:

Type of corporate bond	The second issuance of domestic unsecured convertible bonds	The third issuance of domestic unsecured convertible bonds	The first issuance of overseas unsecured convertible bonds
Issuance date	May 13, 2016	Feb. 26, 2019	Mar. 10, 2017
Par Value	NT\$100,000 each	NT\$100,000 each	US\$200,000 each
Place of issuance and exchange	Taipei Exchange	Taipei Exchange	Singapore Exchange
Issue price	Issued by par value	Issued by 100.2% of par value	Issued by par value
Total	NT\$1,800,000,000	NT\$6,000,000,000	US\$200,000,000 The convertible bonds will be converted into US dollars equivalent to NT dollars at a fixed exchange rate of 1:31.653 for the repayment, resale, and redemption of bonds.
Interest rate	Coupon rate 0%	Coupon rate 0%	Coupon rate 0%
Term	The issue period is five years, issued on May 13, 2016, and will be matured on May 13, 2021.	The issue period is five years, issued on Feb. 26, 2019, and will be matured on Feb. 26, 2024.	The issue period is five years, issued on Mar. 10, 2017, and will be matured on Mar. 10, 2022.
Guarantor institution	Not applicable	Not applicable	Not applicable
Trustee	Bank SinoPac Co., Ltd.	Bank SinoPac Co., Ltd.	Citicorp International Limited
Underwriter	KGI Securities Co., Ltd.	Yuanta Securities Co., Ltd.	Foreign lead underwriter: KGI Asia Limited Domestic delivery underwriter: KGI Securities Co., Ltd.
Certified attorney	Handsome Attorneys-at-law: Attorney Ya-Wen Chui	Handsome Attorneys-at-law: Attorney Ya-Wen Chui	Lee and Li Attorneys-at-law: Attorney Tien-Hsiang Sung
CPA	Deloitte & Touche CPA Jing-Ting Yang and Ching-Chen Yang	Deloitte & Touche CPA Shui-En Liu and Ching-Chen Yang	Deloitte & Touche CPA Shui-En Liu and Ching-Chen Yang
Repayment method	Except for the conversion of the convertible bonds by the bondholders into the Company's ordinary shares under Article 10 of the regulations, or the early redemption by the Company under Article 18 of the regulations, or the repurchase and cancellation of the bonds at brokerage firms, or the	Except for the conversion of the convertible bonds by the bondholders into the Company's ordinary shares under Article 10 of the regulations, or the early redemption by the Company under Article 17 of the regulations, or the repurchase and cancellation of the bonds at brokerage firms, or the	1. Except for the redemption and repurchase and cancellation of the bonds or the exercise of the conversion right by the bondholders, on the maturity date of the bonds, the issuing company will repay the bonds in full according to the par value of the bonds plus the yield rate of 1.25%

Type of corporate bond	The second issuance of domestic unsecured convertible bonds	The third issuance of domestic unsecured convertible bonds	The first issuance of overseas unsecured convertible bonds
	exercise of the resell right by the bondholders under Article 19, the Company shall repay the bonds held by the bondholders in cash in a lump sum upon the maturity of the bonds at the par value of the bonds.	exercise of the resell right by the bondholders under Article 18, the Company shall repay the bonds held by the bondholders in cash in a lump sum upon the maturity of the bonds at the par value of the bonds.	per annum (hereinafter referred to as the "redemption price"). 2. The redemption price upon maturity will be converted into NT dollars at a fixed exchange rate, and the NT dollar amount will be repaid in US dollars at the real-time exchange rate (refer to the Taipei Forex Inc.'s fixing price data displayed of 1:31.653 at 11:00 a.m.).
Outstanding amount	NT\$12,200,000	NT\$5,635,100,000	US\$36,000,000
Terms of redemption or advance repayment	1. Where the bonds have been issued from the day after two months (Jul. 14, 2016) of issuance to forty days before (Apr. 3, 2021) the maturity date, if the closing price of the Company's ordinary shares at TPEx exceeds 30% or more of the bond conversion price at that time for thirty consecutive business days, the Company may, within thirty business days thereafter, send the bondholders (those on the list of creditors five business days before the mailing of the "bond redemption notice" shall prevail; the investors who subsequently acquire the bonds through trading or other reasons shall be notified through public announcement) the "bond redemption notice" by registered mail with the expiry date of thirty days (the said period starts from the date of the mailing the notice, and the expiration date of the said period is the record date for redeeming the bonds, and the said period shall not be the suspension period of converting the convertible bonds), while sending TPEx an official letter for making a public announcement; within five	1. Where the bonds have been issued from the day following the issuance of three months (May 27, 2019) to forty days before the maturity date (Jan. 17, 2024), if the closing price of the Company's ordinary shares at TWSE exceeds 30% or more of the conversion price of the convertible bond at that time for thirty consecutive business days, the Company may, within thirty business days thereafter, send the bondholders (those on the list of bondholders on the fifth business day before the mailing of the "bond redemption notice" shall prevail; the investors who subsequently acquire the convertible bonds through trading or other reasons shall be notified through public announcement) the "bond redemption notice" by registered mail with the expiry date of thirty days (the said period starts from the date of the mailing the notice, and the expiration date of the said period is the record date for redeeming the bonds, and the said period shall not be the suspension period of converting as stated in Article 9), while sending TPEx an official letter	1. After two years from the issuance of the bonds, for twenty trading days out of thirty consecutive business days, where, after converted into the amount in the US dollar at the real-time exchange rate, the closing price of the issuing company's ordinary shares at the TWSE reaches 130% or more of the amount of the early redemption price multiplied by the conversion price (at a fixed exchange rate of 1:31.653 agreed upon the price determination date) at that time and divided by the par value, the issuing company may redeem all or part of the bonds at the early redemption price (as defined below). 2. Where over 90% of the bonds are redeemed, converted, and repurchased, and canceled, the issuing company may redeem all the outstanding bonds at the issuing company's early redemption price. 3. In the case of the changes in the taxation laws of the R.O.C., the issuing company's tax burden increases due to the bonds after the issuance date and needs to pay additional fees or bears a higher

Type of corporate bond	The second issuance of domestic unsecured convertible bonds	The third issuance of domestic unsecured convertible bonds	The first issuance of overseas unsecured convertible bonds
	<p>business days after the record date of redeeming the bonds, the bondholders' convertible bonds shall be redeemed in cash at the par value of the bonds.</p> <p>2. Where the bonds have been issued from the day after two months (Jul. 14, 2016) of issuance to forty days before (Apr. 3, 2021) the maturity date, if the outstanding balance of the bonds is less than 10% of the original total issue amount, the Company may send the bondholders (those on the list of creditors five business days before the mailing of the "bond redemption notice" shall prevail; the investors who subsequently acquire the bonds through trading or other reasons shall be notified through public announcement) the "bond redemption notice" by registered mail with the expiry date of thirty days (the said period starts from the date of the mailing the notice, and the expiration date of the said period is the record date of redeeming the bonds, and the said period shall not be the suspension period of converting this convertible bond), while sending TPEX an official letter for making public announcement; within five business days after the record date of redeeming the bonds, the bondholders' convertible bonds shall be redeemed in cash at the par value of the bonds.</p> <p>3. Where a bondholder fails to respond to the Company's stock affairs agency in writing before the record date stated in the "redemption notice" (effective upon delivery of the notice; in the case of mailing, the postmark date shall prevail), the</p>	<p>for making a public announcement; within five business days after the record date of redeeming the bonds, the bondholders' convertible bonds shall be redeemed in cash at the par value of the bonds.</p> <p>2. Where the bonds have been issued from the day following the issuance of three months (May 27, 2019) to forty days before the maturity date (Jan. 17, 2024), if the outstanding balance of the convertible bonds is less than 10% of the original total issue amount, the Company may, at any time thereafter, send the bondholders (those on the list of bondholders on the fifth business day before the mailing of the "bond redemption notice" shall prevail; the investors who subsequently acquire the convertible bonds through trading or other reasons shall be notified through public announcement) the "bond redemption notice" by registered mail with the expiry date of thirty days (the said period starts from the date of the mailing the notice, and the expiration date of the said period is the record date of redeeming the bonds, and the said period shall not be the suspension period of converting as stated in Article 9), while sending TPEX an official letter for making public announcement; within five business days after the record date of redeeming the bonds, the bondholders' convertible bonds shall be redeemed in cash at the par value of the bonds.</p> <p>3. Where a bondholder fails to respond to the Company's stock affairs agency in writing before</p>	<p>cost, the issuing company may redeem all the bonds first at the early redemption price based on the trust contract. Where a bondholder does not participate in the redemption, the bondholder shall not request the issuing company to bear additional taxes or fees.</p> <p>4. The early redemption price will all be converted into NT dollars at the fixed exchange rate of 1:31.653. The NT dollar amount will be converted into the US dollar amount at the real-time exchange rate (refer to the exchange rate indicated by the displayed fixing price data of Taipei Forex Inc. at 11 a.m.) for redemption. The "early redemption price" refers to the price of each bond calculated by adding the yield to the par value of the bond. The yield is calculated by applying a compound interest rate of 1.25% per annum from the date when an investor purchases bonds until the early redemption date.</p>

Type of corporate bond		The second issuance of domestic unsecured convertible bonds	The third issuance of domestic unsecured convertible bonds	The first issuance of overseas unsecured convertible bonds
		Company will redeem the convertible bonds held by the bondholder in cash at the par value.	the record date stated in the " bond redemption notice," the Company will redeem the convertible bonds held by the bondholder in cash at the par value within five business days after the record date of redeeming the bonds.	
Restrictions		None	None	The bond shall not be directly offered, sold, or delivered within the territory of the R.O.C..
Name of the credit rating institution, date of the rating, and rating grade of corporate bond		Not applicable	Not applicable	Not applicable
Other rights	Amount of converted (exchange or subscription) common stock, overseas depositary receipts, or other securities up to the publication date of this annual report,	As of Apr. 30, 2021, 5,894 bonds had been converted with the par value of NT\$100,000 each, and the bond conversion amount was NT\$589,400,000. The accumulated number of ordinary shares converted was 1,414,262.	As of Apr. 30, 2021, 3,649 bonds had been converted with the par value of NT\$100,000 each, and the bond conversion amount was NT\$364,900,000. The accumulated number of ordinary shares converted was 1,405,599.	As of Apr. 30, 2021, 15 bonds had been converted with the par value of US\$200,000 each, and the bond conversion amount was US\$3,000,000. The accumulated number of ordinary shares converted was 200,460. As of Mar. 10, 2019, the principal of resell right exercised was US\$154,900,000. As of Mar. 10, 2021, the principal of resell right exercised was US\$6,100,000, and the amount of outstanding bonds was US\$36,000,000.
	Issuance and conversion (exchange or subscription) rules	Refer to Appendix I below	Refer to Appendix II below	Refer to Appendix III below
Possible dilution of equity and effect on existing shareholders'		Calculating based on the current conversion price, if all the remaining corporate bonds are converted into ordinary shares, the Company will need to	Calculating based on the current conversion price, if all the remaining corporate bonds are converted into ordinary shares, the Company will need to	Calculating based on the current conversion price, if all the remaining corporate bonds are converted into ordinary shares, the Company will need to

Type of corporate bond	The second issuance of domestic unsecured convertible bonds	The third issuance of domestic unsecured convertible bonds	The first issuance of overseas unsecured convertible bonds
equity	issue another 36,030 ordinary shares. The equity dilution rate is 0.04%, which has a limited impact on shareholders' equity.	issue another 24,585,951 ordinary shares, and the equity dilution rate is 26.76%, The Company raised funds in the form of cash capital increase and conversion of corporate bonds in 2019, which will effectively reduce and delay the dilution of equity. Furthermore, from the perspective of the effect on the existing shareholders' equity, although the share capital will not increase immediately by means of bank loans, the cost of capital is relatively high, which is easy to erode the Company's profits. Besides, after financing, it will only increase the Company's liabilities, and the net value will not increase immediately, so the benefit to sustainable operation is limited. However, the cash capital increase through the issuance of new shares and convertible bonds can increase the Company's net value per share. Although convertible bonds will increase the Company's liabilities before conversion, converting convertible bonds into common shares will reduce the liabilities and increase the shareholders' equity, thereby increasing the net value of each share. Therefore, it will better protect the existing shareholders' equity in the long run.	issue another 2,939,527 ordinary shares. The equity dilution rate is 3.20%, which has a limited impact on shareholders' equity.
Name of the custodian of the exchange underlying stock	Not applicable	Not applicable	Not applicable

(II) Those who have issued convertible bonds that can be converted into ordinary shares, overseas depositary receipts, or other securities should be listed in the following table:

Type of corporate bond		The second issuance of domestic unsecured convertible bonds			The third issuance of domestic unsecured convertible bonds			The first issuance of overseas unsecured convertible bonds			
Item	Year	2019	2020	As of Mar.31, 2021	2019	2020	As of Mar.31, 2021	2019	2020	As of Mar.31, 2021	
	Market price of the convertible bond	Highest	103.00	104.45	104.00	110.60	121.00	123.00	106.06	107.40	107.78
		Lowest	93.50	99.90	104.00	102.00	93.00	112.30	100.89	100.82	103.77
		Average	102.72	102.75	104.00	106.91	109.43	116.73	104.29	104.08	105.87
Conversion price		383.50	349.20	338.60	259.60	236.40	229.20	445.20	399.65	387.65	
Issuance date and conversion price at the time of issuance		Issued on May 13, 2016 The conversion price at the time of issuance was NT\$435.			Issued on Feb. 26, 2019. The conversion price at the time of issuance was NT272.8.			Issued on Mar. 10, 2017. The conversion price at the time of issuance was NT488.			
Method for performing conversion obligations		Issuance of new shares			Issuance of new shares			Issuance of new shares			

XI. Preferred Shares: None.

XII. Global Depositary Receipts (GDR): None.

XIII. Subscription of Employees Warrants: None.

XIV. Name of Managerial Officers Holding Restricted Employee Warrants and Employees Holding Top 10 Shares, and the Holding Status as of the Publication Date of Annual Report: None.

XV. Issuance of New Shares for Employee Restricted Stocks: None.

XVI. Name of Managerial Officers Holding Restricted Employee Stocks and Employees Holding Top 10 Shares, and the Holding Status as of the Publication Date of Annual Report: None.

XVII. Issuance of New Shares in Connection with an M&A or with Acquisitions of Shares of any Other Company

(I) Those who have completed the issuance of new shares in connection with an M&A or with the acquisition of other companies' shares in the most recent year and up to the publication date of the annual report:

Basic Information of the Company to be Acquired

Company name		AIS Cayman Technology
Company address		Fourth Floor, One Capital Place, P.O. Box 847, Grand Cayman KY1-1103, Cayman Islands
Responsible person		Fu-Chuan Chu
Paid-in capital		US\$10,701 thousand
Main operations		Professional investment and the manufacturing, processing, trading, and import/export of human-machine interface and industry 4.0 and other related products, communication machinery equipment, electronic equipment and electronic equipment, etc.
Main products		Machine vision computing and human-machine interface products, AI embedded system
Financial information of the most recent year	Total assets	US\$34,757 thousand
	Total liabilities	US\$13,900 thousand
	Total shareholders' equity	US\$20,857 thousand
	Operating revenue	US\$50,865 thousand
	Gross profit	US\$12,175 thousand
	Operation profit (loss)	US\$5,578 thousand
	Income for this period	US\$4,078 thousand
Earnings per share		US\$0.47

Ennoconn Corporation (hereinafter referred to as Ennoconn Corp.) has conducted the acquisition of AIS Cayman Technology (hereinafter referred to as "AIS (Cayman)") shares and issued 3,540,000 ordinary shares with a par value of NT\$10 each. The total issue amount was NT\$35,400,000, which has been declared effective by the Financial Supervisory Commission (FSC) on Jan. 19, 2021, with Letter No. Jin-Guan-Zheng-Fa-Zi 1090379999, taking Jan. 21, 2021, as the record date of the share swap, and has completed the change registration on Feb. 23, 2021, through the Ministry of Economic Affairs with Letter No. Jiang-Shou-Shang-Zi 11001029270. According to Article 9, paragraph 1, subparagraph 8 of "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," Ennoconn Corp. has contacted the lead securities underwriter regarding the issuance of new shares by Ennoconn Corp. in connection with the acquisition of AIS (Cayman) shares. As of the first quarter of 2021, it has issued an evaluation opinion on the impact of Ennoconn Corp.'s finances, business, and shareholders' equity.

I. Impact on finances

Ennoconn Corp. and AIS (Cayman) have been cultivating in their respective professional industries for many years. After this share swap, we will integrate each other's resources and enhance our respective competitive positions in the industry. Thus, the Company's finances will not be materially adversely affected. Also, as AIS (Cayman) is a subsidiary of Ennoconn Corp.'s consolidated report, this acquisition has no material adverse impact on the financial structure of Ennoconn Corp. Moreover, AIS (Cayman) has developed rapidly in recent years, and its profits continue to grow. After completing this acquisition, the shareholding ratio of Ennoconn Corp. in AIS (Cayman) will increase, which can increase the net profit attributable to the owners of the parent company in the consolidated financial report of Ennoconn Corp. Therefore, it should have positive financial support.

II. Impact on business

Ennoconn Corp., as a professional industrial computer manufacturer, its technical strength lies in vertical integration of end-product systems. At the same time, AIS (Cayman) specializes in designing and developing AI embedded systems. Through this share swap, in addition to the continuous deepening of both sides in their respective professional fields, Ennoconn Corp.'s increased shareholding in AIS (Cayman) is conducive to the resource integration and cross-marketing of the Group, providing more diversified and complete products and services for customers of both sides, enhancing the market awareness and brand value of the corporate. Moreover, through further in-depth integration of the technology, talents, and marketing resources of both sides, it will be able to enhance the R&D energy, optimize the product cost structure, and provide customers with more complete service content, which will help both parties to have a more competitive niche in the industry, so it should be quite helpful in business.

III. Impact on shareholders' equity

This time, Ennoconn Corp. has issued 3,540 thousand new shares for the acquisition of AIS (Cayman) shares, accounting for 3.66% of the total number of 96,812 thousand shares issued and expected to be issued by Ennoconn Corp., which should not cause a material adverse dilution effect on the original shareholders of Ennoconn Corp. Besides, through this issuance

of new shares for the acquisition, Ennoconn Corp.'s shareholding in AIS (Cayman) will continue to increase and further deepen the cooperation between the two parties. Based on complementary sharing and full cooperation of marketing, procurement, and R&D resources, expanding the business scale, strengthening the competitiveness of both sides, thereby enhancing the revenue and profitability, and increasing the recognition of reinvestment income, should be positively beneficial to shareholders' equity.

IV. Whether the benefit of acquisition emerges

The record date of the conversion between Ennoconn Corp. and AIS (Cayman) is Jan. 21, 2021. After completing the share conversion, through the complementary integration of business between the two sides, the integration of technical service team and sales customers and other resources should be positively beneficial to their finance, business, and shareholders' equity, and the benefits have gradually emerged.

(II) Those who the Board of Directors' resolution has passed to issue new shares in connection with an M&A or with the acquisition of other companies' shares in the most recent year and up to the publication date of the annual report:

XVIII. Implementation of the Fund Utilization Plan:

(I) The second issuance of domestic unsecured convertible bonds in May 2016:

The Company's second domestic unsecured convertible bonds were completed in May 2016, and the funds raised were NT\$1.8 billion. As of the second quarter of 2016, the Company has completed the investment in Ennoconn Investment Holdings Co., Ltd. as planned and obtained 49% equity of KCI indirectly through the Company. The investment fund was originally time-limited, and part of the fund was first financed by bank loans. After completing the fundraising of the second domestic unsecured convertible bonds, NT\$1.3 billion out of NT\$1.8 billion raised was used to repay the bank loan, which was implemented according to the fund utilization plan.

(II) The first issuance of overseas unsecured convertible bonds in March 2017:

The Company's first overseas unsecured convertible bonds were completed in Mar. 2017; the funds raised were US\$200 million (equivalent to around NT\$6,330,600,000), which were used to meet the foreign currency capital needs for the procurement of materials and finished products required for operation. In March 2017, since the completion of fundraising, owing to the impact of the international economic situation, the US dollar credit borrowing rates rose sharply due to the inflation pressure driven by demand and the interest rate increase of the Federal Reserve. To effectively use the funds to reduce the Company's capital cost, it was approved by the Board of Directors' resolution on Jun. 9, 2017, to adjust the fund utilization plan. On top of meeting the foreign currency capital needs for the procurement of materials and finished products required for operation, part of the fund plan change was used to reinvest in Ennoconn Investment Holdings Co., Ltd. to support the acquisition of S&T AG equity, which has been implemented following the fund utilization plan.

(III) The third Issuance of domestic unsecured convertible bonds in February 2019:

The Company's third domestic unsecured convertible bonds were completed in February 2019, and the funds raised were NT\$6.012 billion. As of the first quarter of 2019, the funds were used to repay principal and interest compensation derived from the exercise of resell rights by the holders of the first issued overseas unsecured convertible bonds, which was completed as planned. As the bondholders of the first overseas unsecured convertible bonds did not fully exercise the resell right, the Company's repayment of the principal and interest where the bondholders exercised resell rights were reduced. After deducting the repayment of the principal and interest generated from exercising the resell right by the holders of the second domestic unsecured convertible bondholders in the second quarter of 2019, a revised fund utilization plan had been approved by the Board of Directors on May 13, 2019, and use the remaining funds to repay the bank loan to improve the financial structure and save the interest expense.

Appendix I

Ennoconn Corporation

The Issuance and Conversion of the Second Domestic Unsecured Convertible Bonds

I. Name of Bond:

The second issuance of domestic unsecured convertible bonds (hereinafter referred to as "the convertible bonds") of Ennoconn Corporation (hereinafter referred to as "the Company").

II. Issuance Date:

May 13, 2016 (hereinafter referred to as the "issuance date").

III. Total Issue Amount:

The par value of each convertible bond is NT\$100,000, and it is issued at 100% of the par value. The total number of the issued bonds is 18,000, and the total issue amount is capped at NT\$1.8 billion.

IV. Issue Period:

The issue period is five years, issued on May 13, 2016, and will be matured on May 13, 2021 (hereinafter referred to as the "maturity date").

V. Coupon Rate of the Bonds:

The coupon rate per annum is 0%.

VI. Date and Methods of Repayment:

Except for the conversion of the convertible bonds by the bondholders into the Company's ordinary shares under Article 10 of the regulations, or the early redemption by the Company under Article 18 of the regulations, or the repurchase and cancellation of the bonds at brokerage firms, or the exercise of the resell right by the bondholders under Article 19, the Company shall repay the bonds held by the bondholders in cash in a lump sum upon the maturity of the bonds at the par value of the bonds.

VII. Guarantee Status:

Convertible bonds are unsecured bonds. However, where after the convertible bonds are issued, the Company issues or privately offers other secured corporate bonds with equity warrants or secured convertible bonds, the convertible bonds shall also be set at the creditor's rights of the same grade or security property rights of the same order as the secured corporate bonds with equity warrants or secured convertible bonds.

VIII. Underlying Shares of Conversion:

The Company's ordinary shares; the Company will fulfill its conversion obligations by issuing new shares.

IX. Conversion Period:

The bondholders may, from the day after two months (Jul. 13, 2016) of the issue date of the convertible bond to the maturity date (May 13, 2021), except for (I) the period in which transfer of ordinary shares is suspended by-laws, (II) the period from the fifteen business days before the suspension date of transfer of the Company's stock dividends, cash dividends, or cash capital

increase subscription to the record date of the right distribution, or (III) from the record date of the capital reduction to the day before the start of the trading day of the capital reduction in exchange for stocks, file a request to the Company's stock affairs agency through trading brokerage firms, while informing the Taiwan Depository & Clearing Corporation (hereinafter referred to as "TDCC"), to convert the convertible bonds held into the Company's ordinary shares under the provisions of Articles 10, 11, 13, and 15 of the regulations.

X. Procedure for Requesting a Conversion :

(I) The bondholders shall conduct the conversion via book-entry operations through TDCC.

A bondholder shall fill in the "application form for conversion/redemption/repurchase of convertible bonds via book-entry operations" (indicating conversion) at the original trading brokerage firm, and the trading brokerage firm shall submit the application to TDCC. After accepting the application, TDCC will notify the Company's stock affairs agency electronically, and the conversion takes effect upon delivery. It is valid and cannot be revoked, and the conversion procedures shall be completed within five business days after delivery. Then the Company's ordinary shares shall be directly transferred to the bondholder's TDCC account.

(II) Where overseas ethnic Chinese and foreigners apply for conversion of the convertible bonds into the Company's ordinary shares, it shall all be handled through book-entry operations by TDCC.

XI. Conversion Price and Adjustment:

(I) The determination of conversion price

With May 5, 2016, as the record date of determining the conversion price, the benchmark price shall be the simple arithmetic mean of the closing price of the Company's common stock on the business day (excluding) before the record date, the three business days before, and the five business days before. Then multiply the benchmark price by the conversion premium rate of 105.07%, which is the conversion price (rounding the number to NT dollar one decimal point) of the convertible bonds. Where there is an event of ex-rights or ex-dividend before the record date of determining the conversion price, the closing price at which the conversion price is calculated after sampling shall be set as the price after ex-rights or ex-dividend. In the case of ex-rights or ex-dividend, the conversion price shall be adjusted according to the conversion price adjustment formula from the date of determination to the actual issue date. According to the method above, the conversion price is set at NT\$435 per share.

(II) Adjustment of the conversion price

After the issuance of the convertible bonds, except for various securities issued by the Company (or private placement) with common stock conversion rights or stock options in exchange for ordinary shares, or the issuance of new shares due to employee bonus, in the event of an increase in the Company's issued (or privately placed) ordinary shares, (including but not limited to cash capital increase through public offering or private

placement, capitalization of retained earnings, capitalization of capital surplus, the issuance of new shares in connection with a company merger or the acquisition of any other companies, stock split, cash capital increase to participate in the issuance of overseas depositary receipts, etc.), the Company shall adjust the bond's conversion price (rounding the number to NT dollar one decimal point; the numbers above one decimal point will not be adjusted) according to the following formula, and send an official letter to the Taipei Exchange (hereinafter referred to as "TPEX") to make a public announcement. It will be adjusted on the record date of the ex-rights for issuance of new shares (Note 1) (if there is an actual payment operation, it will be adjusted on the full payment day).

$$\text{Conversion price after adjustment} = \text{Conversion price before adjustment} \times \frac{\left(\text{Number of issued shares (Note 2)} + \frac{\text{Payment per share (Note 3)} \times \text{Number of newly issued or privately offered shares}}{\text{Real-time price per share (Note 4)}} \right)}{\text{Number of issued shares} + \text{number of newly issued or privately offered shares}}$$

Note 1: In the case of the stock split, it is the record date of the split; in the case of a capital increase through a merger or acquisitions, it shall be adjusted on the record date of a merger or acquisitions; in the case of cash capital increase through book building or cash capital increase for the issuance of overseas depositary receipts, without the record date of ex-rights, it shall be adjusted on the full payment day; in the case of cash capital increase through private placement, it shall be adjusted upon the delivery of privately offered securities. Where the issue price of new shares is changed after the record date of the ex-rights for the cash capital increase through the issuance of new shares, it shall be re-adjusted according to the updated issue price of new shares. Where the adjusted conversion price is lower than the original adjusted conversion price announced before the record date of the ex-rights, an official letter shall be sent to TPEX for making a public announcement for such an adjustment.

Note 2: The number of issued shares refers to the total number of issued shares of common stocks (including public offering and private placement) minus the number of treasury shares that have been repurchased by the Company but have not been canceled or transferred.

Note 3: If the payment per share is stock dividends or stock split, the amount of payment is zero. In the issuance of new shares to increase capital in connection with a merger, the payment per share is the net value per share multiplied by the share swap ratio based on the dissolved company's most recent financial statements certified or verified by the CPA before the record date of mergers. In the issuance of new shares through acquisitions of shares of other companies, the payment per share is the net value per share multiplied by the share swap ratio based on the acquired company's most recent financial statements certified or verified by the CPA.

Note 4: The real-time price per share shall be determined based on a simple arithmetic mean of the closing prices of the Company's ordinary shares on the business day one day, three days, and five days, respectively, before the record date of ex-rights, price determination, stock split, or private placement of securities.

2. After the issuance of the convertible bonds, if the ratio of the cash dividends of the Company's ordinary shares to the real-time price per share exceeds 1.5%, the conversion price (rounding the number to NT dollar one decimal point; the numbers above one decimal point will not be adjusted) shall be reduced on the record date of ex-dividends at the ratio of the real-time price per share. An official letter shall be sent to TPEX for making a public announcement for such an adjustment. The provision for the conversion price reduction does not apply to the requests for conversion filed before the record date (exclusive) of ex-dividends. The adjustment formula is as follows:

Conversion price after reduction = the conversion price before reduction x (1 - the ratio of cash dividends of ordinary shares to the real-time price (Note) per share)

Note: The real-time price per share is calculated based on the simple arithmetic mean of the closing prices of the Company's ordinary shares one, three, and five business days before the date of the ex-dividend announcement and the suspension of the transfer of cash dividends.

3. After the issuance of the convertible bonds, where the Company publicly re-offers and re-issues (or privately offers) various securities with common stock conversion rights or stock options at a conversion or subscription price lower than the real-time price per share (Note 1), the Company shall adjust the conversion price (rounding the number to NT dollar one decimal point; the numbers above one decimal point will not be adjusted) of the convertible bonds according to the formula below. An official letter shall be sent to TPEX for making a public announcement for such an adjustment. It shall be adjusted upon the date of the issuance of the aforementioned securities or stock options or upon the delivery of the privately offered securities:

$$\begin{array}{rcl}
 \text{Conversion price after adjustment} & = & \text{Conversion price before adjustment} \times \frac{\begin{array}{l} \text{Number of issued shares (Note 2)} \\ + \left[\begin{array}{l} \text{The conversion or subscription price of newly issued (or privately offered) securities with common stock conversion rights or stock options} \end{array} \right] \times \begin{array}{l} \text{Number of shares that can be converted or subscribed for newly issued (or privately offered) securities with common stock conversion rights or stock options} \end{array} \end{array}}{\begin{array}{l} \text{Real-time price per share} \\ \text{Number of issued shares + number of shares that can be converted or subscribed for newly issued (or privately offered) securities with common stock conversion rights or stock options} \end{array}}
 \end{array}$$

Note 1: The real-time price per share is calculated based on the simple arithmetic mean of the closing prices of the Company's ordinary shares one, three, and five business days before the record date of price determination of public re-offering and re-issuance (or private placement) of various securities with common stock conversion rights or stock options or the date of delivery of privately offered securities.

Note 2: The number of issued shares refers to the number of issued shares of common stocks through public offering and private placement, minus the number of treasury shares that have been repurchased by the Company but have not been canceled or transferred. Where the re-issuance (or private placement) of various securities with common stock conversion rights or stock options is funded by treasury shares, the number of issued shares in the adjustment formula shall deduct the number of the shares that can be converted or subscribed for newly issued (or privately offered) securities.

4. If the number of ordinary shares is reduced due to the capital reduction conducted through means other than the Company's cancellation of treasury shares after the issuance of the convertible bonds, the conversion price shall be calculated based on the formula below and adjusted on the record date of capital reduction, while an official letter shall be sent to TPEx for making a public announcement for such an adjustment.

(1) Where capital is reduced to make up losses:

Conversion price after adjustment =

Conversion price before adjustment (number of ordinary shares issued before capital reduction (Note) / number of ordinary shares issued after capital reduction) ×

(2) Where there is cash capital reduction:

Conversion price after adjustment =

(conversion price before adjustment - cash refund per share) (number of ordinary shares issued before capital reduction/the number of ordinary shares issued after capital reduction) ×

Note: The number of issued shares shall include the number of shares through the issuance and private placement and minus the number of treasury shares that have been repurchased by the Company but not canceled or transferred.

XII. Listing and Termination of Listing of the Convertible Bonds

The convertible bonds shall apply to TPEx for listing and trading before the date of issuance, and the listing shall be terminated when the total number is converted into ordinary shares or when all the shares are repurchased or repaid by the Company. The matters above are announced by the Company with the approval of TPEx.

XIII. Listing of New Shares after Conversion:

Where the convertible bonds are converted into the Company's ordinary shares, the converted ordinary shares are listed and traded on the TWSE upon the date of delivery. The matters above are announced by the Company with the approval of the TWSE.

XIV. Changes of Registration of Share Capital:

The Company shall publicly announce the number of shares converted from the convertible bonds in the last quarter within fifteen days after the end of each quarter. The Company shall also apply to the competent authority of company registration to register changes in the capital at least once every quarter.

XV. Handling of the Insufficient Amount for One Share at the Time of Conversion:

When converting into the Company's ordinary shares, if there is an insufficient amount for one share, the Company will pay in cash to make it up (rounding the number to the nearest NT dollar integer).

XVI. The Vesting of Cash Dividends and Stock Dividends during the Conversion Year:

(I) Cash dividends

1. Where a bondholder of the convertible bonds files a request for conversion between Jan. 1 of the current year and fifteen business days (exclusive) before the Company handles the suspension of the transfer of ownership of stock dividends with the TWSE in the current year, the bondholder may participate in the resolution of the annual shareholders' meeting in the current year regarding the stock dividend distribution for the previous year.
2. From fifteen business days (inclusive) before the Company handles the suspension of the transfer of ownership of stock dividends with the TWSE in the current year to the record date of ex-rights (inclusive) for stock dividends, the convertible bonds shall stop converting.
3. Where a bondholder of the convertible bonds files a request for conversion between the record date of ex-dividends for cash dividends for the current year and Dec. 31 of the current year (inclusive), the bondholder shall not participate in the resolution of the annual shareholders' meeting in the current year regarding the annual cash dividend distribution for the previous year but may participate in the annual shareholders' meeting in the following year regarding the annual cash dividend distribution for the current year.

(II) Stock dividends

1. Where a bondholder of the convertible bonds files a request for conversion between Jan. 1 of the current year and fifteen business days (exclusive) before the Company handles the suspension of the transfer of ownership of stock dividends with the TWSE in the current year, the bondholder may participate in the resolution of the annual shareholders' meeting in the current year regarding the stock dividend distribution for the previous year.
2. From fifteen business days (inclusive) before the Company handles the suspension of the transfer of ownership of stock dividends with the TWSE in the current year to the record date of ex-rights (inclusive) for stock dividends, the convertible bonds shall stop converting.
3. Where a bondholder of the convertible bonds files a request for conversion between the record date of ex-dividends for stock dividends for the current year and Dec. 31 of the

current year (inclusive), the bondholder shall not participate in the resolution of the annual shareholders' meeting in the current year regarding the annual stock dividend distribution for the previous year but may participate in the annual shareholders' meeting in the following year regarding the stock dividend distribution for the current year.

XVII. Rights and Obligations after Conversion:

The creditor's rights and obligations after obtaining the ordinary shares via conversion are the same as the original ordinary shares issued by the Company.

XVIII. The Company's Redemption Right to the Bonds

- (I) Where the bonds have been issued from the day after two months (Jul. 14, 2016) of issuance to forty days before (Apr. 3, 2021) the maturity date, if the closing price of the Company's ordinary shares at TPEx exceeds 30% or more of the bond conversion price at that time for thirty consecutive business days, the Company may, within thirty business days thereafter, send the bondholders (those on the list of creditors five business days before the mailing of the "bond redemption notice" shall prevail; the investors who subsequently acquire the bonds through trading or other reasons shall be notified through public announcement) the "bond redemption notice" by registered mail with the expiry date of thirty days (the said period starts from the date of the mailing the notice, and the expiration date of the said period is the record date for redeeming the bonds, and the said period shall not be the suspension period of converting the convertible bonds), while sending TPEx an official letter for making a public announcement; within five business days after the record date of redeeming the bonds, the bondholders' convertible bonds shall be redeemed in cash at the par value of the bonds.
- (II) Where the bonds have been issued from the day after two months (Jul. 14, 2016) of issuance to forty days before (Apr. 3, 2021) the maturity date, if the outstanding balance of the bonds is less than 10% of the original total issue amount, the Company may send the bondholders (those on the list of creditors five business days before the mailing of the "bond redemption notice" shall prevail; the investors who subsequently acquire the bonds through trading or other reasons shall be notified through public announcement) the "bond redemption notice" by registered mail with the expiry date of thirty days (the said period starts from the date of the mailing the notice, and the expiration date of the said period is the record date of redeeming the bonds, and the said period shall not be the suspension period of converting this convertible bond), while sending TPEx an official letter for making public announcement; within five business days after the record date of redeeming the bonds, the bondholders' convertible bonds shall be redeemed in cash at the par value of the bonds.
- (III) Where a bondholder fails to respond to the Company's stock affairs agency in writing before the record date stated in the "redemption notice" (effective upon delivery of the notice; in the case of mailing, the postmark date shall prevail), the Company will redeem the convertible bonds held by the bondholder in cash at the par value.

XIX. The Bondholder's Resell Right:

May 13, 2019 (the day issued for three years) is the record date of resale for the bondholders to resell the bonds early. The Company shall send the bondholders (those on the list of bondholders five business days before the mailing of the "exercise notice of the resell right" shall prevail; the investors who subsequently acquire the bonds through trading or other reasons shall be notified through public announcement) the "exercise notice of the resell right" by registered mail before Apr. 3, 2019 (forty days before the record date of resale), while sending TPEx an official letter for making a public announcement of the exercise of the bondholders' resell right; the bondholders may notify the Company's stock affairs agency in writing forty days before the record date of resale (effective upon delivery of the notice; in the case of mailing, the postmark date shall prevail) and request the Company to redeem the bonds held in cash at the par value of the bonds plus interest compensation, which is 103.0301% of the face value of the bonds (1% of the real yield). After the Company accepts a resell request, it shall redeem the bonds in cash within five business days after the record date of resale. The date above may be postponed to the next business day if the TWSE is closed on the date.

XX. All the Convertible Bonds Recalled (including those Purchased at the Brokerage Firms) Redeemed or Converted by the Company will be Canceled and may not be Sold or Issued, and the Conversion Rights Attached thereto will be Eliminated.

XXI. The Convertible Bonds and Converted Ordinary Shares are all Registered. The Transfer, Registration of Changes, Pledges, or Lost, shall be handled according to the "Regulations Governing the Administration of Shareholder Services of Public Companies" and the Relevant Provisions of the Company Act. Taxation Matters are Handled under the Tax Laws of the time.

XXII. Bank SinoPac is the Creditors' Trustee of the Convertible Bonds and Exercises the Power of Auditing and Supervises the Matters Related to the Company's Issuance of the Convertible Bonds on Behalf of the Creditors' Interests. Where the creditors holding the convertible bonds, regardless of subscription at the time of issuance or purchase later, agree on the terms of the trust contract between the Company and its trustee, the trustee's rights and obligations, the issuance and the conversion method, and grant the trustee full authority of the trustee matters, the said authorization shall not be revoked halfway. As for the content of the trust contract, the creditors may make inquiries at the Company or the trustee's business premises at any time during business hours.

XXIII. The Repayment of the Principal and Conversion of the Convertible Bonds are Handled by the Company's Stock Affairs Agency.

XXIV. The Convertible Bonds are Issued in accordance with the Provisions of Article 8 of the Securities and Exchange Act. and no Physical Bonds are Printed.

XXIV. Any Matters not Covered in the Issuance and Conversion Methods of the Convertible Bonds shall be handled in accordance with Relevant Laws and Regulations.

Appendix II

Ennoconn Corporation

The Issuance and Conversion of the Third Domestic Unsecured Convertible Bonds

I. Name of Bond

The third issuance of domestic unsecured convertible bonds (hereinafter referred to as "the convertible bonds") of Ennoconn Corporation (hereinafter referred to as "the Company").

II. Issuance Date

On Feb. 26, 2019 (hereinafter referred to as the "issuance date").

III. Total Issue Amount and Par Value

The par value of each convertible bond is NT\$100,000. The total number of issued convertible bonds is 60,000, and the total par value of issuance is NT\$6,000,000 thousand, which is 100.2% of the par value.

IV. Issue Period

The issue period is five years, issued on Feb. 26, 2019, and will be matured on Feb. 26, 2024 (hereinafter referred to as the "maturity date").

V. Coupon Rate of the Bonds

The coupon rate per annum is 0%.

VI. Date and Methods of Repayment

Except for the conversion of the convertible bonds by the bondholders into the Company's ordinary shares under Article 10 of the regulations, or the exercise of the resell right by the bondholders under Article 18, or the early redemption by the Company under Article 17 of the regulations, or the repurchase and cancellation of the bonds at brokerage firms, the Company shall repay the bonds held by the bondholders in cash in a lump sum upon the maturity of the bonds at the par value of the bonds.

VII. Guarantee Status:

Convertible bonds are unsecured bonds. However, after the issuance, if the Company issues or privately offers other secured corporate bonds with equity warrants or secured convertible bonds, the convertible bonds shall also be set at the creditor's rights of the same grade or security property rights of the same order as the secured corporate bonds with equity warrants or secured convertible bonds.

VIII. Underlying Shares of Conversion

For the Company's ordinary shares, the Company will perform the conversion obligation by issuing new shares, and the new shares will be delivered by book-entry and shall not be printed physically.

IX. Conversion Period

The bondholders may, from the day after three months (May. 27, 2019) of the issue date of the convertible bond to the maturity date (Feb. 26, 2024), except for (I) the period in which transfer of ordinary shares is suspended by-laws, (II) the period from the fifteen business days before the suspension date of the ownership transfer of the Company's stock dividends, cash dividends, or cash capital increase subscription to the record date of the right distribution, or (III) from the record date of the capital reduction to the day before the start of the trading day of the capital reduction in exchange for stocks, file a request to the Company's stock affairs agency through original trading brokerage firms, while informing the Taiwan Depository & Clearing Corporation (hereinafter referred to as "TDCC"), to convert the convertible bonds held into the Company's ordinary shares under the provisions of Articles 10, 11, 13, and 15 of the regulations.

X. Procedure for Requesting a Conversion

(I) The bondholders shall conduct the conversion via book-entry operations through TDCC.

A bondholder shall fill in the "application form for conversion/redemption/repurchase of convertible bonds via book-entry operations" (indicating conversion) at the original trading brokerage firm with the passbook in which the bonds are listed, and the trading brokerage firm shall submit the application to TDCC. After accepting the application, TDCC will send the form to the Company's stock affairs agency, and the conversion takes effect upon delivery to the Company's stock affairs agency. It is valid and cannot be revoked, and the conversion procedures shall be completed by the Company's stock affairs agency within five business days after delivery. Then the Company's ordinary shares shall be directly transferred to the bondholder's TDCC account.

(II) Where overseas ethnic Chinese and foreigners apply for conversion of the convertible bonds into the Company's ordinary shares, it shall all be handled through book-entry operations by TDCC.

XI. Conversion Price and Adjustment

(I) The determination of conversion price

With Feb. 18, 2019, as the record date of determining the conversion price, the benchmark price shall be the simple arithmetic mean of the closing price of the Company's common stock on the business day (excluding) before the record date, the three business days before, and the five business days before. Then multiply the benchmark price by the conversion premium rate

of 110%, which is the basis for calculating the conversion price (rounding the number to NT dollar one decimal point) of the convertible bonds. Where there is an event of ex-rights or ex-dividend before the record date of determining the conversion price, the closing price at which the conversion price is calculated after sampling shall be set as the price after ex-rights or ex-dividend. In the case of ex-rights or ex-dividend, the conversion price shall be adjusted according to the conversion price adjustment formula from the date of determination to the actual issue date. According to the method above, the conversion price of the convertible bond is set at NT\$272.8 per share.

(II) Adjustment of the conversion price

After the issuance of the convertible bonds, except for various securities issued by the Company or private placement with common stock conversion rights or stock options in exchange for ordinary shares, or the issuance of new shares due to employee compensation, In the event of an increase in the Company's issued or privately placed ordinary shares, (including but not limited to cash capital increase through public offering or private placement, capitalization of retained earnings, capitalization of capital surplus, the issuance of new shares in connection with a company merger or the acquisition of any other companies's, stock split, cash capital increase to participate in the issuance of overseas depositary receipts, etc.), the Company shall adjust the conversion price (rounding the number to NT dollar one decimal point; the numbers above one decimal point will not be adjusted) of the convertible bond according to the following formula, and send an official letter to the Taipei Exchange of R.O.C. (hereinafter referred to as "TPEX") to make a public announcement. It will be adjusted on the record date of the ex-rights for issuance of new shares (Note 1) (if there is an actual payment operation, it will be adjusted on the full payment day).

$$\text{Conversion price after adjustment} = \text{Conversion price before adjustment} \times \frac{\text{Number of issued shares (Note 2)} + \frac{\text{Payment per share (Note 3)} \times \text{number of newly issued or privately offered shares}}{\text{Real-time price per share (Note 4)}}}{\text{Number of issued shares} + \text{number of newly issued or privately offered shares}}$$

Note 1: In the case of the stock split, it will be adjusted on the record date of the stock split; in the case of a capital increase through mergers or acquisitions, it shall be adjusted on the record ate of mergers or acquisitions; in the case of a capital increase through book building or cash capital increase for the issuance of overseas depositary receipts, without the record date of ex-rights, it shall be adjusted after the full payment are collected; in the case of cash capital increase through private placement, it shall be adjusted upon the delivery of privately offered securities. Where the issue price of new shares is changed after the record date of the ex-rights for the cash capital increase through the issuance of new shares, it shall be re-adjusted according to the updated issue price of new shares. Where the adjusted conversion price is lower than the original adjusted conversion price announced

before the record date of the ex-rights, an official letter shall be sent to TPEx for making a public announcement for such an adjustment.

Note 2: The number of issued shares refers to the total number of issued shares of common stocks (including public offering and private placement) minus the number of treasury shares that have been repurchased by the Company but have not been canceled or transferred.

Note 3: If the payment per share is stock dividends or stock split, the amount of payment is zero. In the issuance of new shares to increase capital in connection with a merger, the payment per share is the net value per share multiplied by the share swap ratio based on the dissolved company's most recent financial statements certified or verified by the CPA before the record date of mergers. In the issuance of new shares through acquisitions of shares of other companies, the payment per share is the net value per share multiplied by the share swap ratio based on the acquired company's most recent financial statements certified or verified by the CPA.

Note 4: The real-time price per share shall be determined based on a simple arithmetic mean of the closing prices of the Company's ordinary shares on the business day one day, three days, and five days, respectively, before the record date of ex-rights, price determination, stock split, or private placement of securities.

2. After the issuance of the convertible bonds, where the Company publicly re-offers and re-issues or privately offers various securities with common stock conversion rights or stock options at a conversion or subscription price lower than the real-time price per share (Note 1), the Company shall adjust the conversion price (rounding the number to NT dollar one decimal point; the numbers above one decimal point will not be adjusted) of the convertible bonds according to the formula below. An official letter shall be sent to TPEx for making a public announcement for such an adjustment. It shall be adjusted upon the date of the issuance of the aforementioned securities or stock options or upon the delivery of the privately offered securities:

$$\begin{array}{rcl}
 \text{Conversion price after adjustment} & = & \text{Conversion price before adjustment} \times \frac{\begin{array}{l} \text{Number of issued shares} \\ \text{(Note 2)} \\ + \end{array} \frac{\begin{array}{l} \text{The conversion or subscription price of} \\ \text{newly issued or privately offered} \\ \text{securities or stock options} \end{array}}{\text{Real-time price per share (Note 1)}} \times \begin{array}{l} \text{Number of newly issued or privately} \\ \text{placed securities, or} \\ \text{number of shares that} \\ \text{can be converted or} \\ \text{subscribed by stocks} \\ \text{options} \end{array} \\
 & & \frac{\text{Number of issued shares} + \text{number of newly issued or privately placed securities or stocks options that can be converted or subscribed for}}{\text{Real-time price per share (Note 1)}}
 \end{array}$$

Note 1 The real-time price per share is calculated based on the simple arithmetic mean of the closing prices of the Company's ordinary shares one, three, and five business days before the record date of price determination of public re-offering

and re-issuance or private placement of various securities with common stock conversion rights or stock options or the date of delivery of privately offered securities. If there is an event of ex-rights or ex-dividend before the record date of determining the conversion price, the closing price at which the conversion price is calculated after sampling shall be set as the price after ex-rights or ex-dividend.

Note 2: The number of issued shares shall include the number of issued shares through public offering and private placement, minus the number of treasury shares that have been repurchased by the Company but have not been canceled or transferred. Where the re-issuance or private placement of various securities with common stock conversion rights or stock options is funded by treasury shares, the number of issued shares in the adjustment formula shall deduct the number of the shares that can be converted or subscribed for newly issued or privately offered securities.

3. If the number of ordinary shares is reduced due to the capital reduction conducted through means other than the Company's cancellation of treasury shares after the issuance of the convertible bonds, the conversion price (rounding the number to NT dollar one decimal point) shall be calculated based on the formula below and adjusted on the record date of capital reduction, while an official letter shall be sent to TPEx for making a public announcement for such an adjustment.

(1) Where capital is reduced to make up losses:

Conversion price after adjustment =

Conversion price before adjustment x (number of ordinary shares issued before capital reduction (Note) / number of ordinary shares issued after capital reduction)

(2) Where there is cash capital reduction:

Conversion price after adjustment =

(conversion price before adjustment - cash refund per share) x (number of ordinary shares issued before capital reduction (Note) / the number of ordinary shares issued after capital reduction)

Note: The number of issued ordinary shares shall include the number of issued ordinary shares and private placement and minus the number of treasury shares that have been repurchased by the Company but not canceled or transferred.

(III) Adjustment of conversion price at ex-dividends

After the issuance of the convertible bonds, if the ratio of the cash dividends of the Company's ordinary shares to the real-time price (Note) per share exceeds 1.5%, the conversion price (rounding the number to NT dollar one decimal point; the numbers above one decimal point

will not be adjusted) shall be reduced on the record date of ex-dividends at the ratio of the real-time price per share. An official letter shall be sent to TPEX for making a public announcement for such an adjustment. The provision for the conversion price reduction does not apply to the requests for conversion filed before the record date (exclusive) of ex-dividends. The adjustment formula is as follows:

Conversion price after reduction = the conversion price before reduction x (1 - the ratio of cash dividends of ordinary shares to the real-time price per share)

Note: The real-time price per share is calculated based on the simple arithmetic mean of the closing prices of the ordinary shares one, three, and five business days before the date of the ex-dividend announcement and the suspension of the transfer of cash dividends.

XII. Listing and Termination of Listing of the Convertible Bonds

The convertible bonds shall apply to TPEX for listing and trading before the date of issuance, and the listing shall be terminated when the total number is converted into ordinary shares or when all the shares are repurchased or repaid by the Company. The matters above are announced by the Company with the approval of TPEX.

XIII. Listing of New Shares after Conversion

Where the convertible bonds are converted into the Company's ordinary shares, the converted ordinary shares are listed and traded on the TWSE upon the date of delivery. The matters above are announced by the Company with the approval of the TWSE. The Company's ordinary shares are issued via non-physical form, and the converted ordinary shares will be listed and traded on the TWSE in the non-physical form from the date of delivery.

XIV. Changes of Registration of Share Capital

The Company shall publicly announce the number of shares converted from the convertible bonds in the last quarter within fifteen days after the end of each quarter. The Company shall also apply to the competent authority of company registration to register changes in the capital at least once every quarter.

XV. Handling of the Insufficient Amount for One Share at the Time of Conversion

When converting into the Company's ordinary shares, if there is an insufficient amount for one share, the Company will pay in cash to make it up (rounding the number to the nearest NT dollar integer).

XVI. Rights and Obligations after Conversion

The creditor's rights and obligations after obtaining the ordinary shares via conversion are the same as the original ordinary shares issued by the Company.

XVIII. The Company's Early Redemption Right to the Convertible Bonds

- (I) Where the bonds have been issued from the day after three months (May 27, 2019) of issuance to forty days before (Jan. 17, 2024) the maturity date, where the closing price of the Company's ordinary shares at TPEX exceeds 30% (inclusive) or more of the conversion price of the convertible bonds at that time for thirty consecutive business days, the Company may, within thirty business days thereafter, send the bondholders (those on the list of bondholders five business days before the mailing shall prevail; the investors who subsequently acquire the bonds through trading or other reasons shall be notified through public announcement) the "bond redemption notice by registered mail with the expiry date of thirty days (the said period starts from the date of the mailing the notice, and the expiration date of the said period is the record date of redeeming the bonds, and the said period shall not be the suspension period of Article 9), while sending TPEX an official letter for making a public announcement; within five business days after the record date of redeeming the bonds, the bondholders' convertible bonds shall be redeemed in cash at the par value of the bonds.
- (II) Where the bonds have been issued from the day after three months (May 27, 2019) of issuance to forty days before (Jan. 17, 2024) the maturity date, if the balance of the outstanding bonds is less than 10% of the original total issue amount, the Company may send the bondholders (those on the list of bondholders five business days before the mailing shall prevail; the investors who subsequently acquire the bonds through trading or other reasons shall be notified through public announcement) the "bond redemption notice at any time thereafter by registered mail with the expiry date of thirty days (the said period starts from the date of the mailing the notice, and the expiration date of the said period is the record date of redeeming the bonds, and the said period shall not be the suspension period of Article 9), while sending TPEX an official letter for making a public announcement; within five business days after the record date of redeeming the bonds, the bondholders' convertible bonds shall be redeemed in cash at the par value of the bonds.
- (III) Where a bondholder fails to respond to the Company's stock affairs agency in writing before the record date of the bond redemption stated in the "redemption notice," the Company will redeem the convertible bonds in cash at the par value of the bonds five business days after the record date of bond redemption.

XVIII. The Bondholder's Resell Right

Where the convertible bond is issued for three years (Feb. 26, 2022) is the record date of resale for the bondholders to resell the convertible bond early, and it shall be handled according to the following principles:

The Company shall send the bondholders (those on the list of bondholders five business days before the mailing of the "exercise notice of the bondholder's resell right" shall prevail; the investors who subsequently acquire the bonds through trading or other reasons shall be notified through public announcement) the "exercise notice of the bondholder's resell right" by registered mail thirty days before (Jan. 27, 2022) the record date of resale of the convertible bonds, while sending TPEX an official letter for making a public announcement of the exercise of the bondholder's resell right; the bondholders may notify the Company's stock affairs agency in writing within thirty days after the announcement (effective upon delivery of the notice; in the case of mailing, the postmark date shall prevail; it is valid and shall not be revoked; the expiry date of the period shall be the record date of resale) and request the Company to redeem the convertible bonds held in cash at the par value of the convertible bonds plus interest compensation, and the interest compensation for three years is 1.5075% of the face value of the bond (the yield per annum is 0.5%). After the Company accepts a resell request, it shall redeem the convertible bonds in cash within five business days after the record date of resale. The date above may be postponed to the next business day if the TWSE is closed on the date.

XIX. The Vesting of Cash Dividends and Stock Dividends during the Conversion Year:

(I) Cash dividends

1. Where a bondholder of the convertible bonds files a request for conversion between January 1 of the current year and fifteen business days (exclusive) before the Company suspends the transfer of ownership of cash dividends in the current year, the converted ordinary shares may participate in the resolution of the annual shareholders' meeting in the current year regarding the cash dividend distribution for the previous year.
2. From fifteen business days (inclusive) before the Company suspends the transfer of ownership of cash dividends in the current year to the record date of ex-dividends (inclusive) for cash dividends, the convertible bonds shall stop converting.
3. Where a bondholder files a request for conversion between the record date of ex-dividends for cash dividends for the current year and Dec. 31 of the current year (inclusive), the bondholder shall not participate in the resolution of the annual shareholders' meeting in the current year regarding the annual cash dividend distribution for the previous year but may participate in the annual shareholders' meeting in the following year regarding the annual cash dividend distribution for the current year.

(II) Stock dividends

1. Where a bondholder files a request for conversion between the January 1 of the current year and fifteen business days (exclusive) before the Company suspends the transfer of ownership of stock dividends in the current year, the bondholder may participate in

the resolution of the annual shareholders' meeting in the current year regarding the stock dividend distribution for the previous year.

2. From fifteen business days (inclusive) before the Company suspends the transfer of ownership of stock dividends in the current year to the record date of ex-rights (inclusive) for stock dividends, the convertible bonds shall stop converting.
3. Where a bondholder files a request for conversion between the record date of ex-dividends for stock dividends for the current year and Dec. 31 of the current year (inclusive), the bondholder shall not participate in the resolution of the annual shareholders' meeting in the current year regarding the annual stock dividend distribution for the previous year but may participate in the annual shareholders' meeting in the following year regarding the stock dividend distribution for the current year.

- XX. All the Convertible Bonds Recalled (including those Purchased at the brokerage firms) Redeemed or Converted by the Company will be Canceled and may not be Sold or Issued, and the Conversion Rights Attached thereto will be Eliminated.
- XXI. The Convertible Bonds and Converted Ordinary Shares are all Registered. The Transfer, Registration of Changes, Pledges, or Lost, shall be handled according to the "Regulations Governing the Administration of Shareholder Services of Public Companies" and the Relevant Provisions of the Company Act. Taxation Matters are Handled under the Tax Laws of the time.
- XXII. Bank SinoPac is the Creditors' Trustee of the Convertible Bonds and Exercises the Power of Auditing and Supervises the Matters Related to the Company's Issuance of the Convertible Bonds on Behalf of the Creditors' Interests. Where the bondholder of the convertible bonds, regardless of subscription at the time of issuance or purchase later, agree on the terms of the trust contract between the Company and the trustee, the trustee's rights and obligations, the issuance and the conversion method, and grant the trustee full authority of the trustee matters, the said authorization shall not be revoked halfway. As for the content of the trust contract, the bondholder may make inquiries at the Company or the trustee's business premises at any time during business hours.
- XXIII. The Conversion and Repayment of the Principal of the Convertible Bonds are Handled by the Company's Stock Affairs Agency.
- XXIV. The Convertible Bonds are Issued in accordance with the Provisions of Article 8 of the Securities and Exchange Act. and no Physical Bonds are Printed.
- XXV. Any Matters not Covered in the Issuance and Conversion Methods of the Convertible Bonds shall be Handled in accordance with Relevant Laws and Regulations.

Appendix III

Ennoconn Corporation

The Issuance and Conversion of the First Overseas Unsecured Convertible Bonds

- I. **Name of Issuing Company**
Ennoconn Corporation (hereinafter referred to as "Ennoconn Corp." or the "Issuing Company")
- II. **Purpose of Issuance**
The purpose of raising funds through the unsecured convertible bonds this time (hereinafter referred to as "the bonds") is to meet the foreign currency needs for the procurement of materials required during operations and manufactured goods.
- III. **Total Issue Amount**
The total issue amount of overseas unsecured convertible bonds this time is capped at US\$200,000,000 (including oversubscription).
The convertible bonds will be converted into US dollars equivalent to NT dollars at a fixed exchange rate of 1:31.653 for bond repayment, resale, and redemption. The so-called fixed exchange rate refers to the exchange rate of US dollars to NT dollar (hereinafter referred to as the "fixed exchange rate") indicated by the displayed fixing price data of Taipei Forex Inc. at 11 a.m.
- IV. **Method for Issuance**
This bond will be issued in regions outside the R.O.C. and will be handled in accordance with the laws and regulations of the country of sale and international market practices. All the bonds will be sold to the public.
- V. **Type, Par Value, and Issued Price of the Corporate Bond**
The bonds are registered unsecured convertible bonds. The par value of each convertible corporate bond is US\$200,000, and it is issued at 100% of the par value.
- VI. **Issuance Date**
Mar. 10, 2017
- VII. **Maturity Date**
Mar. 10, 2022.
- VIII. **Place of Listing**
The bonds will be listed on the Singapore Exchange.
- IX. **Coupon Rate**
The coupon rate of the bonds is tentatively set at 0% per annum.
- X. **Repayment of Bonds upon Maturity**
 - (I) Except for the bonds that have been redeemed, repurchased, and canceled or the exercise of the conversion right by the bondholders, on the maturity date of the bonds, the issuing Company shall repay the bonds in full according to the par value of the bonds plus the yield rate of 1.25% per annum (hereinafter referred to as the "redemption price").
 - (II) The redemption price upon maturity will be converted into NT dollars at a fixed exchange rate, and the NT dollar amount will be repaid in US dollars at the real-time exchange rate (refer to the Taipei Forex Inc.'s fixing price data displayed of 1:31.653 at 11:00 a.m.).

XI. The Bondholder's Resell Right

- (I) Except for the following circumstances, the bondholders may not require the issuing company to redeem all or part of the bonds they hold before the maturity date.
 - 1. Except for the bonds that have been redeemed, repurchased, and canceled, or the exercise of the conversion right by bondholders, the bondholders may request the issuing company to redeem part or all of the bonds they hold based on the par value of the bonds plus the interest premiums at an annual interest rate of 1.25% (hereinafter referred to as "the early redemption price of bondholders").
 - 2. Where the trading of the issuing company's ordinary shares is delisted from the TWSE, the bondholder may require the issuing company to redeem all or part of the bonds held at the bondholder's early redemption price.
 - 3. If the issuing company has a change of control as defined in the trust contract, the bondholders may require the issuing company to redeem all or part of the bonds held at the early redemption price of the bondholders.
- (II) Where the bondholders exercise the above-mentioned resell rights, and the issuing company accepts a bondholder's request for resale, all shall be done following the procedures stipulated in the bond trust contract. The early redemption price of the bonds will be paid in cash by the issuing company on the payment date as set out in the trust contract.
- (III) The early redemption amount will all be converted into NT dollars at the fixed exchange rate. The NT dollar amount will be converted into the US dollar amount at the real-time exchange rate (refer to the exchange rate indicated by the displayed fixing price data of Taipei Forex Inc. at 11 a.m.) for redemption.

XII. The Issuing Company's Rights to Early Redemption

The issuing company may redeem the bonds early in the following circumstances.

- (I) After two years from the issuance of the bonds, for twenty trading days out of thirty consecutive business days, where, after converted into the amount in the US dollar at the real-time exchange rate, the closing price of the issuing company's ordinary shares at the TWSE reaches 130% or more of the amount of the early redemption price multiplied by the conversion price (at a fixed exchange rate of 1:31.653 agreed upon the price determination date) at that time and divided by the par value, the issuing company may redeem all or part of the bonds at the early redemption price (as defined below).
- (II) Where over 90% of the bonds are redeemed, converted, and repurchased, and canceled, the issuing company may redeem all the outstanding bonds at the issuing company's early redemption price.
- (III) In the case of the changes in the taxation laws of the R.O.C., the issuing company's tax burden increases due to the bonds after the issuance date and needs to pay additional fees or bears a higher cost, the issuing company may redeem all the bonds first at the early redemption price based on the trust contract. Where a bondholder does not participate in

the redemption, the bondholder shall not request the issuing company to bear additional taxes or fees.

- (IV) The early redemption price will all be converted into NT dollars at the fixed exchange rate of 1:31.653. The NT dollar amount will be converted into the US dollar amount at the real-time exchange rate (refer to the exchange rate indicated by the displayed fixing price data of Taipei Forex Inc. at 11 a.m.) for redemption.

The "early redemption price" refers to the price of each bond calculated by adding the yield to the par value of the bond. The yield is calculated by applying a compound interest rate of 1.25% per annum from the date when an investor purchases bonds until the early redemption date.

XIII. Conversion

(I) Underlying shares of conversion

The bondholders may apply for the conversion of the bonds into the issuing company's newly issued ordinary shares at the conversion price during the conversion period (as defined below).

(II) Procedure for conversion

Where the bondholders request conversion, they shall prepare the relevant documents or certificates required by the laws of the R.O.C., as well as the conversion notice set out in the trust contract, and submit an application for conversion to the issuing company via an overseas conversion agent.

According to the current laws of the R.O.C., where the issuing company's bondholders apply for conversion of the bonds into the issuing company's newly issued ordinary shares, the issuing company shall, within five business days after receiving the conversion notice, delivered the ordinary shares by means of book-entry operations through TDCC. Where the bondholders who requested the conversion have not opened a TDCC account following the R.O.C. laws, the issuing company will deliver the ordinary shares through book-entry operations after the bondholders complete the relevant account opening procedures. Where there are any changes in the aforementioned laws of the R.O.C. regarding conversion, it should be handled by the revised law.

The business day mentioned in the preceding paragraph is the day when the TWSE is open.

(III) Conversion period

Except for the bonds that have been redeemed and repurchased and canceled early, the exercise of the conversion right by bondholders, and the suspension period of ownership transfer as set out in the trust contract (as defined below), from the day following thirty days of the issuance of the bonds to ten days before the maturity date, the bondholders may, following the relevant laws and provisions set out in the trust contract, request the issuing company to convert the bonds into the issuing company's newly issued ordinary shares.

The suspension period of transfers stipulated by the current law is as follows:

1. Within sixty days before the annual shareholders' meeting, within thirty days before the extraordinary shareholders' meeting, or other suspension periods of transfer by law.
2. Where the issuing company conducts stock dividends, cash dividends, or cash capital increase, the period from the fifteen business days before the suspension date of transfer of the issuing company's stock dividends, cash dividends, or cash capital increase subscription to the record date of the right distribution,
3. Where the issuing company conducts capital reduction, the period from the record date of the capital reduction is conducted by the issuing company to one day before the trading day of the capital reduction in exchange for new shares.
4. Where there are any changes to other laws and regulations of R.O.C governing the suspension period of transfers, it should be handled by the revised law.

(IV) Conversion price

The conversion price of the bonds is NT\$488, which is 113.75% of the reference price of NT\$429 (as defined below), and the conversion price is rounded to two decimal points. The reference price refers to the closing price of the issuing company's common stock on the price determination date of TWSE, or simple arithmetic means of the closing prices of the common stock one business day, three business days, and five business days prior to the price determination date.

(V) Number of ordinary shares converted

Using the bond principal multiplied by the fixed exchange rate agreed on the pricing date as the numerator and the conversion price at the time of requesting a conversion as the denominator, calculate the number of the issuing company's ordinary shares that can be converted into. Where there is less than one share after the issuing company deducts the exchange fees and other processing costs, if there is any remaining amount, which will be paid in US dollar (at the fixed exchange rate agreed on the pricing date), rounding up to US\$1 (to the nearest integer).

(VI) Adjustment of the conversion price

After the issuance of the bonds, the conversion price shall be adjusted following the terms below and provisions set out in the trust contract:

1. (a) After the issuance of the bonds, except for various securities issued by the issuing company with common stock conversion rights or stock options in exchange for ordinary shares, or the issuance of new shares due to employee bonus (including but not limited to new shares issued for employee compensation, and new shares issued for restricted employee rights), in the event of an increase in the issuing company's issued or privately placed ordinary shares, (including but not limited to cash capital increase, capitalization of retained earnings, capitalization of capital surplus, stock split, issuance of warrants or securities with conversion rights, capital increase for the acquisition of any other companies' shares, capital increase through a merger, cash capital increase to

participate in the issuance of overseas depositary receipts, etc.), and the new share subscription price or issuance price is lower than the real-time price per share (the definition of the real-time price per share is subject to the provisions of the trust contract), the conversion price shall be adjusted in accordance with the formula below (rounding the number to two decimal points; the numbers above two decimal points will not be adjusted), and it shall be adjusted on the record date of the ex-rights for the issuance of new shares (Note 1).

Where the issue price of new shares is changed after the record date of the ex-rights for the cash capital increase through the issuance of new shares, it shall be re-adjusted according to the updated issue price of new shares following the formula below. Where the adjusted conversion price is lower than the original adjusted conversion price announced before the record date of the ex-rights, a public announcement shall be made again.

Conversion price after adjustment = conversion price before adjustment \times adjustment coefficient

Adjustment coefficient = $[\text{ENS} + (\text{NNSPNI}/\text{P})] / [\text{ENS} + \text{NNS}] \times$

Of which, ENS = number of issued shares (Note 2)

NNS = number of newly issued shares

PNI = Issue price of new shares (Note 3)

P = real-time price per share on the record date (as defined in the trust contract)

Note 1: In the case of capital increase through mergers, it shall be adjusted on the record date of mergers; in the case of capital increase through acquisitions, it shall be adjusted on the record date of acquisitions; in the case of privately offered ordinary shares, it shall be adjusted upon the delivery date of privately offered securities. In the case of a capital increase through book building or cash capital increase for the issuance of overseas depositary receipts, without the record date of ex-rights, it shall be adjusted on the date when the issuance is completed.

Note 2: The number of issued shares refers to the total number of issued shares of common stocks through the issuance and private placement minus the number of treasury shares that have been repurchased by the Company but have not been canceled or transferred.

Note 3: If the issue price of new shares is a stock dividend or stock split, the issue price of new shares is zero. In the case of a capital increase through mergers or acquisitions of other companies' shares, the issue price of new shares is the net value per share multiplied by the share conversion ratio based on the dissolved company's most recent financial statements certified or verified by the CPA before the record date of mergers or acquisitions.

(b) After the issuance of the bonds, where the issuing company publicly re-offers or privately offers various securities with common stock conversion rights or stock options

at a conversion or subscription price lower than the real-time price per share (the real-time price per share is as defined in the trust contract), the issuing company shall adjust the conversion price of the bonds according to the formula below (rounding the number to two decimal points; the numbers above two decimal points will not be adjusted); it shall be adjusted upon the date of the issuance date of the said securities or stock options or upon the delivery date of the privately offered securities:

Conversion price after adjustment = conversion price before adjustment × adjustment coefficient

Adjustment coefficient = $[ENS + (NNO \cdot PNO) / P] / [ENS + NNO] \times$

ENS = number of issued shares (Note 1)

NNO = number of newly issued securities or stocks options that can be converted or subscribed for

PNO = conversion or subscription price of newly issued securities or stock options

P = real-time price per share on the record date (as defined in the trust contract)

Note 1: The number of issued shares refers to the number of issued ordinary shares through public offering and private placement minus the number of treasury shares that have been repurchased by the Company but have not been canceled or transferred. Where the public re-offering and re-issuance (or private offering) of various securities with common stock conversion rights or stock options are supported by treasury shares, the formula shall be adjusted as the number of issued shares minus the number of newly issued (or privately offered) securities that can be converted or subscribed for.

2. When the issuing company implements capital reduction through treasury shares, the conversion price will not be adjusted.

If the number of ordinary shares is reduced due to the capital reduction conducted through means other than the issuing company's cancellation of treasury stock after the issuance of the bonds, the conversion price shall be calculated according to the following formula and adjusted on the record date of the capital reduction:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \text{number of issued ordinary shares before capital reduction}}{\text{Number of issued ordinary shares after capital reduction}}$$

3. After the issuance of the bonds, where the issuing company distributes ordinary shares cash dividends or other forms of cash to the shareholders, the issuing company shall adjust the conversion price (rounding the number to two decimal points; the numbers above two decimal points will not be adjusted) according to the formula below in line with the provisions of the trust contract (the adjustment method of the conversion price is detailed in the trust contract).

Conversion price after reduction = the conversion price before reduction × (1 - the ratio

of cash dividends of ordinary shares distributed to the real-time price per share)

The definition of real-time price per share shall be in line with the provision in the trust contract.

(VII) The vesting of dividends and bonuses during the conversion year

The bondholders shall not enjoy the issuing company's stock dividends or cash dividends before the conversion; after the conversion, the holders of the ordinary shares shall have the same right to enjoy the stock dividends or cash dividends according to the law as the shareholders of the issuing company's ordinary shares.

(VIII) Restrictions on the conversion status

According to the current laws of R.O.C, investors in mainland China who have the rights to exercise the conversion rights but are limited to qualified domestic institutional investors (QDII) approved by the competent authorities in mainland China and/or investors in mainland China who have obtained the approval of the Investment Review Committee of the Ministry of Economic Affairs of R.O.C; the said investors may exercise the conversion rights within limits specified or approved by the relevant competent authorities under the relevant laws and procedures and are subject to the relevant laws and regulations. Where there are changes in the aforementioned laws and regulations regarding the investments in securities in Taiwan by investors from mainland China, it should be handled by the revised law.

XIV. The Cancellation of Bonds

Where the bonds are repurchased (including repurchased from the secondary market), redeemed early, repaid when due by the issuing company, or converted or resold by bondholders, they shall be canceled and will not be issued anymore.

XV. Sales Restrictions

The bond shall not be directly offered, sold, or delivered within the territory of the R.O.C..

XVI. Taxation

(I) Withholding of income tax

According to the laws of R.O.C, bond interest and call premiums (if any) are obtained by the bondholders who do not have a for-profit institution at fixed business premises within the territory of R.O.C and who are not residents of R.O.C shall be subject to a withholding tax of 15%.

(II) Securities transaction tax: According to the laws of R.O.C, stockholders are required to pay a securities transaction tax of 0.3% of the transaction amount upon the sales of shares.

(III) Where there are any changes in relevant tax laws of R.O.C, it shall be handled in accordance with the regulations at that time.

(IV) As for the underwriting fees paid by the issuing company to the foreign underwriter, relevant tax shall be paid by the foreign underwriter under the laws of R.O.C.

XVII. Governing Law

The issuance, management, and disposal of the bonds shall be conducted according to the foreign laws and regulations following the mutual agreement between the issuing company and the lead foreign lead underwriter. However, the approval of issuance and exercise of the conversion rights of the bonds shall be in accordance with the laws of R.O.C and regulated by the laws of R.O.C.

XVIII. Additions and Amendments to the Issuance Terms

The changes and amendments to the provisions of the regulations shall be made by the issuing company and the foreign lead underwriter based on the market conditions and laws and regulations. They shall be processed after the approval of the competent authority.

XIX. Underwriting Agency and Other Relevant Institutions

Foreign lead underwriter: KGI Asia Limited

Domestic delivery underwriter: KGI Securities Co., Ltd.

Trustee: Citicorp International Limited

Principal and interest repaying agent and conversion institution: Citibank, N.A., London Branch

Chapter 5. Operational Highlights

I. Business Activities

(I) Business activities

1. Business scope

(1) Major content of business activities

1. F118010 Information Software Wholesale
2. F218010 Information Software Retail
3. F401010 International Trade
4. F401021 Radiofrequency Equipment Input for Telecommunication Control
5. CC01080 Electronic Components Manufacturing
6. CC01110 Computer Peripheral Equipment Manufacturing
7. CC01120 Manufacturing and Duplicating of Data Storage Media
8. I301010 Information Software Service
9. I301020 Data Processing Service
10. I301030 Electronic Information Supply Service

(2) Operating proportion of main products:

Unit: NT\$ thousands

Year Product item	2019		2020	
	Net operating revenue	Proportion (%)	Net operating revenue	Proportion (%)
Industrial computer software and hardware sales	81,505,342	100.00	84,090,614	99.99%
After-sales service	874	0.00	871	0.01%
Total	81,506,216	100.00	84,091,485	100%

(3) Current product (service) items of the Company

- A. Smart industrial control
- B. Smart retail
- C. Smart gaming
- D. Smart IoT
- E. Edge IoT
- F. Smart home
- G. Smart City

- H. Smart transportation
- I. Smart medical
- J. Smart grid
- K. Industrial network security
- L. Machine vision
- M. Industrial computer
- N. Embedded computer
- O. Edge computing system
- P. Original equipment manufacturer (OEM)
- Q. Original design manufacturer (ODM)
- R. Joint design manufacturer (JDM)
- S. Global supply chain services

(4) New products (services) planned to be developed:

- A. Industrial embedded motherboards and modules
- B. Industrial embedded computer system
- C. Industrial embedded box computer
- D. Industrial 5G computing platform
- E. Industrial 4K/8K display
- F. Industrial tablet PC
- G. Artificial intelligence (AI) computer
- H. Edge computer
- I. Telecommunication system
- J. Medical computer
- K. Industrial ethernet computer
- L. Industrial network security computer
- M. Embedded software development tools
- N. Optical imaging system
- O. Electric vehicle computing system
- P. Self-driving car computing system
- Q. EV charging pile HMI system
- R. Niche telecom market

2. Industry overview:

(1) Current status and development of the industry:

The Company and its subsidiaries are complete solution providers for professional smart applications of industrial computers (Industrial PC, IPC; also known as "industrial computer"), and the overall business body is divided into three major developmental axes: design and manufacturing, brand channel, and system integration.

The Company's main products are industrial embedded motherboard and module, embedded computer system, embedded box computer, 5G computing platform, and 4K/8K display, which are used in the fields of smart industrial control, smart retail, smart gaming, network security, smart home, smart transportation, and smart city. The main sales downstream are international industrial computer brand manufacturers. Here is an analysis of the current status of the industry in which the main products of the Company and its subsidiaries are located:

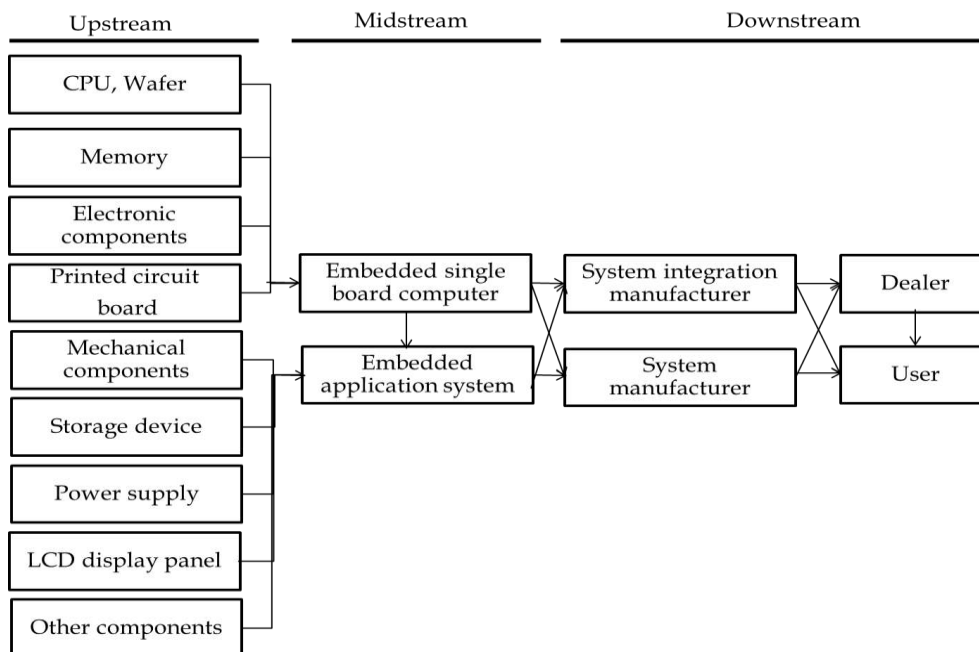
After a long development period, the industrial computer industry has reached a certain maturity, with a complete industrial structure, abundant module supply chain, mass production management experience, and a small number of diverse capabilities. At present, industrial computer manufacturers are moving towards manufacturing products with high added value, focusing on enhancing their design capabilities and strengthening their core technologies of R&D. Also, the extensive application of the internet and the advent of the digital era of computers have created new business opportunities, new layouts, and new markets. With the promotion of new technology and the rapid expansion of its application, the field of application expands from simple factory automation to various industries and daily life, such as safety products, monitoring products, traffic control, business transaction system, medical care equipment, etc. Under the continuous development of the original application market and the continuous expansion of the new application field, the product categories tend to be diversified. The overall market size will continue to expand and grow.

In recent years, The application field of industrial computer products continues to expand, including medical, aerospace, communication, robot automation equipment, smart grid, and the internet of things (IoT) have developed application products, which will become the growth momentum of the overall output value of the domestic industrial computer in the future. Among them, robot automation equipment, IoT products, and smart application solutions have a wide range, and the future shipping growth is the most promising.

The characteristics of the industrial computer industry have always been that the orders are mostly customized, and the orders are few and varied. Therefore, it is not easy for PC or EMS factories to enter the industrial computer industry, which enables the industrial computer manufacturers with high flexibility and customization to maintain the blue ocean market of niche industrial computer products.

According to Statista, an international research consultancy, the global end-user expenditure on IoT solutions will be US\$418 billion in 2021 and will increase to US\$1,567 billion by 2025. In recent years, the booming and diversified development of the IoT industry has made companies in various fields competing to invest a lot of resources in the development of transportation, retail, warehousing, medical care, network security, smart solutions, and manufacturing industries. Although the IoT is an innovative concept, it is formed by integrating three traditional industries, namely the automation industry, telecommunications industry, and computer industry. The Company and its subsidiaries are "professional vertical integration manufacturers of industrial computers," focusing on four emerging product lines of big data, IoT, internet of vehicles, and robots from the perspective of interactive end products.

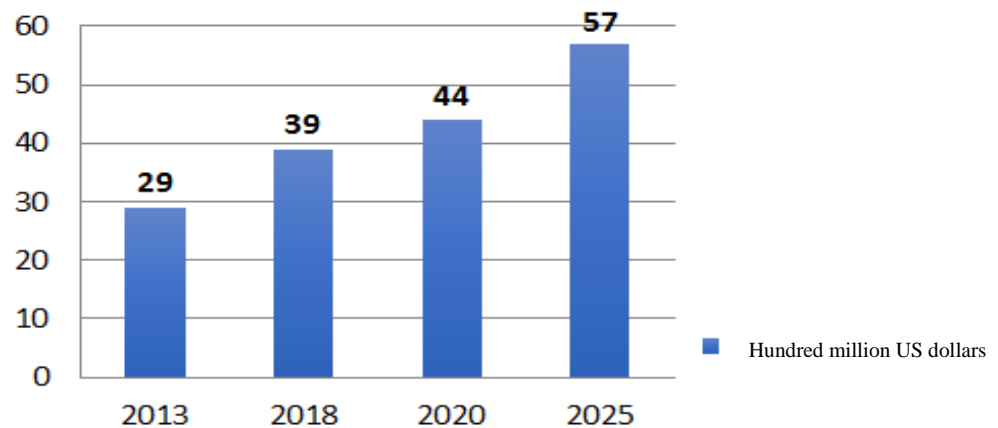
(2) The Relevance of upstream, midstream, and downstream industries



(3) Various development trends of products

A. Industrial control (IA) is the main driving force for the development of the IPC industry

According to IHS statistics, the scale of the global industrial computer industry was US\$ 3.9 billion in 2018, and the market scale will reach US\$ 5.7 billion in 2025, with an average growth rate of about 6% in the past five years. It is a long-term niche industry with moderate growth.

Global Industrial Computer Market Scale in 2013 to 2025

Source: IHS; Research Office of SinoPac Securities Investment Service

Among the industrial computer market scale, industrial control (IA) accounts for the highest proportion, accounting for about 51%, with a compound annual growth rate of +5 ~ 15%, which is also the most important long-term development area of Ennoconn Corp.

In recent years, the global manufacturing industry has introduced various information technologies, such as cloud computing, IoT, Big Data, AI, etc., to improve manufacturing efficiency, enhance manufacturing accuracy and reduce costs. From the smart manufacturing line to establishing a smart factory, automation, networking, and smart by-products have become business opportunities.

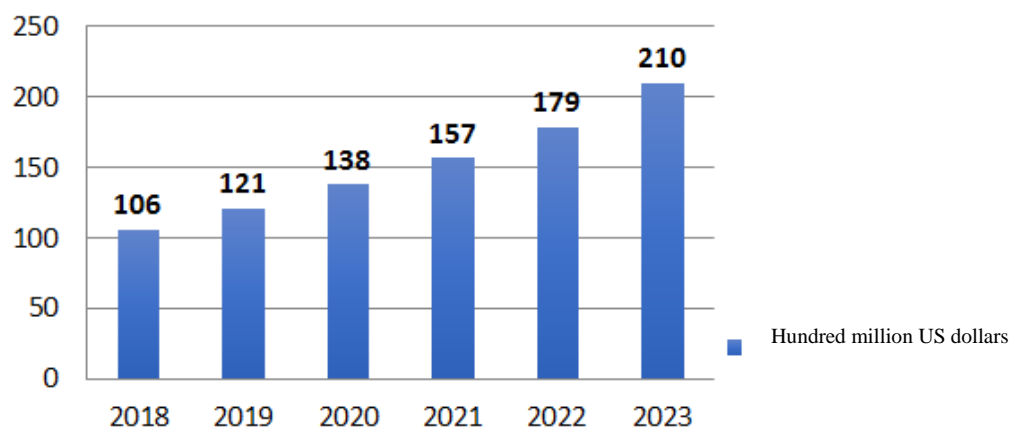
Ennoconn Corp. integrates the internal and external resources in business groups and has a complete layout in smart manufacturing. In addition to deep cultivation in the four fields of high-tech equipment and material sales, automatic supply system, integrated system, and customized equipment R&D and manufacturing, application solutions such as factory affairs monitoring system and ServCore can assist factories in monitoring the production status of machines and equipment in real-time through computers or mobile phones remotely, and automatically generate reports, solve existing problems through data analysis, and provide services such as factory energy-saving and carbon-reduction programs and equipment status monitoring to improve the degree of factory automation.

B. The demand for the edge computing field use has increased significantly

Edge computing is a product of the IoT era. Its function is edge computing. In the middle of the connection between the traditional cloud and the device, there is an additional layer of computing layer edge. This is the computing unit close to the data source, including gateways, routers, and various devices, machines, equipment, and systems related to the bottom layer. The edge computing computer directly captures, filters, and processes the huge information transmitted by multiple devices, processes the information in real-time, and responds to the device side without uploading all data to the cloud to reduce time delay and data transmission costs.

With the recent development of key technologies such as the most popular AI and 5G, under the tide of this era, the edge computing of this related application product has attracted more attention, and the demand for actual field use has increased greatly. The cloud service giants AWS, Microsoft, Google, and major firms in servers, network equipment, and the mainframe have invested in this product application. According to the statistics of bcc Research, the global market scale for edge computing computers was US\$10.6 billion in 2018, and it will reach US\$21 billion in 2023, with an annual average compound growth of 14.2% and long-term stable growth. In response to this market growth, Ennoconn Corp. will develop series of high, medium, and low edge computing products to meet the demand of various fields.

Global Edge Computing Computer Market Scale in 2018 to 2023

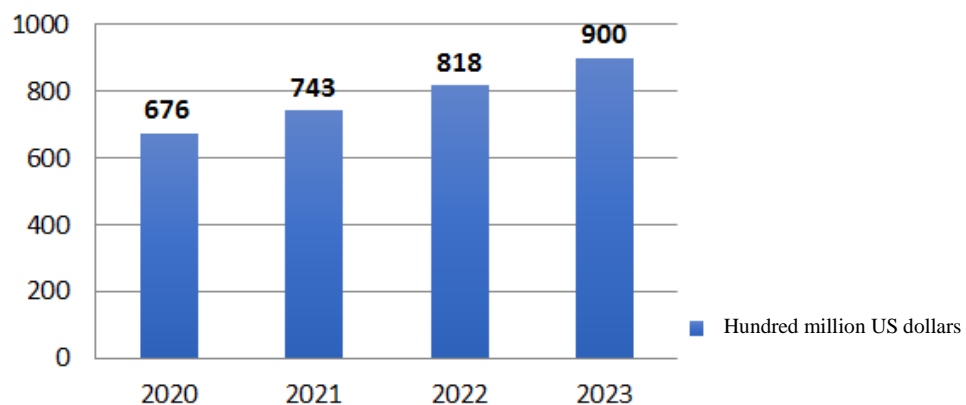


Source: bcc Research

C. Increasing demand in the gaming market

Gaming is another engine driving the continuous growth of industrial computers. Benefiting from the recovery of the European and American markets and the lifting of restrictions on the gaming industry in Singapore, the gaming industry has attracted great interest in various countries around the world in recent years. It is expected that the gaming and lottery business will become a tool in promoting tourism-related industries and stimulate economic growth. The gaming industry has once again become a focal point in the market. According to a research survey conducted by MarketWatch, an international research consultancy, the compound annual growth rate (CAGR) of the global gaming market is about 10%, reaching a scale of US\$90 billion by 2023.

Global Gaming Market Scale in 2020 to 2023



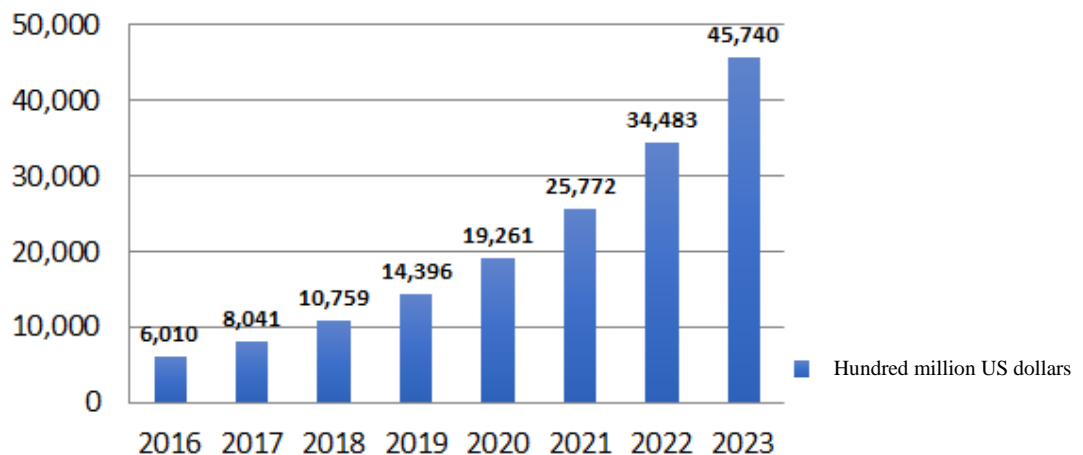
Source: MarketWatch

In addition to the sales of hardware machines, the firmware and monitoring system for internal control, and even the need for setting up electronic display board multimedia information station and POS in the tourist areas around casinos and the catering industry could all be important business opportunities for IPC operators.

D. The rise of global mobile payment benefits point of sales (POS) manufacturers

With the demand for mobile payment in recent years, consumers have gradually formed the habit of paying through handheld devices, and mobile payment is rapidly popularizing and developing. According to the research survey of Allied Market Research, an international research consultancy, the total market, service, and transaction amount of global mobile payment will grow from US\$601 billion in 2016 to US\$4,574 billion in 2023, with an annual compound rate of approximately 33.8%.

Global Mobile Payment Market Scale in 2016 to 2023



Source: Allied Market Research

The well-known mobile payment services Apple Pay, Samsung Pay, Google Wallet, EasyCard, and store-issued stored-value cards all use Near Field Communication (NFC) payment technology. To use NFC payment technology, consumers must first have a smartphone with a built-in NFC chip, and merchants must also replace the MPOS (Mobile Point of Sale) or other POS systems that support NFC transaction function before consumers can enjoy mobile payment services.

Mobile POS machines (MPOS) have the advantage of portability, allowing store personnel to check out customers anytime and anywhere. It is convenient for customers to spend on special occasions such as airplanes or trains. This advantage is expected to bring obvious business opportunities for MPOS-related industries. Greg Buzek, President of IHL Group, a global research consultancy, said that the use of MPOS in some areas is rapidly changing the face of retail and hospitality, particularly for mall retailers. It is estimated that the number of MPOS used in department stores, clothing stores, and shoe stores will grow rapidly every year. In response to the rapidly changing consumer service landscape, the products

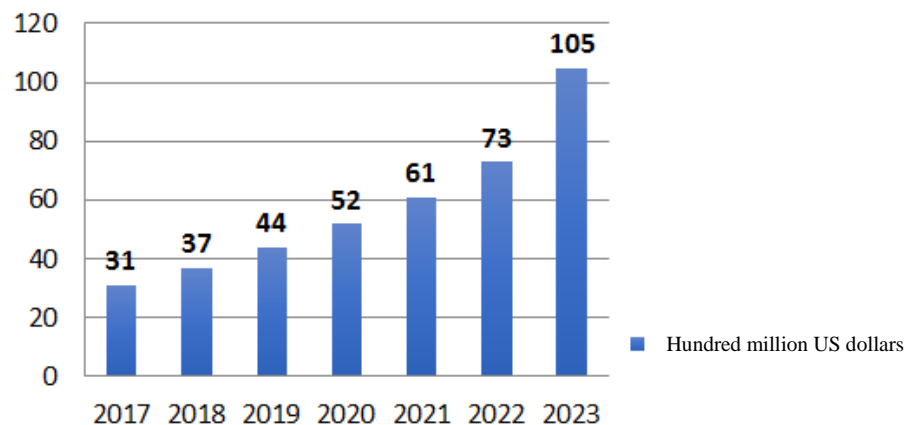
have developed from PC-based POS machines to handheld POS with integrated wireless transmission, multifunctional all-in-one Touch POS with integrated host and touch screen, Mobile POS (mobile point-of-sale management system), and information service system (Kiosk).

E. Laser Projector has become an important display application

The laser projector adopts advanced laser display technology, which can efficiently convert high-energy laser beam into direct view image so that the audience can enjoy the brilliant color and dynamic picture brought by laser. At present, the mainstream projector scheme is DLP and 3LCD. Of which 3LCD is projecting from a red, green, and blue LCD panel through a magnifying lens and a reflector. Meanwhile, DLP works by rotating light through the color wheel at high speed and then mixing colors. Finally, it is transmitted through the prism and projected.

The characteristic of a laser projector is long working life, which will not cause the screen brightness to dim due to long hours of work. The gamut is wide, about twice of an ordinary projector. The overall performance of the laser projector is outstanding, and related products are already on the market and applied in real life, such as education, business, medical, buildings, retail, entertainment, hotels, families, etc

Global Laser Projector Market Scale in 2017 to 2023



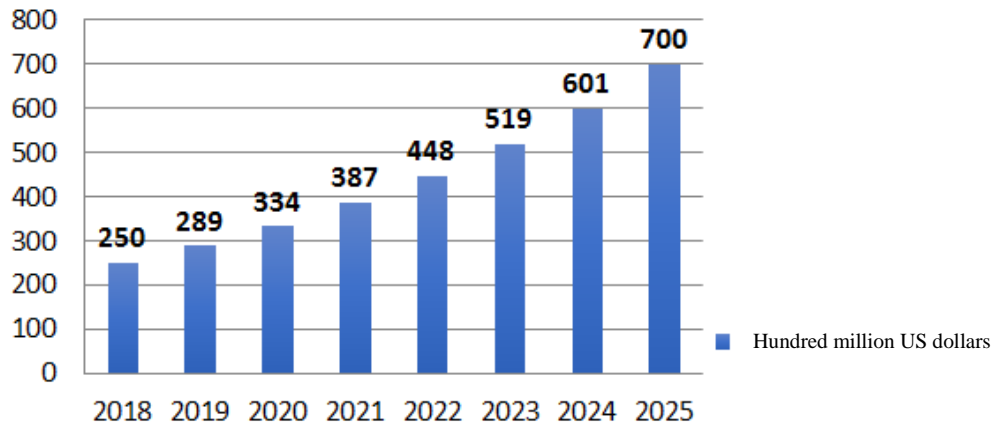
Source: Marketandmarkets

According to a research survey of Marketandmarkets, an international research consultancy, the global laser projector market scale was US\$3.15 billion in 2017, and it will reach US\$10.53 billion in 2023, with a compound annual growth rate (GAGR) of about 18.2%. It is a rapidly growing industry. As more and more companies are developing laser applications, the laser projectors' future development will be promising.

F. Industrial ethernet is developing rapidly with IoT applications

According to the statistics of Global Market Insight, the global Industrial Ethernet market scale was US\$25 billion in 2018, and it will reach US\$70 billion by 2025, with an annual average compound growth of 15.8% and long-term stable growth.

Global Industrial Ethernet Market Scale in 2018 to 2025



Source: Global Market Insight

Industrial Ethernet (IE) is the ethernet network used in an industrial environment, and its protocol provides deterministic and real-time control. Industrial Ethernet protocols include EtherCAT, EtherNet / IP, PROFINET, POWERLINK, SERCOS III, CC-Link IE, and Modbus TCP used in conjunction with rugged connectors and extended temperature switches to implement work automation or process control in harsh environments with extreme temperature, humidity, and vibration.

With the rapid popularization of the Industrial Internet of Things (IIoT) in the manufacturing industry, improving the efficiency of the production process and supply chain is driving the growth of the Industrial Ethernet market, and the development trend of industrial technology is also moving towards the smart factory. After all the factory equipment adopts ethernet as the communication protocol standard, the information between all levels can be fully linked, so that all the factory equipment and computers can be connected with the information to achieve the goal of real-time control, monitoring, management, etc. to enhance the overall competitiveness of the enterprise. This growing industry is also the key product line that Ennoconn Corp. focuses on.

(4) Competition situation:

Since 2004, the Company and its subsidiaries have successfully self-developed industrial motherboards, entered the industrial computer industry, and continued to expand the application fields of products. The vertical application fields of industrial computers are quite diverse, and the cost of spanning each vertical application field is not low. Most of the application fields belong to an oligopoly competition structure.

In recent years, the Company and its subsidiaries are positioned as professional industrial computer R&D and design manufacturers, focusing on developing large-scale system integration brand manufacturers in Europe, the US, and Japan in the fields of smart industrial control, smart retail, smart gaming, smart home, and smart transportation, and expanding with customers to emerging markets such as China and South America. Compared with the same industry, the Company's consolidated turnover growth rate is far better than its competitors.

The Company and its subsidiaries focus on resource integration, the expansion of the overall manufacturing services in the customer area, the acquisition of product design and manufacturing turnkey contracts for major customers, and providing one-stop overall product service for customers. At the same time, we also develop high growth, high value, high margin products, and solutions, integrates the existing product lines, expands the diversity of industrial computer products, actively deploys IoT platforms from the cloud, systems to end devices, and improves the competitiveness in existing fields. Its growth potential is better than that of TWSE/TPEX listed companies.

3. Technology and R&D overview

(1) Technical level of the business:

The application of 5G combined with big data and related AI fields will become more extensive. IoT products such as sensors and AI big data analysis will become more and more popular. The R&D strategy begins with interactive terminal products and focuses on emerging products such as smart industrial control, smart retail, smart gaming, smart home, smart transportation, etc.

In the field of smart industrial control man-machine interface, Ennoconn Corp. continues to introduce industrial control host with touch screen, which is wide temperature, high brightness, and long service life. It is compatible with production equipment units such as programmable logic controller (PLC), frequency converter, servo motor, and reducer of major brands. Using an intuitive operation interface, it is easy to operate the production machine and immediately grasp various production information and machine status. With the industrial firewall technology, NAS, and other industrial computer products technology developed by the Company and its subsidiaries, the R&D direction is extended from the industrial computer system with strong and solid specifications to the industrial communication field, such as industrial server to the development of industrial smart gateway, which is used to collect all kinds of traditional instruments, digital instruments, sensors, servo motors, production machines, etc. Through big data analysis, combined with IT/ERP information system, smart production, and equipment predictive maintenance can be achieved, which is an important cornerstone for the realization of industry 4.0 smart factory.

In the aspect of smart transportation, we have developed and designed industrial control mainframe for rail transit and navigation, continuously cultivated various IPx's waterproof and dustproof design, developed industrial control mainframe and Panel PC that comply with the requirements of maritime power supply and developed color correction software, which can meet the certification specifications of the panel in industrial application, and meet the DNV association specifications. Also, we have passed relevant and stringent tests on EMC/Safety and power supply requirements to help customers launch products more quickly.

In 2018, we were committed to medical bedside care computers, including bedside terminal, cloud platform, and care device, integrating personal medical information, communication, entertainment, medical process, and other goals. The ability to design based on ARM architecture has been affirmed by medical equipment manufacturers, and orders for medical hydrogen-oxygen machines have been obtained. Above and beyond, the design verification has been completed, and the products have been shipped.

In 2019, we cooperated with medical instrument manufacturers to develop a handheld ultrasonic tablet that complied with the medical EN60601 specification. The design of software and firmware for the integrated chip and the conversion of the interface has also been completed. At present, it has also entered the client sample testing.

In terms of smart retail, x86 computers are mainly used in retail POS, interactive multimedia machines (Kiosk), automatic control equipment, ATM, lottery machine, electronic billboards, medical care equipment, network storage equipment, etc. The Company and its subsidiaries join hands with Intel to pursue the development opportunities of new industries and new markets. Adopting the new generation of Intel S and U Series CPU, standardized design, integrated motherboard and system, combined with embedded storage memory peripheral and multi-mode embedded wireless transmission, it provides a different development platform of General SBC. As different products in different vertical markets, it can accelerate and improve the development schedule of extension machine products and the development efficiency of system products to provide the most suitable customized module design and become the device or equipment used in various industries.

In addition to x86 computers, the Company also started to focus on the design of the AIO POS machine on the Android platform last year, designing a thinner and lighter POS machine and integrating the related peripheral software commonly used in POS to assist customers in expanding more diversified product lines.

In terms of smart gaming products, we continue to cooperate with gaming machine equipment vendors to provide different core Intel CPU platform controllers to meet the needs of customers' different applications. We are committed to deepening software and firmware development, providing more enhanced Boot Security firmware design, and

supporting customers in passing GLI certification. In 2020, we have also continued expanding cooperation from customers and continued to obtain more projects.

In terms of AI, the Company cooperates with Intel OpenVINO (Open Visual Inference & Neural network Optimization) to develop relevant POS applications. Combined with big data analysis technology, it enables customers to more easily convert the image data collected by edge and IoT devices into commercially valuable information, such as face recognition, customer recognition, and push corresponding advertisements. At the same time, we have also planned AMD chip products to seize the gaming entertainment market of multi-screen and 4K in Japan and the US.

The smart industrial internet is another key promotion work. It develops software and hardware technologies and products of the core layer, connects various industrial machines to the network, uses sensors and gateways to collect data, applies fog cerebellum to analyze data, makes a smart judgment on the cloud, and finally enables edge devices to achieve the ultimate goal of cost reduction, storage reduction, quality improvement, and efficiency improvement.

In 2020, we continued to expand the development of application computers in different vertical fields with various chip factories, continued to introduce the latest Intel chip platform design, and provided Elkhart Lake, Tiger Lake, and other related latest platforms to solve customer specifications and requirements and provided the customer with the track rugged computer that complied with the EN50155 power supply specifications. We also provided total progress computers that complied with maritime association specifications such as DNV and IEC60950 for verification by related customers. In response to the changes in the COVID-19 pandemic, the R&D team has also invested corresponding resources, cooperating with MediaTek, Aspeed, and other chip manufacturers to develop video-related equipment, such as 360-degree 4K image stitching video products that combined with AI recognition, tracking, and noise reduction. All samples are sent to customers for testing and verification.

(2) R&D personnel and their academic experience:

The educational background of the Company's R&D department is as follows:

Unit: person

Year	2018	2019	2020
Education			
PhD	4	5	8
Master degree	1,439	1,318	1,332
Bachelor degree	1,001	1,240	1,600
Senior high school (inclusive) or below	747	618	765

- (3) R&D expenses invested in the most recent year and successfully developed technologies or products:

A. R&D expenses invested:

Unit: NT\$ thousands; %

Year	2019	2020
R&D expenses (A)	7,788,264	7,886,545
Operating revenue (B)	81,506,216	84,091,485
R&D expenses as a percentage of operating revenue (%)	9.56%	9.38%

B. Successfully developed technologies or products:

Year	Name item of product and technology
2011	<ol style="list-style-type: none"> 1. Launched the All-In-One POS system, equipped with a 15" surface capacitive touch screen, integrated card reader, customer display (VFD), fingerprint identifier, 2D barcode scanner, and other peripherals. The concise and neat appearance completely attracted the attention of important customers. 2. Developed the motherboard of Bedside Terminals suitable for the medical care industry. 3. The development of the Intel Atom platform vehicle system not only suited the harsh environment of wide temperature but also integrated wireless communication modules such as GPS, GSM, and Bluetooth. Its power supply design also overcame the surge and voltage drop of the vehicle power supply. 4. Launched Intel HM65 platform embedded motherboard. The flexible design allowed users to choose between Intel's built-in drawing unit or the stand-alone AMD Radeon E4690 high-end graphics drawing chip to meet the needs of different game consoles.
2012	<ol style="list-style-type: none"> 1. The small fanless embedded system based on the Intel Cedar Trail platform, with its features of playing 1080p high-resolution video and rich control interfaces for peripheral devices, had won orders from European digital electronic billboard customers. 2. 10.1 " widescreen fanless aluminum die casting data acquisition system, with a unique cable fixed structure design, solved the problem of important data loss caused by careless cable pulling in the factory. The system also retained the Mini PCI slot to install WiFi or 3G module so that the data collected by the front end could also be transmitted to the back end for analysis and control in a wireless way. 3. The embedded motherboard was designed with Intel Ivy Bridge CPU and Q77 high-speed chipset. It supported digital video interface DisplayPort and native USB 3.0 port to meet the needs of Kiosk devices for multimedia dialing and high-speed data access.
2013	<ol style="list-style-type: none"> 1. Using the Intel H61 platform to develop a mid-level POS motherboard supporting the Intel Core i7 & i5 processor, its MCU with the special structure and design of BIOS could not only record the abnormal action of the system but also avoid the trouble of reset when users upgrade BIOS. 2. The new onboard computer adopted two satellite navigation systems of GPS and Beidou, which could integrate emergency buttons, instant calls, instant dispatch, fuel sensing, and other peripheral functions to meet the needs of various fleets. 3. Developed an All-in-one and Tower-type POS system, adopting strategic products of Intel Haswell, Bay Trail & Freescale iMX, and other different platforms (x86 & ARM). 4. In response to the needs of multi-screen applications, a Mini-ITX motherboard using the

Year	Name item of product and technology
	Intel Q87 platform was developed to provide three independent display interfaces of VGA, HDMI & DisplayPort. In addition to supporting high-level processors, there were also 35W processors and LVDS display interfaces to facilitate the integration of small embedded LCD systems.
2014	<ol style="list-style-type: none"> 1. The strategic products of All-in-one and Tower-type POS system adopting Intel Haswell, Bay Trail & Freescale i.MX and other related products had been developed, among which the strategic products led by Android POS were the most important breakthrough. 2. Developed 3.5" SBC for harsh industrial environment and COM express control motherboard adopting Intel Broadwell. 3. Developed industrial workstations for the communications industry. 4. A small fanless embedded system designed on the Intel Bay Trail platform had won orders from European digital electronic billboard customers due to its feature of playing 1080p high-resolution videos and rich control interfaces for peripheral devices. 5. ARM Base low power Netcom system: ARM Base Marvell SoC platform, 5 GbE RJ45, supported Wifi module and SATA HDD solution at the same time, provided enterprise branch offices with the best VPN specification solutions. 6. 320G throughput solution: The integration platform of a high-level x86 system and 72 core Tierra Netcom acceleration module provided high-end enterprise users with 320G line speed performance in response to the advent of the big data era and the thorough solution platform of network bandwidth. 7. Researched and developed the Rangeley SoC Mini Server System to provide Entry Network Security Appliances with high network packet performance requirements: Adopting Intel Rangeley integrated network acceleration chip, with the advantages of high network packet acceleration performance and low cost, it's very suitable for use in a micro-network security management platform. 8. 1U high-competitive, basic network port specification server: Adopting Intel Bay trail SoC integrated chip, providing threshold products with basic specifications of basic Netcom security equipment, which was highly competitive in terms of cost. 9. Researched and developed 2S CPU high-end Server System to provide Data Center, Cloud Computing, High-end Network Security Appliances with high-performance requirements: Adopting Intel Haswell-EP platform, high power, high efficiency, maximum support to 240G Throughput, multifunctional integration front-end network card swap module design High-performance x86 Network Security Appliance Powered by Dual Intel "Haswell-EP" E5-2600 v3 CPU. 10. Researched and developed 1S CPU high-end Xeon Server System 1U High-Performance x86 Network Appliance for Enterprise Firewall, UTM, and IPS: single-core Intel® Haswell-EP E5-2600 v3 CPU 4IC module slots up to 32 LAN ports Supports Intel® 1G/10G/40G Network Controllers. 11. Researched and developed 80GbE with modular Ethernet card for Data Center and Network Security Appliances: Adopting Intel's latest Fortville controller to develop the exclusive and high-performance network card for Caswell Inc., improved the highest bandwidth of a single network port of Caswell Inc.'s products, and supported 2x QSFP 40G Transceiver 、QSFP. 12. Researched and developed the IoT integrated desktop system, suitable for use in the smart gateway: Adopting AMD's latest generation IoT integrated network chip GX210UA to develop the internet control and management equipment suitable for the wireless network endpoint.

Year	Name item of product and technology
2014	<p>13. Researched and developed integrated Smart Thermal solutions: For high-end multi-module PCIe connection network port devices, where 1U/2U system required high-bandwidth solutions, resulting in the overall Solution of Thermal needed to be monitored in all aspects.</p> <p>14. Researched and developed smart LED display solutions: For high-end systems, operators needed more convenient display information to facilitate more effective monitoring of the overall hardware health status of high-end systems.</p> <p>15. All-flash array computing platform (COS-I900): An all-flash array computing platform with a 36-core network multi-core chip, storing the maximum storage capacity (48TB) in 1U limited space.</p> <p>16. The software-defined platform for deeply programmable network virtualization (COS-J500): A software-defined platform for deeply programmable network virtualization with a 72-core network multi-core chip.</p> <p>17. Researched and developed network encryption and decryption accelerator card (For TCP offload, IP forwarding, etc.): Adopting the CPU with Tiler 72-core architecture, developing network encryption and decryption accelerator card with 80G network bandwidth and dual PCIe slot volume to improve the performance of traditional CPU processing TCP and IP forwarding.</p> <p>18. The development of electronic watches and personal physiological monitoring systems applied to electronic watches</p>
2015	<p>1. Launched ADE-6091: ADE-6091 adopted Intel ATOM new generation Braswell CPU with USB3.0 Type C connector, greatly improving the information transmission speed of cloud and sensing system.</p> <p>2. ADE-6082/NSB-3011: Developed Intel's 6th generation Skylake high-end processor motherboard, which was used in industrial control, electronic display board, and information industry to meet the needs of a large amount of high-speed computing.</p> <p>3. Launched CAF-1010 model: Rangeley, a fanless network processing system, focusing on industrial-specific network security application systems.</p> <p>4. Launched a series of Atom™ processor C2000 network security systems: Based on the low power consumption Silvermont microarchitecture, it extended the expandability of Intel® architecture to small, high-density communications and smart systems. This product line provided a series of multi-core processing capabilities (from dual-core to eight-core), had high-end I/O and accelerated integration capabilities to provide expandable, single-chip systems (SoC). Based on 22nm process technology, equipped with 3D tri-gate transistors, it provided optimal per-watt performance and solutions for applications with thermal limitations such as entry-level to mid-level branch office routers, security devices, network access, communication servers, small base stations, control layer processing, storage applications, etc.</p> <p>5. Launched the Ivy Bridge-EP 2U network server-level platform Intel® Xeon® processor E5-2600 v2 product series: Based on Intel® microarchitecture (formerly known as Ivy Bridge), adopting 22nm process technology, the performance and power consumption of these processors had made significant improvement over the previous generation of Intel® Xeon® processor E5-2600 product series. This was the first Intel® Xeon® processor series product with extended life cycle support, available in 10-core/single slot and 20 core/dual-slot configurations. The platform met a wide range of large-scale communication applications, such as high-level security devices and blades, enterprise routers, and wireless infrastructure solutions, in terms of performance, I/O, memory, and acceleration. When combined with the Intel® Data Plane development kit, it could</p>

Year	Name item of product and technology
	<p>improve the packet processing speed of the platform to handle the increased network traffic data rate and related control as well as signal transmission requirements.</p> <p>6. CAR-3050 4th generation Intel® Core™ processor, formerly known as Glen Forest (Haswell Mobile + Cave Creek): Adopting 4th generation of Intel® Core™ processor and Intel® micro-architecture (code Haswell) as the foundation, with industry-leading 22 nm process technology and 3D tri-gate transistors were carefully manufactured to achieve perfection. Introducing Intel® advanced vector expansion instruction set processor 2.0 could effectively improve the performance of mathematical processing, encoding and decoding, and high-performance calculations. This platform provided solutions for applications with thermal limitations, such as mid-level security equipment, branch routers, network access, media and communication server, error correction coding (ECC), Intel® hyperthreading technology, and Intel® QuickAssist technology.</p> <p>7. NIP-83xx network card series: Adopting the new generation Intel Fortville high-speed network controller, developing high-density 2x10, 4x10, and 2x40 GbE module Ethernet card, PCIe x8 Gen3 I/F, compatible with all CASwell rack-mounted network security product lines.</p> <p>8. Launched an All-new AMI IPMI server solution: For network security-related applications, obtained the complete source code of AMI, and set up a complete IPMI function related to network applications.</p> <p>9. Dual BIOS: For the entire series of systems, conducted complete Dual BIOS functional design, including function independent design for special network security system requirements through remote BMC updates, damage recovery, etc.</p> <p>10. Cad-0245's first IoT gateway solution: For IoT network security-related applications, developed the Company's first product line for IoT gateway application.</p> <p>11. In-One POS system was equipped with a 15" surface capacitive touch screen, integrated with card readers, customer displays (VFD), fingerprint identifier, 2D barcode scanners, and other peripherals. The simple and neat appearance completely attracted the attention of important customers.</p> <p>12. Developed the motherboard of Bedside Terminals suitable for the medical care industry.</p> <p>13. The development of the Intel Atom platform vehicle system not only suited the harsh environment of wide temperature but also integrated wireless communication modules such as GPS, GSM, and Bluetooth. Its power supply design also overcame the surge and voltage drop of the vehicle power supply.</p> <p>14. Launched Intel HM65 platform embedded motherboard. The flexible design allowed users to choose between Intel's built-in drawing unit or the stand-alone AMD Radeon E4690 high-end graphics drawing chip to meet the needs of different game consoles.</p>
2016	<p>1. Launched the AMD APU Merin Falcon platform embedded motherboard, which could flexibly meet the low-end and medium-end demand of different game software and provided the most cost-effective console controller choice for the first and second-largest game manufacturers in Japan.</p> <p>2. Provided Japanese customers with high, medium, and low-end All-In-One POS system, equipped with 15" surface capacitive touch screen, integrated credit card machine, customer display (VFD), fingerprint identifier, 2D barcode scanner, etc. The concise and neat appearance received great attention from the market in 2017.</p> <p>3. Cooperated with the slot equipment vendors on system projects for gaming machines to provide a full range of display modules and computing core modules for its Slot machine.</p> <p>4. Cooperated with strategic partners to develop new forms of mobile payment terminals to</p>

Year	Name item of product and technology
	<p>meet the needs of the largest acquirer in South America.</p> <p>5. Completed the development of MQTT/Restful IoT smart gateway controller and data collector, providing the industrialization 4.0 solution options for smart management and timely processing of the system assembly line.</p>
2017	<p>1. Launched Intel Apollo Lake platform embedded motherboard, which could meet the application requirements of medium and low-end POS, Kiosk, and Gateway.</p> <p>2. Provided European customers with high and mid-level All-In-One widescreen POS system, equipped with 18.5" surface capacitive touch screen, integrated credit card machine, the second customer display (2nd Display), and Fiscal Module, and other peripherals. The outstanding appearance had received great attention from the market.</p> <p>3. Cooperated with gaming equipment vendors in the gaming machine system project to provide the machine requirements of different machine bidding.</p> <p>4. Continuously cooperated with slot machine vendors on system projects for gaming machines to provide its slot machines with more computing core modules in different forms and architectures.</p> <p>5. Completed the development and the use of the control board adopting Intel® Kaby Lake processors COM express in various industrial environments.</p>
2018	<p>1. Launched the Intel Coffee Lake - S platform standard motherboard, which could meet the application requirements of medium and low-end POS, Kiosk, and entertainment darts machines.</p> <p>2. Provided European and the US customers with high, medium, and low-end All-In-One wide-screen POS system, combining with USB Type-C and equipped with 15.6" surface capacitive touch screens, integrated credit card machines and the 2nd Display, etc. to lead the trend of product technology in the market.</p> <p>3. Launched Intel Braswell platform embedded HMI products, providing hard requirements for product testing and equipment management of factory production lines for smart manufacturing.</p> <p>4. Cooperated with medical equipment customers for special projects and completed the development of the medical oxyhydrogen machine on the ARM Cortex A53/Linux architecture.</p> <p>5. Continuously cooperated with gaming machine equipment manufacturers on system projects of gaming machines to meet the needs of innovative Player Track System visual computing machine and provided its Slot Machine with more computing core modules and wireless charging module in different forms and architectures.</p> <p>6. Developed mobile payment handheld devices and improved the certification of the entire financial security transaction technology.</p> <p>7. Launched Intel OpenVINO products in Kiosk and POS, participated in Intel solution exhibition and promoted application opportunities of the industry.</p>
	<p>1. Introduced AMD 4-display integrated single SOC chip standard motherboard, successfully cut into the gaming entertainment machine manufacturers, showing high-performance video dynamic display effect.</p> <p>2. Kept on expanding the application of the Coffee Lake platform in gaming entertainment machines with Intel, and improved the application of USB device management and MCU device control, provided more different types of system integration applications, and successfully cut into the dart machines and other game machine console manufacturers.</p> <p>3. Persisted in strengthening cooperation with gaming customers and developed firmware</p>

Year	Name item of product and technology
2019	<p>functions in Boot Security and different core modules to meet the different needs of customers.</p> <ol style="list-style-type: none"> 4. Collaborated with medical equipment manufacturers to develop the handheld ultrasonic tablets that complied with the medical EN60601 specifications and developed various firmware to assist clients in integrating various needs. 5. Launched the marine rugged host on Intel Coffee Lake platform, and deepened the research and development capabilities of the stringent maritime EMI/EMC, Safety and power supply requirements, solved voltage fluctuations and related insulation issues to comply with relevant DNV and various test specifications and certification requirements, etc., to provide customers with diversified product selection. 6. Developed the ECDIS color correction software to meet the certification specifications for the panel in industrial applications, provided the sea chart and information could be accurately displayed on the LCD screen under different brightness conditions, at the same time, integrating the communication protocols used for the control of marine devices. 7. Developed Intel Apollo Lake entry-level POS to provide customers with a more complete product line. 8. Developed USB SR Pro package software tools, combined with hardware design to be used on industrial computers to provide device detection and reset functions, and to reduce the probability of personnel visiting the site for maintenance. 9. Developed integrated Intel SOC single chip, combined with customer's robot products integrating machine vision to provide AOI inspection applications, and designed industrial-grade insulation PSE module system, providing four sets of POE interfaces for camera use, and developed light source control firmware at the same time, providing various parameters with high wattage light source control module to offer better-LED dimming function,
2020	<ol style="list-style-type: none"> 1. Developed low-end POS machines on the Intel Whiskey Lake platform to provide customers with a diverse product layout. 2. Developed the BOX PC on the Intel Elkhart Lake platform to provide the product layout of the customer's Kitchen controller. 3. Combining video chip manufacturers with MediaTek's chips developed and designed products for 4K image-stitching and AI smart recognition of video conference applications. 4. Developed the BOX PC on the Intel Tiger Lake platform, introduced an interface that complies with the NMEA isolation design, enhanced the ECDIS color correction technology, and introduced the products of the sea chart system to provide customers with a new generation of product layout. 5. Developed the BOX PC for rail transit applications on the Intel Elkhart Lake platform, introduced a design that conforms to the onboard ignition, complied with voltage fluctuation and power isolation requirements while integrating 4G/5G modules in the same system, and increased more diverse applications to provide customers with more complete system products. 6. Developed industrial-grade Ethernet Switch products, where serial port supported real-time data transmission and receiving communication. Once the network interface expansion box was connected, the serial port immediately restored the communication status, plug and play, no complex IP settings, and easy installation and maintenance. 7. Developed Rockchip's ARM architecture CPU module board to provide more choices of SMARC Embedded architecture products.

Year	Name item of product and technology
2020	<p>8. Continued to strengthen the overall system capabilities of gaming products, provided system design support for hardware and software, optimized lottery machines and other mass-produced products, and launched new platform designs in conjunction with chip manufacturers to provide customers with higher cost-performance.</p> <p>9. Developed software for Microsoft Azure Cloud applications, built Remote monitoring and Recovery mechanisms and provided customers with more options for additional product features.</p> <p>10. Developed encrypted data storage technology and ECDSA digital signature technology and provided customers with encryption technology integrating hardware and software.</p>

4. Long-term and short-term business development plans

(1) Short-term development plan :

A. Marketing strategy

- (A) Enhance the development and depth of regional markets and actively expand the cooperation and exchange with professional system integrators in the targeting market.
- (B) Extend the cooperation of new product lines of existing customers, actively promote the integration of high value-added system products and product ecological chain, to enhance the overall turnover and profit, deepen the cooperation with customers and increase loyalty.
- (C) Aim at the target customers in niche markets for in-depth business development, and organize exclusive application seminars according to their respective vertical application markets to boost the certainty and visibility of our professional capabilities.
- (D) Deploy IIoT solutions and complete ecosystem in China and emerging markets, integrate brand, product, and technology portfolio, and combining with the real economy of relevant target industries in the region to establish a successful demonstration point.

B. Production, R&D, and product development direction

- (A) Actively introduce and cultivate R&D and project management talents to extend the technical field and accelerate product development.
- (B) Purchase additional R&D equipment, especially system analysis and institutional integration-related R&D verification equipment, to react to the increasing project demand for smart industrial control, smart retail, smart gaming, smart home, and smart transportation.

- (C) Reserve software R&D talents for RISC & MCU product development, and recruit industrial communication-related protocol including experts in IoT and big data to accumulate R&D energy and R&D strength of soft and firmware.
- (D) In combination with marketing objectives, expand and accelerate key product R&D, key technology development and collection, combination and integration of smart production of its own technology and strategic partners' core technology products in the industrial Internet-related fields.

C. Operation management policy

- (A) Strengthen the quality control system, continuously improve product quality, reinforce customer service.
- (B) Make good use of the information management system to advance the Company's operating performance.
- (C) Reinforce internal work quality and innovation ability.

(2) Long-term development plan:

A. Marketing strategy

- (A) Actively strive for cooperation opportunities with large customers in the industrial computer field in Europe, the US, China, and Japan.
- (B) Deeply cultivate the targeting vertical application market, nurture professional technical capabilities and be familiar with industrial applications and needs, integrate the expertise and advantages of each subsidiary, and strive for new business opportunities.
- (C) Strengthen the integration of the application ecological chain and offer customers diversified application development.
- (D) Integrate global production bases and provide customers with global production logistics services.
- (E) Build a foundation in Taiwan, layout in China, and look to the world; provide solid, effective, and comprehensive software and hardware integration applications and smart vertical solutions.
- (F) Work together with brand owners to jointly develop industrial application products and assist in expanding niche markets.
- (G) Strive for the major target customers of product design and manufacturing turnkey contracts and exclusively provide customers with one-stop global overall product services.

B. Production, R&D, and product development direction

- (A) Deepen the application environment of the vertical market, research, collect and utilize user experience to develop distinguished products and services.
- (B) Based on the development of the smart vertical field, combined with the architecture of cloud computing and the IoT, ally with manufacturers by key technologies and components to provide novel products and services and create diversified applications for different vertical markets.
- (C) Establish multiple cooperation platforms for key strategic partners; introduce the modularization of flexible hardware production and rapid field application solutions for target industries.
- (D) In response to the relocation and restructuring of the global supply chain, we set up transcontinental regional factories for customers and make available professional manufacturing services for various products.

C. Operation management policy

- (A) Vertically integrate technology and manufacturing capabilities to provide customers with a full range of services. Also, actively integrate the global production bases to boost global production and remote backup capacity for customers.
- (B) Adjust the organizational structure and establish a profit center management system.
- (C) Raise funds through domestic and foreign capital markets to further build a global corporate map.
- (D) Cultivate the Company's corporate culture and international outlook, and nurture outstanding professionals through job rotation to improve the competitive advantages.
- (E) Integrate the group's technology in various fields and develop an application ecological chain.
- (F) Establish communication and organizational structure for rapid strategies and executions across multiple time zones and nationalities.

II. Overview of the Market, Production, and Sales:

1. Market analysis:

(1) Sales region of main products:

Unit: NT\$ thousands

Year Region		2019		2019	
		Amount	%	Amount	%
Domestic sales		11,450,052	14.05	12,264,960	14.59
Export	Asia	19,512,520	23.94	20,042,926	23.83
	America	13,729,808	16.85	10,652,484	12.67
	Europe	34,166,343	41.91	40,798,982	48.52
	Others	2,647,493	3.25	332,134	0.39
Total		81,506,216	100.00	84,091,485	100.00

(2) Market share:

The Company and its subsidiaries have successfully developed our own industrial motherboards since 2004 and continuously enlarge product application areas. In recent years, we have successfully and rapidly expanded our business as a "professional industrial computer R&D and design manufacturer" and have taken place in the industrial computer industry. Over the years, the Company and its subsidiaries have teamed up with major manufacturers in Europe and the US to conduct research and development, where the products have not only penetrated Europe, the US, Japan, and other mature markets, but also made remarkable achievements in vital emerging markets, such as China and South America. Due to the wide range of applications in the industrial computer industry, there are no accurate domestic statistics that can show the Company and its subsidiaries' share of the industrial computer market. However, the Company and its subsidiaries mainly transact with leading manufacturers in POS, ATM, industrial control, network communication, game console, gaming, and other industrial computer applications. For instance, the Company has become the world's largest ATM brand factory and the top three POS brand Group A's most important board and controller supplier. It is speculated that the Company and its subsidiaries should have a certain market share in related application fields. With the continuous business expansion of the Company and its subsidiaries, the overall operation and market share should grow progressively.

(3) The future supply and demand situation and growth of the market:

Demand for the POS industry will continue to grow gradually. According to the forecast from the research institution Transparency market research, global POS demand will continue to grow at a compound annual growth rate of 11.5% from 2017 to 2025. Considering the convenience trait of POS, the growth of mobile POS will be more remarkable in the future.

In terms of the ATM market, although the North American market has become saturated. Nevertheless, due to the low base period of emerging countries and the low penetration rate of smart mobile devices, the growth is well, and the demand potential of ATM is not low. According to an assessment report released by Allied Market Research (AMR), the global ATM market will grow at a compound annual growth rate of 5.2% from 2019 to 2027, and the global ATM market will reach nearly US\$30.5 billion in 2027. However, the ATM market in Europe and the US has become saturated, and it is expected that the growth of the Asia Pacific region, the Middle East, and Africa will be significantly faster than other regions in the next few years.

At present, major international brands emphasize terminal sales, and it has become a trend to outsource design and production operations. Taking Group A as an example, most of its POS products are OEM outsourced manufacturing of the whole machine. Due to transportation cost considerations, ATMs often set up their own complete machine assembly bases in neighboring areas of important markets. Still, most of its important components, such as motherboards and controllers, have also been outsourced. Thus related business opportunities are still booming.

Because of the market recognizes Self-Service technology, the demand for Kiosk continues to grow increasingly. According to the forecast from the survey institution, Persistence market research, global demand for interactive and self-service Kiosks will grow continuously at a compound annual growth rate of 9.7% from 2017 to 2025.

In recent years, AI has flourished rapidly in various fields. Machine vision systems have become important applications in smart cities, medical care, retail, logistics, green energy, agriculture, etc. According to the evaluation report released by the survey agency Marketsandmarkets, the machine vision market will have a compound annual growth rate of 6.1% from 2020 to 2025, and the global market scale will reach US\$13 billion in 2025. There are four main driving forces for market growth: 1. The rapid development of technologies for identification, measurement, judgment, positioning, and guidance; 2. The rapid growth of AMR and AGV robot applications; 3. Demand for self-driving cars and electric vehicle products doubled; 4. The swift introduction of AI, 5G, and Industry 4.0 industrial applications.

(4) Competitive niche:

A. Innovate energetically to find different growth models

It has taken Taiwan's general industrial computer suppliers more than a decade to reach their current scale in Taiwan; if following its model, there are few opportunities to catch up or surpass its achievements in a few years. Therefore, the Company and its subsidiaries repetitively attempt to establish core competitiveness with different products, services, and business models, and at the same time accelerate the expansion of the scale. This belief makes the members of each functional unit not stick to the

existing workflow and thus can adjust and progress according to the Company's strategic directions and its subsidiaries.

B. Mastery of R&D technology and efficiency of project management

The building of new product development and services has always been the core competitiveness of the Company and its subsidiaries. Compared with other industrial computer companies on the product design with various standard specifications, the Company and its subsidiaries emphasize more on the needs of the industry. Because of the focus, we can comprehend the application environment better. Besides attracting opportunities for advanced industrial collaboration, it also builds a higher competitive threshold. Apart from technology, the time and quality of development are also crucial. Project management members not only have a good knowledge of products and design but also need to be familiar with a wide range of fields such as material preparation, production, industrial knowledge, customer communication, etc. The accumulated experience and talent cultivation of ODM/JDM in the past few years will be a vital opportunity for future development

C. Build better products with heavyweight customers, and the partnership has become a tool of word-of-mouth marketing

The main customers of the Company and its subsidiaries are world-renowned leading brands, and their requirements for products and services are much higher than those of ordinary companies. Since the Company and its subsidiaries are able to meet customers' expectations in terms of R&D technology, quality control, and project management efficiency, the cooperative relationship between companies becomes closer. Given the steadiness of industrial computers, it is tough for competitors to cut in.

D. Invest resources in digitalization, automation, and knowledge management

MIS and software personnel are also important pillars for the development of the Company and its subsidiaries. In addition to purchasing packaged software for direct use of its functions, the interface between the systems or the insufficiency is supplemented by MIS and software personnel to accomplish a seamless flow of information. The expertise of the software personnel is also exerted in the automation of factory production. The reduction in personnel judgment and usage reduces both the probability of error and the cost of production.

E. Management team with ample background

The Company's management team comes from industrial computers and world-class design and manufacturing service companies with relevant management experience in products of HMLV (High Mix, Low Volume) or LMHV (Low Mix, High Volume). Facing industries with different growth strengths, this cross-border combination helps meet the customer needs beyond product development.

F. Flexible service model, nearly one-time solution, deepen the level of cooperation with customers

From core boards and embedded systems to complete machines containing many imaging devices, from simple product design and manufacturing to create a worry-free supply chain and service system for customers, Ennoconn Corp. increases the customer's adhesion to us with multi-level product capabilities and a wide range of ecological chain partners.

(5) The advantages, disadvantages, and countermeasures of the development prospect:

Advantages:

(A) The transfer of industry models allows the latecomers to grow rapidly

The rise of the Apple brand has driven new thinking in products and services. In the past, the industrial computer industry in Taiwan only focused only on hardware R&D, just like the PC industry. If a company can construct new business models and products, it will also have the opportunity to emerge. Therefore, the Company and its subsidiaries, with innovative business models, are the pioneers of bringing the concept of "ODM" into the first-class brand factories, focusing on establishing good cooperative relations with large-scale brand system integration manufacturers of industrial computers, and using this successful experience to continuously strive for cooperation opportunities with other brand factories in the future.

(B) Outstanding R&D, production management and business team

The company's management team and its subsidiaries have strong capabilities in industrial computer R&D, business development, and project management and possess years of experience in consumer electronics. Therefore, the Company and its subsidiaries have a solid production management capability compared with other peers. We can take the product as the main axis, continuously invest resources in the R&D technology, management, and market development, and assist the factories in adjusting the production process and product quality to meet customers' demand and find a different path from other industrial computer manufacturers.

(C) High quality and steady customers

The main sales customers of the Company and its subsidiaries are mostly international well-known brand manufacturers in various application fields. The customers' operating conditions are stable and have a solid foundation. The sales areas are all over the world, and they are less susceptible to major fluctuations due to individual market or economic changes. Furthermore, we have upheld a good communication bridge with customers so as to grasp their needs of products, earn their recognition, and contribute to the solid growth of the Company and its subsidiaries' revenue.

(D) Complete R&D functions

The Company and its subsidiaries have a complete division of labor in the R&D center. Apart from possessing complete R&D capability in software, hardware, and firmware, the Company also has system integration, verification, power supply design, circuit layout, safety inspection, etc. Besides, the R&D team also conducts regular meetings to communicate the work progress, which can effectively fulfill the customer's needs for products and follow-up maintenance updates. Moreover, we have set up a dedicated team for key customers to deliver customers comprehensive services.

(E) The booming communication industry and the IoT drive the industrial computer revolution

With the emphasis on the internet of everything (IoE) in industry 4.0, various terminal devices, controllers, and sensing elements become increasingly intelligent and capable of autonomous computing. The design concept of industrial computer has also been repositioned in response to the industry 4.0 trend. With the advent of the IoT era, all terminal equipment will have sensing, data collection, and computing capabilities in the future. In view of this, the demand for industrial computers will shift from the original core computing requirements to power-saving, lightweight, and convenient deployment functions and integrate more monitoring and preventive maintenance capabilities to reduce the loss caused by abnormal conditions. Therefore, the integrated application capabilities of the Company's technologies in energy saving, automatic control, cloud computing, and IoT-related sensing are bound to provide our customers with more comprehensive and complete services and help the profits to grow further.

(F) Rapid growth in demand in emerging market countries

China has transformed from a production location that provides cheap labor to a hotly contested emerging market for the rest of the world. On top of it, its government has continued to push forward infrastructure. For Taiwanese manufacturers, they can take advantage of geographical and language advantages to compete for orders with products and high-quality services. Furthermore, with the successful deployment of the large-scale brand manufacturers in South America, Eastern Europe, and other emerging markets, which are expected to continue to drive the demand for industrial computer-related products. Coupled with the increase in consumer spending power, it is also the driving force to increase the demand for POS and ATM shipments.

(G) The demand for Kiosks in developed countries continues to grow

Due to the continuous increase in labor costs, the demand for interactive and self-service Kiosks will continue to surge. Through the efforts of R&D and business

teams, the Company has developed rather competitive products and contacted several world-class customers, which will greatly contribute to future performance.

Disadvantages:

- (A) The sales quotation is mainly in the US dollar, and there are potential risks in exchange rate fluctuation.

Countermeasures:

- Pay attention to exchange rate trends at any time, and adjust product costs and selling prices promptly
- The purchase and sale of goods are mainly priced in US dollars, and the overall impact on exchange rate fluctuations can achieve the balance effect between receivables and payables.

- (B) China-US trade war leads North American customers to demand overseas production bases

Countermeasures:

- Actively integrate global production bases to improve customers' global production and remote backup capabilities.

- (C) The COVID-19 pandemic has affected the decline in demand, and the future outlook of the global economy is uncertain, resulting in conservative investment

Countermeasures:

- Work with suppliers and customers to manage production and sales and reduce opportunities for idle inventory.
- Invest in industries that are less affected by the economic recession, develop new product lines and expand revenue sources through diversified investment strategic alliances.

- (D) Customers are internationally renowned manufacturers, the negotiation ability is low and sales are concentrated

Countermeasures:

- Maintain a good communication relationship with customers
- Actively develop new customers and have gradually dispersed customers.

- (E) Many competitors join the market.

Countermeasures:

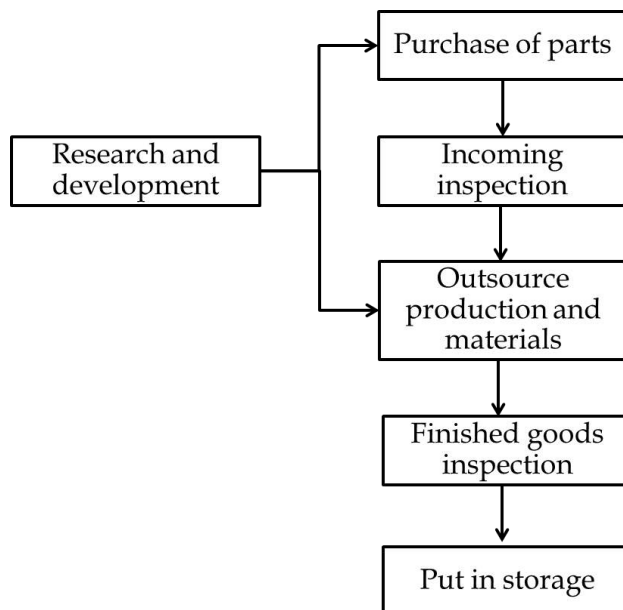
- The Company and its subsidiaries have innovated business models, are ahead of potential competitors and have established a solid relationship with large-scale industrial computer brand customers. Industrial computer brand companies value the stability of suppliers and are less likely to change manufacturers. In addition to reinforcing the existing achievements, the Company and its subsidiaries also continue to progress and expand their leading edge.

2. Major applications and production process of the main products

(1) Major applications of the main products:

Main products	Major applications
Embedded boards for industrial computers	Integrate computing, memory, storage, and multiple transmission or expansion interfaces according to system requirements or industrial specifications. Through the integration of the system and the addition of expanded modules, it becomes a device or equipment applied in various industries. Its applications are industrial embedded computer systems, industrial embedded box PCs, industrial 5G computing platforms, industrial 4K/8K displays, industrial tablet computers, AI computers, edge computers, telecommunications systems, medical computers, industrial ethernet computers, industrial network security computers, embedded software development tools, optical imaging systems, etc.
System/barebone	To meet the application requirements, the industrial computer boards and other related components such as LCD screens, touch screens, card readers, printers, motion control cards, GPS modules, and GSM modules are integrated into one system. Because of the higher integration, it is more focused on a single application and is closer to the market and users.
Network information security	Ensure smooth network connectivity, control the in and out of all network packets, and integrate communications and computer equipment. Its applications include network security servers, firewalls, virtual private networks, antivirus application servers, integrated threat application servers, intrusion detection and prevention servers, enterprise-level internet voice servers, etc.

(2) Production process of main products:



3. Supply status of main raw materials:

Name of raw material	Supply status
Power supplier	Good
Graphics processor	Good
Basic output/input system	Good
Liquid crystal display	Good
Integrated circuit	Good

4. The names of any suppliers (clients) that have supplied (sold) 10% or more of the company's procurements (sales) in either of the preceding 2 fiscal years, and the monetary amount and the proportion of such procurements (sales) as a percentage of total procurements (sales), and explaining the reason for any change in the amount;

(1) Information on major suppliers in the last two years: None.

(2) Information on major sales customers for the most recent two fiscal years:

Unit: NT\$ thousands

Item	2019				2020			
	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship
1	D Company	6,102,358	7.49%	None	D Company	3,942,913	4.69%	None
2	F Company	3,416,766	4.19%	None	F Company	2,580,701	3.07%	None
3	Others	71,987,092	88.32%	-	Others	77,567,871	92.24%	-
	Net sales	81,506,216	100.00%	-	Net sales	84,091,485	100.00%	-

Note: As the Company and the customers have signed a confidentiality agreement, the parties' names are denoted by codes.

Reasons for increase or decrease:

Due to the introduction of new products from new customers and changes in the demand for products from existing customers, the change in the proportion during the period is still normal. It is also caused by the impact of the newly-added consolidated subsidiary.

5. Analysis of production volume, value and changes for the most recent two fiscal years:

Unit: Pcs; NT\$ thousands

Year Volume Major commodities	2019			2020		
	Capacity	Yield	Output value	Capacity	Yield	Output value
Industrial computer software and hardware sales	129,744,383	64,121,846	1,230,664	135,653,811	61,605,400	820,028
Network communication production and sales	130,700	102,152	1,429,937	227,039	186,323	1,976,714
Factory system and electromechanical system services	(Note 1)	(Note 1)	21,615,702	(Note 1)	(Note 1)	22,019,515
Others	(Note 2)	7,662,622	2,830,854	(Note 2)	108,078,532	3,739,068
Total	129,875,083	71,886,620	27,107,157	135,880,850	169,870,255	28,555,325

Note 1: Since it is produced by an outsourcing factory, there are no statistics on its production capacity.

Note 2: The Group's consolidated subsidiaries have a wide range of industries, and the main sales company's business items are system engineering contract services and software development and design. As a result of the wide variety of products and the lack of consistent quantitative statistical units, sales cannot be calculated.

Reasons for increase or decrease:

The overall increase in production capacity, production volume, and production value was due to changes in market trends and customer demand and the impact of additional consolidated subsidiaries.

6. Sales volume and value for the most recent two fiscal years:

Unit: Pcs; NT\$ thousands

Year Volume Major commodities	2019				2020			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Industrial computer software and hardware sales	-	9,462,888	-	43,400	-	5,510,447	-	51,651
Information System	-	38,656,855	-	-	-	42,052,848	-	-

Network communication production and sales	-	4,213,691	-	117,330	-	5,057,937	-	156,223
Factory system and electromechanical system services	-	13,535,471	-	10,647,154	-	13,719,677	-	11,400,180
Others	-	4,187,259	-	642,168	-	5,541,903	-	600,619
Total	-	70,056,164	-	11,450,052	-	71,882,812	-	12,208,673

Reasons for increase or decrease:

The difference in sales volume and sales value in 2020 compared to last year was due to changes in market trend and customer demand and the impact of additional consolidated subsidiaries.

III. Information on Employees in the Last Two Fiscal Years and up to the Publication Date of this Annual Report

Unit: person; %

Year		2019	2020	Apr. 30, 2021
Numbers of Employees	Administration	1,192	1,377	1,407
	Sales & marketing	1,258	1,367	1,364
	Technical support	5,581	6,542	6,686
	Total	8,031	9,286	9,457
Average age		41.05	40.70	40.71
Average years of service		10.07	9.36	9.27
Academic distribution ratio	PhD	0.83%	0.72%	0.70%
	Master degree	24.06%	24.32%	23.86%
	Bachelor degree	43.31%	44.32%	44.83%
	Senior high school	22.26%	22.94%	22.65%
	Below senior high school	9.54%	7.70%	7.96%

Note: The consolidated subsidiary S&T AG is compiled based on the latest information obtained.

IV. Disbursements for Environmental Protection:

All of the Company's assembly and testing are commissioned to the processing plant, and the business operated by the Company's subsidiaries does not cause pollution. The factory affairs, process system planning and the integration of services are all high-tech industrial design, planning, construction, and installation. The waste generated during construction or assembly is sorted and commissioned for disposal by qualified professional waste treatment firms under government regulations and owner specifications. Regarding the raw materials that need to be scrapped during the production process are commissioned for disposal by professional waste treatment firms following the regulations. All kinds of air, water, waste, poison, and noise are all in compliance and passed inspections of local governmental agencies and will not damage the ecological environment. Hence it is a non-polluting company and has no related environmental protection expenditures.

1. According to laws and regulations if it is required to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage, or to pay anti-pollution fees, or to organize and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made: Not applicable.
2. Setting forth the company's investment in the major anti-pollution facilities, the use purpose of such facilities, and the possible effects to be produced: Not applicable.

3. The process undertaken by the company on environmental pollution improvement for the most recent two fiscal years and up to the publication date of the annual report. If there had been any pollution dispute, its handling process should also be described: Not applicable.
4. Any losses suffered (including any compensation paid) and total sanctions by the company in the most recent two fiscal years and up to the publication of the annual report date due to environmental pollution incidents, and disclosing its future countermeasures (including improvement measures) and possible expenses (including the estimated amount of loss, disposition, and compensation that may occur if countermeasures are not taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided): Not applicable.
5. The current condition of pollution and the impact of its improvement to the profits, competitive position, and capital expenditures of the company, as well as the projected major environment-related capital expenses to be made for the coming two fiscal years: Not applicable.

V. Labor relations

- (I) The Company's various employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees
 - (1) Employee benefits, continuing education, training, retirement systems, and the status of their implementation:
 - A. Labor insurance and national health insurance: From the employee's day of taking office, the Company will apply for labor insurance and national health insurance.
 - B. Group insurance: From the employee's day of taking office, the group insurance will be fully borne by the Company. The Company also provides "family expenses for dependents," where employees' spouses and children enjoy part of the group insurance that the Company fully bears.
 - C. Employee retirement system and its implementation status:
 - (A) Old system: According to the provisions of the Labor Standards Act, the Company has formulated the "Organizational Rules of the Labor Retirement Reserve Fund Supervisory Committee," among which, the employees who took up the post before Jun. 30, 2005 can choose to adopt the old labor retirement system or the new system. Where adopting the old system, the Company shall pay 2% of the salary every month and allocates it to an exclusive pension account at the Bank of Taiwan, which is supervised and managed by the Company's "Labor Retirement Reserve Fund Supervisory Committee."

- (B) New system: For employees who took up the post from Jul. 1, 2005, and employees who originally applied to the old system but opted to join the new system, the Company will allocate 6% of the total salary monthly to a retirement reserve and deposit it into an exclusive employee labor retirement reserve account in accordance with the provisions of the "Labor Pension Act."

D. Continuing education and training

The Company is committed to talent training and actively encourages employees to participate in various training courses. The internal training courses aim to exchange and inherit professional knowledge to enhance employee work efficiency. The external training courses may be applied based on the Company's business and work needs for external education and training.

E. Employee welfare committee

The Company has set up an employee welfare committee. Employees are entitled to maternity benefits, wedding allowance, funeral consolation grants, birthday allowance, subsidies for purchasing hospitality supplies for employees, health check allowance, and occasional employee gathering parties.

F. Club activities

The Company is a happy working environment and cares for the physical and mental health of colleagues. It provides a badminton club, yoga club, and basketball club for employees to choose from.

- (2) Agreements between labor and management and various employee rights and interests preserving measures

The Company and its subsidiaries adhere to the concept of "integration of labor and management." focusing on rationalized and humanized management, establishing a smooth communication channel, maintaining good relations between labor and management, jointly creating productivity, sharing profits, and establishing stable and harmonious labor relations.

- (II) A loss suffered by the Company in the most recent year and up to the publication date of the annual report due to labor disputes and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. Important Contracts:

Nature of contract	Counterparty	Term	Major contents	Restrictions
Contract for work	Hon Hai Precision Industry Co., Ltd.	From Apr. 1, 2007 until one party terminates the contract according to the contract	Outsourcing	None
Sales contract	Company A	From Nov. 24, 2009 until one party terminates the contract according to the contract	Product sale	None
Sales contract	Company E	One year from Jan. 1, 2013, automatically renewed for one year upon expiration	Product sale	None

Note: As the Company and its subsidiaries have signed confidentiality agreements with customers, the parties' names are denoted by code names.

Chapter 6 Financial Standing

I. Five-Year Financial Summary, and the Names of the Certified Public Accountants and the Their Audit Opinion Shall Be Specified

(1) Concise Balance Sheet - IFRS

1. Consolidated Financial Statement

Unit: NT\$ thousands

Year Item		Financial data for the most recent five years (Note 2)				
		2016	2017 (After restatement)	2018 (After restatement)	2019	2020
Current assets		8,738,727	30,314,456	48,142,885	56,286,990	57,517,021
Property, plant and equipment		989,277	2,200,551	4,686,418	4,848,647	6,723,602
Intangible assets		1,016,372	15,658,560	18,474,968	20,776,225	21,063,308
Other assets		4,802,390	2,358,064	3,744,080	7,106,898	7,858,650
Total assets		15,546,766	50,531,631	75,048,351	89,018,760	93,162,581
Current liabilities	Before distribution	6,126,440	17,539,365	45,172,659	42,144,099	42,250,760
	After distribution	6,889,448	18,222,229	45,753,095	42,558,696	Note 3
Non-current liabilities		1,519,110	12,480,732	3,976,514	18,948,044	20,410,471
Total liabilities	Before distribution	7,645,550	30,020,097	49,149,173	61,092,143	62,661,231
	After distribution	8,408,558	30,702,961	49,729,609	61,506,740	Note 3
Equity attributable to owners of parent company		5,965,057	6,752,193	6,605,147	8,220,524	9,250,125
Share capital		763,008	765,288	775,745	835,745	932,720
Capital surplus		3,899,883	5,050,172	4,728,440	6,339,752	6,738,090
Retained earnings Earnings	Before distribution	1,343,202	1,666,006	1,721,462	2,131,373	2,823,847
	After distribution	580,194	983,142	1,141,026	1,716,776	Note 3
Other equity		(41,036)	(495,665)	(384,452)	(850,114)	(1,010,924)
Treasury shares		-	(233,608)	(236,048)	(236,232)	(233,608)
Non-controlling equity		1,936,159	13,759,341	19,294,031	19,706,093	21,251,225
Equity	Before	7,901,216	20,511,534	25,899,178	27,926,617	30,501,350

Total	distribution					
	After distribution	7,138,208	19,828,670	25,318,742	27,512,020	Note 3

Note 1: The Company has adopted the International Financial Reporting Standards since 2013.

Note 2: Financial information from 2016 to 2020 has been audited and certified by CPAs.

Note 3: Proposal has not yet been submitted to the Shareholders' Meeting

2. Individual Financial Statement

Unit: NT\$ thousands

Item \ Year		Financial data for the most recent five years (Note)				
		2016	2017 (After restatement)	2018 (After restatement)	2019	2020
Current assets		2,698,000	3,568,984	1,836,654	1,291,199	1,856,802
Property, plant and equipment		555,470	544,645	531,697	522,447	517,081
Intangible assets		2,891	2,715	1,724	1,533	1,052
Other assets		7,352,839	11,817,204	17,812,286	18,789,781	19,147,597
Total assets		10,609,200	15,933,548	20,182,361	20,604,960	21,522,532
Current liabilities	Before distribution	3,128,683	1,591,930	13,576,384	5,267,974	6,832,395
	After distribution	3,891,691	2,274,794	14,156,820	5,682,571	Note 3
Non-current liabilities		1,515,460	7,589,425	830	7,116,462	5,440,012
Total liabilities	Before distribution	4,644,143	9,181,355	13,577,214	12,384,436	12,272,407
	After distribution	5,407,151	9,864,219	14,157,650	12,799,033	Note 3
Equity attributable to owners of parent company		5,965,057	6,752,193	6,605,147	8,220,524	9,250,125
Share capital		763,008	765,288	775,745	835,745	932,720
Capital surplus		3,899,883	5,050,172	4,728,440	6,339,752	6,738,090
Retained earnings Earnings	Before distribution	1,343,202	1,666,006	1,721,462	2,131,373	2,823,847
	After distribution	580,194	983,142	1,141,026	1,716,776	Note 3
Other equity		(41,036)	(495,665)	(384,452)	(850,114)	(1,010,924)
Treasury shares		-	(233,608)	(236,048)	(236,232)	(233,608)
Non-controlling equity		-	-	-	-	-
Equity Total	Before distribution	5,965,057	6,752,193	6,605,147	8,220,524	9,250,125
	After distribution	5,202,049	6,069,329	6,024,711	7,805,927	Note 3

Note 1: The Company has adopted the International Financial Reporting Standards since 2013.

Note 2: Financial information from 2016 to 2020 has been audited and certified by CPAs.

Note 3: Proposal has not yet been submitted to the Shareholders' Meeting

(2) Concise Statement of Comprehensive Income - IFRS

1. Consolidated Financial Statement

Unit: NT\$ thousands (except earnings per share is dollar)

Item \ Year	Financial data for the most recent five years (Note)				
	2016	2017 (After restatement)	2018 (After restatement)	2019	2020
Operating Revenue	14,471,649	34,904,064	68,962,459	81,506,216	84,091,485
Gross profit	2,866,575	7,728,581	15,263,910	18,752,645	19,593,183
Net operating income (loss)	1,558,541	1,743,252	2,910,093	3,377,347	3,674,025
Non-operating income and expenses	137,520	486,943	707,548	434,609	302,542
Pretax profit	1,696,061	2,230,195	3,617,641	3,811,956	3,976,567
Net Income for continuing operations	1,388,727	1,820,943	2,838,819	3,026,308	3,155,383
Loss from discontinuing operations	-	-	-	-	-
Net income (loss)	1,388,727	1,820,943	2,838,819	3,026,308	3,155,383
Other comprehensive income for current period (net value after tax)	(57,173)	(285,883)	191,385	(1,037,607)	17,828
Total comprehensive income (loss)	1,331,554	1,535,060	3,030,204	1,988,701	3,173,211
Profit attributable to owners of parent company	1,022,743	1,083,247	1,094,298	1,080,242	1,111,524
Profit attributable to non-controlling interests	365,984	737,696	1,744,521	1,946,066	2,043,859
Comprehensive income (loss) attributable to owners of the parent company	987,936	631,183	1,182,455	595,713	946,261
Comprehensive income (loss) attributable to non-controlling interests	343,618	903,877	1,847,749	1,392,988	2,226,950
Earnings per share	14.01	14.28	14.27	12.03	12.13

Note 1: The Company has adopted the International Financial Reporting Standards since 2013.

Note 2: Financial information from 2016 to 2020 has been audited and certified by CPAs.

2. Individual Financial Statement

Unit: NT\$ thousands (except earnings per share is dollar)

Item \ Year	Financial data for the most 5 recent fiscal years				
	2016	2017 (After restatement)	2018 (After restatement)	2019	2020
Operating Revenue	5,872,486	6,914,022	4,256,456	3,188,103	2,547,970
Gross profit	1,059,349	867,615	543,435	433,431	308,972
Net operating income (loss)	733,207	504,198	205,335	114,722	64,040
Non-operating income and expenses	422,289	622,125	891,018	954,530	1,090,972
Pretax profit	1,155,496	1,126,323	1,096,353	1,069,252	1,155,012
Net Income for continuing operations	1,022,743	1,083,247	1,094,298	1,080,242	1,111,524
Loss from discontinuing operations	-	-	-	-	-
Net income (loss)	1,022,743	1,083,247	1,094,298	1,080,242	1,111,524
Other comprehensive income for current period (net value after tax)	(34,807)	(452,064)	88,157	(484,529)	(165,263)
Total comprehensive income (loss)	987,936	631,183	1,182,455	595,713	946,261
Profit attributable to owners of parent company	1,022,743	1,083,247	1,094,298	1,080,242	1,111,524
Profit attributable to non-controlling interests	-	-	-	-	-
Comprehensive income (loss) attributable to owners of the parent company	987,936	631,183	1,182,455	595,713	946,261
Comprehensive income (loss) attributable to non-controlling interests	-	-	-	-	-
Earnings per share	14.01	14.28	14.27	12.03	12.13

Note 1: The Company has adopted the International Financial Reporting Standards since 2013.

Note 2: Financial information from 2016 to 2020 has been audited and certified by CPAs.

(3) Names of CPAs and Their Opinions for Most Recent 5-Years :

Year	Accounting Firm	Name of CPA	Auditor's Opinion
2016	Deloitte & Touche	Liu Shui-En, Yang, Ching-Chen	Unqualified opinion (Emphasis or other matters)
2017	Deloitte & Touche	Liu Shui-En, Yang, Ching-Chen	Unqualified opinion (Emphasis or other

			matters)
2018	Deloitte & Touche	Liu Shui-En, Yang, Ching-Chen	Unqualified opinion (Emphasis or other matters)
2019	Deloitte & Touche	Yang Ching-Ting, Liu Shui-En	Unqualified opinion (Emphasis or other matters)
2020	Deloitte & Touche	Yang Ching-Ting, Liu Shui-En	Unqualified opinion (Emphasis or other matters)

II. Most Recent 5-Year Financial Analysis

Financial Analysis for the Last Five Years and Reasons for Various Financial Ratios Changes in the Last Two Years

(1) Consolidated Financial Analysis – Based on IFRS

Item (Note 2)		Most Recent 5-Year Financial Analysis				
		2016 (Note 1)	2017 (Note 1) (After restatement)	2018 (Note 1) (After restatement)	2019 (Note 1)	2020 (Note 1)
Capital structure %	Debt ratio	49.18	59.41	65.49	68.63	67.26
	Long-term fund to property, plant, and equipment ratio	956.33	1,499.27	637.50	966.76	757.21
Liquidity (%)	Current ratio	143.59	172.84	106.58	133.56	136.13
	Quick ratio	108.31	134.38	77.81	101.07	98.46
	Times interest earned (times)	44.18	8.23	8.46	7.64	8.41
Operation performance	Average collection turnover (times)	4.55	4.58	4.77	4.57	4.89
	Days sales outstanding	80	80	76	80	75
	Average inventory turnover (times)	6.72	6.74	6.09	5.32	5.10
	Average payment turnover (times)	4.81	4.48	5.04	4.38	4.20
	Average inventory turnover days	54	54	60	69	72
	Property, plant and equipment turnover (times)	18.30	21.88	20.03	17.10	14.53
	Total assets turnover (times)	1.24	1.06	1.10	0.99	0.92
Profitability	Return on total assets (%)	12.18	6.29	5.14	4.25	3.94
	Return on equity (%)	22.47	12.82	12.23	11.24	10.80
	Pre-tax income to paid-in capital ratio (%) (Note 7)	222.29	291.42	466.34	456.11	426.34
	Net margin (%)	9.60	5.22	4.12	3.71	3.75
	Earnings per share (NT\$)	14.01	14.28	14.27	12.03	12.13
Cash flow	Cash flow ratio (%)	11.00	17.97	7.81	12.44	12.58
	Cash flow adequacy ratio (%)	28.68	49.68	42.63	61.23	70.37
	Cash flow reinvestment ratio (%)	-2.07	12.41	18.23	14.28	13.83
Degree of leverage	Operating leverage	1.72	4.05	5.48	5.22	5.19
	Financial leverage	1.03	1.21	1.20	1.20	1.17
Reasons for changes in financial ratios for the past two years. (analysis is not required when the changes are less than 20%).						
1. The decrease in the ratio of long-term funds to property, plant and equipment was due to an increase in investment in subsidiaries in 2020, which led to an increase in property, plant and equipment.						

Note 1: Financial information from 2016 to 2020 have been audited and certified by CPAs.

Note 2: Please refer to Note 2 below for the calculation formulas for financial analysis.

(2) Individual Financial Analysis - IFRS

Item (Note 2)		Year	Most Recent 5-Year Financial Analysis				
			2016 (Note 1)	2017 (Note 1) (After restatement)	2018 (Note 1) (After restatement)	2019 (Note 1)	2020 (Note 1)
Capital structure %	Debt ratio		43.77	57.62	67.21	60.10	57.02
	Long-term fund to property, plant, and equipment ratio		1,353.98	2,633.20	1,245.85	2,935.61	2,840.97
Liquidity (%)	Current ratio		87.36	224.19	13.53	24.51	27.18
	Quick ratio		72.75	192.82	9.05	21.54	18.85
	Times interest earned (times)		38.77	7.36	6.04	6.72	9.44
Operating performance	Average collection turnover (times)		5.25	4.84	3.88	4.14	3.63
	Days sales outstanding		69	75	94	88	101
	Average inventory turnover (times)		11.27	10.81	5.50	5.62	7.89
	Average payment turnover (times)		5.72	4.43	4.38	4.94	5.02
	Average inventory turnover days		32	34	66	65	46
	Property, plant and equipment turnover (times)		10.55	12.57	7.91	6.05	4.90
	Total assets turnover (times)		0.76	0.52	0.24	0.16	0.12
Profitability	Return on total assets (%)		13.5	9.27	7.02	6.03	5.80
	Return on equity (%)		22.4	17.04	16.36	14.55	12.72
	Pre-tax income to paid-in capital ratio (%) (Note 7)		151.44	147.18	141.33	127.94	123.83
	Net margin (%)		17.42	15.67	25.71	33.88	43.64
	Earnings per share (NT\$)		14.01	14.28	14.27	12.03	12.13
Cash flow	Cash flow ratio (%)		7.73	57.71	10.89	6.91	1.15
	Cash flow adequacy ratio (%)		60.39	70.09	17.97	19.16	15.87
	Cash flow reinvestment ratio (%)		(5.16)	1.08	12.02	(1.41)	(1.72)
Degree of leverage	Operating leverage		1.35	1.70	2.21	3.33	4.21
	Financial leverage		1.04	1.54	(17.11)	(1.59)	(0.88)
Reasons for changes in financial ratios for the past two years. (analysis is not required when the changes are less than 20%).							
<ol style="list-style-type: none"> 1. The increase in times interest earned and net margin was mainly due to an increase in profit. 2. The increase in average inventory turnover and the decrease in Average inventory turnover days were mainly due to a decrease in revenue due to the pandemic in 2020, leading to a decrease in costs. 3. The decrease in property, plant and equipment turnover and the total asset turnover was mainly due to a decrease in revenue due to the pandemic in 2020. 4. The decrease in cash flow ratio and the cash flow reinvestment ratio was mainly due to a decrease in operating cash. 5. The increase in operating leverage and financial leverage was mainly due to a decrease in operating profit. 							

Note 1: Financial information from 2016 to 2020 have been audited and certified by CPAs.

Note 2: The calculation formulas for financial analysis are as follow:

1. Capital structure

- (1) Debt Ratio = Total Liabilities / Total Assets.
- (2) Long-term capital as a proportion of PP&E = (Total equities + Non-current liabilities) / Net value of PP&E.

2. Liquidity analysis

- (1) Current Ratio = Current Assets / Current Liabilities.
- (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities.
- (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses.

3. Operation performance

- (1) Receivables turnover rate (including bills receivable resulting from accounts receivable and business operations) = Net sales / Average accounts receivable in various periods (including bills receivable resulting from accounts receivable and business operations).
- (2) Days Sales Outstanding = 365 / Average Collection Turnover.
- (3) Inventory Turnover Rate = Cost of Sales / Average Inventory.
- (4) Payables turnover rate (including bills payable resulting from accounts payable and business operations) = Cost of sales / Average accounts payable in various periods (including bills payable resulting from accounts payable and business operations).
- (5) Average Inventory Turnover Days = 365 / Average Inventory Turnover.
- (6) Property, Plant, and Equipment Turnover Rate = Net Sales / Average Net Property, Plant, and Equipment.
- (7) Total Asset Turnover = Net Sales / Average Total Assets.

4. Profitability

- (1) Return on Total Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate)) / Average Total Assets.
- (2) Return on Equity = Net Income / Average Shareholders' Equity.
- (3) Net Margin = Net Income / Net Sales
- (4) Earnings Per Share = (Net Income Attributable to Shareholders of the Parent Company - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding. (Note 5)

5. Cash flow

- (1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities.
- (2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend
- (3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital). (Note 6)

6. Leverage:

- (1) Operating leverage = (Net operating revenue - Variable operating cost and expense) / Operating income (Note 7).
- (2) Degree of Financial Leverage (DFL) = Operating profit / (Operating profit - Interest expenditures).

III. Audit Committee's Report for the Most Recent Fiscal Year's Financial Statement:

Ennoconn Corporation

Audit Committee's Report

The Board of Directors prepared and submitted the Company's financial statements, business reports, and earnings distribution proposal for 2020. Of which, the financial statements for 2020 were audited by Deloitte & Touche and issued an audit report. The above-mentioned financial statements, business reports, and earnings distribution statements for the year 2020 have been reviewed by the Audit Committee, and it is found that there is no discrepancy. The report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your verification.

To

Ennoconn Corporation 2021 Annual Shareholders' Meeting

Ennoconn Corporation

Convener of the Audit Committee: Yu-Hui Su



Mar. 29, 2021

IV. Consolidated Financial Statements with Subsidiaries Audited by CPAs Please refer to page 214 to 336.

V. Financial Statements for the Most Recent Year: Please refer to page 337 to 436.

VI. Financial Difficulties of the Company and its Affiliated Companies in the Most Recent Year up to the Date of this Annual Report Printed: None.

Chapter 7 Review and Analysis of the Company's Financial Position and Financial Performance and Risk

I. Financial Position

(1) International Financial Reporting Standards - Consolidated Financial Statements:

Unit: NT\$ thousands

Item \ Year	December 31, 2019	December 31, 2020	Difference	
			Amount	%
C u r r e n t a s s e t s	56,286,990	57,517,021	1,230,031	2.19%
P r o p e r t y , p l a n t a n d e q u i p m e n t	4,848,647	6,723,602	1,874,955	38.67%
I n t a n g i b l e a s s e t s	20,776,225	21,063,308	287,083	1.38%
O t h e r a s s e t s	7,106,898	7,858,650	751,752	10.58%
T o t a l a s s e t s	89,018,760	93,162,581	4,143,821	4.65%
C u r r e n t l i a b i l i t i e s	42,144,099	42,250,760	106,661	0.25%
N o n - c u r r e n t l i a b i l i t i e s	18,948,044	20,410,471	1,462,427	7.72%
T o t a l l i a b i l i t i e s	61,092,143	62,661,231	1,569,088	2.57%
C o m m o n s t o c k	835,745	932,720	96,975	11.60%
C a p i t a l s u r p l u s	6,339,752	6,738,090	398,338	6.28%
R e t a i n e d e a r n i n g s	2,131,373	2,823,847	692,474	32.49%
O t h e r e q u i t y	(850,114)	(1,010,924)	(160,810)	18.92%
N o n - c o n t r o l l i n g e q u i t y	19,706,093	21,251,225	1,545,132	7.84%
T o t a l s h a r e h o l d e r s ' e q u i t y	27,926,617	30,501,350	2,574,733	9.22%
<p>Analysis of changes in percentage and the impact and the future response measures (description will be given only if the increase/decrease in ratio reaches 20% or exceeds NT\$ 10 million):</p> <p>1. Increase in property, plant and equipment: Mainly due to S&T's new plant and equipment.</p> <p>2. Increase in retained earnings: Due to a continuous increase in profits.</p>				

(2) International Financial Reporting Standards - Individual Financial Statements:

Unit: In Thousands of New Taiwan Dollars

Item \ Year	December 31, 2019	December 31, 2020	Difference	
			Amount	%
Current assets	1,291,199	1,856,802	565,603	43.8%
Investments accounted for using the equity method	18,679,156	19,065,111	385,955	2.07%
Property, plant and equipment	522,447	517,081	(5,366)	(1.03%)
Intangible assets	1,533	1,052	(481)	(31.38%)
Other assets	110,625	82,486	(28,139)	(25.44%)
Total assets	20,604,960	21,522,532	917,572	4.45%
Current liabilities	5,267,974	6,832,395	1,564,421	29.70%
Total non-current liabilities	7,116,462	5,440,012	(1,676,450)	(23.56%)
Total liabilities	12,384,436	12,272,407	(112,029)	(0.9%)
Common stock	835,745	932,720	96,975	11.60%
Capital surplus	6,339,752	6,738,090	398,338	6.28%
Retained earnings	2,131,373	2,823,847	692,474	32.49%
Other equity	(850,114)	(1,010,924)	(160,810)	18.92%
Total shareholders' equity	8,220,524	9,250,125	1,029,601	12.52%
<p>Analysis of changes in percentage and the impact and the future response measures (description will be given only if the increase/decrease in ratio reaches 20% or exceeds NT\$ 10 million):</p> <ol style="list-style-type: none"> 1. Increase in current assets: Due to an increase in US dollar deposits from the redemption of corporate bonds. 2. Decrease in other assets: Due to a decrease in deferred income tax. 3. Increase in current liabilities and decrease in non-current liabilities: Due to the reclassification of the current portion of corporate bonds to current liabilities. 4. Increase in retained earnings: Due to the continued increase in profits. 				

II. Financial Performance:

(1) Comparative Analysis of Financial Performance

1. International Financial Reporting Standards - Consolidated Financial Statements

Unit: In Thousands of New Taiwan Dollars

Item \ Year	For the years ended December 31, 2019	For the years ended December 31, 2020	Increases (decreases)	Change percentage (%)
Net operating revenue	81,506,216	84,091,485	2,585,269	3.17%
Operating Costs	62,753,571	64,498,302	1,744,731	2.78%
Gross profit	18,752,645	19,593,183	840,538	4.48%
Operating expenses	15,375,298	15,919,158	543,860	3.54%
Operating profit	3,377,347	3,674,025	296,678	8.78%
Non-operating income and expenses	434,609	302,542	(132,067)	(30.39%)
Pre-tax profit	3,811,956	3,976,567	164,611	4.32%
Income tax expenses	785,648	821,184	35,536	4.52%
Net profit	3,026,308	3,155,383	129,075	4.27%
Other comprehensive income (loss)	(1,037,607)	17,828	1,055,435	(101.72%)
Total comprehensive income for the period	1,988,701	3,173,211	1,184,510	59.56%
<p>Analysis of changes in percentage (for the change of more than 20% between the previous and current periods, and the amount of change amounted to NT\$ 10 million):</p> <ol style="list-style-type: none"> 1. Decrease in non-operating income and expenses: Mainly due to exchange losses arising from exchange rate fluctuations. 2. Increase in other comprehensive income: Mainly due to exchange rate fluctuations. 3. Increase in the total comprehensive income for the current period: Mainly due to an increase in other comprehensive income because of the impact of exchange rate fluctuations. 				

2. International Financial Reporting Standards - Individual Financial Statements

Unit: In Thousands of New Taiwan Dollars

Item \ Year	For the years ended December 31, 2019	For the years ended December 31, 2020	Increases (decreases)	Change percentage (%)
Net operating revenue	3,188,103	2,547,970	(640,133)	20.07%
Operating Costs	2,754,672	2,238,998	(515,674)	(18.72%)
Gross profit	433,431	308,972	(124,459)	(28.71%)
Operating expenses	318,709	263,736	(54,973)	(17.25%)
Operating profit	114,722	64,040	(50,682)	(44.18%)
Non-operating income and expenses	954,530	1,090,972	136,442	14.29%
Pre-tax profit	1,069,252	1,155,012	85,760	8.02%
Income tax expenses	(10,990)	43,488	54,478	(495.71%)
Net profit	1,080,242	1,111,524	31,282	2.90%
Other comprehensive income (loss)	(484,529)	(165,263)	319,266	(65.89%)
Total comprehensive income for the period	595,713	946,261	350,548	58.85%
<p>Analysis of changes in percentage (for the change of more than 20% between the previous and current periods, and the amount of change amounted to NT\$ 10 million):</p> <ol style="list-style-type: none"> 1. Decrease in net operating revenue and gross profit: Mainly due to the decrease in customer demand and changes in product mix in 2020, which led to a decrease in operating revenue and gross profit. 2. Decrease in operating profit: Mainly due to the change in product mix in 2020, which led to a decrease in gross profit margin. 3. Increase in income tax expenses: Due to an increase in income tax in the current period and adjustment to deferred income tax. 4. Increase in other comprehensive income: Mainly due to the impact of exchange rate fluctuations. 5. Increase in the total comprehensive income for the current period: Mainly due to the impact of exchange rate fluctuations, leading to an increase in other comprehensive income. 				

(2) The Expected Sales and its Basis, and Possible Impacts on the Company's Future Financial Operations and Response Plans for the Upcoming Year:

The Company did not make any forecast in 2020. Therefore, it does not intend to disclose the possible impact of the expected sales volume on the Company's future financial business and its response plan.

III. Analysis of Cash Flow

(1) Analysis of Changes in Consolidated Annual Cash Flow for the Most Recent Year:

Item \ Year	For the years ended December 31, 2019	For the years ended December 31, 2020	Increase (decrease) in ratio (%)
Cash flow ratio (%)	12.44	12.58	1.12%
Cash flow adequacy ratio (%)	61.23	70.37	14.93%
Cash flow reinvestment ratio (%)	14.28	13.83	(3.15%)
Analysis of changes in cash flow: 1. Cash flow adequacy ratio increased due to an increase in profit in 2020, leading to an increase in operating cash. 2. The decrease in the cash flow reinvestment ratio was due to an increase in investment in subsidiaries in 2020, leading to an increase in property, plant and equipment.			

(2) Improvement Plans for Liquidity Shortage: No cash shortage.

(3) Cash liquidity analysis for the coming fiscal year (individual)

Unit: In Thousands of New Taiwan Dollars

Unit: In Thousands of New Taiwan Dollars					
Cash beginning balance (Note)	Estimated cash flow from operating activities	Estimated annual net cash flow from investing and financing activities	Cash ending balance/(shortage)	Plan for cash ending balance shortage	
				Investment plans	Financial plan
531,134	766,564	167,774	698,908	Not applicable	
1. Analysis of changes in cash flows in the coming year:					
(1) Operating activities: The Company and its subsidiaries expect business scale to continue to grow, and thus contribute net cash inflow from operating activities.					
(2) Investment activities: Collection of dividend from subsidiaries leads to net cash inflow in investment activities.					
(3) Financing activities: this mainly involved issuing of cash dividends, which resulted in a net cash outflow in financing activities.					
2. Remedial measures and liquidity analysis for expected cash inadequacy: Not applicable.					

Note: Cash at the beginning of the period include cash and cash equivalents, bond investments with no active market - current bank time deposits.

IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year

There were no major capital expenditures in 2020.

V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for Coming Year

(I) Reinvestment policy for the most recent fiscal year:

Complied with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" stipulated by the competent authorities, the Company has formulated the "Procedures for Acquisition or Disposal of Assets," which serves as the basis for the Company's reinvestment business to grasp the relevant business and financial conditions. To enhance the supervision and management of the reinvestment companies, the Company has also formulated "Measures for Subsidiary Monitoring and Management" in its internal control system to stipulate relevant norms for the management of information disclosure, finance, business, inventory, and financial management. The Company also regularly carries out regular audit operations and establishes relevant operational risk mechanisms to maximize the effectiveness of the Company's reinvestment undertakings.

(II) Main reasons for profits/losses of reinvestment for the most recent year and the improvement plan:

The Company's investment income accounted for using the equity method in 2020 was NT\$ 1,191,081 thousand, mainly due to the operating conditions of the reinvested companies that have been good year by year and the strategic cooperation benefits have been exerted.

(III) Investment plans for the coming year:

The Company will carefully evaluate the investment plans from the perspective of long-term strategies to respond to future market demand and strengthen its competitiveness.

VI. Risk

(I) Risk factor

1. Effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

- (1) Interest rate: If the interest rate increases/decreases by 0.5%, and all other variables remain unchanged, the net profit before tax of the Company and its subsidiaries in 2021 will decrease/increase by NT\$ 23,550 thousand, mainly because of the net position of bank deposits and loans with variable interest rates of the Company and its subsidiaries.

If the interest rate increases/decreases by 0.5%, and all other variables remain unchanged, the net profit before tax of the Company and its subsidiaries in 2020 will decrease/increase by NT\$ 23,330 thousand, mainly because of the net position of bank

deposits and loans with variable interest rates of the Company and its subsidiaries.

In recent years, the changes in domestic interest rates have been stable, which has no significant impact on the profits/losses of the Company and its subsidiaries. Therefore, the impact on the profits/loss of the Company and its subsidiaries is limited. However, the Company and its subsidiaries still take relevant measures to cope with interest rate fluctuations in the market, such as financial units keep the latest interest rate changes and maintain close contact with banks to obtain more favorable borrowing rates to minimize the impact of interest rate changes on the Company and its subsidiaries.

- (2) Exchange rate: The Company's and its subsidiaries' transactions for purchases and sales are mainly denominated in US dollars, so the Company is exposed to the risk of exchange rate fluctuations. The Company adopts the principle of natural hedging, that is, the effect of exchange rate fluctuation achieves the effect of balance between receivables and payables to reduce exchange rate risks. Besides, the Company and its subsidiaries have dedicated personnel to pay close attention to exchange rate information and changes in the international economic situation at any time and carefully study and judge exchange rate trends. We will also appropriately use tools such as short-term foreign currency borrowing, cross-currency swap, and forward exchange agreement to engage in foreign exchange hedging. Still, such tools cannot completely exclude the impact of exchange rate changes.
 - (3) Inflation: The Company and its subsidiaries always keep abreast of global political and economic changes and market price fluctuations, maintain good interaction with suppliers and customers, and adjust procurement and sales strategies in a timely manner. Therefore, the Company and its subsidiaries should be able to cope with the impact of future changes in the economic situation, such as inflation, and the operations should not be subject to major threats.
2. The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future
 - (1) The Company and its subsidiaries are not engaged in high-risk and highly leveraged investments.
 - (2) The Company and its subsidiaries engaged in loans to other parties, endorsements, guarantees, and derivatives transactions are handled in accordance with the procedures adopted by the Board of Directors and the shareholders' meeting.
 3. Future R&D plans and expected expenditures

R&D is an important foundation for the development of the Company and its subsidiaries. Besides continuing to cultivate the existing POS system market and ATM

market equipment, the Company and its subsidiaries also continue to invest part of the resources in other markets, such as industrial control, fleet management, network communication security, medical care, smart home, etc. Technology-related directions include wireless transmission (including 5G, GPS, WiFi, Bluetooth, etc.), handheld mobile devices, and RTOS dedicated machines based on RISC or MCU. Although hardware development has achieved the advantage of sharing benefits in the market with a high degree of division of labor in the past, it has resulted in a lack of product differentiation. To win in the competitive environment, R&D will move towards more basic and professional fields, such as 5G, AI, IoT, blockchain, and image computing, to build a higher competitive threshold. It is estimated that R&D expenditure in 2020 will be about 10% of revenue.

4. Effect on the Company's financial operations of important policies and changes in the legal environment at home and abroad, and countermeasures

The management and operation of the Company and its subsidiaries abide by the relevant laws and regulations at home and abroad. The relevant units can always pay attention to important policies and legal changes and cooperate with the adjustment of the Company's internal system and business activities to ensure smooth operation of the Company. Therefore, the Company and its subsidiaries can immediately grasp and effectively respond to important policies and changes in the legal environment at home and abroad.

5. Effect on the Company's financial operations in technology change and industrial change, and countermeasures

The Company and its subsidiaries have years of hard work in the industry and continue to invest many resources in the R&D of new technologies, so we have a place in the industry's design capabilities. Moreover, the management team of the Company and its subsidiaries keep an eye on the arteries of future technology, appropriately adjust the Company's business strategy and expand the new business to effectively control the impact of the overall economic environment and industrial changes on the financial operations of the Company and its subsidiaries.

6. Effect on the Company's crisis management of changes in the Company's corporate image and countermeasures

In the development process, the Company and its subsidiaries attach great importance to the social responsibilities of enterprises and actively participate in various public welfare activities to establish a good corporate image. Also, the spokesperson mechanism is implemented. The suggestions made by people from all walks of life and shareholders are handled by dedicated personnel to maintain the reputation and image of the Company and its subsidiaries.

7. Expected benefits and possible risks associated with any M&A and countermeasures

As of the publication date of the annual report, considering the Company's long-term development strategy and enhancing its competitive advantage and operating performance, the Board of Directors passed a resolution on Dec. 1, 2020, in which the Company issued new shares for the acquisition of 37.64% of AIS shares. After adding 62.36% of AIS Cayman Technology Group's shares already held by Ennoconn Investment Holding Co., Ltd., a reinvestment company 100% own by the Company, the Group holds 100% equity in AIS to facilitate the joint deployment of machine vision and AI application markets. Through this share swap, Ennoconn Corp.'s overall market expansion, product technology integration, talent organization planning, and financial growth can be highly integrated. While deepening product, technology, and market development, it will bring positive benefits to Ennoconn Corp.'s technical strength, profitability, and long-term development.

The aforementioned equity transaction has complied with relevant laws and the relevant regulations stipulated in the Company's "Procedures for Acquisition or Disposal of Assets." The Company and its subsidiaries also adhere to relevant internal control regulations to reduce the possible negative effects of such equity transactions.

8. Expected benefits and possible risks associated with any plant expansion, and countermeasures

The Company decided to purchase a factory office building in 2014 by the resolution of the Board of Directors and completed the transfer and relocation in January 2015. It is expected to improve overall management efficiency, strengthen communication between various departments, and achieve vertical and horizontal integration benefits. There should be no relevant major risks. For the expected benefits, please refer to the description in Chapter III, I, (III), 2, (2) of the Company's 2016 Prospectus of cash capital increase through the issuance of new shares and the second domestic unsecured convertible bonds. As of the publication date of the annual report, there are no other plant expansion plans.

9. Risks associated with the concentration of purchases or sales, and countermeasures

(1) Purchases: The production of the Company and its subsidiaries are mainly carried out in the outsourcing model. The source of its raw materials, other than some self-procurement, is also provided by the foundry in the form of OEM. Therefore, the purchase of the processing plant is relatively concentrated. Nevertheless, industrial products attach great importance to product stability and durability, so their processing technology is more rigorous than general consumer electronic products. Cooperative manufacturers must possess a certain professional level before the Company and customers can approve them. Thus, the selection of processing plants requires careful consideration. Yet, in addition to the ongoing cooperation with existing processing plants, the Company has actively sought and evaluated the

possibility of cooperation with other foundries to diversify the risk of concentrated purchases. Furthermore, the Company and its subsidiaries usually establish good cooperative relations with domestic and foreign suppliers. The Company also has dedicated personnel to regularly evaluate suppliers and make regular inquiries for important materials to ensure the stability of supply quality and ensure that there is no doubt about supply shortage.

(2) Sales: The business model of the Company and subsidiaries is ODM-oriented, and its excellent R&D and design capabilities can quickly provide customized products that meet customer needs. Therefore, the main sales targets of the Company and its subsidiaries are mostly international manufacturers, which are distributed in Europe, America, Asia, and other places around the world. The two parties have close trading cooperation and good relations. In addition to stabilizing the existing source of customers, the Company and its subsidiaries also actively expand new customer sources to diversify the risks of concentrated sales.

10. Effect upon and risk to the Company in the event a major quantity of shares of a director, supervisor, or shareholder holding more than 10% has been transferred or changed hands, and countermeasures:

As of the publication date of this annual report, the Company's directors, supervisors, or shareholders holding more than 10% of shares have no mass transfer or changed hands of equity.

11. Effect upon and risk to the Company associated with any change in management control, and countermeasures

As of the publication date of this annual report, the Company has no change in management control.

12. Litigious and non-litigious matters

(1) If there has been any material impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the company that was finalized or remained pending during the most recent two fiscal years or during the current fiscal year up to the publication date of this annual report, which shall disclose the facts in dispute, the amount in dispute, commencement date, main parties involved, and current status of the case: None.

(2) If there has been any material impact upon shareholders' equity or prices for the company's securities as a result of any major litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, general manager, de facto responsible person, major shareholder and subordinate company with a stake

of more than 10% and the matter was finalized or remained pending during the most recent two fiscal years or during the current fiscal year up to the publication date of this annual report: None.

- (3) If there has been any occurrence of any event set forth under Article 157 of the Securities and Exchange Act that involves a company director, supervisor, its general manager, or any major shareholder with a stake of more than 10%, provided the event occurred in the most recent two fiscal years or during the current fiscal year up to the publication date of this annual, which shall also note how the company is currently handling the matter: None.

13. Other important risks and countermeasures: None.

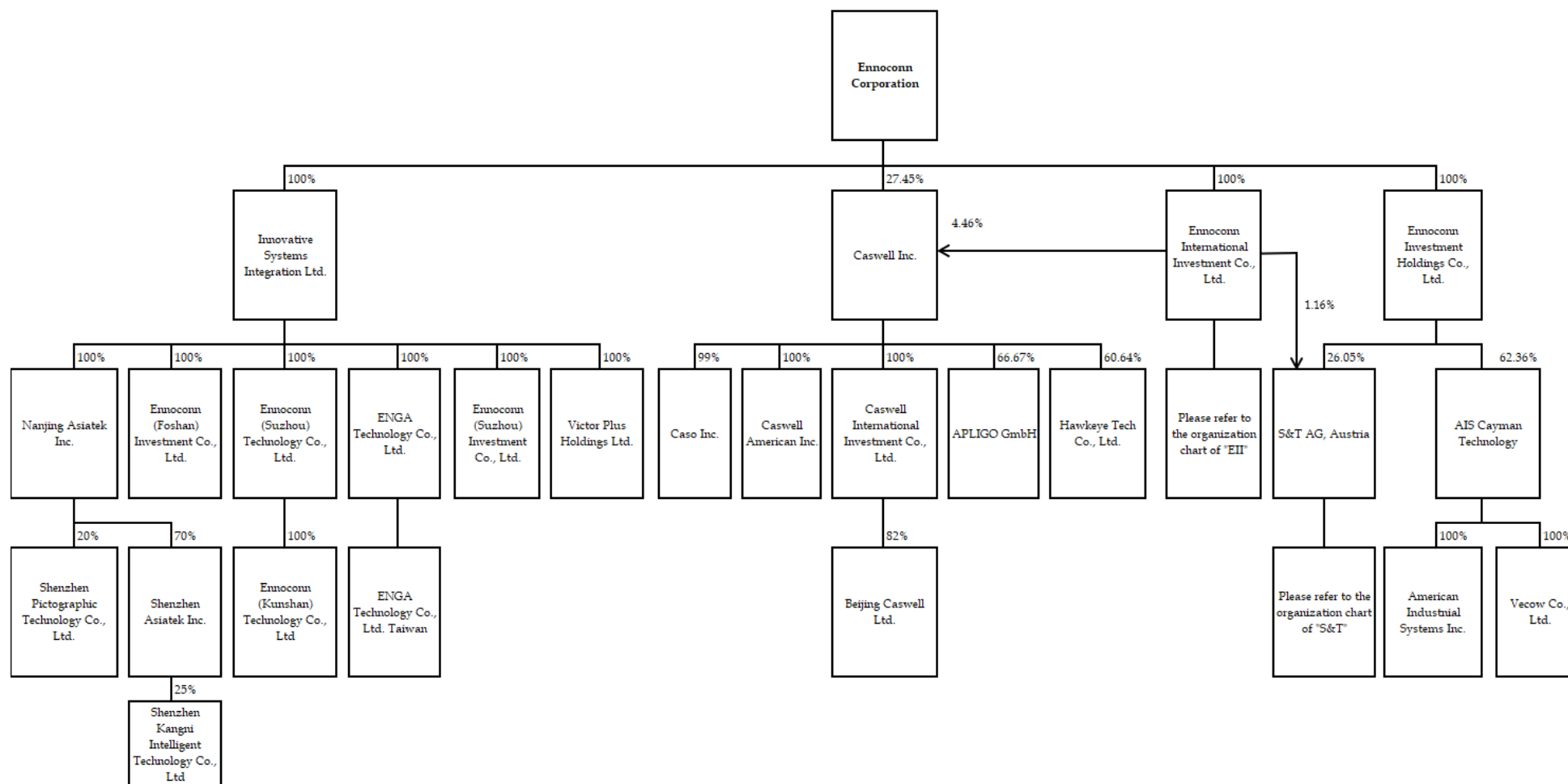
VII. Other Important Matters: None.

Chapter 8. Special Disclosure

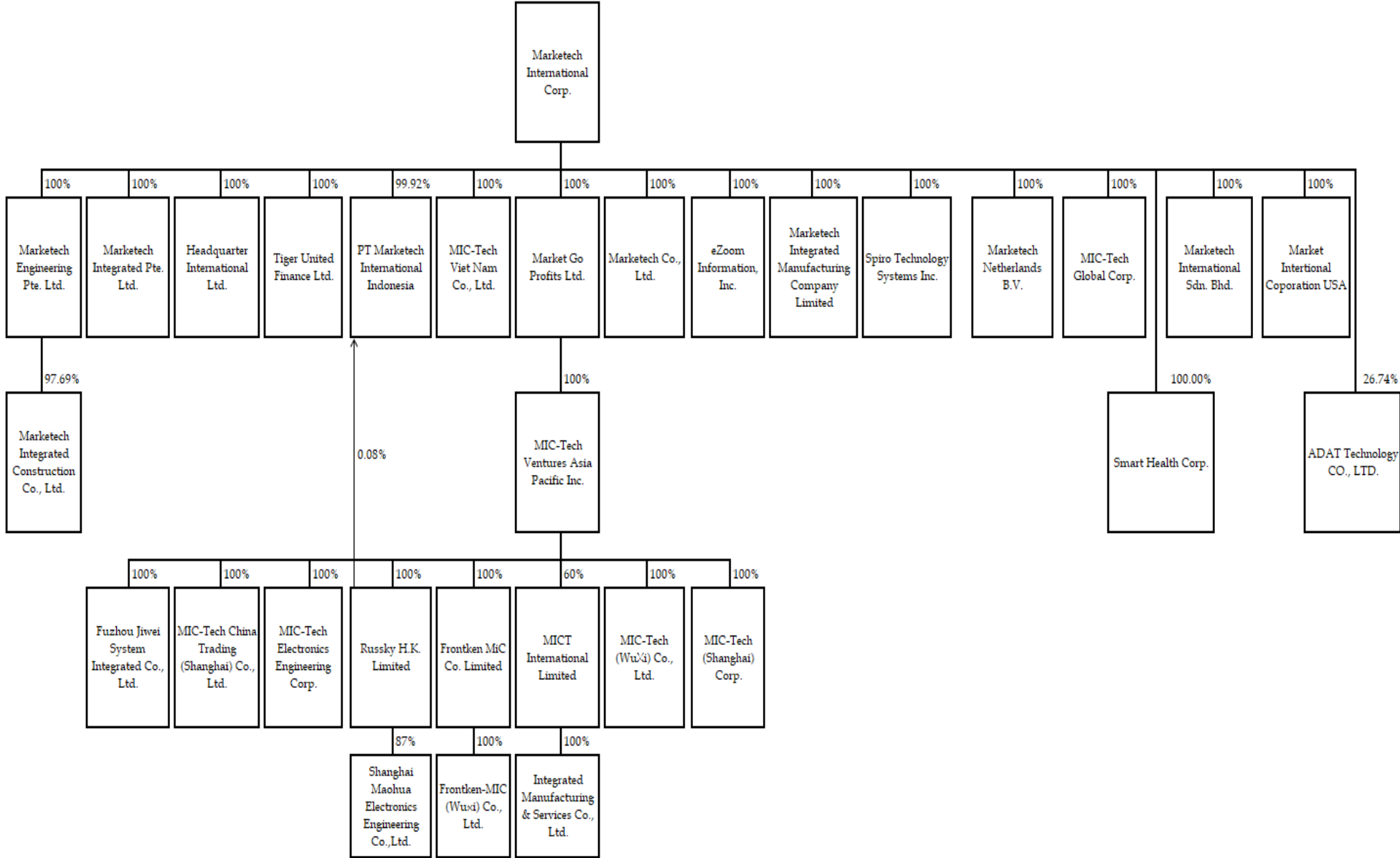
I. Information on the Company Affiliates

(I) Consolidated business report

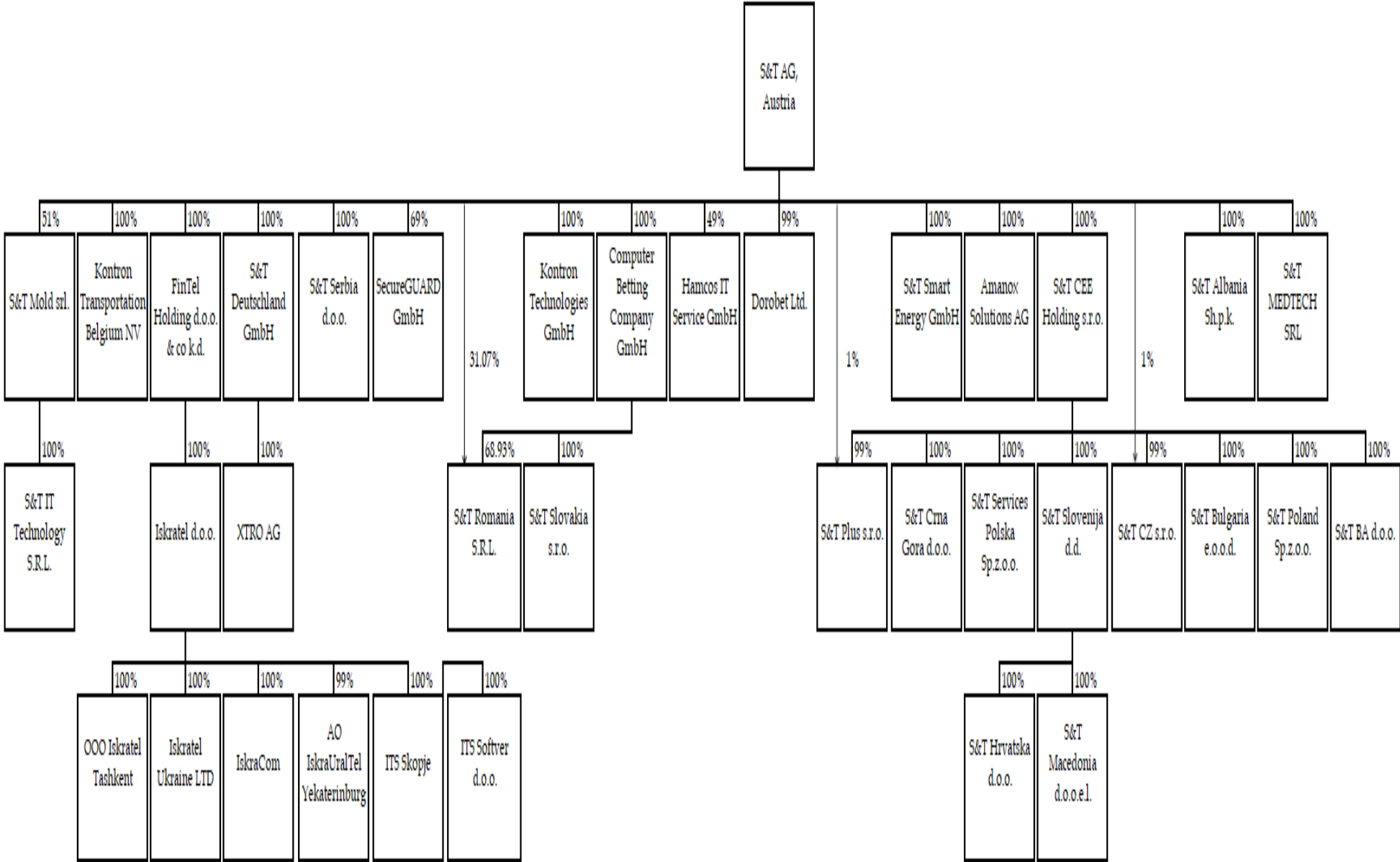
1. The organization chart of affiliates (Dec. 31, 2020)



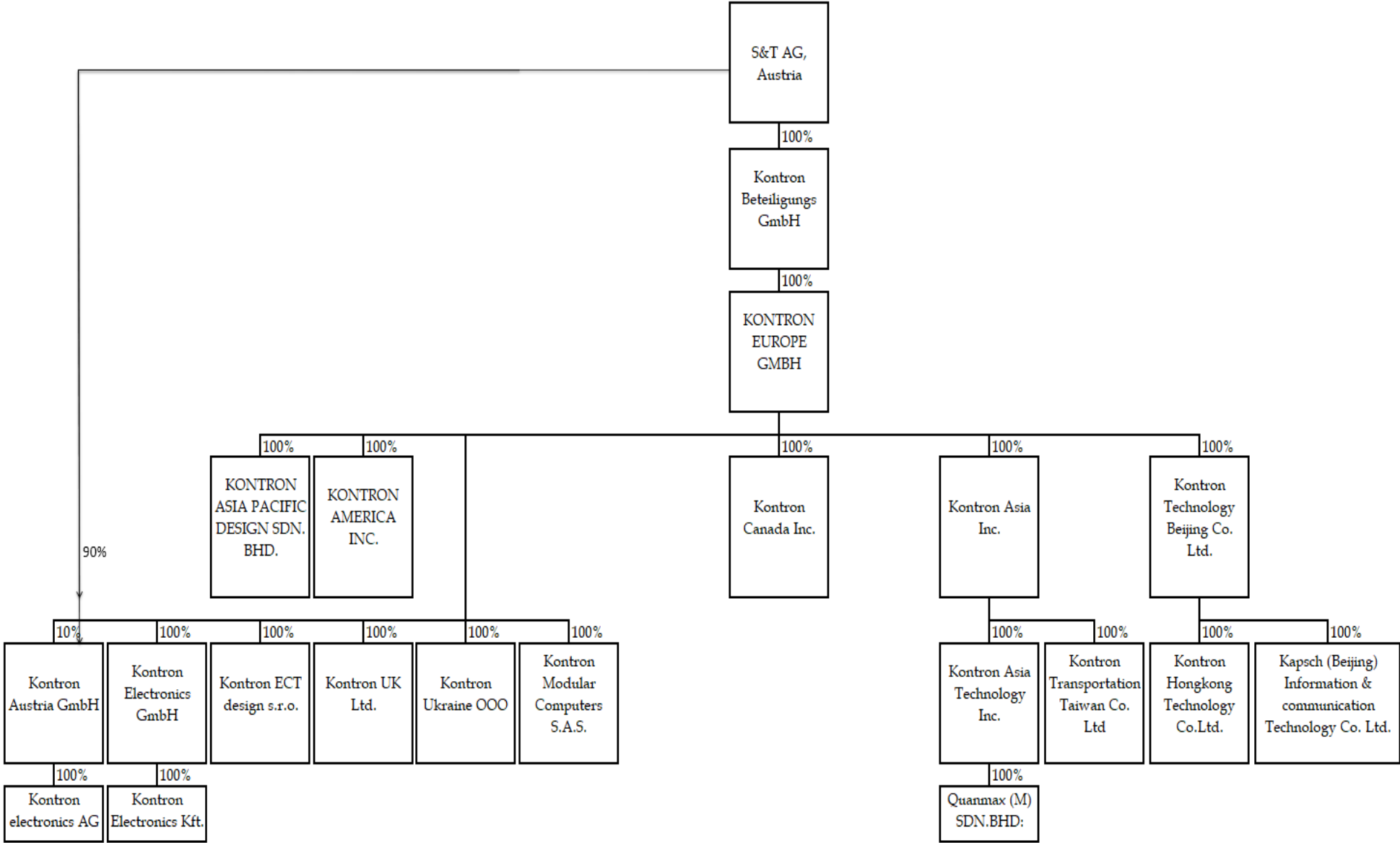
The organization chart of Marketch International Corp.



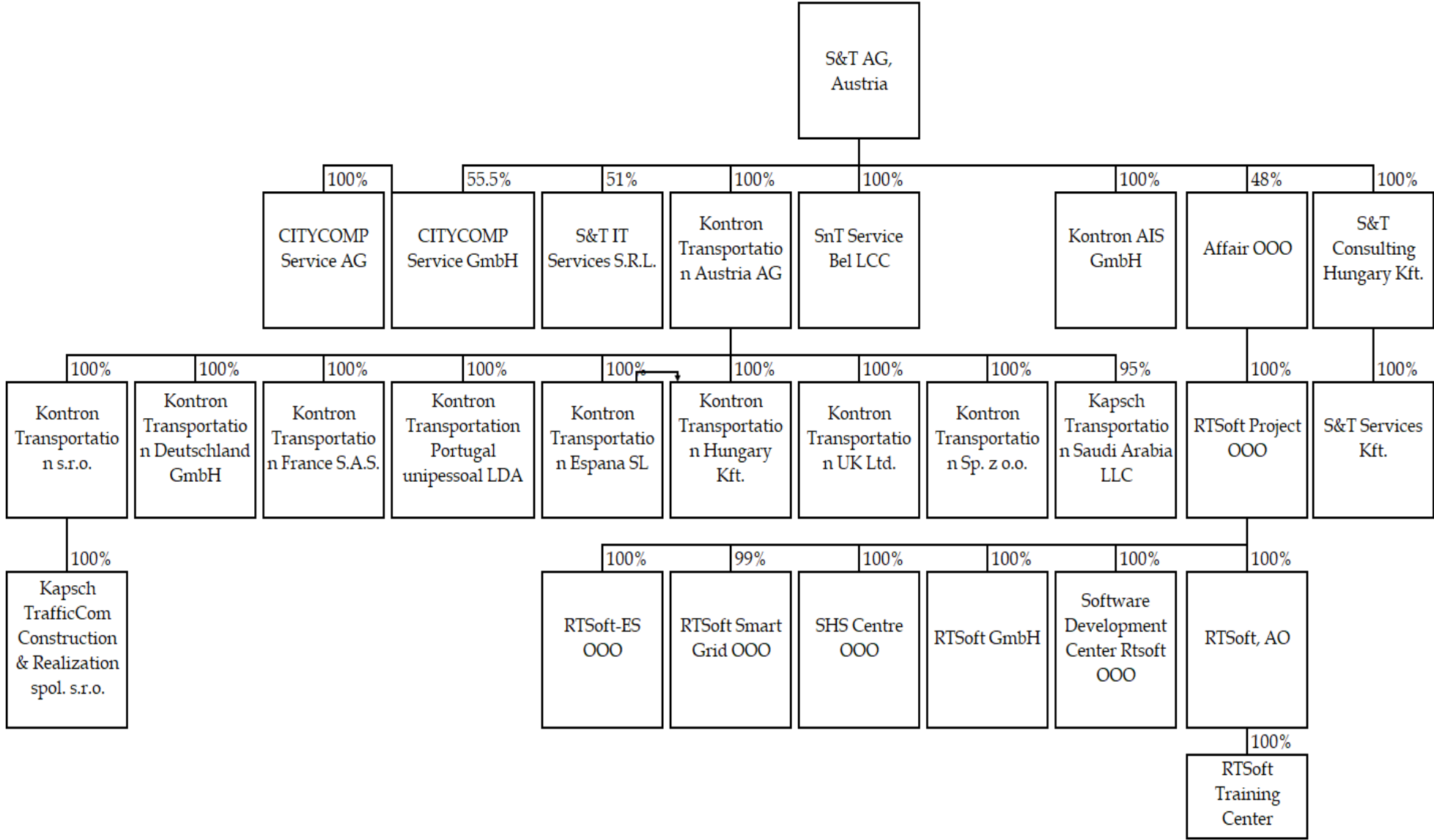
S&T organization chart-1



S&T organization chart-2



S&T organization chart-3



2. Basic Information of Affiliated Enterprises

Dec. 31, 2020
Unit: \$ thousands

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
Innovative Systems Integration Limited	2001.08.31	Suite 1222, 12F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong	HKD 361,609	Professional Investment
Ennoconn International Investment Co., Ltd.	2014.05.13	6F., No. 10, Jiankang Rd., Zhonghe Dist., New Taipei City	NTD 7,026,350	Professional Investment
Caswell Inc.	2007.04.19	8F., No. 242, Bo'ai St., Shulin Dist., New Taipei City	NTD 730,678	Manufacturing of electronic parts, computer and peripheral equipment, electronic materials wholesale, and information software services
Ennoconn Investment Holdings Co., Ltd.	2015.11.16	2nd Floor, Building B, SNPF PLAZA, Savalalo, Apia, Samoa	USD 239,360	Professional Investment
ENGA Technology Co., Ltd.	2017.07.25	Suite 1222, 12F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong	HKD 27,394	Wholesale, manufacturing, service, import and export of software and hardware related to industrial computers and industrial control systems
Victor Plus Holdings Ltd.	2018.04.25	Suite 1, Commercial House One, Eden Island, Republic of Seychelles.	-	Import and export trade
AIS Cayman Technology	2016.05.06	Fourth Floor, One Capital Place, P. O. Box 847, Grand Cayman KY1-1103, Cayman Islands	USD 6,563	Professional Investment
S&T AG	1999.12.28	Industriezeile 35, A-4021 Linz, Austria	EUR 66,089	Integration service for information software and hardware
American Industrial Systems Inc.	2005.10.31	1768 McGaw Avenue, Irvine, CA 92614, USA	USD 1,500	Operator interface terminal and industrial automation visualization system
Vecow Co., Ltd.	2006.02.20	12F., No. 111, Zhongcheng Rd., Tucheng Dist., New Taipei City	NTD 50,000	Computer vision systems and machine vision systems for industrial automation
Goldtek Technology Co., Ltd.	2003.08.06	16F., No. 166-1, Jian 1st Rd., Zhonghe Dist., New Taipei City	NTD 300,000	Telecommunications control of radiofrequency equipment input and information software wholesale and retail
EnnoMech Precision (Cayman) Co., Ltd.	2015.07.21	Floor 4, Willow House, Cricket Square, PO Box 2804, Grand Cayman KY1-1112, Cayman Island	USD 13,800	Professional Investment
SyS-P Co., Ltd.	2015.11.05	6F., No. 10, Jiankang Rd., Zhonghe Dist., New Taipei City	NTD 30,000	International trade, information software wholesale, and service

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
Taiwan Applied Module Corp.	2011.11.17	3F., No. 10, Jiankang Rd., Zhonghe Dist., New Taipei City	NTD 84,000	Research, design, and sales of products related to mobile payment, electronic sign-off, and information security
Thecus Technology Corporation	2004.10.26	16F.-6, No. 81, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	NTD 170,000	Manufacturing of electronic parts, computer and peripheral equipment, electronic materials wholesale, and information software services
Dexatek Technology Ltd.	2003.07.31	16F.-1, No. 81, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	NTD 210,000	Smart IoT and product development, design, and manufacturing of live broadcast application
Marketech International Corp.	1988.12.27	6F., No. 3-2, Park St., Nangang Dist., Taipei City	NTD 1,855,913	Planning integration services for high-tech industrial plants and process systems
Poslab Technology Corporation	1994.08.10	11F, No. 258, Liancheng Road, Zhonghe District, New Taipei City	NTD 130,000	Manufacturing, wholesale and sales of electronic and peripheral devices
HighAim Technology INC.	2006.09.28	Portcullis Chambers, P.O. Box 1225, Apia, Samoa.	USD 5,000	Professional Investment
DOMINATE UNITED ENTERPRISE LTD.	2015.01.05	2nd Floor, Building B, SNPF Plaza, Savalalo, Apia, Samoa	USD 2,100	Professional Investment
EnnoMech Precision Co., Ltd.	2015.04.23	6F., No. 10, Jiankang Rd., Zhonghe Dist., New Taipei City	NTD 10,000	Manufacturing of electronic parts, computer and peripheral equipment, electronic materials wholesale, and information software services
FUNOLOGY INVESTMENT INC.	2009.06.23	TMF Chambers, P.O. Box 3269, Apia, Samoa	USD 1	Import and export trade
ANDRIX INTERNATIONAL LIMITED	2012.10.17	201 Rogers Office Building, Edwin Wallace Rey Drive, George Hill, Anguilla, B.W.I	USD 1	Import and export trade
CASO Inc.	2014.08.01	6th Floor, Kandajicho Land Building, 2-10 Kandajicho, Chiyoda District, Tokyo, Japan	JPY 95,000	Import and sales of network equipment and computer peripheral products
Caswell International Investment Co., Ltd.	2015.06.11	TMF Chambers, P.O. Box 3269, Apia, Samoa	USD 3,206	Overseas investment
Caswell Americas, Inc	2017.01.10	4011 Clipper Ct, Fremont, CA 94538	USD 3,000	Sales of Netcom products
Apligo GmbH	1999.06.04	Building 5112/4 Werner-von-Siemens-Str. 2-6 76646 Bruchsal Germany	EUR 36	Hub and SI Service
Yukai Technology Co., Ltd.	2011.11.02	13F.-5, No. 736, Zhongzheng Rd., Zhonghe Dist., New Taipei City	NTD 135,000	Design and manufacturing of computers, network, and computing equipment
Thecus NL B.V.	2009.10.15	Marinus Dammeweg 7, 5928 PW VENLO, Netherlands	EUR 260	Network storage device
Thecus USA., Inc.	2007.09.17	1768 McGaw Avenue, Irvine, CA 92614	USD 750	Network storage device

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
Keenest Electronic Corp.	2016.01.04	2F,Buliding B,SNPF Plaza,Savalalo	USD 17,000	Professional Investment
Techno Precision Co., Ltd.	1994.10.27	Room 05, 12th Floor, Wah Yiu Industrial Centre, 30-32 Au Pui Wan Street, Fo Tan, New Territories, Hong Kong	HKD 139,992	Metal stamping and casting industry
Techno Precision (Shenzhen) Co., Ltd.	2012.06.27	Plant 3, No. 10, Longshan Industrial Park, Nanling Village, Nanwan Street, Longgang District, Shenzhen	HKD 23,000	Stamping/assembly
T-Paragon Die Casting Co., Ltd.	2004.01.04	Room 05, 12th Floor, Wah Yiu Industrial Centre, 30-32 Au Pui Wan Street, Fo Tan, New Territories, Hong Kong	HKD 15,000	Finance/Logistics
Tairoun Products Co., Ltd. (Thailand)	2019.09.16	Nong Kham, Si Racha District, Chon Buri 20230, Thailand	THB 120,000	Metal stamping and casting industry
Yuan Rong Technology (Shenzhen) Co., Ltd.	2019.06.19	301, Techno Plant 3, No. 10, Longshan Industrial Park, Nanling Village, Nanwan Street, Longgang District, Shenzhen	CNY 3,000	Smart home security system equipment, medical supplies
SYS-P Corp	2016.02.23	Room 415, 4th Floor, Building A, Tianhui Building, Yousong Road, Longhua Street, Longhua New District, Shenzhen	USD 15	International trade, information software wholesale, and service
S&T CZ s.r.o., Czech Republic	1991.12.18	Na Strži 1702/65, 140 00, Praha, Czech Republic	EUR 1,593	IT servers
S&T Plus s.r.o., Czech Republic	1998.10.14	Novodvorská 994/138, 142 21, Praha, Czech Republic	EUR 280	Manufacturing and marketing of industrial computers
S&T Services Polska Sp.z.o.o., Poland	2001.07.25	Postępu 21 D, 02-676, Warsaw, Polska	EUR 313	IT servers
S&T Crna Gora d.o.o., Montenegro	2002.08.08	Bulevar revolucije 5, 81000, Podgorica, Montenegro	EUR 25	IT servers
S&T Bulgaria e.o.o.d., Bulgaria	2007.12.17	7 Iskarsko shosse bul. Trade center Europe, build. 6, fl. 3, 1528, Sofia, Bulgaria	EUR 579	Manufacturing and marketing of industrial computers
S&T Poland Sp.z.o.z., Poland	2002.03.19	Postępu 21 D, 02-676, Warsaw, Polska	EUR 3,108	IT servers
S&T Services s.r.o., Slovakia	1994.05.05	Mlynské nivy 71, 821 09, Bratislava, Slovakia	EUR 982	IT servers
S&T Slovenija d.d., Slovenia	1991.01.30	Leskoškova cesta 6, 1000, Ljubljana, Slovenia	EUR 1,311	IT servers
S&T Hrvatska d.o.o.,	1995.11.04	Borongajska cesta 81a, 10000, Zagreb,	EUR 29	IT servers

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
Croatia		Croatia		
S&T Macedonia d.o.o.e.l., Macedonia	2007.05.09	Ankarska 31, 1000, Skopje, Macedonia	EUR 9	IT servers
S&T Romania S.R.L., Romania	1994.01.31	10 Montreal Square, WTCB SA, Main Building, 3rd floor, 11469, Bucharest, Romania	EUR 2,451	IT servers
S&T Serbia d.o.o., Serbia	1996.01.31	Djordja Stanojevica 14/III, 11070, Belgrade, Serbia	EUR 49	IT servers
S&T Albania Sh.p.k., Albania	2005.01.11	Ibrahim Rugova, No. 5, Sky Tower 11/1, 1000, Tirana, Albania	EUR 282	IT servers
S&T Mold srl., Moldova	1995.11.23	Serghei Lazo 40, 2004, Chisinau, Moldova	EUR 206	IT servers
S&T IT Technology SRL	2017.12.19	Serghei Lazo 40, 2004, Chisinau, Moldova	EUR 2	IT servers
S&T IT Services S.R.L.	2008.03.03	Str. Calea lesilor 8, 2069 Chisinau, Moldova	EUR 149	IT servers
S&T Consulting Hungary Kft., Hungary	1999.01.06	14, Puskás Tivadar street, 1119, Budapest, Hungary	EUR 398	IT servers
S&T Deutschland GmbH, Germany	2005.03.07	Am Flugplatz 35, D-56743, Mendig, Germany	EUR 25	IT servers
Computer Betting Company GmbH, Austria	1999.02.03	Füchselbachstraße 7, A-4060, Leonding, Austria	EUR 36	Manufacturing and marketing of industrial computers
SecureGUARD GmbH, Austria	2000.02.02	Industriezeile 35, A-4021 Linz, Austria	EUR 134	Manufacturing and marketing of industrial computers
S&T embedded GmbH, Germany	2004.08.21	Gutenbergstraße 2, D-85737, Ismaning, Germany	EUR 102	Manufacturing and marketing of industrial computers
S&T CEE Holding s.r.o.	1993.05.13	Mlynské nivy 71, 821 09, Bratislava, Slovakia	EUR 1,660	IT servers
S&T MEDTECH SRL	1996.11.7	241A, Barbu Vacarescu, 20285, Bucharest, Romania	EUR 282	Manufacturing and marketing of industrial computers
S&T Smart Energy GmbH, Austria	2004.10.13	Industriezeile 35/4 , A-4020 Linz, Austria	EUR 36	Manufacturing and marketing of industrial computers
Amanox Solutions AG, Switzerland	2011.03.14	Falkenplatz 11, CH-3012, Bern, Switzerland	EUR 96	IT servers
Hamcos IT Service GmbH, Germany	1998.09.23	Dornierstr. 4, D-88367, Hohentengen, Germany	EUR 200	IT servers

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
Kontron Beteiligungs GmbH	2020.07.21	Gutenbergstrasse 2, D-85737 Ismaning, Germany	EUR 0	Manufacturing and marketing of industrial computers
Kontron Austria GmbH, Austria(original S&T Electronics and Payment Systems GmbH, Austria)	1990.11.15	Freistädterstr. 38, A-4029 Engerwitzdorf, Austria	EUR 36	Manufacturing and marketing of industrial computers
S&T Services GmbH, Austria	2016.11.28	Brehmstraße 10, A-1110 Vienna, Austria	EUR 35	IT servers
S&T Technologies GmbH, Austria	2010.12.10	Industriezeile 35, A-4021 Linz, Austria	EUR 35	IT servers
Linforge Technologies GmbH, Austria	2001.11.19	Brehmstraße 10, A-1110 Vienna, Austria	EUR 35	IT servers
GADA GROUP ROMANIA SRL, Romania	1996.11.07	241A, Barbu Vacarescu, 20285, Bucharest, Romania	EUR 282	Manufacturing and marketing of industrial computers
Affair OOO, Russia	2002.06.25	Nikitinskaya str. 3, 105037, Moscow, Russia	EUR 208	Manufacturing and marketing of industrial computers
S&T Services Bel LCC, BLR	2008.07.18	Fabritsius str. 9a, office 15, 220007, Minsk, Belarus	EUR 113	IT servers
S&T Asia Inc., Taiwan	2013.08.16	5F., No. 415, Ti-Ding Blvd., Sec. 2 Neihu District, 144, Taipei City Government, Taiwan	EUR 365	Manufacturing and marketing of industrial computers
SteuDaTecc System-und Netzwerktechnik GmbH	2000.05.16	Ludwig Erhardt Straße 1b, 56746 Kempenich, Germany	EUR 25	IT servers
XTRO AG, Germany	2005.03.07	Gutenbergstrasse 2, D-85737 Ismaning, Germany	EUR 50	IT servers
STS Sportwetten GmbH, Austria	1993.07.27	Füchselbachstraße 7, A-4060 Leonding, Austria	EUR 36	Manufacturing and marketing of industrial computers
S&T Slovakia s.r.o., Slovakia	1993.05.13	Mlynské nivy 71, 821 09, Bratislava, Slovakia	EUR 1,660	IT servers
S&T Services Kft., Hungary	2011.10.27	Puskás Tivadar street 14, H-2040, Budapest, Hungary	EUR 880	IT servers
Kontron AIS GmbH	1990.06.14	Otto-Mohr-Straße 6, D-01237 Dresden, Germany	EUR 51	Manufacturing and marketing of industrial computers
CITYCOMP Service GmbH	1988.11.17	Elly-Beinhorn-Str. 11, D-73760 Ostfildern, Germany	EUR 256	IT servers
CITYCOMP Service AG	2014.02.12	Feldhofweg 3, 4663 Aarburg, Switzerland	EUR 94	IT servers

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
Kontron Technologies GmbH	2010.12.10	Industriezeile 35, A-4021 Linz, Austria	EUR 35	Manufacturing and marketing of industrial computers
Kontron Electronics Kft.	1992.01.21	Rákóczi u. 78., H-8671 Kapoly, Hungary	EUR 9	Manufacturing and marketing of industrial computers
KONTRON AMERICA INC.	1999.12.06	9477 Waples Street, Suite 150, San Diego, California, 92121, Delaware , USA	EUR 2,048	Communication products
KONTRON CANADA INC.	2002.01.01	4555, Ambroise-Lafortune, J7H 0A4, Boisbriand, Canada	EUR 21,516	Communication products
KONTRON ASIA PACIFIC DESIGN SDN. BHD.	2008.06.09	Plot 554, Lorong Perusahaan 4, Prai Free Trade Zone, 13600, Penang, Malaysia	EUR 9,354	Manufacturing and marketing of industrial computers
Kontron Technology Beijing Co. Ltd.	2000.01.25	1~2F, 10 Building, No.8 Liangshuihe 2nd Street, Economical & Technological Development Zone, 100176, Beijing, China	EUR 1,988	Manufacturing and marketing of industrial computers
Kapsch (Beijing) Information and communication Technology Co., Ltd	2011.11.18	403-18 4/F, No 20 Jui Xian Qiao Road, Chaoyang District, Beijing 100016, China	EUR 130	Manufacturing and marketing of industrial computers
Kontron Asia Inc.	2013.08.16	5F., No. 415, Ti-Ding Blvd., Sec. 2 Neihu District, 144, Taipei City Government, Taiwan	EUR 365	Manufacturing and marketing of industrial computers
Kontron Transportion Taiwan Co., Ltd	2010.03.31	11F, No.200, Jinshan South Road, Sec.2, Taipei, 10643, Taiwan, Republic of China	EUR 1,420	Manufacturing and marketing of industrial computers
Kontron Transportation Austria AG	2002.06.28	Lehrbachgasse 11, A-1120 Wien, Austria	EUR 10,000	Manufacturing and marketing of industrial computers
Kontron Transportation Sp. z o.o.	2011.03.04	Ul. Poleczki 35, 02-822 Warsaw, Poland	EUR 23	Manufacturing and marketing of industrial computers
Kontron Transportation España SL	2010.02.08	Parque Empresarial "La Finca", Paseo Club Deportivo, 1, Edificio 6B, 28223 Pozuelo de Alarcón, Spain	EUR 250	Manufacturing and marketing of industrial computers
Kontron Transportion Portugal, Unipessoal LDA	2012.12.19	Av. D. João II, N° 44C, Piso 3-F, Edifício Atlantis, Distrito: Lisboa Concelho: Lisboa Freguesia: Santa maria dos Olivais, 1990 095 Lisboa, Portugal	EUR 5,000	Manufacturing and marketing of industrial computers
Kontron Transportation	1992.04.10	Praha 8 - Ke Štvanici 656/3, 18600	EUR 1,178	Manufacturing and marketing of industrial

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
s.r.o.		Prague, Czech Republic		computers
Kapsch TrafficCom Construction & Realization spol. s.r.o.	2005.08.17	Praha 8 - Ke Štvanici 656/3, 18600 Prague, Czech Republic	EUR 76	Manufacturing and marketing of industrial computers
Kontron Transportation Hungary Kft.	1991.11.01	Bocskai út 77-79, 1113 Budapest, Hungary	EUR 207	Manufacturing and marketing of industrial computers
Kapsch CarrierCom Saudi Arabia LLC	2015.04.09	Tower 3, sixth floor, office #366, Almousa Center, Olaya St. Olaya, Riyadh, Saudi Arabia	EUR 200	Manufacturing and marketing of industrial computers
Kontron Transportation Deutschland GmbH	2010.02.11	Frankfurterstraße 120-126, D-63263 Neu-Isenburg, Germany	EUR 25	Manufacturing and marketing of industrial computers
Kontron Transportation France S.A.S.	2010.02.08	1 Rue Jean-Pierre Timbaud, Site Immontigny CS 80737, 78180 Montigny Le Bretonneux, 78066 Saint Quentin Yvelines Cedex, France	EUR 2,800	Manufacturing and marketing of industrial computers
Kontron Transportation UK Ltd.	2010.01.29	1st Floor, Healthaid House Marlborough Hill, Harrow, Middlesex HA1 1UD, United Kingdom	EUR 469	Manufacturing and marketing of industrial computers
Kontron Transportation Belgium NV	2008.12.24	Twin Squares - Madison, Culliganlaan 1A, 1831 Diegem, Belgium	EUR 11,323	Manufacturing and marketing of industrial computers
FinTel Holding d.o.o. & co k.d., holdinška družba	2010.02.12	Ljubljanska cesta 24a, 4000 Kranj	EUR 2,179	Manufacturing and marketing of industrial computers
FinTel holding d.o.o.	2010.01.25	Ljubljanska cesta 24a, 4000 Kranj	EUR 602	Manufacturing and marketing of industrial computers
Iskratel d.o.o.	1989.10.27	Ljubljanska cesta 24a, 4000 Kranj	EUR 109	Manufacturing and marketing of industrial computers
ITS Skopje	1998.03.05	Str,Mirce Acev no,2 Katna garaza ,Razlovacko vstanie kat 1 Skopje	EUR 5	Manufacturing and marketing of industrial computers
ITS Softver d.o.o.	2016.03.07	Str,Mirce Acev no,2 Katna garaza ,Razlovacko vstanie kat 1 Skopje	EUR 5	Manufacturing and marketing of industrial computers
IskraCom	2010.01.28	17, Nauryzbai batyr str, office 101. Almaty, 050004. Kazakhstan.	EUR 30	Manufacturing and marketing of industrial computers
OOO Iskratel Tashkent	2011.02.22	Uzbekistan, g.Tashkent pr.A.Temura 99a	EUR 1	Manufacturing and marketing of industrial computers
AO IskraUralTel Yekaterinburg	1994.04.27	Yekaterinburg, Komvuzovskaya St., 9A, Russian Federation, 620066	EUR 8	Manufacturing and marketing of industrial computers
Iskratel Ukraine LTD	2010.08.09	04050, Kyiv, Ukraine, Sichovykh Striltsiv	EUR 330	Manufacturing and marketing of industrial

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
		Str., 72A		computers
KONTRON EUROPE GMBH	1962.09.03	Lise-Meitner-Straße 3-5, D-86156 Augsburg, Germany	EUR 23,600	Manufacturing and marketing of industrial computers
Kontron ECT design s.r.o.	2000.01.20	Teslova 1120/1, 301 00 Pilsen 1, Czech Republic	EUR 20	Manufacturing and marketing of industrial computers
Kontron UK Ltd.	1996.05.28	Appledram Barns, P20 7EQ, Chichester, United Kindom	EUR 197	Manufacturing and marketing of industrial computers
Kontron Modular Computers S.A.S.	1986.12.31	150, rue M.Berthelot - ZI Toulon-Est - BP244, 83078, Toulon, France	EUR 5,140	Manufacturing and marketing of industrial computers
Kontron Technology A/S	1995.02.16	Neergaardsvej 5 D, 2970, Hørsholm, Denmark	EUR 919	Manufacturing and marketing of industrial computers
Kontron Electronics GmbH, Germany	2017.04.11	Kantstraße 10, 72663 Großbettlingen, Germany	EUR 102	Manufacturing and marketing of industrial computers
Kontron Austria electronics GmbH, Austria	1986.10.03	Wildbichlerstraße 2e, 6341 Ebbs, Austria	EUR 54	Manufacturing and marketing of industrial computers
Kontron Electronics AG, Switzerland	1978.03.30	Riedstrasse 1, 6343 Rotkreuz, Switzerland	EUR 863	Manufacturing and marketing of industrial computers
Kontron Austria Holding Austria GmbH, Austria	2011.01.10	Wildbichlerstraße 2e, 6341 Ebbs, Austria	EUR 35	Manufacturing and marketing of industrial computers
S&T PilsCom s.r.o., Czech Republic	1998.02.26	Slovanská alej 2182/30, 32600, Plzen, Czech Republic	EUR 4	IT servers
RTSoft Project OOO, Russia	2002.09.03	Nikitinskaya str., 3, 105037, Moscow, Russia	EUR 7	Manufacturing and marketing of industrial computers
S&T IT Technologie srl., Moldova	2017.12.19	Serghei Lazo 40, 2004, Chisinau, Moldova	EUR 2	IT servers
Kapsch CarrierCom d.o.o.	2012.05.30	Borongajska cesta 81a, 10000, Zagreb, Croatia	EUR 1,467	IT servers
Kapsch DOOEL Skopje	2007.12.04	Filip 2 Makeonski Str. No 3./Floor 3, 1000, Skopje, Macedonia	EUR 5	IT servers
Marketch Integrated Pte. Ltd.	1997.07.10	86 KaKi Bukit Industrial Terrace, Singapore 416166	SGD 10,086	semiconductor industry automation supply system
Market Go Profits Ltd.	2000.12.20	P.O. Box 957 Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	USD 41,069	Investment holding and reinvestment
MIC-Tech Global Corp.	2004.10.18	RM918 Hyundai Office Bldg, 9-4 Sunae 1-dong, Bundang-gu, Seongnam-si,	KRW 657,800	General international trade industry

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
		Gyeonggi-do, Korea		
Headquarter International Ltd.	2002.12.10	P.O. Box 957 Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	USD 1,289	Investment holding and reinvestment
Tiger United Finance Ltd.	2002.10.09	P.O. Box 957 Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	USD 1,410	Investment holding and reinvestment
Marketech Engineering Pte. Ltd.	2013.11.28	86 KaKi Bukit Industrial Terrace, Singapore 416166	SGD 938	Contracting of engineering services such as mechanical and electrical installation
Marketech Integrated Manufacturing Company Limited	2015.03.19	Lot No.B12 Tailawa Special Economic Zone A, Yangon Region, Myanmar	USD 15,356	Design, manufacture, assembly and other services of automatic production machinery and components
MIC-Tech Viet Nam Co., Ltd.	2010.01.22	6F, No 36, Hoang Cau street, O Cho Dua Ward, Dong Da District, Ha Noi City, Vietnam	USD 3,700	Trading, installation, and maintenance business of various factory machinery equipment and peripheral consumables; Consulting services and software execution services related to the installation of computer hardware
Marketech Co., Ltd.	2011.06.13	(R1-08-09) The EverRich, 968 3-2 St., 15 Ward, Dist 11, Ho Chi Minh City, Vietnam	USD 2,400	Engineering professional contracting and related maintenance services; Machine tool sales and maintenance, cosmetics and daily necessities sales; Software production, development, implementation and programming services; Provision of industrial machinery and equipment installation services
eZoom Information, Inc.	1996.11.20	6F.-3, No. 3-2, Park St., Nangang Dist., Taipei City	NTD 200,000	R&D, trading, and consulting services of information system software and hardware application
PT Marketech International Indonesia	2014.09.25	VIP Chamber #2, Wisma GKBI Lantai 39 Suite 3901, JI Jend, Sudirman No 28, Kel Bendungan Hilir, Kee. Tanah Abang Jakarta Pusat	USD 1,200	Trading of machinery equipment and spare parts
Ya Da Technology Co., Ltd.	2017.10.19	6F., No. 3-2, Park St., Nangang Dist., Taipei City	NTD 130,882	R&D and application of information software, supply of service electronic information, and equipment trading
Marketech Netherlands	2017.06.30	Luchthavenweg 81,8657 EA Eindhoven	EUR 900	International trade businesses and technical

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
B.V.				services for machinery, equipment, and components
Marketch International Sdn. Bhd.	2009.02.10	A-02-02, Capital 1 (Block A), Oasis Square, Oasis Damansara, 47301 Petaling Jaya, Selangor.	MYR 12,243	Professional engineering contracting and related maintenance services
MIC-Tech Ventures Asia Pacific Inc.	2001.02.01	Huntlaw Building, P.O. BOX 2804, George Town, Grand Cayman, Cayman Islands	USD 40,967	Investment holding and reinvestment
Marketch Integrated Construction Co., Ltd.	2014.04.03	67/A, Htan Tapin Street, Kamayut Township, Yangon	USD 650	Contracting of engineering services such as mechanical and electrical installation
Russky H.K. Limited	1992.12.17	Rm 1401, The Centre Mark, 287-299 Queen's Road Central, Hong Kong	USD 833	Investment holding and reinvestment
Marketch International Corporation USA	2018.11.14	4701 WASHINGTON AVE STE L15 RACINE WI 53406-4233,USA	USD 7,500	Professional engineering contracting and related maintenance services
Frontken MIC Co.,Limited	2007.12.28	Rm 1401, The Centre Mark, 287-299 Queen's Road Central, Hong Kong	USD 2,338	Investment holding and reinvestment
Ruixuan International Co., Ltd.	2007.12.14	AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	USD 9,000	Investment holding and reinvestment
Spiro Technology Systems Inc.	2008.04.02	80 Tanforan Ave. Ste. 10 South San Francisco CA 94080	USD 20	General international trade industry
Smart Health Corp.	2019.10.22	10F.-2, No. 3-2, Park St., Nangang Dist., Taipei City	NTD 500	Smart medical advisory services and investments
Nanjing Asiatek Inc.	2005.04.13	Room 505, Block B, Building 2, Runhe Software Park, No.168, Software Avenue, Yuhuatai District, Nanjing	USD 3,000	Research, development, sales of software and hardware products, and provision of its installation, debugging, and technical consulting.
Shenzhen Asiatek Inc.	2018.12.19	No. 101, 1F Mezzanine, Building B3, Foxconn Technology Park, 2nd Donghuan Road, Longhua Street, Longhua District, Shenzhen City, Guangdong Province, China	RMB\$6,250	Engaged in R & D, production and sales of electronic materials required for hardware and software products
Ennoconn (Foshan) Investment Co., Ltd.	2016.12.23	Room 112, 1st Floor, Building D, Central European Center, No. 2 South Lingnan Avenue, Lecong Town, Shunde District, Foshan City	CNY 66,207	Professional Investment
Beijing Caswell Ltd.	2003.09.23	East of 4th Floor, Building 5, Qunying Science Park, No. 8 Shangdi Chuangye	USD 3,800	Production and sales of network communication products

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
		Road, Haidian District, Beijing		
HighAim Technology Inc.	2007.07.16	No. 278, Chensong Road, Yushan Town, Kunshan City, Jiangsu Province, China	USD 10,000	Design, R&D, and production of various molds, servers, and communication equipment.
Kunshan Lidingcheng Intelligent Equipment Co., Ltd.	2018.08.03	Room 3, No. 278, Chensong Road, Yushan Town, Kunshan City	RMB 1,000	Leasing, sales, and after-sales service of intelligence, machinery equipment, and accessories.
HighAim Technology (Shenzhen) Inc.	2019.12.06	Room 201, Building B, Fuanna Company, Qinghu Village, Qinghu Community, Longhua Street, Longhua District, Shenzhen	RMB 2,700	Automation fixtures, tools and moulds
EnnoMech Precision (Shenzhen) LLC	2016.02.23	Room 415, 4th Floor, Building A, Tianhui Building, Yousong Road, Longhua Street, Longhua New District, Shenzhen	RMB 10,000	Machinery components
Goldtek Technology Co., Ltd. (Shenzhen)	2016.07.21	Room 1926, Longhu Junhui Fashion Apartment, Meilong Avenue, Longhua District, Shenzhen	USD 9,500	Relevant research, design, and sales of electronic products, communication equipment, and spare parts, and after-sales service of the above products.
Techno Precision (Shenzhen) Co., Ltd.	2012.06.27	Plant 3, No. 10, Longshan Industrial Park, Nanling Village, Nanwan Street, Longgang District, Shenzhen	HKD 23,000	Stamping/assembly
T-Paragon Metal (Shenzhen) Ltd.	2012.06.14	Phase II Plant, No. 10, Longshan Industrial Park, Nanling Village, Nanwan Street, Longgang District, Shenzhen	HKD 5,000	Zinc/Aluminum Alloy Die Casting
Techno Apogee Co.,Ltd.	2018.06.26	1F, Plant 3, No. 10, Longshan Industrial Park, Nanling Village, Nanwan Street, Longgang District, Shenzhen	CNY 8,000	Manufacturing and sales of plastic and metal mold
Ennoconn (Suzhou) Technology Co., Ltd.	2017.06.29	Room 1, No. 299, Nansong Road, Yushan Town, Kunshan City, Jiangsu Province	USD 30,000	Research and development, production and sales of industrial computers
Ennoconn (Kunshan) Technology Co., Ltd.	2018.04.26	Room 3, No. 299, Nansong Road, Yushan Town, Kunshan City, Jiangsu Province	RMB 500	Smart technology development and sales of hardware
Ennoconn Investment Co., Ltd.	2019.10.30	19F, Block C, Haichuang Building, No. 288 Dengyun Road, Yushan Town, Kunshan City, Jiangsu Province	USD 20,000	Professional Investment
MIC-Tech (Wuxi) Co., Ltd.	2001.05.16	No. 11, Xinxu Road, Wuxi National High-tech Industrial Development Zone,	USD 25,500	Design, manufacture, installation, and maintenance services of semiconductor

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
		Jiangsu Province		components and crystal special equipment, electronic components special equipment, and environmental pollution prevention equipment; Assembly of special packaging equipment and refrigeration equipment; Grill assembly; Wholesale, commission agency, and import and export business of the abovementioned products and their parts, textiles, daily necessities, chemical products, and cosmetics; Lease of the self-owned plant; Design, manufacture, 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.
MIC-Tech (Shanghai) Corp., Ltd.	2001.05.24	Area A1-3, 1F, Great Wall Building, No. 333, Fute West 1st Rd, China (Shanghai) Pilot Free Trade Zone	USD 8,241	Semiconductor production, semiconductor equipment maintenance, testing equipment, and consumables, wholesale, commission agent, import and export, and other related supporting business for power generation boiler; Chemical, warehousing and distribution business focusing on boiler products: international trade and entrepot trade; Trade and trade agency between enterprises in the bonded area; District business consulting services.
Fuzhou MIC-Tech Electronic Engineering Corp.	2003.02.27	No.B06, 3rd Floor, Fujian Longfu Electromechanical Wholesale Market, No.15 Lianjiang South Road, Cangshan District, Fuzhou, Fujian Province	USD 300	Cleanroom and power system equipment, piping system equipment installation, and related supporting services.
Shanghai Maohua Electronics Engineering Co., Ltd.	1998.04.21	Room 707~708, No. 36, Lane 2777, Jinxiu East Road, China (Shanghai) Pilot Free Trade Zone	USD 600	Design, installation, debugging, and technical services of pest-killing barrel regeneration, pipeline system and relevant facilities for the semiconductor manufacturing industry; Maintenance for the semiconductor manufacturing industry, electronics and

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
				medical equipment technical consultation, wholesale, commission agency (except auctions), import & export, and related support services of electronic products, mechanical equipment, chemical products (except dangerous goods), communication products, metal products, and manufactured materials.
MIC-Tech Electronics Engineering Corp.	2006.06.30	Room 701-706, No. 36, Lane 2777, Jinxiu East Road, China (Shanghai) Pilot Free Trade Zone	USD 17,619	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 pipeline installation engineering for chemical and petroleum equipment, pipeline professional contracting, and provisions of related engineering post-warranty services and related engineering technical consulting services.
Frontken-MIC (Wuxi) Co., Ltd.	2008.10.31	No. 11, Xinxi Road, Wuxi National High-tech Industrial Development Zone, Jiangsu Province	USD 2,308	Cleaning of semiconductor components and integrated circuit special equipment; Cleaning of special parts for semiconductor devices, parts for integrated circuits and microcomponents, and wafer; R&D of semiconductor cleaning technology; Assembly, installation, and maintenance services of refrigeration equipment; Design, manufacture, sales, and installation of automatic warehousing equipment and accessories, automatic conveying 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-mentioned products and parts.
Integrated	2008.10.22	(No. 60, Group 4, Liantong Village)	USD 7,000	Development and production of special

Name of affiliates	Date of establishment	Address	Paid-in Capital	Main Business or Production Items
Manufacturing & Services Co., Ltd.		Huolong Industrial Park, Sijia Town, Haimen City, Nantong City, Jiangsu Province		equipment for solar cell production, manufacturing of key components such as optical engines, light sources, projection screens, high-definition projection tubes, and microdisplay projection equipment modules for large color projection displays, manufacturing of new electronic components, and cleaning and regeneration services, sales of its own products; Mechanical equipment, general equipment production technology R&D, technology transfer, technical consulting, technical services; Metal scrap and shredding processing (except hazardous chemicals, hazardous waste); Metal materials (except steel and precious metals), ceramic products, paper products, hardware products wholesale, retail and import and export business.
Shanghai Fanya Trading Co., Ltd.	2013.03.21	Room 517, 5th Floor, No. 8, Huajing Road, Waigaoqiao Free Trade Zone, Shanghai	USD 1,500	The wholesale, commission agents, import & export and other related business of chemical products (except hazardous chemicals, precursor chemicals, and special chemicals), semiconductor, test equipment and consumables, solar equipment supplies, boiler for power generation, mechanical equipment and accessories; International trade, entrepot trade, trade and trade agency between enterprises in the bonded area, trade consulting services; Installation and maintenance of semiconductor equipment, automation equipment, electronic equipment, and accessories.

3. The industries covered by the overall business of the Company and affiliates:

The industries covered by the business of the Company and its affiliates include electronics, computers, manufacturing, trading, investment, etc.

4. Where there is considered to be a controlled and subordinate relation, the information of the same shareholders:

5. Information on directors, supervisors, and presidents of affiliates

Dec. 31, 2020

Unit: shares; \$ thousands

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
Innovative Systems Integration Limited	Director	Ennoconn Corporation - Chao-Tsung Lou	166,221,030	100%
Ennoconn International Investment Co., Ltd.	Chairman	Ennoconn Corporation - Chao-Tsung Lou	720,635,000	100%
	Director	Ennoconn Corporation - Fu-Chuan Chu	720,635,000	100%
	Director	Ennoconn Corporation - Neng-Chi Tsai	720,635,000	100%
	Supervisor	Ennoconn Corporation - Yu-Mei Wu	720,635,000	100%
Caswell Inc.	Chairman	Ennoconn Corporation - Fu-Chuan Chu	20,000,000	27.37%
	Director	Ennoconn Corporation - Chao-Tsung Lou	20,000,000	27.37%
	Director and President	Te-Fu Hung	115,446	0.16%
	Director	Ennoconn Corporation - Neng-Chi Tsai	20,000,000	27.37%
	Independent Director	Chien-Hua Shao	0	0%
	Independent Director	Wen-Chin Huang	0	0%
	Independent Director	I-Chun Wang	0	0%
Ennoconn Investment Holdings Co., Ltd.	Chairman	Ennoconn Corporation - Chao-Tsung Lou	229,360,000	100%
ENGA Technology Co., Ltd.	Chairman	Innovative Systems Integration Limited - Chao-Mao Huang	3,500,000	100%
	Director	Innovative Systems Integration Limited - Fu-Chuan Chu	3,500,000	100%
	Director	Innovative Systems Integration Limited - Chao-Tsung Lou	3,500,000	100%
Victor Plus Holdings Ltd.	Director	Innovative Systems Integration Limited	0	100%
AIS Cayman Technology	Chairman	Fu-Chuan Chu	0	0%
	Director	CHUN HAO SHIH	0	0%
	Director	NEN CHI NELSON TSAY	231,000	6%
S&T AG	Directors	Hannes Niederhauser	1,082,763	1.64%
	Directors	Richard Neuwirth	5,000	0.01%
	Directors	Michael Jeske	0	0.00%

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
	Directors	Peter Sturz	8,833	0.01%
	Directors	Carlos Queiroz	0	0.00%
	Supervisors	Claudia Badstöber	1,992	0.00%
	Supervisors	Bernhard Chwatal	0	0%
	Supervisors	Hui-Feng Wu alias Ed Wu	0	0%
	Supervisors	Fu-Chuan Chu alias Steve Chu	0	0%
	Supervisors	Yu-Lung Lee alias Max Lee	0	0%
AIS	Chairman	NEN CHI NELSON TSAY	0	0%
	Director	YUAN-LIN LEE	0	0%
	Director	JOSEPH JOHN FIJAK	0	0%
Vecow Co., Ltd.	Director	AIS - Neng-Chi Tsai	20,000,000	100%
	Director	AIS - Fu-Chuan Chu	20,000,000	100%
	Director	AIS - Ling-Hsiao Yu	20,000,000	100%
	Supervisor	AIS - Chun-Hao Shih,	20,000,000	100%
Goldtek Technology Co., Ltd.	Chairman	Ennoconn International Investment Co., Ltd. - Fu-Chuan Chu	17,022,831	56.74%
	Director	Ennoconn International Investment Co., Ltd. - Chao-Tsung Lou	17,022,831	56.74%
	Director	Hui-Pin Liang	757,831	2.53%
	Director	Ennoconn International Investment Co., Ltd. - Tung-Sheng Tu	17,022,831	56.74%
	Independent Director	Wu-Shui Cheng	0	0%
	Independent Director	Chun-Nien Lai	0	0%
	Independent Director	Shih-Kang Fan	0	0%
Goldtek Technology Co., Ltd.	President	Tung-Sheng Tu	108,539	0.36%
EnnoMech Precision (Cayman) Co., Ltd.	Chairman	Ennoconn International Investment Co., Ltd. - Chao-Tsung Lou	13,800,000	100%
SyS-P Co., Ltd.	Director	Ennoconn International Investment Co., Ltd. - Chun-Hao Shih	30,000	100%

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
Taiwan Applied Module Corp.	Chairman	Ennoconn International Investment Co., Ltd. - Chao-Mao Huang	10,400,000	100%
	Director	Ennoconn International Investment Co., Ltd. - Wang-Lin Tsai	10,400,000	100%
	Director	Ennoconn International Investment Co., Ltd.- Ming-Hsueh Tsai	10,400,000	100%
	Supervisor	Ennoconn International Investment Co., Ltd. - Pin-Hsien Wu	10,400,000	100%
	President	Ming-Hsueh Tsai	0	0%
Thecus Technology Corp.	Chairman	Ennoconn International Investment Co., Ltd. - Chun-Hao Shih	10,200,000	60%
	Supervisor	Yi-ping Jian	0	0%
Dexatek Technology Ltd.	Chairman	Ennoconn International Investment Co., Ltd. - Fu-Chuan Chu	12,600,000	60%
	Director	Ennoconn International Investment Co., Ltd.- Ming-Hsueh Tsai	12,600,000	60%
	Director	Ennoconn International Investment Co., Ltd. - Hung-Chih Chou	12,600,000	60%
	Director and President	Hsin-Yu Chen	1,044,874	4.98%
	Director	Fuyang Investment Co., Ltd. - Pei-Yu Chang	3,708,676	17.66%
	Supervisor	Pin-Hsien Wu	10,000	0.05%
	Supervisor	Ya-Hui Lin	10,000	0.05%
	Supervisor	Lung-Peng Hung	88,743	0.42%

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
Marketch International Corp.	Director	Ji-xuan Investment Co., Ltd. - Hsin-Ming Kao	11,005,795	5.93%
	Director	E-WIN Investment Co., Ltd. - Yu-Yeh Lin	6,647,112	3.58%
	Director	Ennoconn International Investment Co., Ltd. - Fu-Chuan Chu	83,468,613	44.71%
	Director	Ennoconn International Investment Co., Ltd. - Chao-Tsung Lou	83,468,613	44.71%
	Director	Ennoconn International Investment Co., Ltd. - Yu-Lung Li	83,468,613	44.71%
	Director	Ennoconn International Investment Co., Ltd. - Yu-Mei Wu	83,468,613	44.71%
	Independent Director	Tsung-Pao Wu	0	0.00%
	Independent Director	Hsiao-Min Lin	0	0.00%
	Independent Director	I-Chun Wang	0	0.00%
HighAim Technology Inc.	Legal representative and executive managing director	Huan-Hsiang Chung	101,212	0.02%
Dominate United Enterprise Ltd.	Chairman	EnnoMech Precision (Cayman) Co., Ltd. - CHIH KUN JACKSON SHIH	2,100,000	100%
EnnoMech Precision Co., Ltd.	Chairman	EnnoMech Precision (Cayman) Co., Ltd. - Chao-Tsung Lou	1,000,000	100%
	Director	EnnoMech Precision (Cayman) Co., Ltd. - Fu-Chuan Chu	1,000,000	100%
	Director	EnnoMech Precision (Cayman) Co., Ltd. - Chao-Mao Huang	1,000,000	100%
	Supervisor	EnnoMech Precision (Cayman) Co., Ltd. - Ping-Hsun Huang	1,000,000	100%
FUNOLOGY INVESTMENT INC.	Legal representative	HighAim Technology Inc. - Ju-Hsiang Chung	1,000	100%
ANDRIX INTERNATIONAL LIMITED	Legal representative	HighAim Technology Inc. - Huan-Hsiang Chung	900	100%

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
CASO Inc.	Director	Caswell Inc. - Te-Fu Hung	1,881	99%
	Director	Caswell Inc. - Chih-Chiang Yen	1,881	99%
	Director and President	Takeda Kazuhiro	19	1%
Caswell International Investment Co., Ltd.	Director	Caswell Inc. - Fu-Sung Hsu	0	100%
Caswell Americas, Inc.	Chairman	Caswell Inc. - Chih-Chiang Yen	3,000,000	100%
Apligo GmbH	Chairman	Caswell Inc. - I-Hsin Liu	24,000	66.67%
Hawkeye Tech Co., Ltd.	Chairman	Yung-Nien Liu	0	0%
	Director	Tsao Jui-Hua	0	0%
	Director	Liu-Ping Chen	0	0%
	Director	Caswell Inc. - Te-Fu Hung	8,187,000	60.64%
	Director	Caswell Inc. - Yen-Hsiang Chen	8,187,000	60.64%
	Supervisor	I-Hsiang Hsu	0	0%
Thecus NL B.V.	Chairman	Thecus Technology Corp. - Pei-Chih Sun	2600	100%
Tecas USA.,Inc.	Chairman	Thecus Technology Corp. - Shih-Po Li	750,000	100%
Keenest Electronic Corp.	Chairman	Tung-Sheng Tu	USD 20,500	100%
SYS-P Corp	Director	SHIH, CHUN-HAO	50,000	100%
S&T CZ s.r.o., Czech Republic	Directors	Becka Miroslav	0	0%
	Directors	Kraus Vaclav	0	0%
S&T Plus s.r.o., Czech Republic	Directors	Ludvik Tot	0	0%
	Directors	Kraus Václav	0	0%
S&T Services Polska Sp.z.o.o., Poland	Directors	Piotr Staszczak	0	0%
	Directors	Golebiewski Grzegorz	0	0%
S&T Crna Gora d.o.o., Montenegro	Directors	Maric Milan	0	0%
S&T Bulgaria e.o.o.d., Bulgaria	Directors	Zlati Stoychev Petrov	0	0%
	Directors	Vassil Mladenov Minev	0	0%
S&T Poland Sp.z.o.z., Poland	Directors	Piotr Staszczak	0	0%
	Directors	Grzegorz Golebiewski	0	0%
	Directors	Maurycy Palkiewicz	0	0%
S&T Services s.r.o., Slovakia	Directors	Horovčáková Helena	0	0%
S&T Slovenija d.d., Slovenia	Directors	Berger Saso	0	0%

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
S&T Hrvatska d.o.o., Croatia	Directors	Vidic Bozidar	0	0%
S&T Macedonia d.o.o.e.l., Macedonia	Directors	Antovski Boro	0	0%
S&T Romania S.R.L., Romania	Directors	Macovei Nicoleta	0	0%
S&T Serbia d.o.o., Serbia	Directors	Rajko Jovanovic	0	0%
S&T Albania Sh.p.k., Albania	Directors	Prifti Kleanthi	0	0%
S&T Mold srl., Moldova	Directors	Eugen Mosanu	0	0%
S&T IT Technology SRL	Directors	Eugen Mosanu	0	0%
S&T IT Services S.R.L.	Directors	Popescu Onisim	0	0%
S&T Consulting Hungary Kft., Hungary	Directors	Peter Dezső Szabó	0	0%
	Directors	Kulczar Sandor	0	0%
S&T Deutschland GmbH, Germany	Directors	Schmitz Uwe	0	0%
	Directors	Plies Michael	0	0%
Computer Betting Company GmbH, Austria	Directors	Michael Jeske	0	0%
SecureGUARD GmbH, Austria	Directors	Helmut Otto	0	0%
S&T embedded GmbH, Germany	Directors	Kroupa Walter	0	0%
S&T CEE Holding s.r.o., Slovenia	Directors	Helene Horovcokova	0	0%
	Directors	Jozef Brach	0	0%
	Directors	Peter Sturz	0	0%
BASS Systems S.R.L., Moldova	Directors	Popescu Onisim	0	0%
S&T Smart Energy GmbH, Austria	Directors	Johannes Zeindl	0	0%
	Directors	Engelbert Detter	0	0%
Amanox Solutions AG; Switzerland	Directors	Dini Daniel	0	0%
	Directors	Schor Martin	0	0%
	Directors	Jeske Michael	0	0%
	Directors	Neuwirth Richard	0	0%
Hamcos IT Service GmbH, Germany	Directors	Hampel Frank	0	0%
	Directors	Jeske Michael	0	0%
Kontron Beteiligungs GmbH	Directors	Hannes Niederhauser	0	0%
	Directors	Richard Neuwirth	0	0%
Kontron Austria GmbH, Austria	Directors	Walter Kroupa	0	0%

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
Kontron Technologies GmbH, Austria (formerly of S&T Technologies GmbH, Austria)	Directors	Egerth Harald	0	0%
	Directors	Günthner Bernhard	0	0%
	Directors	Richard Neuwirth	0	0%
S&T MEDTECH SRL, Romania (formerly of GADA GROUP ROMANIA SRL, Romania)	Directors	George Visan	0	0%
Affair OOO, Russia	Directors	Sinenko Olga	0	0%
S&T Services Bel LCC, Belarus	Directors	Kunts Oksana Mikhailovna	0	0%
Kontron Asia Inc., Taiwan	Directors	Steve Chen	0	0%
	Directors	Kevin Tseng	0	0%
Kontron Transportation Taiwan Co., Ltd.	Directors	Steve Chen	0	0%
XTRO AG, Germany	Directors	Schmitz Uwe	0	0%
Kontron AIS GmbH	Directors	Dirk Sauer	0	0%
	Directors	Michael Jacob	0	0%
CITYCOMP Service GmbH	Directors	Martin Heel	0	0%
	Directors	Frank Hartig	0	0%
CITYCOMP Service AG	Directors	Roland Flury	0	0%
AIS Automation Dresden GmbH, Germany	Directors	Dirk Sauer	0	0%
	Directors	Michael Jacob	0	0%
S&T Slovakia s.r.o., Slovakia	Directors	Horovčáková Helena	0	0%
S&T Services Kft., Hungary	Directors	Peter Dezső Szabó	0	0%
	Directors	Kulczar Sandor	0	0%
Kontron America Inc.	Directors	Matthias Huber	0	0%
	Directors	Andy Mason	0	0%
	Directors	Robert Courteau	0	0%
	Directors	Thomas Ebner	0	0%
	Directors	Helmut Fischer	0	0%
Kontron Canada Inc.	Directors	Robert Courteau	0	0%
	Directors	Josyane Desbois	0	0%
	Directors	Helmut Fischer	0	0%
	Directors	Matthias Huber	0	0%

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
Kontron Asia Pacific Design Sdn. Bhd.	Directors	Cheng Ee Kong	0	0%
	Directors	Julius Von Jagow	0	0%
	Directors	Shanmuganathan	0	0%
Kontron Technology Beijing Co. Ltd.	Directors	Steve Chen	0	0%
Kapsch (Beijing) Information and Communication Technology Co., Ltd.	Directors	Tony Yu	0	0%
Kontron Europe GmbH, Germany	Directors	Helmut Fischer	0	0%
	Directors	Carlos Quieroz	0	0%
	Directors	Oliver Dautzenberg	0	0%
Kontron ECT design s.r.o., Czech Republic	Directors	Martin Pilar	0	0%
Kontron UK Ltd.	Directors	David Johnson	0	0%
Kontron Modular Computers S.A.S., France	Directors	Philippe Vincent	0	0%
Kontron Electronics GmbH, Germany	Directors	Holger Wußmann	0	0%
		Jochen Gimple	0	0%
Kontron Electronics Kft., Hungary	Directors	Anita Réder	0	0%
	Directors	Rolf Krawtschuk	0	0%
Kontron Electronics AG, Switzerland	Directors	Sebastian Wieland	0	0%
RTSoft Project OOO, Russia	Directors	Sinenko Olga	0	0%
S&T IT Technologie srl., Moldova	Directors	Kopanskii Alexander	0	0%
Kontron Transportation Austria AG	Directors	Bernd Eder	0	0%
	Directors	Michael Riegert	0	0%
	Supervisors	Wolfgang Breyscha	0	0%
	Supervisors	Thomas Linsberger	0	0%
	Supervisors	Hannes Niederhauser	0	0%
	Supervisors	Peter Sturz	0	0%
	Supervisors	Richard Neuwirth	0	0%
Kontron Transportation Sp. z o.o.	Directors	Richard Neussl	0	0%
Kontron Transportation España SL	Directors	Rafael Canales	0	0%
Kontron Transportion Portugal, Unipessoal LDA	Directors	Armando Xavier	0	0%
Kontron Transportation s.r.o.	Directors	Petr Vitek	0	0%

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
Kontron Transportation Hungary Kft.	Directors	Szandra Horvath	0	0%
	Directors	Richard Neussl	0	0%
Kapsch CarrierCom Saudi Arabia LLC	Directors	Sajeev Madhavan	0	0%
Kontron Transportation Deutschland GmbH	Directors	Bernd Eder	0	0%
	Directors	Michael Riegert	0	0%
Kontron Transportation France S.A.S.	Directors	Richard Bussienne	0	0%
Kontron Transportation UK Ltd.	Directors	Bernd Eder	0	0%
Kontron Transportation Belgium NV	Directors	Julius von Jagow	0	0%
	Directors	Jean Dubois	0	0%
FinTel Holding d.o.o. & co k.d., holdinška družba	Directors	Mitja Dolžan	0	0%
FinTel holding d.o.o.	Directors	Mitja Dolžan	0	0%
Iskratel d.o.o.	Directors	Željko Puljić	0	0%
ITS Skopje	Directors	Jovanovski Slobodan	0	0%
ITS Softver d.o.o.	Directors	Jovanovski Slobodan	0	0%
IskraCom	Directors	Savitskiy Insun	0	0%
OOO Iskratel Tashkent	Directors	Sharifov Rakhimkhodja	0	0%
AO IskraUralTel Yekaterinburg	Directors	Davydov Vladislav	0	0%
Iskratel Ukraine Ltd.	Directors	Karachevtsev Sergiy	0	0%
Marketech Integrated Pte. Ltd.	Chairman	Hsin-Ming Kao	SGD 10,086	100%
	Director	Yu-Yeh Lin		
	Director	Loo Lam Huat		
Market Go Profits Ltd.	Director	Hsin-Ming Kao	USD 41,069	100%
	Director	Yu-Yeh Lin		
MIC-Tech Global Corp.	Director	Hsin-Ming Kao	ARW 657,800	100%
	Director	Yu-Yeh Lin		
	Director	Chen-Hao Pu		
	Supervisor	Yi-Jung Li		
	President	Chen-Hao Pu		
Headquarter International Ltd.	Director	Hsin-Ming Kao	USD 1,289	100%
	Director	Yu-Yeh Lin		

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
Tiger United Finance Ltd.	Director	Hsin-Ming Kao	USD 1,410	100%
	Director	Yu-Yeh Lin		
Marketch Engineering Pte. Ltd.	Director	Hsin-Ming Kao	SGD 938	100%
	Director	Yu-Yeh Lin		
	Director	Loo Lam Huat		
Marketch Integrated Manufacturing Company Limited	Director	Hsin-Ming Kao	USD 15,356	100%
	Director	Yu-Yeh Lin		
MIC-Tech Viet Nam Co., Ltd.	President	Hsin-Ming Kao	USD 3,700	100%
Marketch Co., Ltd.	President	Hsin-Ming Kao	USD 2,400	100%
Ezoom Information, Inc.	Chairman	Yu-Yeh Lin	20,000,000	100%
	Director	Hsin-Ming Kao		
	Director	Ping-Chung Sung		
	Supervisor	Yi-Jung Li		
	Supervisor	Kuo-Peng Ma		
	Supervisor	Yi-Jung Li		
PT Marketch International Indonesia	Director	Hsin-Ming Kao	USD 1,200	100%
	Director	Yu-Yeh Lin		
	Director	Natalriana		
	Supervisor	Yi-Jung Li		
ADAT Technology Co., Ltd.	Chairman	Yu-Yeh Lin	3,500,000	26,74%
	Director	Hsin-Ming Kao		
ADAT Technology Co., Ltd.	Director	Kai-Hung Su	EUR 600	100%
	Supervisor	Yi-Jung Li		
Marketch Netherlands B.V.	Director	Hsin-Ming Kao	MYR 12,243	100%
	Director	Yu-Yeh Lin		
	Director	Kuo-Peng Ma		
Marketch International Sdn. Bhd.	Director	Hsin-Ming Kao	MYR 12,243	100%
	Director	Yu-Yeh Lin		
	Director	Kuo-Peng Ma		
	Director	Mohd Salleh Bin Mohamad		
	Director	Siti Zaleha Binti Mohd Salim		

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
MIC-Tech Ventures Asia Pacific Inc.	Director	Hsin-Ming Kao	USD 40,967	100%
	Director	Yu-Yeh Lin		
Marketch Integrated Construction Co., Ltd.	Director	Hsin-Ming Kao	USD 635	97.69%
	Director	Yu-Yeh Lin		
Russky H.K. Limited	Director	Hsin-Ming Kao	USD 833	100%
	Director	Yu-Yeh Lin		
Frontken MIC Co. Limited	Director	Hsin-Ming Kao	USD 1,013	100%
	Director	Yu-Yeh Lin		
Marketch International Corporation USA	Director	Ping-Chung Sung	USD 750	100%
MICT International Limited	Director	Hsin-Ming Kao	USD 4,297	60%
	Director	Yu-Yeh Lin		
	Director	Jin-Tiau Wu		
Spiro Technology Systems Inc.	Director	Hsin-Ming Kao	USD 20	100%
	Director	Yu-Yeh Lin		
	Director	Ping-Chung Sung		
	President	Ping-Chung Sung		
Smart Health Corp.	Chairman	Hsin-Ming Kao	500	100%
	Supervisor	Yi-Jung Li		
Nanjing Asiatek Inc.	Legal representative and executive managing director	Innovative Systems Integration Limited - Chia-Jung Hsu	USD 3,000	100%
	Supervisor	Ji-Hua Li		
Ennoconn (Foshan) Investment Co., Ltd.	Legal representative and executive director	Innovative Systems Integration Limited - Chao-Tsung Lou	USD 9,800	100%
	Supervisor	Chao-Mao Huang		
Beijing Caswell Ltd.	Executive director and president	Jen-Hao Liu	0	0%
	Supervisor	Fu-Sung Hsu	0	0%

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
HighAim Technology Inc.	Legal representative and executive managing director	HighAim Technology Inc. - Huan-Hsiang Chung	USD 10,000	100%
	Director	Yu-Ling Chen		
	Director	Lai-Fu Teng		
	Supervisor	Ming-Che Kao		
EnnoMech Precision (Shenzhen) Co., Ltd.	Director	Chih-Kun Shih	USD 1,530	100%
	Director	Tien-Sung Lu,		
	Director	GABRIEL SE BEE THIAM		
	Supervisor	Chih-Gang Wang		
Goldtek Technology (Shenzhen) Co., Ltd.	Legal representative	Keenest Electronic Corp. - Tung-Sheng Tu	USD 9,500	100%
Techno Precision Co., Ltd.	Corporate representative	Tung-Sheng Tu	HKD 7,500	40.3%
Techno Precision (Shenzhen) Co., Ltd.	Corporate representative	Hong-Jhih Guan	HKD 9,269	100%
T-Paragon Die Casting Co., Ltd.	Corporate representative	Jeng-Shiuan Guan	HKD 3,022	50%
T-Paragon Metal (Shenzhen) Ltd.	Corporate representative	Kun-Chou Chang	HKD 1,008	100%
Techno Apogee Co.,Ltd.	Corporate representative	Peng-Cheng Suen	RMB 1,580	70%
T-pARagon Industrial (Thailand) Co., Limited	Corporate representative	Yi-Shiuan Guan	THB 2,418	100%
Yuan Rong Technology (Shenzhen) Co., Ltd.	Corporate representative	Yi-Shiuan Guan	HKD 1,209	100%
Ennoconn (Suzhou) Technology Co., Ltd.	Chairman	Innovative Systems Integration Ltd. - Chao-Tsung Lou	USD 30,000	100%
	Director	Innovative Systems Integration Ltd. - Fu-Chuan Chu		
	Director	Innovative Systems Integration Ltd. - Neng-Chi Tsai		

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
	Supervisor	Innovative Systems Integration Ltd. - Chao-Mao Huang		
	President	Chao-Tsung Lou		
Ennoconn (Kunshan) Technology Co., Ltd.	Legal representative and executive director	Ennoconn (Suzhou) Technology Co., Ltd. - Fu-Chuan Chu	-	100%
MIC-Tech (WuXi) Co., Ltd.	Chairman	Hsin-Ming Kao	USD 25,500	100%
	Director	Kuo-Peng Ma		
	Director	Yu-Yeh Lin		
	Supervisor	Yi-Jung Li		
	President	Hsin-Ming Kao		
MIC-Tech (Shanghai) Corp., Ltd.	Chairman	Hsin-Ming Kao	USD 8,241	100%
	Director	Yu-Yeh Lin		
	Director	Kuo-Peng Ma		
	Supervisor	Yi-Jung Li		
	President	Hsin-Ming Kao		
Fuzhou Jiwei System Integrated Co., Ltd.	Chairman	Hsin-Ming Kao	USD 300	100%
	Director	Kuo-Peng Ma		
	Director	Yu-Yeh Lin		
Shanghai Maohua Electronics Engineering Co., Ltd.	Chairman	Hsin-Ming Kao	USD 803	87%
	Director	Kuo-Peng Ma		
	Director	Yu-Yeh Lin		
	Director	Shimada Naohisa		
	Director	Arakawa Satoshi		
	Supervisor	Yi-Jung Li		
	President	Hsin-Ming Kao		
MIC-Tech Electronics Engineering Corp.	Chairman	Hsin-Ming Kao	USD 17,619	100%
	Director	Kuo-Peng Ma		
	Director	Yu-Yeh Lin		
Frontken-MIC (Wuxi) Co., Ltd.	Chairman	Hsin-Ming Kao	USD 1,013	100%
	Director	Yu-Yeh Lin		

Company name	Title	Name or representative	Shareholding	
			Shares (or capital contribution)	Shareholding ratio (%)
	Director	Kuo-Peng Ma		
	Supervisor	Yi-Jung Li		
	President	Fu-Chia Hou		
Integrated Manufacturing & Services Co., Ltd.	Chairman	Hsin-Ming Kao	USD 4,297	60%
	Director	Yi-Jung Li		
	Director	Yu, Cheng-Tsun		
	Supervisor	Yu-Yeh Lin		
	President	Chih-Fu Lin		
MIC-Tech China Trading (Shanghai) Co., Ltd.	Chairman	Hsin-Ming Kao	USD 1,500	100%
	Director	Yu-Yeh Lin		
	Director	Kuo-Peng Ma		
	Supervisor	Yi-Jung Li		
	President	Yu-Yeh Lin		

(2) Operation overview of each affiliated enterprise

December 31, 2020

Unit: Thousands of New Taiwan Dollar (NT\$1,000) or thousands of foreign currency

Company Name	Capital	Total Assets	Total Liabilities	Net worth of equity	Operating revenue	Operating profit (loss)	Gain (loss) during this period (After Tax)	Earnings Per Share (After Tax)
Innovative Systems Integration Limited	HKD 518,217	2,142,116	2,839	2,139,276	91	71	(8)	-
Ennoconn International Investment Co., Ltd.	7,206,350	8,142,032	246,336	7,895,696	592,348	591,584	594,209	0.82
Caswell Inc.	730,678	4,101,074	1,023,627	3,077,447	3,821,434	372,766	372,353	5.29
Ennoconn Investment Holdings Co.,Ltd	USD 239,360	8,101,243	172,588	7,928,655	497,783	(315)	510,433	-
ENGA Technology Co., Ltd.	HKD 27,394	107,943	4,865	103,078	0	190	1,373	-
Victor Plus Holdings Ltd.	-	399,431	386,903	0	1,895,655	12,971	12,999	-
AIS Cayman Technology	USD 13,321	989,890	395,875	594,015	1,503,053	164,819	120,491	-
S&T AG	EUR 66,096	25,872,121	10,987,956	14,884,165	2,765,538	238,993	1,883,993	-
American Industrial Systems Inc.	USD 1,500	313,867	173,193	140,674	899,210	179,117	65,719	-
Vecow Co., Ltd.	50,000	461,624	219,605	242,019	626,400	75,592	75,559	0.02
Goldtek Technology Co., Ltd.	300,000	3,777,884	2,001,163	1,776,721	3,118,518	413,280	239,298	7.98
EnnoMech Precision (Cayman) Co., Ltd.	USD 13,800	566,849	0	566,849	33,966	(184)	34,169	-
SyS-P Co., Ltd.	30,000	30,744	496	30,248	0	(139)	(235)	-
Taiwan Applied Module Corp.	84,000	45,288	226	45,062	2,686	(794)	(1,810)	0.00
Thecus Technology Corporation	170,000	74,745	75,653	(907)	3,963	(7,129)	(12,265)	(0.72)
Dexatek Technology Ltd.	210,000	705,434	392,207	313,227	709,104	75,598	54,548	2.60
Marketch International Corp.	1,872,192	17,143,550	10,871,146	6,272,404	18,404,136	1,071,831	913,736	4.88
Poslab Technology Corporation	130,000	261,714	142,100	119,614	157,845	(13,470)	(11,280)	(0.87)
HighAim Technology INC.	USD 5,000	826,680	239,279	587,401	540,938	(13,674)	65,207	-
DOMINATE UNITED ENTERPRISE LTD.	USD 2,100	61,187	0	61,187	(2,373)	(41)	(2,246)	-
EnnoMech Precision Co., Ltd.	10,000	35,411	3,134	32,277	1,674	(1,223)	(1,046)	(0.00)
FUNOLOGY INVESTMENT INC.	USD 1	96,984	91,602	5,382	288,490	3,655	3,676	-
ANDRIX INTERNATIONAL LIMITED	USD 1	31,012	20,943	10,069	159,053	(236)	(210)	-
CASO Inc.	JPY 95,000	136,658	68,155	68,503	253,879	41,936	24,938	-
Caswell International Investment Co., Ltd.	USD 3,206	194,359	360	194,000	0	(35)	27,619	-
Caswell Americas, Inc	USD 3,000	116,613	62,342	54,270	240,073	464	1,637	-
APLIGO GmbH	EUR 36	335,703	273,007	62,696	458,407	18,389	74,906	-

Company Name	Capital	Total Assets	Total Liabilities	Net worth of equity	Operating revenue	Operating profit (loss)	Gain (loss) during this period (After Tax)	Earnings Per Share (After Tax)
Yukai Technology Co., Ltd.	135,000	429,407	187,033	242,374	775,913	82,579	59,774	4.44
Thecus NL B.V.	-	-	-	-	-	-	3,394	-
Thecus USA., Inc.	23,367	5,120	0	5,120	8,263	(955)	1,711	-
Keenest Electronic Corp.	625,530	603,391	93,104	510,287	180,804	25,148	(29,652)	-
Techno Precision Co., Ltd.	514,192	549,646	50,742	498,904	560,813	(16,493)	(313)	-
T-Paragon Die Casting Co., Ltd.	55,095	193,741	5,261	188,479	315,864	731	49,711	-
Tairoun Products Co., Ltd. (Thailand)	114,672	127,275	16,938	110,337	0	(4,339)	(4,308)	-
Marketech Integrated Pte. Ltd.	217,447	122,005	159,186	(37,181)	168,468	(8,956)	(5,107)	-
Market Go Profits Ltd.	1,169,648	1,386,248	0	1,386,248	0	(140)	142,606	-
MIC-Tech Global Corp.	17,392	23,891	11,310	12,581	256,399	9,183	5,825	-
Headquarter International Ltd.	36,721	35,492	163	35,329	2,033	(106)	(471)	-
Tiger United Finance Ltd.	40,167	34,780	466	34,314	2,388	62	(495)	-
Marketech Engineering Pte. Ltd.	20,213	2,215	84	2,131	0	(175)	(6,870)	-
Marketech Integrated Manufacturing Company Limited	437,339	372,532	15,784	356,748	0	(39,153)	(39,014)	-
MIC-Tech Viet Nam Co., Ltd.	105,376	128,732	42,945	85,787	36,846	(2,001)	(1,948)	-
Marketech Co., Ltd.	68,352	18,769	2,018	16,751	13,043	(9,890)	(10,094)	-
eZoom Information, Inc.	200,000	134,528	34,649	99,879	145,881	(31,184)	(20,255)	(1.01)
PT Marketech International Indonesia	34,146	33,163	0	33,163	0	(520)	223	-
Ya Da Technology Co., Ltd.	130,882	98,312	4,692	93,620	9,257	(38,794)	(38,769)	(2.96)
Smart Health Corp.	500	476	0	476	0	(69)	(67)	(1.34)
Marketech Netherlands B.V.	31,518	13,479	936	12,543	6,042	(7,181)	(7,181)	-
Marketech International Sdn. Bhd.	83,122	91,343	34,003	57,340	57,615	(1,172)	(1,814)	-
Marketech International Corporation USA	21,360	41,837	30,108	11,729	144,139	(3,722)	(4,469)	-
Spiro Technology Systems Inc.	569	25,804	4,421	21,383	16,529	(1,170)	(1,758)	-
MIC-Tech Ventures Asia Pacific Inc.	1,166,729	1,384,908	65	1,384,843	177,125	16,326	142,746	-
Marketech Integrated Construction Co., Ltd.	18,512	6,050	4,804	1,246	14,237	(6,700)	(6,909)	-
Rusky H.K. Limited	23,724	2,650	3,284	(634)	0	(44)	(11,055)	-
Frontken MIC Co., Limited	66,575	5,002	0	5,002	0	0	(193)	-
Ruixuan International Co., Ltd.	256,320	61,936	0	61,936	0	(10)	(23,808)	-
MIC-Tech (Wuxi) Co., Ltd.	726,240	483,838	465,562	18,276	537,751	9,167	(18,272)	-

Company Name	Capital	Total Assets	Total Liabilities	Net worth of equity	Operating revenue	Operating profit (loss)	Gain (loss) during this period (After Tax)	Earnings Per Share (After Tax)
MIC-TECH (SHANGHAI) CORP., LTD.	234,704	856,120	358,504	497,616	2,095,701	173,922	112,451	-
Fuzhou MIC-Tech Electronic Engineering Corp.	8,544	400	2,210	(1,810)	424	(153)	(254)	-
Shanghai Maohua Electronics Engineering Co., Ltd.	17,088	281,243	285,017	(3,774)	380,950	22,080	12,753	-
MIC-Tech Electronics Engineering Corp.	501,789	2,376,507	1,839,115	537,392	3,033,520	53,918	20,178	-
Frontken-MIC (Wuxi) Co., Ltd.	65,732	4,983	0	4,983	0	(25)	(194)	-
Integrated Manufacturing & Services Co., Ltd.	199,360	68,568	6,636	61,932	21,137	(22,895)	(23,798)	-
S&T Deutschland GmbH	EUR 25	342,228	75,073	267,155	315,233	13,710	13,922	
XTRO AG	EUR 50	175,625	41,640	133,985	242,320	(7,609)	(11,124)	
Kontron AIS GmbH	EUR 51	670,167	277,832	392,335	503,167	41,626	29,193	
CITYCOMP Service GmbH	EUR 256	1,193,621	577,833	615,788	579,157	16,490	26,193	
CITYCOMP Service AG	EUR 94	3,633	802	2,830	2,586	13	(33)	
Kontron Technologies GmbH	EUR 35	348,103	117,201	230,902	230,360	8,893	9,405	
SecureGUARD GmbH	EUR 134	116,144	52,364	63,780	67,766	(3,092)	(3,270)	
Computer Betting Company GmbH	EUR 36	701,254	93,948	607,306	207,171	40,078	53,464	
S&T Romania S.R.L.	EUR 2,451	1,208,412	989,528	218,884	1,581,571	27,279	15,473	
S&T Slovakia s.r.o.	EUR 1,660	493,377	319,541	173,836	624,118	25,613	18,170	
Dorobet Ltd.	-	-	-	-	506	(14,498)	(15,945)	
S&T CEE Holding s.r.o.	EUR 1,660	493,377	319,541	173,836	624,118	25,613	111,648	
S&T Plus s.r.o.	EUR 280	226,352	143,402	82,951	487,482	45,295	33,912	
S&T CZ s.r.o.	EUR 1,593	561,191	290,102	271,089	1,130,202	42,821	32,867	
S&T Services Polska Sp.z.o.o.	EUR 313	431,182	363,379	67,803	577,100	5,629	2,933	
S&T Crna Gora d.o.o.	EUR 25	93,238	62,446	30,793	88,007	5,380	4,719	
S&T Slovenija d.d.	EUR 1,311	764,263	489,244	275,019	1,116,622	50,107	37,789	
S&T Hrvatska d.o.o.	EUR 29	926,180	388,890	537,290	2,360,740	129,619	102,006	
S&T Macedonia d.o.o.e.l.	EUR 9	175,834	26,710	149,123	246,992	17,505	14,327	
S&T Bulgaria e.o.o.d.	EUR 579	514,674	436,979	77,694	498,866	17,410	13,383	
S&T Poland Sp.z.o.o.	EUR 3,108	2,430,398	1,981,859	448,539	2,766,407	282,124	223,733	
S&T Services Bel LCC	EUR 113	37,633	10,353	27,280	38,150	6,217	4,888	

Company Name	Capital	Total Assets	Total Liabilities	Net worth of equity	Operating revenue	Operating profit (loss)	Gain (loss) during this period (After Tax)	Earnings Per Share (After Tax)
S&T Consulting Hungary Kft.	EUR 398	1,459,380	1,229,012	230,368	2,694,068	29,351	7,720	
S&T Services Kft.	EUR 880	154,036	66,743	87,293	111,787	17,712	16,619	
S&T Albania Sh.p.k.	EUR 282	94,198	69,443	24,755	172,982	9,110	6,978	
S&T Serbia d.o.o.	EUR 49	441,723	324,326	117,397	577,713	25,842	20,428	
S&T Mold srl.	EUR 206	296,444	216,863	79,581	337,573	11,476	10,282	
S&T IT Technology SRL	EUR 2	4,339	7,662	(3,323)	15,867	(2,297)	(3,472)	
S&T IT Services S.R.L.	EUR 149	808,984	450,951	358,033	465,394	(72,227)	(76,589)	
S&T Smart Energy GmbH	EUR 36	134,164	29,564	104,601	216,055	1,963	135	
Affair OOO	EUR 208	280,269	9,059	271,209	-	(328)	202	
RTSoft Project OOO	EUR 7	712,549	491,262	221,286	1,241,592	25,499	4,382	
S&T MEDTECH SRL	EUR 282	546,053	137,355	408,698	165,299	2,560	2,022	
S&T SME Distribution GmbH	-	-	-	-	-	-	-	
Amanox Solutions AG	EUR 96	350,511	136,672	213,839	650,527	48,242	37,452	
Kontron Austria GmbH	EUR 36	897,887	539,011	358,876	1,166,264	(13,873)	(23,867)	
Kontron Electronics AG	EUR 863	100,478	168,239	(67,761)	395,593	(18,236)	(18,507)	
Hamcos IT Service GmbH	EUR 200	175,559	105,665	69,894	406,275	13,646	8,529	
Kontron Beteiligungs GmbH	-	-	-	-	-	-	(640)	
Kontron S&T AG	-	-	-	-	177,662	89,655	14,596	
Kontron Europe GmbH	EUR 23,600	9,055,560	3,945,371	5,110,189	7,198,065	146,073	190,799	
Kontron Modular Computers S.A.S.	EUR 5168	782,215	586,202	196,013	1,036,587	4,491	135	
Kontron UK Ltd.	EUR 197	182,683	52,401	130,282	307,516	22,393	17,125	
Kontron ECT design s.r.o.	EUR 20	53,347	22,472	30,875	80,375	6,125	6,034	
Kontron Electronics GmbH	EUR 102	1,193,283	493,288	699,995	1,328,572	63,752	(1,112)	
Kontron Electronics Kft.	EUR 9	129,980	115,269	14,711	142,477	9,456	5,090	
Kontron America Inc.	EUR 2,049	1,730,140	1,197,940	532,200	3,029,386	(132,798)	(155,167)	
Kontron Canada Inc.	EUR 9,818	1,805,131	714,487	1,090,644	2,242,410	294,179	236,408	
Kontron Asia Pacific Design Sdn. Bhd.	EUR 9,354	41,614	166,755	(125,140)	82,355	(5,513)	(7,281)	
Kontron Technology Beijing Co. Ltd.	EUR 1,988	838,077	471,239	366,838	904,415	54,687	42,913	
Kapsch (Beijing) Information and communication Technology Co., Ltd	EUR 130	23,293	20,333	2,960	17,907	353	405	
Kontron Asia Inc.	EUR 365	506,885	437,331	69,554	1,763,276	11,868	1,686	

Company Name	Capital	Total Assets	Total Liabilities	Net worth of equity	Operating revenue	Operating profit (loss)	Gain (loss) during this period (After Tax)	Earnings Per Share (After Tax)
Kontron Transportion Taiwan Co., Ltd	EUR 1,420	243,094	245,226	(2,133)	25,132	3,706	3,270	
Kontron Transportation Austria AG	EUR 10,000	3,973,805	2,886,131	1,087,674	979,413	195,598	86,770	
Kontron Transportation Sp. z o.o.	EUR 23	134,078	132,045	2,033	50,110	2,594	2,090	
Kontron Transportation España SL	EUR 250	284,444	254,764	29,680	111,792	9,110	2,259	
Kontron Transportion Portugal, Unipessoal LDA	EUR 5	92,547	70,729	21,818	91,379	10,091	8,259	
Kontron Transportation s.r.o.	EUR 1,178	295,858	339,100	(43,243)	383,592	7,563	(3,101)	
sKontron Transportation Hungary Kft.	EUR 207	128,940	55,531	73,409	96,623	(23,584)	(25,384)	
Kapsch CarrierCom Saudi Arabia LLC	EUR 120	62,641	57,104	5,537	27,731	353	135	
Kontron Transportation Deutschland GmbH	EUR 25	661,079	524,093	136,986	381,406	108,249	97,692	
Kontron Transportation France S.A.S.	EUR 2,800	1,519,242	1,185,818	333,424	1,084,637	131,113	118,356	
Kontron Transportation UK Ltd.	EUR 469	107,826	72,320	35,506	820,395	22,641	21,878	
Kontron Transportation North America Inc.	-	-	-	-	106,449	81,039	73,522	
AP Trans NV	EUR 11,323	-	-	-	-	(106,095)	(101)	
FinTel holding d.o.o.	-	43,542	1	43,542	-	(76)	(67)	
ITS Skopje	EUR 2,179	12,737	7,506	5,232	11,966	3,056	3,000	
IskraCom	EUR 602	112,533	108,927	3,606	48,054	5,300	3,978	
AO IskraUralTel Yekaterinburg	EUR 109	1,055,312	923,339	131,973	648,204	64,523	65,600	
Kontron Transportation Belgium NV	EUR 5	909,486	686,962	222,524	387,896	150,480	141,784	
FinTel Holding d.o.o. & co k.d., holdinška družba	EUR 5	78,313	95	78,217	-	(1,395)	(1,382)	
Iskratel d.o.o.	EUR 30	3,415,608	1,287,508	2,128,100	624,655	(17,102)	(21,338)	
ITS Softver d.o.o.	EUR 1	8,160	1,214	6,946	11,302	(1,013)	(1,112)	
OOO Iskratel Tashkent	EUR 8	13,018	522	12,497	2,713	167	101	
Iskratel Ukraine LTD	EUR 330	65,082	63,578	1,504	72,139	(1,134)	(438)	
Nanjing Asiatek Inc.	USD 3,000	802,653	582,795	219,858	679,058	31,068	52,576	-
Shenzhen Asiatek Inc.	RMB\$6,250	1,312,352	1,218,016	94,336	1,644,689	1,631	20,341	-
Ennoconn (Foshan) Investment Co., Ltd.	USD 9,746	295,919	115	295,804	0	2,206	1,637	-
Ennoconn (Suzhou) Technology Co., Ltd.	USD 30,000	1,750,882	865,078	0	2,275,916	(19,485)	(35,114)	-
Ennoconn (Kunshan) Technology Co., Ltd.	RMB 500	34,101	17,404	0	68,569	25,631	14,631	-
Ennoconn Investment Co., Ltd.	USD 20,000	585,521	(2)	0	0	(656)	(30,785)	

Company Name	Capital	Total Assets	Total Liabilities	Net worth of equity	Operating revenue	Operating profit (loss)	Gain (loss) during this period (After Tax)	Earnings Per Share (After Tax)
Beijing Caswell Ltd.	USD 3,800	533,370	296,586	236,784	475,053	37,800	33,724	-
HighAim Technology Inc.	USD 10,000	1,346,052	785,011	561,041	1,889,268	97,417	75,251	-
Kunshan Lidingcheng Intelligent Equipment Co., Ltd.	RMB 1,000	43,777	38,982	4,796	8,566	(38)	1,257	-
HighAim Technology (Shenzhen) Inc.	RMB 2,700	104,897	104,917	(20)	77,336	(25)	(18)	-
EnnoMech Precision (Shenzhen) LLC	-	-	-	-	-	-	(2,395)	-
Goldtek Technology Co., Ltd. (Shenzhen)	USD 9,500	320,801	107,612	213,189	203,775	(43,991)	(54,014)	-
Rirong (Shenzhen) Co., Ltd.	HKD 23,000	292,485	282,276	10,208	432,990	(25,567)	(14,132)	-
Tairuon (Shenzhen) Co., Ltd.	HKD 5,000	353,746	195,667	158,079	296,636	39,286	30,678	-
Techno Apogee Co., Ltd.	CNY 8,000	41,469	3,182	38,287	20,905	811	1,223	-
T-MAXX Technology Co., Ltd.	RMB 3,000	12,556	797	11,760	702	(95)	(95)	-

(3) Consolidated financial statements of affiliates:

In year 2020 (from January 1 to December 31, 2020), pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the Company's entities that shall be included in preparing the Consolidated Financial Statements of Affiliates and the Parent-Subsidiary Consolidated Financial Statements as in the International Accounting Standards (IAS) 7 are the same. Moreover, the disclosure information required for the Consolidated Financial Statements of Affiliates has been fully disclosed in the aforementioned Parent-Subsidiary Consolidated Financial Statements; hence, a separate Consolidated Financial Statements for Affiliates will not be prepared.

(IV) Affiliation Report:

1. Declaration

Declaration of Consolidated Financial Statements of Affiliates

In 2020 (from Jan. 1, 2020 to Dec. 31, 2020), the Company, pursuant to the “Regulations Governing Preparation of Consolidated Business Reports Covering Affiliated Enterprises, Consolidated Financial Statements Covering Affiliated Enterprises, and Reports on Affiliations,” the entities that must be included in preparing the consolidated financial statements covering affiliated enterprises are entirely the same as those that 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 the consolidated financial statements covering affiliated enterprises need not be prepared.

Hereby declared

Company Name: Ennoconn Corporation



Chairman: Fu-Chuan Chu



Mar. 29, 2021

2. CPAs' opinions

2021.3.29 Chin-Shen No. 11004219

Received by: Ennoconn Corporation

Purpose: To express opinions on the declaration that there is no material discrepancy in the related information of your company's affiliation reports in 2020.

Explanation:

1. The Company's affiliation reports for the fiscal year of 2020 (from January 1, 2020 to 31 December, 2020) prepared on March 29, 2021 were declared by the Company that the reports are in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and the disclosed information is not materially inconsistent with the information disclosed in the notes to the financial statements of the above-mentioned period. The declaration is attached.
2. The accountant has compared the affiliation reports prepared by the Company in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", with the notes to the Company's financial report of 2020, and no material discrepancies have been found in the above-mentioned declaration.

Deloitte & Touche

CPA Ching-Ting Yang



CPA Shui-En Liu



3. Overview of the relationship between the subordinate company and the controlling company: None.
4. Transaction situation:
 - (1) Purchase and sale transactions: None.
 - (2) Property transactions: None.
 - (3) Financing: None.
 - (4) Asset leasing: None.
 - (5) Other important transactions: None.
5. Endorsement and guarantee: Please refer to the attached table 2 of the Company's 2020 consolidated financial report.
6. Other matters with a significant effect on finance and business: None.

II. Private Placement of Securities during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

III. Holding or Disposal of Shares in the Company by the Company's Subsidiaries during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

IV. Other Supplementary Information: None.

**Chapter 9. Situations Listed in Article 36,
Paragraph 3, Subparagraph 3 of the
Securities and Exchange Act which
might Materially Affect Shareholders'
Equity or the Price of the Company's
Securities Occurring during the Most
Recent Fiscal Year or during the
Current Fiscal Year up to the Date of
Publication of the Annual Report:
None.**

Independent Auditors' Report

To Ennoconn Corporation:

Audit Opinion

We have audited the accompanying consolidated financial statements of the Ennoconn Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion which based on our audit results and the other certified public accountants' audit reports (please refer to the paragraph of Other Matter), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

Impairment review of Goodwill

The goodwill of the Group mainly comes from mergers and acquisitions of group enterprises. The impairment evaluation tests are conducted by the management in according to IAS 36 "Impairment of Assets." Also, the goodwill was mainly sourced from the merger and acquisition of domestic and foreign listed companies with recoverable amount of using fair value less sales costs. Due to the significant impacts of the impairment review on the financial statements and the accuracy of calculation and measurement of the management, therefore, we have listed the impairment of goodwill as a key audit matter.

Our audit procedures for this critical matter consist of understanding the design and performance of the related internal control of the management, reviewing and re-calculating obtaining the evaluation report of goodwill impairment from the independent evaluation specialist entrusted by the management, understanding and reviewing the accuracy of the calculation on recoverable amount and carrying amounts, performing sensitivity analysis, and comprehensively evaluating the rationality of the above goodwill impairment evaluation.

Other Matters

Among the subsidiaries listed in the Group's consolidated financial statements, the financial statements of some subsidiaries were reviewed by other certified public accountants. 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 certified public accountants' audit reports. The total assets of these subsidiaries as of December 31, 2020, and 2019 were NT\$43,641,974 thousand and NT\$42,707,107 thousand respectively, accounting for 46.84% and 47.98% of the total consolidated assets; the net operating revenue of these subsidiaries as of January 1 to December 31, 2020, and 2019 were NT\$42,052,848 thousand and NT\$40,714,804 thousand respectively, accounting for 50.01% and 49.95% of the net consolidated operating revenue.

In the consolidated financial statements, some of the financial statements evaluated by the equity method of the invested companies are reviewed by other certified public accountants. Therefore, in our opinion expressed in the consolidated financial statements, information regarding investments accounted for using the equity method by the associates and relevant disclosures are recognized and disclosed according to other certified public accountants' audit reports. The investment balance of these investees under the equity method on December 31, 2019 were NT\$34,430 thousand, accounting for 0.04% of the total consolidated assets; the comprehensive income recognized under the equity method on December 31, 2019 were NT\$(5,406) thousand, accounting for (0.27)% of the total consolidated comprehensive income.

We have also audited the parent company only financial statements of Ennoconn Corporation as of and for the years ended December 31, 2020 and 2019 on which we have issued an unqualified opinion with other matters paragraphs for reference.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Certified Public Accountant Shui-En Liu

Certified Public Accountant Jing-Ting Yang

Securities and Futures Commission
Approval No.

Taiwan-Finance-Securities-VI-0920123784

Securities and Futures Commission Approval
No.

Taiwan-Finance-Securities-VI-0930128050

March 29, 2021

Notices to Readers :

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

Ennoconn Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 16,020,641	17	\$ 18,339,874	21
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	141,915	-	113,653	-
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	-	-	39,160	-
1136	Financial assets at amortized cost - current (Notes 4, 9, and 37)	2,302,367	2	49,484	-
1140	Contract assets - current (Notes 4 and 26)	6,131,461	7	5,009,480	6
1150	Net Notes receivable (Notes 4 and 10)	53,888	-	161,558	-
1172	Net Accounts receivable (Note 4, 5, 10, and 37)	14,493,161	16	15,907,220	18
1180	Accounts receivable - related parties (Notes 4, 5, 10, and 36)	493,067	1	1,209,727	1
130X	Net Inventory (Notes 4, 5, 11, and 37)	12,836,330	14	11,544,237	13
1470	Other current assets (Note 4, 7, and 21)	5,044,191	5	3,912,597	4
11XX	Total Current Assets	<u>57,517,021</u>	<u>62</u>	<u>56,286,990</u>	<u>63</u>
	Non-Current Assets				
1510	Financial assets at fair value through profit or loss - non-current (Note IV, VII and XXI)	616,210	1	524,539	1
1520	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	631,789	1	328,893	-
1550	Investments accounted for using the equity method (Notes 4 and 13)	462,086	-	439,424	1
1600	Property, plant and equipment (Notes 4, 5, 14, and 37)	6,723,602	7	4,848,647	5
1755	Right-of-use assets (Notes 3, 4, 15, and 37)	3,142,556	3	3,221,299	4
1805	Goodwill (Notes 4, 5, 16, and 31)	13,787,619	15	13,485,947	15
1821	Other intangible assets (Notes 4 and 17)	7,275,689	8	7,290,278	8
1840	Deferred tax assets (Notes 4 and 28)	1,635,532	2	1,504,865	2
1960	Prepayments for investments (Notes 4 and 18)	80,308	-	63,699	-
1990	Other non-current assets (Notes 4, 19, 24, and 37)	1,290,169	1	1,024,179	1
15XX	Total non-current assets	<u>35,645,560</u>	<u>38</u>	<u>32,731,770</u>	<u>37</u>
1XXX	Total Assets	<u>\$ 93,162,581</u>	<u>100</u>	<u>\$ 89,018,760</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Notes 4 and 20)	\$ 8,848,652	10	\$ 10,256,786	12
2120	Financial liabilities at fair value through profit or loss - current (Notes 4, 7, and 21)	685	-	24,284	-
2130	Contract liabilities - current (Notes 4 and 26)	5,950,933	6	5,697,907	6
2150	Notes payable - non-related parties (Note 4)	1,154,353	1	951,880	1
2160	Notes payable - related parties (Note 4)	3,897	-	3,272	-
2170	Accounts payable (Note 4)	14,024,223	15	14,334,257	16
2180	Accounts payable - related parties (Notes 4 and 36)	1,177,824	1	1,312,692	2
2200	Other payables (Notes 4, 22, and 36)	5,569,135	6	5,237,789	6
2230	Current tax liabilities (Note 4)	645,570	1	526,362	1
2250	Provisions - current (Notes 4 and 23)	1,425,352	2	1,838,832	2
2280	Lease liabilities - current (Notes 3, 4, and 15)	1,003,690	1	980,830	1
2321	corporate bonds matured or exercised redemption rights within one year or one operating cycle (Note 21)	1,391,307	1	-	-
2322	Long-term liabilities matured within one year or one operating cycle (Notes 4 and 20)	701,921	1	698,509	1
2399	Other current liabilities (Notes 4 and 22)	353,218	-	280,699	-
21XX	Total Current Liabilities	<u>42,250,760</u>	<u>45</u>	<u>42,144,099</u>	<u>48</u>
	Non-current liabilities				
2500	Financial liabilities at fair value through profit or loss - non-current (Notes 4, 7, and 31)	964,002	1	24,718	-
2530	corporate bonds payable (Notes 4 and 21)	7,065,064	8	7,079,439	8
2540	Long-term borrowings (Notes 4 and 20)	7,385,083	8	7,001,332	8
2550	Provisions - non-current (Notes 4 and 23)	592,990	1	698,117	1
2570	Deferred tax liabilities (Notes 4 and 28)	528,902	-	469,043	-
2580	Lease liabilities - non-current (Note III, IV and XV)	2,544,899	3	2,466,745	3
2640	Net defined benefit liabilities - non-current (Notes 4 and 24)	537,194	-	486,102	-
2670	Other non-current liabilities (Notes 4 and 22)	792,337	1	722,548	1
25XX	Total Non-Current Liabilities	<u>20,410,471</u>	<u>22</u>	<u>18,948,044</u>	<u>21</u>
2XXX	Total Liabilities	<u>62,661,231</u>	<u>67</u>	<u>61,092,143</u>	<u>69</u>
	Equity attributable to owners of the Company (Notes 4, 21, 25, 33, and 34)				
3110	Ordinary shares	932,720	1	835,745	1
3200	Capital surplus	6,738,090	7	6,339,752	7
	Retained earnings				
3310	Legal reserve	643,854	1	535,830	1
3320	Special reserve	850,114	1	384,452	-
3350	Unappropriated earnings	1,329,879	1	1,211,091	1
3300	Total Retained Earnings	<u>2,823,847</u>	<u>3</u>	<u>2,131,373</u>	<u>2</u>
3490	Other equity	(1,010,924)	(1)	(850,114)	(1)
3500	Treasury stock	(233,608)	-	(236,232)	-
31XX	Total equity attributable to owners of the Company	<u>9,250,125</u>	<u>10</u>	<u>8,220,524</u>	<u>9</u>
36XX	Non-controlling interests (Notes 4, 16, 25, 31, and 32)	<u>21,251,225</u>	<u>23</u>	<u>19,706,093</u>	<u>22</u>
3XXX	Total Equity	<u>30,501,350</u>	<u>33</u>	<u>27,926,617</u>	<u>31</u>
	Total Liabilities and Equity	<u>\$ 93,162,581</u>	<u>100</u>	<u>\$ 89,018,760</u>	<u>100</u>

The attached notes are part of this consolidated financial report.
(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Fu-Chuan Chu

Manager: Neng-chi Tsai

Accounting Supervisor: Yu-mei Wu

Ennoconn Corporation and Subsidiaries**Consolidated Statement of Comprehensive Income****For the years ended December 31, 2020 and 2019****Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share**

Code		For the years ended December 31, 2020		For the years ended December 31, 2019	
		Amount	%	Amount	%
4100	Net Operating revenue (Notes 4, 26, 36, and 42)	\$ 84,091,485	100	\$ 81,506,216	100
5110	Operational costs (Notes 11, 15, 27, and 36)	(64,498,302)	(76)	(62,753,571)	(77)
5900	Gross profit	<u>19,593,183</u>	<u>24</u>	<u>18,752,645</u>	<u>23</u>
	OPERATING EXPENSES (Notes 10, 15, 24, and 27)				
6100	Selling Expenses	(3,628,929)	(4)	(3,378,558)	(4)
6200	General and administrative expenses	(4,136,866)	(5)	(4,138,693)	(5)
6300	Research and development expense	(7,886,545)	(10)	(7,788,264)	(10)
6450	Expected credit losses	(266,818)	-	(69,783)	-
6000	Total operational expenses	(15,919,158)	(19)	(15,375,298)	(19)
6900	Operating profit	<u>3,674,025</u>	<u>5</u>	<u>3,377,347</u>	<u>4</u>
	Non-operating revenue and expenses (Notes 13, 21, and 27)				
7100	Interest income	75,914	-	115,002	-
7190	Other income	36,409	-	54,885	-
7020	Other gains and losses	715,575	1	816,760	1
7050	Financial costs	(536,706)	(1)	(573,930)	(1)
7060	Profit or loss of associates under equity method	<u>11,350</u>	<u>-</u>	<u>21,892</u>	<u>-</u>
7000	Total non-operating revenue and expenses	<u>302,542</u>	<u>-</u>	<u>434,609</u>	<u>-</u>

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Code		For the years ended December 31, 2020		For the years ended December 31, 2019	
		Amount	%	Amount	%
7900	Profit before tax	\$ 3,976,567	5	\$ 3,811,956	4
7950	Tax expense (Notes 4 and 28)	(821,184)	(1)	(785,648)	(1)
8200	Net profit	<u>3,155,383</u>	<u>4</u>	<u>3,026,308</u>	<u>3</u>
	Other comprehensive income (Notes 4, 24, 25, and 28)				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	(28,710)	-	(31,011)	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(2,060)	-	(81,356)	-
8320	Share of other comprehensive income from associates and joint venture recognized under equity method - items that will not be reclassified to profit or loss	-	-	(8)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>4,037</u> (26,733)	<u>-</u> <u>-</u>	<u>16,979</u> (95,396)	<u>-</u> <u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	45,065	-	(941,760)	(1)
8370	Share of other comprehensive income from associates and joint venture recognized under equity method	(504) <u>44,561</u>	<u>-</u> <u>-</u>	(451) (942,211)	<u>-</u> (1)
8300	Other comprehensive income/(loss) for the year, net of income tax	<u>17,828</u>	<u>-</u>	(1,037,607)	(1)
8500	Total comprehensive income for the period	<u>\$ 3,173,211</u>	<u>4</u>	<u>\$ 1,988,701</u>	<u>2</u>

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Code		For the years ended December 31, 2020		For the years ended December 31, 2019	
		Amount	%	Amount	%
	NET PROFIT/(LOSS)				
	ATTRIBUTABLE TO				
8610	Owners of the Company	\$ 1,111,524	1	\$ 1,080,242	1
8620	Non-controlling interests	<u>2,043,859</u>	<u>3</u>	<u>1,946,066</u>	<u>2</u>
8600		<u>\$ 3,155,383</u>	<u>4</u>	<u>\$ 3,026,308</u>	<u>3</u>
	TOTAL COMPREHENSIVE INCOME/(LOSS)				
	ATTRIBUTABLE TO:				
8710	Owners of the Company	\$ 946,261	1	\$ 595,713	1
8720	Non-controlling interests	<u>2,226,950</u>	<u>3</u>	<u>1,392,988</u>	<u>1</u>
8700		<u>\$ 3,173,211</u>	<u>4</u>	<u>\$ 1,988,701</u>	<u>2</u>
	Earnings per share (Note 29)				
9750	Basic	<u>\$ 12.13</u>		<u>\$ 12.03</u>	
9850	Diluted	<u>\$ 9.64</u>		<u>\$ 9.84</u>	

The attached notes are part of this consolidated financial report.
(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Fu-Chuan Chu Manager: Neng-chi Tsai Accounting Supervisor: Yu-mei Wu

Unit: In Thousands of New Taiwan Dollars

The attached notes are part of this consolidated financial report.
(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Accounting Supervisor: Yu-mei Wu

Ennoconn Corporation and Subsidiaries
Consolidated Statement of Cash Flows
For the years ended December 31, 2020 and 2019
Unit: In Thousands of New Taiwan Dollars

Code		For the years ended December 31, 2020	For the years ended December 31, 2019
	Cash Flows from Operating Activities		
A10000	Profit before tax for the period	\$ 3,976,567	\$ 3,811,956
A20010	Adjustments for		
A21000	Expected credit losses	266,818	69,783
A20100	Depreciation expenses	1,601,184	1,385,468
A20200	Amortization expenses	1,354,199	1,425,749
A21900	Compensation costs of employee share options	1,431	20,180
A20900	Financial costs	536,706	573,930
A22300	Profit on profit of associates and joint ventures recognized under equity method	(11,350)	(21,892)
A21200	Interest income	(75,914)	(115,002)
A21300	Dividend income	(16,798)	(13,856)
A23700	Inventory price loss (recovery gain)	72,323	(209,750)
A29900	Inventory scrap loss	180,930	301,188
A23700	Impairment loss	-	66,814
A22500	Gain on disposal and scrap of property, plant and equipment	(4,524)	(4,762)
A20400	Net Gain of financial assets or liabilities at fair value through profit or loss	(232,619)	(82,009)
A21100	Gains on bargain purchase	(64,727)	(29,913)
A23100	Loss on buyback of corporate bonds	-	187,228
A24100	Gain on foreign exchange	(60,437)	(7,907)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(6,940)	(12,985)
A31125	Contract assets	(1,111,874)	(176,962)
A31130	Notes receivable	107,670	(54,463)
A31150	Accounts receivable	2,918,451	942,409
A31200	Inventory	(765,491)	160,597
A31240	Other current assets	(713,656)	(49,211)
A32125	Contract liabilities	133,290	34,260
A32130	Notes payable	203,098	(89,007)
A32150	Accounts payable	(983,897)	430,945
A32180	Other payables	141,596	(581,246)
A32200	Provisions	(666,561)	(1,414,505)
A32230	Other current liabilities	41,627	110,967
A32990	Others	(261,066)	(185,414)
A33000	Cash generated from/(used in) operations	6,560,036	6,472,590
A33100	Interest received	78,845	114,417
A33200	Dividend received	16,798	13,856
A33300	Interest paid	(435,367)	(461,439)
A33500	Income tax paid	(903,727)	(897,779)
AAAA	Net cash inflow from operating activities	<u>5,316,585</u>	<u>5,241,645</u>

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Code		For the years ended December 31, 2020	For the years ended December 31, 2019
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Purchase of financial assets at fair value through other comprehensive income	(\$ 267,344)	(\$ 108,752)
B00020	Proceeds from sale of financial assets at fair value through other comprehensive income	50,321	14,434
B00040	Purchase of financial assets at amortized cost	(2,252,883)	(45,110)
B00050	Proceeds from sale of financial assets at amortized cost	-	-
B01800	Purchase of long-term equity investment under equity method	(80,275)	(17,063)
B02000	Increase in prepayments for investments	(79,019)	(63,699)
B02200	Net cash inflow (outflow) on acquisition of subsidiaries	(1,290,400)	145,550
B02700	Purchase of property, plant and equipment	(1,155,704)	(781,652)
B02800	Proceeds from sale of property, plant and equipment	73,739	135,572
B04500	Purchase of intangible assets	(943,634)	(684,042)
B03800	Increase in refundable deposits	(108,952)	(126,556)
B06500	Decrease in other financial assets	106,743	88,860
B07100	Increase in prepayments for equipment	(4,585)	(200,682)
BBBB	Net cash outflow from investment activities	(5,951,993)	(1,643,140)
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	(1,460,736)	(165,457)
C01200	Proceeds from issuance of convertible corporate bonds	2,194,700	6,007,148
C01300	Repayments of corporate bonds payables	-	(6,242,205)
C01600	Proceeds from long-term borrowings	2,474,001	5,884,831
C01700	Repayments of long-term borrowings	(2,825,955)	(1,281,362)
C04020	Repayment of lease principal	(938,116)	(686,997)
C04600	Issuance of ordinary shares for cash	-	1,319,000
C04500	Distribution of cash dividend	(331,678)	(580,436)
C05800	Cash Dividends paid to non-controlling interests	(697,730)	(1,041,681)
C05800	Changes in non-controlling interests	(541,611)	(853,785)
CCCC	Net cash inflow (outflow) from financing activities	(2,127,125)	2,359,056
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH and cash equivalents HELD IN FOREIGN CURRENCIES	<u>443,300</u>	(<u>74,203</u>)
EEEE	Net (decrease) increase in cash and cash equivalents	(2,319,233)	5,883,358
E00100	Balance of cash and cash equivalents at the beginning of the period	<u>18,339,874</u>	<u>12,456,516</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 16,020,641</u>	<u>\$ 18,339,874</u>

The attached notes are part of this consolidated financial report.
(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Fu-Chuan Chu

Manager: Neng-chi Tsai

Accounting Supervisor: Yu-mei Wu

Ennoconn Corporation and Subsidiaries
Notes to the consolidated financial statements
For the years ended December 31, 2020 and 2019
(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company Overview

Ennoconn Corporation ("the Company") was established on July 12, 1999 with main 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 Rd., Zhonghe Dist., New Taipei City.

The Company's initial public offering was conducted on November 21, 2012. On December 18 of the same year, its emerging stocks were traded at Taipei Exchange (TPEX) and its stocks were listed at the Taiwan Stock Exchange Corporation on March 28, 2014.

The consolidated financial statements are presented in the New Taiwan Dollars, the functional currency of the Company.

2. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved by the Board of Directors and authorized for issue on March 29, 2021.

3. Application of New and Amended Standards and Interpretations

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

Except for the following, the application of the amended the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not result in significant changes on the accounting policies of the consolidated company:

Amendments to IAS 1 and IAS 8 - "Definition of Materiality"

The consolidated company adopted the amendments on January 1, 2020. The threshold for materiality was amended to be "could reasonably be expected to influence users" and the disclosures in consolidated financial statements were adjusted by removing immaterial information which may obscure material information.

- b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application in 2021

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendment to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective on the issued date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 - "Interest Rate Benchmark Reform - Phase 2"	Effective for annual reporting periods beginning on or after January 1, 2021
Amendment to IFRS 16, "Covid-19-Related Rent Concessions"	Effective for annual reporting periods beginning on or after June 1, 2020

Besides the abovementioned impacts, as of the date the accompanying consolidated financial statements were authorized for issue, the consolidated company continues in evaluating the impact on its financial position and financial performance as a result of the aforementioned standards or interpretations. The related impact will be disclosed when the evaluation has been completed.

c. IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB (Note 1)</u>
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022 (Note 2)
Amendment to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 6)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7)
Amendment to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendment to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

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

Note 2. Amendment to IFRS 9 is effective to exchanges of a financial liability or modifications of terms incurred during the annual periods beginning on or after January 1, 2022. Amendment to IAS 41 "Agriculture" is effective to fair value measurements for annual periods beginning on or after January 1, 2022. Amendment to IFRS 1 "First-time Adoption of IFRS" is retrospectively effective for annual periods beginning on or after January 1, 2022.

Note 3. This amendment shall be applied to business combinations for which the acquisition date is beginning on or after January 1, 2022.

Note 4. This amendment shall be applied to the property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5. The amendment shall be applied to contracts for which the Group has not yet fulfilled all its obligations on or after January 1, 2022.

Note 6. The amendment shall be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7. This amendment shall be applied to changes in accounting policies and changes in accounting estimates that occur for annual periods beginning on or after January 1, 2023.

- 1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendment provides that if the consolidated company sells or invests assets in associates (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 consolidated company shall fully recognize the profit or loss arising from such transactions.

In addition, if the consolidated company sells or invests assets in associates (or joint venture), or loses control over a subsidiary in a transaction with associates (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 consolidated company shall only recognize the profit or loss arising from such transactions within the scope of equity unrelated to the investors' interest in such associates (or joint ventures), namely, the profit or loss attributable to the Company's share shall be written off.

- 2) Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"

The amendment clarifies whether or not a liability to be classified as non-current, the consolidated company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the consolidated company will exercise that right. The amendment also clarifies that, if the right to defer settlement is subject to compliance with specified conditions, the consolidated company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendment stipulates that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the consolidated company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the consolidated company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

- 3) Amendment to IAS 1, Disclosure of Accounting Policies

This amendment prescribes that the consolidated company shall apply the concept of materiality in making decisions about the disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in the consolidated company's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. This amendment also clarifies that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed by the consolidated company.
- Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial.
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

Moreover, this amendment gives examples to explain that it is likely to consider accounting policy information significant to the financial statements if that information relates to significant transactions, other events or conditions and the accounting policy:

- a) Has changed during the period by the consolidated company, and this change results in a significant change on information of the financial statements
 - b) Was chosen properly by the consolidated company from alternatives permitted by IFRS Standards
 - c) Was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS Standard that specifically applies
 - d) Relates to an area for which the consolidated company is required to make significant judgments and assumptions
 - e) Relates to complex accounting practices, and users of the consolidated company's financial statements would otherwise not understand the relating significant transactions, other events or conditions
- 4) Amendment to IAS 8 "Definition of Accounting Estimates"

This amendment defines accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". The accounting policy may require items in financial statements to be measured at monetary amounts that cannot be observed directly and must instead be estimated. Therefore, an input or a measurement technique has to be used to develop an accounting estimate to achieve this goal.

Besides the abovementioned impacts, as of the date the accompanying consolidated financial statements were authorized for issue, the consolidated company continues in evaluating the impact on its financial position and financial performance as a result of the aforementioned standards or interpretations. The related impact will be disclosed when the evaluation has been completed.

4. Summary of Significant Accounting Policies

a. Statement of Compliance

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

b. Basis of Preparation

The accompanying consolidated financial statements have been prepared on the historical cost basis except for financial instruments at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date;

- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
 - 3) Level 3 inputs are unobservable inputs for the asset or liability.
- c. Standards for Classification of Current and Non-current Assets and Liabilities

Current assets include:

- 1) Assets held for trading purposes;
- 2) Assets expected to be realized within 12 months after the balance sheet date; and
- 3) Cash and cash equivalents, excluding those that are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Obligations incurred for trading purposes;
- 2) Obligations expected to be settled within 12 months from the balance sheet date (liabilities with long-term refinancing or rearrangement of payment terms completed after the balance sheet date and before the publication of the financial statements are also deemed as current liabilities); and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of an obligation that could, at the option of the counterparty, result in its settlement by the issuance of equity instruments, do not affect its classification.

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

d. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (subsidiaries). The consolidated statement 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. Adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the consolidated company. When preparing the consolidated financial statements, all intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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 adjustment amount of non-controlling interests and the fair value of consideration paid or collected shall be directly recognized in equity attributable to the owners of the Company.

For details of subsidiaries, shareholding ratio, and operations, Please refer to Note 12, Table VIII and IX.

e. Business combinations

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 entitle 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. Other non-controlling interests are measured at fair value.

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 of the measurement period, it is a retrospective adjustment of the acquisition cost and a relative adjustment of the goodwill. 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 consolidated company 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.

f. Foreign Currency

When preparing the parent company only financial statements, 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 translated at the closing 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 and associates different from the Company) are converted into NTD 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 or 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.

g. Inventories

Inventories include raw materials, supplies, semi-finished goods, finished goods and commodity inventory. 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.

h. Investment in the Associates

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

The consolidated company adopts the equity method for investment in associates.

Under the equity method, investments in associates are initially recognized at cost. The carrying amount of such investments after the acquisition date increases or decreases in accordance with the consolidated company's shares of associates' profit or loss and other comprehensive income, as well as earnings allocation. In addition, changes in the interest of the associates are recognized by the shareholding ratio.

The amount that the acquisition cost exceeds the net fair value share of the identifiable assets and liabilities of the associates that constitute business and are entitled by the Company on the acquisition date is recorded 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 associates that constitute business and are entitled by the Company on the acquisition date exceeds the acquisition cost is recorded as the current profit or loss.

As the associates issue new shares, if the consolidated company has not subscribed for its shares in proportion to its shareholding ratio, resulting in changes in shareholding percentage and thus increase or decrease the net worth of share ownership, the increased or decreased amounts are subject to adjust capital surplus - changes in net worth of shareholding of associates and joint ventures accounted for using the equity method and investments accounted for using the equity method. If the ownership interests in associates decrease due to not subscribed for or acquired in proportion to the shareholding ratio, the amount related to the associates recognized in other comprehensive income shall be reclassified based on the ratio of decrease, and the basis of accounting practices is the same as the basis must be followed by the associates for direct disposal of related assets or liabilities. If the above adjustments shall debit capital surplus and the remaining balance of such capital surplus generated from investments accounted for using the equity method is not sufficient, the differences shall debit to retained earnings.

When the loss share of the consolidated company to the associates is equal to, or more than, its equity in the associates (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 component of the consolidated company to the associates), 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 interests in the original associate shall be measured by its fair value. The difference between the fair value and the disposal price and the carrying amount of the investment on the date when the equity method ceases to be used shall be included in the current profit or loss. In addition, the basis of the accounting practices for amounts related to the associate under other comprehensive income or loss shall follow the same basis as that followed by the associates for direct disposal 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.

Profit or loss in up- and downstream transactions between the consolidated company and the associates or transactions between associates shall only be recognized in the consolidated financial statements when it is not related to the consolidated company's interest in the associates.

i. 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. The cost includes professional service expenses and borrowing costs eligible for capitalization. When these assets are completed and ready for use, they are classified as property, plant or equipment, and start to be listed as depreciation.

property, plant and equipment are depreciated on a straight-line basis over their useful lives and depreciation shall be separately provided for each significant 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 the current profit or loss

j. 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 recognized directly as profit or 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 or loss.

k. 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 lives are carried at cost minus the accumulated impairment losses.

2) Acquisition from business combinations

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 or loss.

l. Impairment of Property, plant and equipment, Right-of-use assets, Intangible assets (excluding goodwill), and related assets of contract costs

On each balance sheet date, the consolidated company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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 cash-generating unit to which the asset belongs. Shared use asset are allocated to the smallest group of cash-generating units with 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 cash-generating unit is lower than its carrying amount, the carrying amount of the asset or cash-generating unit 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 cash-generating unit to evaluate the impairment of the cash-generating unit.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit 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, cash-generating unit, or the contract cost-related assets without impairment loss recognized in the previous year. The reversal of impairment losses is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the consolidated company becomes a party of the financial instrument contract.

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 issue of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial Assets

Transaction date accounting and derecognition apply to regular financial asset transactions.

a) Measurement Types

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

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets mandatorily classified as at fair value through profit or loss, and financial assets designated at fair value through profit or loss. Financial assets mandatorily classified as at fair value through profit or loss include investments in equity instruments not designated by the consolidated company to be measured at fair value through other comprehensive income, and investments in debt instruments 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 dividend 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.

ii. Financial assets 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 at amortized cost.

- A. It is held under a business model that is held for the purpose of obtaining financial assets to collect contractual cash flows; and
- B. The contractual terms generate cash flows on a specified date basis and the cash flows are solely payments on the principal amounts outstanding and interest amounts outstanding.

Financial assets at amortized cost (including cash and cash equivalents, accounts receivable and other financial assets at amortized cost) are measured at the aggregate carrying amount of the financial asset after initial recognition and determined by using the effective interest method. Any foreign exchange gains or losses are recognized in profit or loss.

Except for the following two situations, interest income is calculated by applying the effective interest rate to 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.

iii. Investments in equity instruments at fair value through other comprehensive income

The consolidated company may make an irrevocable election at initial recognition, and designated the investments in equity instruments that is not held for trading and that is not contingent consideration recognized by acquirer of business combination at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value, with changes in fair value recognized in other comprehensive income and accumulated in other equity. When the investment is disposed of, the cumulative gain or loss is directly transferred to retained earnings and is not reclassified to profit or loss.

Dividends of investments in equity instruments 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 dividend clearly represents the recovery of part of the investment cost.

b) Impairment of Financial Assets and Contract Assets

On each balance sheet date, the consolidated company assesses the impairment loss of financial assets at amortized cost (including accounts receivable) 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 losses are weighted average of credit losses that are highly probable. The 12-month expected credit loss represents possible credit loss from breach of contract within 12 months of reporting date. Lifetime expected credit loss represents expected credit loss from breach of contract of financial instruments during period of existence.

For internal credit risk management, the consolidated company determines that there is internal or external information indicating that the debtor can't 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.

c) 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 assets 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 investments in equity instruments 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.

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

3) Financial Liabilities

a) Subsequent Measurement

Financial liabilities are measured at amortized cost by effective interest methods, except for:

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.

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 or loss.

4) Convertible corporate bonds

The component of compound financial instruments (convertible corporate bonds) issued by the consolidated company are respectively 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 liability component is estimated using the prevailing market interest rate for similar non-convertible instruments and measured at amortized reached. The liability component of the non-equity derivative 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 corporate 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 corporate 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 foreign 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 balance sheet date. Any gain or loss after that are recognized in profit or loss. For designated derivatives of hedging instruments, the timing of its recognition under income depends on the hedge 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. If derivatives embedded in an asset host contract is not within the scope of IFRS 9 (e.g. embedded in the host contract of financial liabilities), and the embedded derivative meets the definition of derivative too, when the risks and characteristics are not closely related to the risks and characteristics of the host contract, and the hybrid contract is not measured at fair value through profit or loss, the derivative is treated as a separate derivative.

n. Provisions

The amount recognized as the provisions 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 provisions is measured by the discounted value of the estimated cash flow of the obligation to settle.

1) Onerous contracts

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 provisions.

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 provisions for restructuring. The restructuring provisions 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 obligations that correspond to the requirements of the guarantee and the agreement are based on the best estimates of the expenditure required to settle the consolidated company's obligations, and recognize revenue when the relevant products are recognized.

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 parent company only 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.

o. Revenue recognition

The consolidated company first identifies performance obligations in customer's contract, then distributes transaction price to each obligation and recognizes revenue when obligations are met.

The transaction price of significant financial components are not adjusted when contract time interval of merchandise or service transfer and acquired consideration is within one year.

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. The products above are delivered to locations designated by the customer, who has the right to set price and use the merchandise, in addition to the responsibility of reselling and assuming risk of obsolescence. The consolidated company will recognize revenue and accounts receivable at each point of time.

When the material is processed, control of the processed products is not transferred and the amount of the control is not recognized when the material is finished.

2) Service Revenue

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

3) Project Revenue

The consolidated company gradually recognizes revenue over the construction process when real property contracts govern properties that are controlled by the client during construction. Due to the direct correlation between the cost and the completion of performance obligations, the consolidated company measured the progress of the actual cost incurred to the total estimated costs. 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 contract liabilities. 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.

p. Leases

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

1) The Consolidated Company is a Lessor

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.

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 is 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 sheet.

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 sheet.

q. Borrowing Costs

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, other borrowing costs are recognized in profit or loss.

r. Employee benefits

1) Short-Term Employee Benefits

Short-term employee benefits liabilities are measured at the undiscounted amount of the employee services expected to be paid in exchange for the services.

2) Benefits after retirement

Pension from defined contribution plans is listed as expense for pension during periods of employee service.

The net defined benefit-cost of defined benefit retirement plan (including service cost, net interest, and remeasurement) 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 remeasurement (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 will not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) is the shortfall (surplus) for defined benefit pension plans. The net defined benefit assets shall not exceed the present value of the refunded or reduced future contributions from the scheme.

s. 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 instruments reflects market vesting conditions and non-vesting conditions. The recognized remuneration costs are adjusted as the number of awards that are expected to meet the vesting conditions and the market price vesting conditions are adjusted, and the amount recognized is recognized on the current-date basis.

t. Income taxes

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

1) Current Income Tax

The consolidated company determines the current income (loss) in accordance with the laws and regulations established by each income tax jurisdiction, and calculates the income tax payable (recoverable) based on it.

According to the Income Tax Law of the Republic of China, an additional income tax on unappropriated earnings was surcharged in the year approved by 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 tax is calculated from temporary differences between carrying amount of assets and liabilities, and tax base for determining taxable income.

Deferred tax liabilities are generally recognized for all temporary taxable differences, and deferred 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 carryforward or purchase of mechanical equipment.

The temporary taxable differences related to investment subsidiaries are recognized as deferred 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 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 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 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 tax assets and liabilities are measured at tax rates expected for liability settlement or asset realization in the same period. Tax rates are based on tax laws enacted or substantively enacted by balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

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.

5. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

When the consolidated company adopts accounting policies, the management must make judgments, estimates and assumptions based on historical experience and other critical factors. Actual results might be different from estimates.

The consolidated company takes into account the economic impact of the COVID-19 outbreak in its critical accounting judgments and the management will constantly review the estimations and underlying 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

a. 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. Where the actual future cash flows are less than expected, a significant impairment loss may arise.

b. 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 significant impact on these estimates.

6. Cash and Cash Equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand	\$ 25,819	\$ 22,593
Bank checking and demand deposits	14,703,528	18,049,768
Cash equivalents		
Time deposits with original maturity date less than three months	<u>1,291,294</u>	<u>267,513</u>
	<u>\$ 16,020,641</u>	<u>\$ 18,339,874</u>

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Demand deposits	0.001%~3.00%	0.001%~3.50%
Time deposits	0.30%~3.80%	0.08%~6.80%

7. Financial instruments at fair value through profit or loss

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets - current</u>		
Mandatorily at fair value through profit or loss		
Derivatives (not designated for hedging)		
- Forward foreign exchange contracts	\$ 289	\$ 11,260
- Repurchase right of domestic convertible corporate bonds	3,822	-
Non-derivative financial assets		
- Fund beneficiary certificates	570	600
- Foreign corporate bonds	-	38,490
- Listed (OTC) and emerging company stock	<u>137,234</u>	<u>63,303</u>
	<u>\$ 141,915</u>	<u>\$ 113,653</u>

Financial assets - non-current

Mandatorily at fair value through profit or loss

Derivatives financial assets (not designated for hedging)

- Domestic convertible corporate bonds with repurchase agreement (Note 21)

\$ 9,016 \$ -

Non-derivative financial assets

- Fund beneficiary certificates

88,881 4,720

- TWSE/TPEX-Listed stock

31,142 14,118

- Unlisted (Non-OTC) and emerging stock

482,304 472,658

- Foreign convertible corporate bonds

4,867 33,043

\$ 616,210 \$ 524,539

Financial liabilities – current

Held for trading

Derivatives (not designated for hedging)

- Foreign currency option contracts

\$ - \$ 1,282

- Forward foreign exchange contracts

567 23,002

- Redemption rights of domestic convertible corporate bonds (Note 21)

118 -

\$ 685 \$ 24,284

Financial liabilities – non-current

Held for trading

Derivatives (not designated for hedging)

- Redemption rights of domestic convertible corporate bonds (Note 21)

\$ - \$ 24,718

contingent consideration (Note 31)

964,002 -

\$ 964,002 \$ 24,718

- a. The foreign currency option contracts of the consolidated company that are not applicable to hedge accounting and have not yet expired are as follows:

December 31, 2019

<u>Currency</u>	<u>Maturity period</u>	<u>Contractual Amount (thousand dollars)</u>
Sell USD/BUY EUR	June, 2017 - June, 2020	USD 3,000/Euro 2,670

- b. The forward foreign exchange contracts of the consolidated company that are not applicable to hedge accounting and have not yet expired are as follows:

December 31, 2020

<u>Currency</u>	<u>Maturity period</u>	<u>Contractual Amount (thousand dollars)</u>
Sell EUR/BUY USD	March 2021	EUR 93/USD 105
Sell CHF/BUY EUR	April 2021	CHF 126/EUR 116

December 31, 2019

<u>Currency</u>	<u>Maturity period</u>	<u>Contractual Amount (thousand dollars)</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

8. Financial assets at fair value through other comprehensive income

Investments in equity instruments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Current</u>		
Domestic investment		
TWSE/TPEX-Listed stock	\$ -	\$ 39,160
<u>Non-current</u>		
Domestic investment		
Non TWSE/TPEX-Listed stock	\$ 71,237	\$ -
Foreign investment		
TWSE/TPEX-Listed stock	-	10
Non TWSE/TPEX-Listed stock	267,943	95,746
Limited Partnership	292,609	233,137
	<u>\$ 631,789</u>	<u>\$ 328,893</u>

The consolidated company invests under the medium and long-term strategy and expects to make profits through long-term investment. The management of the consolidated company considers that the short-term fair value of the investments will be included in the profit or loss and is not consistent with the long-term investment planning mentioned above, and therefore, the designation of such investments is not in line with the fair value of the investment in other comprehensive income.

9. Financial Assets at Amortized Cost

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Current</u>		
Domestic investment		
Time deposits with an original maturity date more than 3 months	<u>\$2,302,367</u>	<u>\$ 49,484</u>

As of December 31, 2020 and 2019, the interest rate intervals of time deposits with original maturity date more than 3 months were 0.3%~3.80% and 0.77%~2.20%, respectively.

Please refer to Note 37 for information on Financial assets at amortized cost pledged as collateral.

10. Notes Receivable and Accounts Receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Notes receivable – arising from operations</u>		
Measured at amortized cost		
Total carrying amount	\$ 53,888	\$ 161,558
Less: Allowance for loss	<u>-</u>	<u>-</u>
	<u>\$ 53,888</u>	<u>\$ 161,558</u>
<u>Accounts receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 15,580,053	\$ 16,894,122
Less: Allowance for loss	(<u>1,086,892</u>)	(<u>986,902</u>)
	<u>\$ 14,493,161</u>	<u>\$ 15,907,220</u>
Accounts receivable - related parties	<u>\$ 493,067</u>	<u>\$ 1,209,727</u>

Accounts receivable 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. The historical experience of the consolidated company's credit loss history has shown that the loss patterns of different customer have not significantly different from the loss patterns. Therefore, the provision matrix is not further differentiated in the customer base. Only the number of overdue days for accounts receivable are used for setting the expected credit loss rate.

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 accounts receivables. Still, it will continue to pursue recovering activities, and the recovered amount will be recognized in profit or loss.

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

December 31, 2020

	<u>Not overdue</u>	<u>1 ~ 30 days overdue</u>	<u>31 ~ 150 days overdue</u>	<u>151 ~ 270 days overdue</u>	<u>271 ~ 365 days overdue</u>	<u>1 ~ 2 years overdue</u>	<u>Overdue for more than 2 years</u>	<u>Total</u>
Expected credit loss rate	0.51%	1.77%	4.34%	22.19%	43.65%	49.06%	89.73%	
Total carrying amount	\$ 12,586,896	\$ 915,293	\$ 966,927	\$ 261,365	\$ 183,376	\$ 526,710	\$ 632,553	\$ 16,073,120
Loss allowance (lifetime expected credit losses)	(<u>64,675</u>)	(<u>16,156</u>)	(<u>42,009</u>)	(<u>57,993</u>)	(<u>80,047</u>)	(<u>258,394</u>)	(<u>567,618</u>)	(<u>1,086,892</u>)
Amortized cost	<u>\$ 12,522,221</u>	<u>\$ 899,137</u>	<u>\$ 924,918</u>	<u>\$ 203,372</u>	<u>\$ 103,329</u>	<u>\$ 268,316</u>	<u>\$ 64,935</u>	<u>\$ 14,986,228</u>

December 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 losses)	(23,819)	(3,238)	(65,624)	(17,546)	(27,688)	(365,160)	(483,827)	(986,902)
Amortized cost	\$ 13,715,768	\$ 1,055,256	\$ 1,436,718	\$ 404,111	\$ 164,697	\$ 306,483	\$ 33,914	\$ 17,116,947

The impairment of the allowance for loss of accounts receivable is as follows:

	For the years ended December 31, 2020	For the years ended December 31, 2019
Balance at the beginning of the year	\$ 986,902	\$ 952,419
Plus: impairment loss recognized for the period	266,818	69,783
Plus: Acquisition through business combinations	5,085	195,160
Less: Actual write-off for the period	(156,347)	(228,009)
Foreign currency translation differences	(15,566)	(2,451)
Ending balance of the year	<u>\$ 1,086,892</u>	<u>\$ 986,902</u>

Please refer to Note 37 for information on accounts receivable pledged as collateral.

11. Inventories

	December 31, 2020	December 31, 2019
Raw materials	\$ 5,885,615	\$ 4,741,940
Raw materials in transit	30,516	55,406
Work in progress	1,607,121	2,244,652
Semi-finished products	717,460	683,481
Finished goods	2,699,986	2,202,332
Stock in hand	2,412,547	2,034,846
Less: Allowance for inventory price loss	(516,915)	(418,420)
	<u>\$ 12,836,330</u>	<u>\$ 11,544,237</u>

Cost of goods sold for the years ended December 31, 2020 included inventory price loss of \$72,323 thousand and inventory obsolescence loss of \$180,930 thousand.

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

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

12. Subsidiaries

a. Subsidiaries included in consolidated financial statements

The consolidated financial statements are presented as follows:

Name of investor	Name of Subsidiary	Nature of business	Percentage of shareholding		Remark
			2020 December 31	2019 December 31	
The Company	Innovative Systems Integration Limited (Innovative Systems)	Professional Investment	100%	100%	
"	Ennoconn International Investment Co., Ltd. (Ennoconn International)	Professional Investment	100%	100%	
"	Ennoconn Investment Holdings Co., Ltd (EIH)	Professional Investment	100%	100%	

Name of investor	Name of Subsidiary	Nature of business	Percentage of shareholding		Remark
			2020 December 31	2019 December 31	
Innovative Systems	Nanjing Asiatek Inc. (Asiatek)	Engaged in R&D and sales of hardware and software products, and provide installation, debugging, and technical consultation.	100%	100%	
The Company and Ennoconn International	Caswell Inc. (Caswell)	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	31.91%	34.28%	Note 1
Innovative Systems	Ennoconn (Foshan) Investment Co., Ltd.	Professional Investment	100%	100%	
"	ENGA Technology Co., Ltd.	Wholesale, manufacturing, service and import/export of industrial computer and industrial systems	100%	100%	
"	Ennoconn (Suzhou) Technology Co., Ltd. (Suzhou Ennoconn)	Research and development, production and sales of industrial computers	100%	100%	
"	Victor Plus Holdings Ltd. (Victor Plus)	Import and export trading	100%	100%	Note 2
"	Ennoconn Investment Co., Ltd. (Ennoconn Investment)	Professional Investment	100%	100%	Note 2
Suzhou Ennoconn	Ennoconn (Kunshan) Technology Co., Ltd. (Kunshan Ennoconn)	Intelligent technology development and sales of hardware	70%	100%	Note 2
Asiatek	Shenzhen Asiatek INC. (Shenzhen Asiatek)	Engaged in R & D, production and sales of electronic materials required for hardware and software products	70%	70%	Note 2
Ennoconn International	Goldtek Technology Co., Ltd.	Telecommunications control of radio frequency equipment input and information software wholesale and retail	56.74%	56.74%	
"	EnnoMech Precision (Cayman) Co., Ltd.	Professional Investment	100%	100%	
"	SyS-P Co., Ltd.	International trade, information software wholesale, and service	100%	100%	
"	Taiwan Applied Module Corporation (Taiwan Applied)	Research, design and sales of mobile payment, electronic signature and information security	100%	100%	Note 3
"	Thecus Technology Corporation	Manufacturing of electronic parts, computer and peripheral devices, electronic material	60%	60%	

Name of investor	Name of Subsidiary	Nature of business	Percentage of shareholding		Remark
			2020 December 31	2019 December 31	
"	Dexatek Technology Ltd.	wholesale and software services R&D and design, manufacturing of multimedia products	60%	60%	
"	Marketch International Corp. (Marketch)	Integration of high-tech industrial plants and manufacturing system planning services	44.59%	44.69%	Note 4
"	POSLAB TECHNOLOGY CORPORATION (POSLAB)	Manufacturing, wholesale and sales of electronic and peripheral devices	70%	-	Note 5
Goldtek Technology	Keenest Electronic Corp.	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 its subsidiaries (Sunlit Precision)	Metal stamping and casting industry	40.30%	40.30%	Note 6
Ennoconn International and EIH	S&T AG, and subsidiaries	Integration service for information software and hardware	27.22%	26.93%	Note 7
EIH	AIS Cayman Technology (AIS Cayman)	Professional Investment	62.36%	60%	Note 8
AIS Cayman	American Industrial Systems Inc. (AIS)	Human-machine interface, 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%	
EnnoMech Cayman	DOMINATE UNITED ENTERPRISE LTD.	Professional Investment	100%	100%	
"	EnnoMech Precision Co., Ltd.	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	100%	100%	
"	HighAim Technology Inc.	Professional Investment	66.05%	66.05%	
DOMINATE UNITED ENTERPRISE LTD.	EnnoMech Precision (Shenzhen) LLC	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	100%	100%	
HighAim	HighAim Technology Inc.	Design, R&D, and production of various molds, servers, and	100%	100%	

Name of investor	Name of Subsidiary	Nature of business	Percentage of shareholding		Remark
			2020 December 31	2019 December 31	
"	Andrix International LTD.	communication equipment	100%	100%	
"	Funology Investment Inc.	Import and export trading	100%	100%	
Thecus Technology	Thecus NL B.V.	Sales of network storage equipment and maintenance services	-	100%	Note 9
"	Thecus U.S.A.,Inc.	Sales of network storage equipment and maintenance services	100%	100%	

Note 1. The shareholding ratio of the Company and Ennoconn International was 27.70% and 4.50% respectively. The consolidated company had held the majority of voting rights of the Board of Directors of Caswell Inc. and had the ability to dominate its personnel, financial and operating decision, and so to list it as a subsidiary. During the holding period for the year, the shareholding ratio had decreased to 31.91% (refer to Note 32) due to convertible corporate bonds converted to ordinary shares.

Note 2. Victor Plus, Kunshan Ennoconn, and Shenzhen Asiatek were established in January 2019, and Ennoconn Investment was established in October 2019 and incorporated into the consolidated financial statements. Suzhou Ennoconn transferred the equity interest in Kunshan Ennoconn in mid-May 2020, resulting in a decrease in shareholding ratio to 70% (see Note 32).

Note 3. Ennoconn International increased its shareholding in Taiwan Applied Module Corp. to 100%, and completed the share transfer in August 2019 (see Note 32).

Note 4. The consolidated company considered the proportion of voting rights held by other shareholders, and it was judged to have substantial control. Therefore, it was listed as a subsidiary. During the holding period, the shareholding ratio decreased as a result of the exercise of stock warrants in Marketch (see Note 32).

Note 5. The consolidated company acquired 70% equity in January 2020 and included it in the consolidated financial statements (see Note 31).

Note 6. The consolidated company held more than half of the total number of directors in January 2019, which has substantial control, so it is listed as a subsidiary (see Note 31).

Note 7. This 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 significant. The consolidated company is the largest shareholder and holds more than half of the total number of directors with substantial control power. Therefore, it is listed as a subsidiary. During the holding period for the year, it repurchased its treasury stocks, resulting in an increase in the consolidated shareholding percentage to 27.22% (see Note 32).

Note 8. Ennoconn International Company acquired shareholding of ordinary shares issued for cash of AIS in June 2020, resulting in an increase in shareholding ratio to 62.36% (see Note 32).

Note 9. The operation was terminated and the liquidation process was completed in the third quarter of 2020.

b. Information on subsidiaries with significant non-controlling interests

Name of Subsidiary	The shareholding ratio and voting rights held by non-controlling interests	
	December 31, 2020	December 31, 2019
Caswell	68.09%	65.72%
S&T AG	72.78%	73.07%
Marketch	55.41%	55.31%

Please refer to Table VIII for information on the country of the main operation premises and registration.

Name of Subsidiary	Profit or loss allocated to non-controlling interests		Non-controlling interests	
	For the years ended	For the years ended	December 31,	December 31,
	December 31, 2020	December 31, 2019	2020	2019
Caswell (non-controlling interests of subsidiaries)	\$ 202,187	\$ 143,732	\$ 2,285,167	\$ 1,888,628
S&T AG (non-controlling interests of subsidiaries)	1,180,190	1,039,691	13,132,477	12,125,572
Marketch (non-controlling interests of subsidiaries)	479,431	361,163	3,565,332	3,324,539
	<u>\$ 1,861,808</u>	<u>\$ 1,544,586</u>	<u>\$18,982,976</u>	<u>\$17,338,739</u>

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

Caswell and subsidiaries

	December 31, 2020	December 31, 2019
Current assets	\$ 4,302,458	\$ 3,645,200
Non-Current Assets	1,032,720	1,064,535
Current liabilities	(1,345,361)	(1,361,281)
Non-current liabilities	(273,281)	(59,614)
Equity	<u>\$ 3,716,536</u>	<u>\$ 3,288,840</u>
Equity attributable to: (Note)		
Owners of the Company	\$ 1,262,056	\$ 1,176,209
Non-controlling interests of Caswell Inc.	2,285,167	1,888,628
Non-controlling interests of the subsidiaries of Caswell Inc.	<u>169,313</u>	<u>224,003</u>
	<u>\$ 3,716,536</u>	<u>\$ 3,288,840</u>

Note: Including the interest of Ennoconn Corp. and Ennoconn International in the joint holding of Caswell.

	For the years ended December 31, 2020	For the years ended December 31, 2019
Operating revenue	<u>\$ 5,465,855</u>	<u>\$ 4,431,795</u>
Net profit	\$ 347,164	\$ 257,728
Other comprehensive income	<u>3,954</u>	(21,369)
Total comprehensive income	<u>\$ 351,118</u>	<u>\$ 236,359</u>

NET PROFIT/(LOSS) ATTRIBUTABLE TO		
Owners of the Company	\$ 100,494	\$ 75,576
Non-controlling interests of Caswell Inc.	202,187	143,732
Non-controlling interests of the subsidiaries of Caswell Inc.	44,483	38,420
	<u>\$ 347,164</u>	<u>\$ 257,728</u>

TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:		
Owners of the Company	\$ 101,227	\$ 68,815
Non-controlling interests of Caswell Inc.	204,135	130,811
Non-controlling interests of the subsidiaries of Caswell Inc.	45,756	36,733
	<u>\$ 351,118</u>	<u>\$ 236,359</u>

Cash flow		
Operating activities	\$ 41,859	\$ 220,731
Investing activities	(239,000)	(397,408)
Financing activities	250,644	(128,102)
Impact of fluctuation in exchange on cash	2,772	(10,571)
Net cash inflow (outflow)	<u>\$ 56,275</u>	<u>(\$ 315,350)</u>

Dividend paid to non-controlling interests Caswell Inc.	<u>\$ 137,825</u>	<u>\$ 154,638</u>
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S&T AG, and subsidiaries

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current assets	\$ 25,938,168	\$ 25,815,282
Non-Current Assets	24,666,097	22,636,419
Current liabilities	(17,615,984)	(17,778,933)
Non-current liabilities	(11,701,217)	(10,459,297)
Equity	<u>\$ 21,287,064</u>	<u>\$ 20,213,471</u>
Equity attributable to:		
Owners of the Company (Note)	\$ 7,964,363	\$ 7,672,639
Non-controlling interests of S&T AG	13,132,477	12,125,572
Non-controlling interests of the subsidiaries of S&T AG	190,224	415,260
	<u>\$ 21,287,064</u>	<u>\$ 20,213,471</u>

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

	For the years ended December 31, 2020	For the years ended December 31, 2019
Operating revenue	<u>\$ 42,402,384</u>	<u>\$ 38,657,456</u>
Net profit	\$ 1,587,819	\$ 1,433,306
Other comprehensive income	(<u>442,666</u>)	<u>32,281</u>
Total comprehensive income	<u>\$ 1,145,153</u>	<u>\$ 1,465,587</u>
NET PROFIT/(LOSS) ATTRIBUTABLE TO		
Owners of the Company	\$ 440,178	\$ 380,254
Non-controlling interests of S&T AG	1,180,190	1,039,691
Non-controlling interests of the subsidiaries of S&T AG	(<u>32,549</u>)	<u>13,361</u>
	<u>\$ 1,587,819</u>	<u>\$ 1,433,306</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:		
Owners of the Company	\$ 329,468	\$ 382,523
Non-controlling interests of S&T AG	882,113	1,046,626
Non-controlling interests of the subsidiaries of S&T AG	(<u>66,428</u>)	<u>36,438</u>
	<u>\$ 1,145,153</u>	<u>\$ 1,465,587</u>
Cash flow		
Operating activities	\$ 4,567,271	\$ 2,607,326
Investing activities	(2,614,904)	(1,871,700)
Financing activities	(2,708,129)	3,946,246
Impact of fluctuation in exchange on cash	(<u>307,970</u>)	<u>38,349</u>
Net cash inflow (outflow)	<u>(\$ 1,063,732)</u>	<u>\$ 4,720,221</u>
Dividend paid to non-controlling interests	<u>\$ 81,480</u>	<u>\$ 270,381</u>

Marketch and subsidiaries

	December 31, 2020	December 31, 2019
Current assets	\$ 16,013,346	\$ 15,635,023
Non-Current Assets	6,624,632	6,442,504
Current liabilities	(11,132,653)	(12,587,440)
Non-current liabilities	(<u>2,762,387</u>)	(<u>1,227,470</u>)
Equity	<u>\$ 8,742,938</u>	<u>\$ 8,262,617</u>
Equity attributable to:		
Owners of the Company	\$ 5,083,627	\$ 4,900,122
Non-controlling interests of Marketch	3,565,332	3,324,539
Non-controlling interests of the subsidiaries of Marketch	<u>93,979</u>	<u>37,956</u>
	<u>\$ 8,742,938</u>	<u>\$ 8,262,617</u>

	For the years ended December 31, 2020	For the years ended December 31, 2019
Operating revenue	<u>\$ 25,119,857</u>	<u>\$ 24,182,681</u>
Net profit	\$ 827,408	\$ 621,027
Other comprehensive income	(<u>5,215</u>)	(<u>38,855</u>)
Total comprehensive income	<u>\$ 822,193</u>	<u>\$ 582,172</u>
NET PROFIT/(LOSS) ATTRIBUTABLE TO		
Owners of the Company	\$ 386,211	\$ 293,750
Non-controlling interests of Marketech	479,431	361,163
Non-controlling interests of the subsidiaries of Marketech	(<u>38,234</u>)	(<u>33,886</u>)
	<u>\$ 827,408</u>	<u>\$ 621,027</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:		
Owners of the Company	\$ 383,726	\$ 276,811
Non-controlling interests of Marketech	476,336	340,161
Non-controlling interests of the subsidiaries of Marketech	(<u>37,869</u>)	(<u>34,800</u>)
	<u>\$ 822,193</u>	<u>\$ 582,172</u>
Cash flow		
Operating activities	\$ 1,445,727	\$ 975,847
Investing activities	(436,442)	(326,157)
Financing activities	(558,118)	(217,671)
Impact of fluctuation in exchange on cash	(<u>19,731</u>)	(<u>26,433</u>)
Net cash inflow (outflow)	<u>\$ 431,436</u>	<u>\$ 405,586</u>
Dividend paid to non-controlling interests	<u>\$ 269,084</u>	<u>\$ 306,632</u>

13. Investments accounted for using the equity method

Investment in associates

	December 31, 2020	December 31, 2019
Associates not individually significant	<u>\$ 462,086</u>	<u>\$ 439,424</u>

Summary Information on Associates not Individually Significant

	For the years ended December 31, 2020	For the years ended December 31, 2019
Shares of the consolidated company		
Net profit for the year	\$ 11,349	\$ 21,892
Other comprehensive income	(<u>504</u>)	(<u>459</u>)
Total comprehensive income	<u>\$ 10,845</u>	<u>\$ 21,433</u>

14. property, plant and equipment

	Freehold land	Buildings	Mechanical equipment	Leasehold improvements	Other equipment	Total
<u>Cost</u>						
Balance on January 1, 2020	\$ 533,036	\$ 4,605,406	\$ 3,856,092	\$ 49,048	\$ 628,294	\$ 9,671,876
Additions	-	334,948	551,474	20,781	254,672	1,161,875
Reclassification	-	5,015	(13,238)	31,918	(19,128)	4,567
Acquired through business combinations	92,423	1,834,419	1,378,966	-	2,430	3,308,238
Disposal	-	(11,210)	(249,219)	-	(64,416)	(324,845)
Net exchange differences	936	69,726	13,927	(4,444)	1,656	81,801
Balance on December 31, 2020	<u>\$ 626,395</u>	<u>\$ 6,838,304</u>	<u>\$ 5,538,002</u>	<u>\$ 97,303</u>	<u>\$ 803,508</u>	<u>\$13,903,512</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2020	\$ -	\$ 1,724,043	\$ 2,743,051	\$ 13,554	\$ 342,581	\$ 4,823,229
Depreciation expenses	-	207,200	418,795	6,256	93,857	726,108
Reclassification	-	-	(24,670)	6,086	(15,084)	(33,668)
Acquired through business combinations	-	654,067	1,233,591	-	2,034	1,889,692
Disposal	-	(4,427)	(219,240)	-	(31,963)	(255,630)
Net exchange differences	-	20,874	(3,181)	6,148	6,338	30,179
Balance on December 31, 2020	<u>\$ -</u>	<u>\$ 2,601,757</u>	<u>\$ 4,148,346</u>	<u>\$ 32,044</u>	<u>\$ 397,763</u>	<u>\$ 7,179,910</u>
Net Balance on December 31, 2020	<u>\$ 626,395</u>	<u>\$ 4,236,547</u>	<u>\$ 1,389,656</u>	<u>\$ 65,259</u>	<u>\$ 405,745</u>	<u>\$ 6,723,602</u>
<u>Cost</u>						
Balance on January 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 January 1, 2019 (after restatement)	539,239	3,752,651	2,810,902	16,460	588,667	7,707,919
Additions	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 December 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>
<u>Accumulated depreciation and impairment</u>						
Balance on January 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 January 1, 2019 (after restatement)	-	1,252,316	1,871,879	8,074	275,710	3,407,979
Depreciation expenses	-	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 December 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 Balance on December 31, 2019	<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>

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
Mechanical equipment	3 ~ 15 years
Leasehold improvements	2 ~ 9 years
Other equipment	2 ~ 10 years

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

15. Lease Agreements

a. Right-of-use Assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Carrying amount of right-of-use asset		
Land	\$ 791,395	\$ 740,349
Houses and buildings	1,804,750	1,951,145
Mechanical equipment	65	56
Office equipment	86,935	160,051
Other equipment	<u>459,411</u>	<u>369,698</u>
	<u>\$ 3,142,556</u>	<u>\$ 3,221,299</u>
	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
Addition of right-of-use assets (including acquisition through business combination)	<u>\$ 996,323</u>	<u>\$ 793,382</u>
Depreciation expenses of right-of-use assets		
Land	\$ 49,765	\$ 50,687
Houses and buildings	586,509	565,675
Mechanical equipment	77	195
Office equipment	40,043	591
Other equipment	<u>198,681</u>	<u>147,346</u>
	<u>\$ 875,075</u>	<u>\$ 764,494</u>

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

b. Lease liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Carrying amount of lease liability		
Current	<u>\$ 1,003,690</u>	<u>\$ 980,830</u>
Non-current	<u>\$ 2,544,899</u>	<u>\$ 2,466,745</u>

The discount rate interval of lease liabilities is as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Land	0.88% ~ 13%	0.985% ~ 13%
Houses and buildings	0.84% ~ 8.26%	0.84% ~ 13%
Mechanical equipment	5.5%	0.985% ~ 5.5%
Office equipment	3.406% ~ 8.26%	0.985% ~ 13%
Other equipment	0.84% ~ 8.26%	0.84% ~ 13%

c. Important Leasing Activities and Terms

The underlying assets leased by the consolidated company include land, houses and buildings, mechanical equipment, office equipment, and other equipment. The term of the lease 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 lease 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.

d. Other Leasing Information

	For the years ended December 31, 2020	For the years ended December 31, 2019
Short-term lease expenses	\$ 140,792	\$ 111,772
Total cash (outflow) of lease	(\$ 1,157,912)	(\$ 874,953)

16. Goodwill

	For the years ended December 31, 2020	For the years ended December 31, 2019
<u>Cost</u>		
Balance at the beginning of the year	\$ 13,552,040	\$ 10,936,255
Acquisition through business combinations in the year (Note 31)	317,193	2,943,724
Net exchange differences	(18,828)	(327,939)
Ending balance of the year	<u>\$ 13,850,405</u>	<u>\$ 13,552,040</u>
<u>Accumulated impairment losses</u>		
Balance at the beginning of the year	\$ 66,093	\$ -
Impairment loss recognized in the year	-	66,814
Net exchange differences	(3,307)	(721)
Ending balance of the year	<u>\$ 62,786</u>	<u>\$ 66,093</u>
Net balance at the end of the year	<u>\$ 13,787,619</u>	<u>\$ 13,485,947</u>

17. Other Intangible Assets

	Trademark Rights	Patents	Computer software	Customer relations	Others	Total
<u>Cost</u>						
Balance on January 1, 2020	\$ 2,346,787	\$ 595,238	\$ 4,224,410	\$ 2,185,790	\$ 2,243,462	\$ 11,595,687
Separate acquisition	190,053	546	742,326	-	10,709	943,634
Acquired through business combinations	70,218	-	148,141	-	260,871	479,230
Reclassification	-	-	(2,541)	-	-	(2,541)
Disposal	-	-	(547,864)	-	(12,448)	(560,312)
Net exchange differences	(147,797)	(2,515)	(124,726)	(20,589)	69,641	(225,986)
Balance on December 31, 2020	<u>\$ 2,459,261</u>	<u>\$ 593,269</u>	<u>\$ 4,439,746</u>	<u>\$ 2,165,201</u>	<u>\$ 2,572,235</u>	<u>\$ 12,229,712</u>
<u>Accumulated amortization and impairment</u>						
Balance on January 1, 2020	\$ 555,157	\$ 295,541	\$ 1,772,157	\$ 871,386	\$ 811,168	\$ 4,305,409
Amortization expenses	56,836	70,673	618,725	247,553	360,412	1,354,199
Acquired through business combinations	-	-	-	-	-	-
Reclassification	6,716	(5,670)	(2,234)	(195,255)	195,255	(1,188)
Disposal	-	-	(545,470)	-	(12,448)	(557,918)
Net exchange differences	14,492	(2,151)	(161,227)	(68,644)	71,051	(146,479)
Balance on December 31, 2020	<u>\$ 633,201</u>	<u>\$ 358,393</u>	<u>\$ 1,681,951</u>	<u>\$ 855,040</u>	<u>\$ 1,425,438</u>	<u>\$ 4,954,023</u>
Net Balance on December 31, 2020	<u>\$ 1,826,060</u>	<u>\$ 234,876</u>	<u>\$ 2,757,795</u>	<u>\$ 1,310,161</u>	<u>\$ 1,146,797</u>	<u>\$ 7,275,689</u>

	Trademark Rights	Patents	Computer software	Customer relations	Others	Total
<u>Cost</u>						
Balance on January 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 December 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 January 1, 2019	\$ 402,389	\$ 230,830	\$1,272,675	\$ 350,070	\$ 763,395	\$3,019,359
Amortization expenses	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 December 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 Balance on December 31, 2019	<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>

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.

The abovementioned trademarks are subject to an extension of statutory life at 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 conducted research on the product life cycle research, market, competitive, environmental trend and the research and development opportunities. The result shows that said trademarks are expected to generate net cash inflow for the indefinite useful life, and are therefore classified as intangible assets with indefinite 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.

18. Prepayments for Investment

Investor	Investee	December 31, 2020		December 31, 2019	
		Amount	Shareholding Obtained %	Amount	Shareholding Obtained %
Marketech International Corp.	Fortune Blessing Co., Limited	\$ 28,480	39	\$ -	-
Ennoconn International Investment Co., Ltd.	POSLAB TECHNOLOGY CORPORATION	-	-	62,410	70
Goldtek Technology Co., Ltd.	EMBER TECHNOLOGIES, INC.	51,828	-	-	-
HighAim Technology Inc.	HighAim (Shenzhen) Technology Inc.	-	-	1,289	100
		<u>\$ 80,308</u>		<u>\$ 63,699</u>	

As of the balance sheet date, the investment mentioned above has not yet completed the equity transfer or establishment registration, and the remitted amount is recorded as the prepayments for investments.

19. Other Assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other receivables	\$ 1,885,688	\$ 1,675,157
Current tax assets	68,688	48,732
Prepayments	2,602,342	1,941,828
Other financial assets (Note 1)	83,642	190,385
Refundable deposits (Note 37)	312,526	203,574
Prepayment for equipment	40,787	7,137
Others	<u>1,340,687</u>	<u>869,963</u>
	<u>\$ 6,334,360</u>	<u>\$ 4,936,776</u>
Current	\$ 5,044,191	\$ 3,912,597
Non-current	<u>1,290,169</u>	<u>1,024,179</u>
	<u>\$ 6,334,360</u>	<u>\$ 4,936,776</u>

Note 1: Other financial assets were bank deposits pledged as collateral, please refer to Note 37.

20. Borrowings

a. Short-term borrowings

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Secured loans (Note 37)</u>		
Bank loans	\$ 726,295	\$ 391,407
<u>Unsecured loans</u>		
Bank loans	<u>8,122,357</u>	<u>9,865,379</u>
	<u>\$ 8,848,652</u>	<u>\$ 10,256,786</u>
<u>Interest rate interval</u>		
Secured loans	0.35%~5.25%	0.75%~5.75%
Unsecured loans	0.50%~9.25%	0.50%~12.50%

b. Long-term borrowings

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Secured loans (Note 37)</u>		
Bank loans	\$ 1,082,212	\$ 1,129,091
<u>Unsecured loans</u>		
Bank loans	7,004,792	6,570,750
Less: long-term borrowings matured within one year	(<u>701,921</u>)	(<u>698,509</u>)
	<u>\$ 7,385,083</u>	<u>\$ 7,001,332</u>
<u>Interest rate interval</u>		
Secured loans	0.65%~2.75%	1.00%~2.75%
Unsecured loans	0.18%~4.85%	0.40%~2.20%

The above-mentioned secured loans are mainly pledged by freehold land and buildings, and they are either due for repayment at maturity date of contracts or the principal and interest paid on a monthly basis, and matured one after another by June 2038. The borrowing rate is the floating interest rate. Unsecured loans will be matured for repayment one after another in May 2032, with a floating interest rate.

21. Convertible corporate bonds

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Second domestic unsecured convertible corporate bonds	\$ 12,135	\$ 11,964
Third domestic unsecured convertible corporate bonds	5,434,586	5,720,498
First foreign unsecured convertible corporate bonds	\$ 1,379,172	\$ 1,346,977
Unsecured convertible corporate bonds of subsidiaries	1,630,478	-
Less: parts matured or able to exercise redemption rights within one year	(<u>1,391,307</u>)	-
	<u>\$ 7,065,064</u>	<u>\$ 7,079,439</u>

- a. To meet the needs of working capital and reinvestment, the Company issued the second domestic unsecured convertible corporate bonds 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 corporate bonds held be converted into the ordinary shares of the Company from the following day after two months of issuance date (July 14, 2016) to the expiration date of May 13, 2021, under the regulations of corporate bonds conversion method. The suspension of conversion period is as follows:

- a) During the book closure period, the transfer of ordinary shares is suspended in accordance with the law.
- b) The Company will negotiate with Taipei Exchange on the period from the 15 business days before the book closure date of issuance of bonus shares, the book closure date of cash dividend or the book closure date of the issuance of ordinary shares for cash to the record date of rights distribution.
- c) The date of capital reduction is cut off one day before the commencement of capital reduction.
- d) 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 \$435. In the event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of December 31, 2020, the conversion price was adjusted to \$349.2.

- 9) Redemption rights of the creditor:

30 days prior to 3 years after the issuance of corporate bonds (May 13, 2019), bondholders may notify the Company in written based on the regulations of corporate bonds conversion method to request the addition of interest charges to face value (103.0301% of corporate bonds face value after three years) and redeem convertible corporate bonds in cash.

10) The Company's redemption options:

From the day after the issuance of corporate bonds for 2 months (July 14, 2016) to 40 days before the maturity date (April 3, 2021), if the closing price of the Company's ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may notify the bondholders in accordance with the regulations of conversion method and call back all the corporate bonds by cash at par value.

This convertible corporate bonds comprise liabilities and equity component. The equity component is presented in equity as a capital surplus – stock warrants. 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 December 31, 2020 and 2019 were both \$118 thousand. As of December 31, 2020, the measured amount of non-derivative financial liabilities is \$12,135 thousand at amortized cost, and its effective interest rate initially recognized is 1.4306%.

Issue proceeds (less transaction costs of \$3,395 thousand)	\$ 1,796,605
Equity components	(<u>99,172</u>)
Liability components on the date of issuance (including corporate bonds payable of \$1,679,592 thousand and financial liabilities at fair value through profit or loss - non-current of \$20,841 thousand)	1,697,433
Interest calculated at effective interest rate of 1.4306%	59,079
corporate bonds converted into ordinary shares	(558,808)
corporate bonds payable exercised redemption rights	(<u>1,185,451</u>)
The liability components as of December 31, 2020	<u>\$ 12,253</u>

- b. To meet the needs of working capital and repayment for borrowings, the Company issued the domestic third unsecured convertible corporate bonds on February 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: February 26, 2019 - February 26, 2024
- 7) Conversion period:

Except for the suspension period of conversion, the creditor may at any time request that the convertible corporate bonds held be converted into the ordinary shares of the Company from the following day after three months of issuance date (May 27, 2019) to the expiration date of February 26, 2024, under the regulations of corporate bonds conversion method. The suspension of conversion period is as follows:

- a) During the book closure period, the transfer of ordinary shares is suspended in accordance with the law.
 - b) The Company will negotiate with Taipei Exchange on the period from the 15 business days before the book closure date of issuance of bonus shares, the book closure date of cash dividend or the book closure date of the issuance of ordinary shares for cash to the record date of rights distribution.
 - c) The date of capital reduction is cut off one day before the commencement of capital reduction.
 - d) 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 \$272.8. In the event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of December 31, 2020, the conversion price was adjusted to \$236.4.
- 9) Redemption rights of the creditor:
- Thirty days prior to the issuance of corporate bonds for three years (February 26, 2022), the bondholders may notify the Company in writing based on the regulations of corporate bonds conversion method to require the Company to redeem the convertible corporate bonds held by them in cash based on the nominal amount of the corporate bonds plus interest compensation (1.5075% of the nominal amount of the corporate bonds for three years).
- 10) The Company's redemption options:
- From the day after the issuance of corporate bonds for three months (May 27, 2019) to 40 days before the maturity date (January 17, 2024), if the closing price of the Company's ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may notify the bondholders in accordance with the regulations of conversion method and call back all the corporate bonds by cash at par value.
- This convertible corporate bonds comprise liabilities and equity component. The equity component is presented in equity as a capital surplus – stock warrants. The liability components are the liabilities of embedded derivative financial products and non-derivative financial products. As of December 31, 2020 and 2019, the fair value of the embedded derivative financial products was \$(9,016) thousand and \$24,600 thousand, respectively. As of December 31, 2020, the measured amount of non-derivative financial liabilities is \$5,434,586 thousand at amortized cost, and its effective interest rate initially recognized is 1.1542%.

Issue proceeds (less transaction costs of \$4,852 thousand)	\$ 6,007,148
Equity components	(<u>332,132</u>)
Liability components on the date of issuance (including corporate bonds payable of \$5,665,424 thousand and financial liabilities at fair value through profit or loss - non-current of \$9,592 thousand)	5,675,016
Interest calculated at an effective interest rate of 1.1542%	119,588
Loss on financial commodity evaluation	(19,977)
corporate bonds converted into ordinary shares	(<u>349,057</u>)
The liability components as of December 31, 2020	<u>\$ 5,425,570</u>

- c. To meet the needs of working capital and reinvestment, the Company issued the first foreign unsecured convertible corporate bonds on March 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 \$31.653 will be converted into NT dollars equivalent to US dollars for the repayment, repurchase, and redemption of the corporate 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: March 10, 2017 ~ March 10, 2022
- 7) Conversion period:

Except for the suspension period of conversion, the creditor may request at any time that the convertible corporate bonds held be converted into the ordinary shares of the Company from the following day (April 10, 2017) after thirty days of issuance date to ten days before (February 28, 2022) the expiration date under the regulations of corporate bonds conversion method.

- 8) Conversion price:

The creditors may request the Company to convert the corporate bonds they held into ordinary shares of the Company at a fixed exchange rate of NT\$31.653 and the conversion price of NT\$488 per share. In the event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 13 of the Company's regulations on issuance and conversion of foreign unsecured convertible corporate bonds. As of December 31, 2020, the conversion price was adjusted to \$399.65.

- 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) Redemption rights of the creditor:

From two years (March 10, 2019) to 4 years following the corporate bonds issuance (March 10, 2021), the bondholders may, in accordance with the provisions of the conversion method, notify the company in writing that the Company shall add the interest compensation (corporate bonds denomination plus 1.25% of the annual interest rate) to the denomination of the corporate bonds, and redeem the converted corporate bonds held from the Company.

11) The Company's redemption option:

After two years (March 10, 2019) of issuance of the corporate bonds, if 20 trading days in 30 consecutive business days of the ordinary shares of the issuing company, the closing price of the corporate 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 corporate bonds is 130% and above, the issuing company may redeem corporate bonds in whole or in part in advance at the calculated price of the nominal amount of the corporate 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.

This convertible corporate bonds comprise liabilities and equity component. The equity component is presented in equity as a capital surplus – stock warrants. The liability components are the liabilities of non-derivative financial products, as of December 31, 2020, its measured amount of amortized cost is \$1,379,172 thousand, and the effective interest rate initially recognized is 2.4144%.

Issue proceeds (less transaction costs of \$29,142 thousand)	\$ 6,301,458
Equity components	(<u>322,635</u>)
Liability components on date of issuance	5,978,823
Interest calculated at effective rate of 2.4144%	368,352
corporate bonds converted into ordinary shares	(<u>90,841</u>)
corporate bonds payable exercised redemption rights	(<u>4,877,162</u>)
The liability components as of December 31, 2020	<u>\$ 1,379,172</u>

d. The main conditions related to the issuance of unsecured convertible corporate bonds of subsidiaries are as follows:

- 1) Amount of Issuance: NTD\$700,000 thousand
- 2) Face value: NT\$100 thousand each
- 3) Coupon rate: 0%
- 4) Effective interest rate: 0.5%
- 5) Duration: 2020.02.10~2023.02.10
- 6) Conversion period: The bondholders may, from the following day after three months from the date of issuance of the convertible corporate bonds to the expiration date, except for the period of ordinary shares are terminated from transferring by law, the period from the 15 business days before the book closure date of issuance of bonus shares, the book closure date of cash dividend or the book closure date of the issuance of ordinary shares for cash to the record date of rights distribution of the Company, or from the record date of the capital reduction to one day before the trading date starting to process the capital reduction for issuance of new shares, which is not allowed to request conversion, file a request at any time to convert the convertible corporate bonds

held into the Company's ordinary shares in accordance with the regulations through the trading securities firms, that will inform the Taiwan Depository & Clearing Corporation, that will inform the Company's stock affairs agency.

7) Conversion price:

The price of conversion was set at \$104.1 per share during issuance. In the event of an adjustment of the conversion price of the Company's ordinary shares conversion rights or stock options in accordance with the terms of the issuance, the conversion price shall be adjusted in accordance with the formula stipulated in the terms of the issuance. As of December 31, 2020, the conversion price was adjusted to \$102.4.

8) Redemption right:

- a) From the day after the issuance of the above-mentioned convertible corporate bonds for three month to 40 days before the maturity date, if the closing price on the Taipei Exchange (TPEX) of the Company's ordinary shares exceeds the current conversion price for 30 consecutive business days for 30% and above, the Company may call back all the corporate bonds by cash at par value within 30 business days.
- b) The Company may buy back all outstanding convertible corporate bonds by cash at par value at any time after the following events occur: the outstanding balance of the corporate bonds is less than 10% of total initial issue amount during the period from the date following three months of the corporate bonds issue to 40 days before the maturity date.
- c) Where a bondholder fails to respond to the Company's stock affairs agency in writing before the base date stated in the "corporate bonds recalling notice," the Company shall buy back all outstanding convertible corporate bonds by cash at par value within five business days after the base date of recalling the corporate bonds.

e. The subsidiaries' unsecured convertible corporate bonds issuance criteria are as follows:

- 1) Amount of Issuance: NTD\$1,500,000 thousand
- 2) Face value: NT\$100 thousand each
- 3) Coupon rate: 0%
- 4) Effective interest rate: 1.0255%
- 5) Duration: 2020.12.15~2023.12.15
- 6) Conversion period: From the next day of three month after the issuance date of the convertible corporate bonds to the maturity date, except for the suspension periods of stock transfer by the regulations of conversion method or laws, the bondholders may request the Company for conversion into the ordinary shares of the Company. The rights and obligations of the ordinary shares after conversion are the same as those of the original ordinary shares.
- 7) Conversion price and adjustment:

The conversion price of the convertible corporate bonds is determined under the prescribed mode stipulated by the regulations of conversion method. In case of any anti-dilution provision of the Company, the subsequent conversion price shall be adjusted under the prescribed mode stipulated by the regulations of conversion method. On the recorded date stipulated by the regulations of method, the conversion price shall be redetermined under the prescribed mode of the regulations of conversion method, if it is higher than the conversion price before the reenactment of the year, it will not be adjusted.

8) Redemption right:

- a) Redemption of the bonds: After the maturity of the bonds, the Company will repay the principal.
- b) Early redemption: From the day after the issuance of the convertible corporate bonds for three month to 40 days before the maturity date, if the closing price of the Company's ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may call back all the corporate bonds by cash at par value at any time after that.
- c) According to the regulations of conversion method, all redeemed, repaid, or converted corporate bonds of the Company will be written-off, and all the rights and obligations attached to the corporate bonds will be extinguished and will not be issued.

22. Other Liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Other payables - current</u>		
Salary and bonus payable	\$ 1,817,080	\$ 1,620,900
Employee compensation payable	221,681	218,123
Remuneration payable to directors and supervisors	36,932	26,451
Construction and equipment payable	13,743	7,573
Purchase payable on behalf of others	343,159	535,504
Others	<u>3,136,540</u>	<u>2,829,238</u>
	<u>\$ 5,569,135</u>	<u>\$ 5,237,789</u>
<u>Other liabilities</u>		
Temporary receipts	\$ 152,237	\$ 43,981
Receipts on behalf of others	62,490	52,161
Contract liabilities - non-current (Note 26)	571,633	460,522
Others	<u>359,195</u>	<u>446,583</u>
	<u>\$ 1,145,555</u>	<u>\$ 1,003,247</u>
Current	\$ 353,218	\$ 280,699
Non-current	<u>792,337</u>	<u>722,548</u>
	<u>\$ 1,145,555</u>	<u>\$ 1,003,247</u>

23. Provisions

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Current</u>		
Warranty (I)	\$ 335,383	\$ 181,938
Restructuring (II)	-	237,900
Onerous contracts (III)	459,632	387,654
Others (V)	<u>630,337</u>	<u>1,031,340</u>
	<u>\$ 1,425,352</u>	<u>\$ 1,838,832</u>
<u>Non-current</u>		
Warranty (I)	\$ 111,790	\$ 98,566
Onerous contracts (III)	985	15,359
Provisions for employee benefits liability (IV)	474,436	403,133
Others (V)	<u>5,779</u>	<u>181,059</u>
	<u>\$ 592,990</u>	<u>\$ 698,117</u>

	Employee benefits provisions	Warranty	Onerous contract	Reconstructin g	Others	Total
Balance on January 1, 2020	\$ 403,133	\$ 280,504	\$ 403,013	\$ 237,900	\$ 1,212,399	\$ 2,536,949
Acquisition through business combinations	65,831	16,424	39,180	-	21,699	143,134
Additions for the year	68,537	108,230	185,700	-	159,781	522,248
Used for the year	(45,762)	(90,264)	(260,409)	(105,900)	(342,189)	(844,524)
Reversal of unused balance this year	(6,952)	(24,297)	(46,189)	(133,182)	(126,999)	(337,619)
Others	-	151,716	128,206	-	(279,922)	-
Net exchange differences	(10,351)	4,860	11,116	1,182	(8,653)	(1,846)
Balance on December 31, 2020	\$ 474,436	\$ 447,173	\$ 460,617	\$ -	\$ 636,116	\$ 2,018,342

- a. Warranty reserve is the present value of the best estimate of the future economic benefits of the consolidated company due to warranty obligations. 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.
- b. Restructuring refers to the provisions arising from mergers and acquisitions.
- c. The provisions for the onerous contract is the present value of the existing future benefit obligation estimated under an irrevocable purchase contract.
- d. The employee benefits provisions is the payment of long-term employee benefits and layoff payments.
- e. Other items include litigation, indemnity and employee benefits of unused vacation leave.

24. Plan of Benefits after retirement

a. Defined Contribution Plans

The pension system of the "Labor Pension Act" applicable to the Company as well as its domestic subsidiaries of the consolidated company is a defined contribution plan under government administration. 6% of the employees' monthly salaries is contributed to their personal accounts at the Bureau of Labor Insurance.

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

b. Defined Benefit Plans

1) The pension system conducted by the Company, Marketch International Corp. and Thecus Corp. of the consolidated company under the "Labor Standards Act" of our country 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 monthly an amount equal to 2%~6% of the employees' monthly salaries and wages to a retirement fund that is deposited with Bank of Taiwan under the name of The Supervisory Committee of Workers' Retirement Fund. Before the end of year, if the balance at the retirement fund is not sufficient to pay employees who will meet the retirement criteria next year, a lump-sum deposit for the shortfall should be made 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, S&T AG and its subsidiaries 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 paid based on their years in service and wages when they leave the job or retire.

The amount of defined benefit plan included in the consolidated balance sheet is as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligations	\$731,106	\$666,601
Fair value of plan assets	(194,634)	(181,239)
Contribution deficit (surplus)	<u>\$536,472</u>	<u>\$485,362</u>
Net defined benefit assets (listed under other non-current assets)	(\$ 722)	(\$ 740)
Net defined benefit liabilities	<u>537,194</u>	<u>486,102</u>
	<u>\$536,472</u>	<u>\$485,362</u>

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
January 1, 2019	<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 expenses (income)	<u>5,683</u>	<u>(1,315)</u>	<u>4,368</u>
Recognized in profit or loss	<u>15,001</u>	<u>(1,315)</u>	<u>13,686</u>
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>(50,291)</u>	<u>(43,051)</u>	<u>(93,342)</u>
December 31, 2019	<u>666,601</u>	<u>(181,239)</u>	<u>485,362</u>
Acquisition through business combinations	<u>-</u>	<u>-</u>	<u>-</u>
Service cost			
Current service cost	10,353	-	10,353
Interest expenses (income)	<u>5,475</u>	<u>(1,577)</u>	<u>3,898</u>
Recognized in profit or loss	<u>15,828</u>	<u>(1,577)</u>	<u>14,251</u>
Return on plan assets (excluding the amount included in net interest)	-	(6,868)	(6,867)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Actuarial (gains) losses - changes in demographic assumptions	224	-	224
Actuarial (gains) losses – changes in financial assumptions	33,119	-	33,119
Actuarial (gains) losses - experience adjustments	<u>2,235</u>	<u>-</u>	<u>2,235</u>
Recognized in other comprehensive income	<u>35,578</u>	(<u>6,868</u>)	<u>28,710</u>
Employer contributions	<u>-</u>	(<u>5,062</u>)	(<u>5,062</u>)
Benefits paid	(<u>1,982</u>)	<u>1,982</u>	<u>-</u>
Settlements	(<u>1,350</u>)	<u>-</u>	(<u>1,350</u>)
Exchange differences	<u>16,431</u>	(<u>1,870</u>)	<u>14,561</u>
December 31, 2020	<u>\$ 731,106</u>	(<u>\$ 194,634</u>)	<u>\$ 536,472</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 Labor Fund Application Bureau of the Ministry of Labor invests in domestic and foreign equity securities, debt securities and bank deposits, respectively, through self-employment and entrusted operations. However, the amount of the Company's planned assets is calculated as not lower than the income from the local bank's 2-year fixed rate of time deposit.
- 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 principal risks of the pension plans of Kontron include the future salary changes for the plan participants, life expectancy and market interest rate volatility.

The present value of the defined benefit obligation of the consolidated company is determined by a qualified actuary. The significant assumptions on the measurement date are as follows:

	December 31, 2020	December 31, 2019
Discount rate	0.3%~0.75%	0.62% ~ 1.26%
Expected salary growth rate	0.0% ~ 3.0%	0.0% ~ 3.0%
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>December 31, 2020</u>	<u>December 31, 2019</u>
Discount rate		
Increase by 0.25%	(\$ 28,575)	(\$ 36,670)
Decrease by 0.25%	<u>\$ 32,229</u>	<u>\$ 40,635</u>
Expected salary growth rate		
Increase by 0.25%	<u>\$ 18,080</u>	<u>\$ 20,866</u>
Decrease by 0.25%	(<u>\$ 16,355</u>)	(<u>\$ 19,860</u>)

As actuarial assumptions may be related to one another, the likelihood of one assumption changing is low. Therefore, the sensitivity analysis above may not be representative of the actual change in the present value of defined benefit obligations.

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
The expected amount of contribution within 1 year	<u>\$ 16,548</u>	<u>\$ 14,926</u>
The average maturity period of defined benefit obligations	9.6 years	9.8 years

25. Equity

a. Share capital

Ordinary shares

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Nominal shares (thousand shares)	<u>250,000</u>	<u>250,000</u>
Nominal share capital	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Number of shares issued and paid (thousand shares)	<u>93,272</u>	<u>83,574</u>
Issued share capital	<u>\$ 932,270</u>	<u>\$ 835,745</u>

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

On November 13, 2018, the Board of Directors of the Company resolved to issue 6,000 thousand new ordinary shares with a par value of \$10 per share for cash, and set up February 25, 2019 as the record date of capital increase. The above-mentioned case of cash capital increase 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 \$835,745 thousand.

On June 23, 2020, the shareholders' meeting approved the resolution for the distribution of earnings for the year of 2019, pursuant to which a stock dividend of \$82,919 thousand will be distributed and the ex-rights date of the capital increase for shares was September 15, 2020.

In 2020, convertible corporate bonds were converted into ordinary shares of \$14,056 thousand, and the paid-in capital after the change was \$932,720 thousand.

b. Capital Surplus

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Used to offset deficit, distribute cash, or replenish share capital(1)</u>		
Stock issuance premium	\$ 3,694,775	\$ 3,694,775
Transfer of other company shares to issue new shares	485,900	485,900
Premium on conversion of convertible corporate bonds	1,797,651	1,442,451
<u>Only to offset deficit</u>		
Recognized changes in percentage of ownership interests in subsidiaries(2)	\$ 63,337	\$ -
Redemption of convertible corporate bonds (stock warrants invalid) (3)	249,881	249,881
<u>Not to be used for any purposes</u>		
Stock warrants for convertible corporate bonds	<u>446,546</u>	<u>466,745</u>
	<u>\$ 6,738,090</u>	<u>\$ 6,339,752</u>

- 1) This type of capital surplus may be used to offset deficit or issue cash or replenish share capital when there are no loss, but share capital replenishment is restricted to the ratio of actual share capital stock each year.
- 2) This type of capital surplus recognized as equity transaction impact due to changes in subsidiary equity, when the Company's has not acquired or disposed of subsidiary shares, or as adjustment value of capital surplus from subsidiary recognized by the Company through equity methods.
- 3) Such capital surplus shall not be used for any purpose other than to offset deficit as it is caused by the redemption of convertible corporate bonds leads to invalidation of stock warrants.

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

In addition, the above-mentioned issuance of ordinary shares, of which 600 thousand shares are reserved as 10% of the shares to be subscribed by employees in accordance with 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 \$20,180 thousand shall be recognized on the grant day as the capital surplus addition to the issuance premium.

c. Retained Earnings and Dividends Policy

According to the earnings distribution policy of the Articles 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) Make up losses.
- 2) Setting aside as legal reserve equal to 10% of current year's net income. However, when the legal reserve has reached the total capital of the company, this does not apply.
- 3) Following laws and regulations, others to be allocated or reversed as special reserve.

- 4) After the annual final accounting, after deducting the amount from the aforementioned items 1-3, the Company's net profit for the year is added to the unappropriated earnings at the beginning of the period. The Board of Directors makes a distribution proposal for distributable earnings and submits it to the Shareholders' Meeting for resolution.

The Company is at the growing stage. The Company's stock dividend policy shall consider the Company's capital budget and fund requirements for the Board of Directors to propose the distribution package and the Shareholders' Meeting to pass the resolution. The distribution of cash dividends shall be no less than 10% of the dividends distributed in the current year. For the policies on employees' compensation and remuneration of directors, which is stipulated in the Company's Articles of Incorporation, please refer to Note 27(6).

The legal reserve shall be allocated until it reaches the balance of the Company's paid-in capital. The legal reserve can 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.

The Company set aside and reverses special surplus reserve and reversal according to the Financial Supervisory Securities Letter No. 1010012865, the Financial Supervisory Commission's Letter No. 1010047490 and the "Q&A of Application of Set Aside Special Reserve After Adoption of International financial statements Standards (IFRSs)".

The earnings distribution proposal for the year ended December 31, 2019 and 2018 had been approved in the Company's shareholders' meetings on June 23, 2020 and June 28, 2019, respectively, and they were as follows:

	Earnings distribution proposal		Dividend per share (Dollar)	
	For the years ended December 31, 2019	for the years ended December 31, 2018	For the years ended December 31, 2019	for the years ended December 31, 2018
Legal reserve	\$ 108,024	\$ 110,812		
(Reversal) Special Reserve	465,662	(111,213)		
Cash dividend	331,678	580,436	\$ 4.00	\$ 7.00
Dividend to Shareholders	82,919	-	1.00	-

The earnings distribution proposal and dividends per share for the year ended December 31, 2020 had been proposed by the Company's board of directors on March 29, 2021, and they were as follows:

	Earnings distribution proposal	Dividend per share (Dollar)
Legal reserve	\$ 110,707	
Special reserve	160,810	
Cash dividend	463,085	\$ 5

The earnings distribution proposal for the year ended December 31, 2020 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 23, 2021.

d. Other Equity Items

1) Exchange differences on translating the financial statements of foreign operations

	For the years ended December 31, 2020	For the years ended December 31, 2019
Balance at the beginning of the year	(\$ 777,744)	(\$ 345,162)
Accrued in the current year		
Translation differences of foreign operations	(156,200)	(432,380)
Share of associates accounted for using the equity method	(314)	(202)
Other comprehensive income of the year	(156,514)	(432,582)
Ending balance of the year	(\$ 934,258)	(\$ 777,744)

2) Unrealized gain/(loss) of financial assets at fair value through other comprehensive income

	For the years ended December 31, 2020	For the years ended December 31, 2019
Balance at the beginning of the year	(\$ 72,370)	(\$ 39,290)
Accrued in the current year		
Unrealized gains (losses)		
Equity instruments	(502)	(32,565)
Other comprehensive income of the year	(502)	(32,565)
Accumulated gains (losses) on disposal of equity instruments transferred to retained earnings	(3,794)	(515)
Ending balance of the year	(\$ 76,666)	(\$ 72,370)

e. Non-controlling interests

	For the years ended December 31, 2020	For the years ended December 31, 2019
Balance at the beginning of the year	\$ 19,706,093	\$ 19,294,031
Net profit	2,043,859	1,946,066
Other comprehensive income for the period		
Exchange differences on translating the financial statements of foreign operations	201,265	(509,380)
Unrealized gain or loss of financial assets at fair value through other comprehensive income	(1,558)	(33,971)
Amount of remeasurement of defined benefit plans	(16,426)	(9,478)
Share of associates accounted for using the equity method	(\$ 190)	(\$ 249)
Cash dividends distributed by subsidiaries	(697,730)	(1,041,681)
Increase in non-controlling interests from issuance of ordinary shares for cash of subsidiaries	-	-
Increase in Non-Controlling Interests from Acquisition of Subsidiaries (Note 31)	78,615	832,863
Transactions with non-controlling interests of subsidiaries (Note 34)	(99,018)	(772,108)

	For the years ended December 31, 2020	For the years ended December 31, 2019
Equity component of convertible corporate bonds issued by the subsidiaries	36,315	-
Ending balance of the year	<u>\$ 21,251,225</u>	<u>\$ 19,706,093</u>

f. Treasury stock

Reason for recovery	Shares transferred to employees (thousand shares)	Shares of parent company held by subsidiaries (thousand shares)	Total (thousand shares)
Number of shares on January 1, 2019	655	10	665
Increase in the year	-	-	-
Decrease in the year	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares on December 31, 2019	<u>655</u>	<u>10</u>	<u>665</u>
Number of shares on January 1, 2020	655	10	665
Increase in the year	-	-	-
Decrease in the year	<u>-</u>	<u>(10)</u>	<u>(10)</u>
Number of shares on December 31, 2020	<u>655</u>	<u>-</u>	<u>655</u>

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

Name of Subsidiary	Number of Shares (thousand shares)	Carrying amount	Market value
Marketech International Corp.	10	\$ 2,624	\$ 2,624

Treasury stocks held by the Company shall not be pledged as collateral in accordance with the Securities and Exchange Act, nor shall it be entitled to dividend distribution and voting rights. The Company's stocks held by the subsidiary are treated as treasury stocks. Except for the Company's issuance of ordinary shares for cash and voting rights, the subsidiaries entitle the same rights as the other shareholders.

26. Revenue

	For the years ended December 31, 2020	For the years ended December 31, 2019
Revenue from customer contracts		
Sales revenue	\$ 58,034,448	\$ 55,799,271
Service revenue	14,628,482	13,120,238
Construction revenue	<u>11,428,555</u>	<u>12,586,707</u>
	<u>\$ 84,091,485</u>	<u>\$ 81,506,216</u>

The merchandise above are sold to major companies in the world based on field of application at fixed contract price.

a. Contract assets and contract liabilities

	December 31, 2020	December 31, 2019
Accounts receivable (Note 10)	<u>\$ 14,986,228</u>	<u>\$ 17,116,947</u>
Contract assets		
Contract assets – construction contracts	\$ 5,306,618	\$ 4,095,623
Contract assets – sales contracts	436,573	760,777
Contract assets – service contracts	<u>388,270</u>	<u>153,080</u>
	<u>\$ 6,131,461</u>	<u>\$ 5,009,480</u>
Contract liabilities		
Contract liabilities – Construction contracts	\$ 2,478,159	\$ 2,440,230
Contract liabilities – sales contracts	1,802,828	1,908,483
Contract liabilities – service contracts	1,564,782	1,064,689
Software installation service	-	-
Extended warranty service	<u>676,797</u>	<u>745,027</u>
Total	<u>\$ 6,522,566</u>	<u>\$ 6,158,429</u>
Current	\$ 5,950,933	\$ 5,697,907
Non-current	<u>571,633</u>	<u>460,522</u>
	<u>\$ 6,522,566</u>	<u>\$ 6,158,429</u>

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

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

	For the years ended December 31, 2020	For the years ended December 31, 2019
<u>Contract liabilities from the beginning of the year</u>		
Service contract	\$ 24,354	\$ 657,127
Property construction	1,311,107	28,925
Sales of goods	<u>1,017,315</u>	<u>1,721,083</u>
	<u>\$ 2,352,776</u>	<u>\$ 2,407,135</u>

b. Breakdown Information of Customer Contract Revenue, Please refer to Note 42.

27. Net Income

a. Other Income

	For the years ended December 31, 2020	For the years ended December 31, 2019
Rental income	\$ 19,611	\$ 41,029
Dividend income	<u>16,798</u>	<u>13,856</u>
	<u>\$ 36,409</u>	<u>\$ 54,885</u>

b. Other gains and losses

	For the years ended December 31, 2020	For the years ended December 31, 2019
Profit (loss) from financial assets and financial liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	\$ 51,731	(\$ 15,008)
Gain on Financial liabilities held for trading	180,888	97,017
Loss on buyback of corporate bonds	-	(187,228)
Subsidy income	46,225	87,550
Net loss on foreign exchange	(322,200)	(117,782)
Gains on bargain purchase - acquisition of subsidiaries (Note 31)	64,727	29,913
Net gains on disposal of property, plant and equipment	4,524	4,762
Impairment loss	-	(66,814)
Others	689,680	984,350
	<u>\$ 715,575</u>	<u>\$ 816,760</u>

c. Financial Costs

	For the years ended December 31, 2020	For the years ended December 31, 2019
Interest on bank loans	\$355,358	\$348,296
Interest on lease liabilities	79,004	76,184
Imputed interests of corporate bonds payable	102,344	149,450
	<u>\$536,706</u>	<u>\$573,930</u>

d. Depreciation and Amortization Expenses

	For the years ended December 31, 2020	For the years ended December 31, 2019
Depreciation of property, plant and equipment	\$ 726,108	\$ 620,974
Depreciation of right-of-use asset	875,076	764,494
Amortization expense of intangible assets	1,354,199	1,425,749
	<u>\$ 2,955,383</u>	<u>\$ 2,811,217</u>
Depreciation expense summarized by function		
Operating costs	\$ 428,561	\$ 302,694
Operating expenses	1,172,623	1,082,774
	<u>\$ 1,601,184</u>	<u>\$ 1,385,468</u>
Amortized expense summarized by function		
Operating costs	\$ 37,892	\$ 247,173
Operating expenses	1,316,307	1,178,576
	<u>\$ 1,354,199</u>	<u>\$ 1,425,749</u>

e. Employee benefits expenses

	For the years ended December 31, 2020	For the years ended December 31, 2019
Benefits after retirement		
Defined contribution plans	\$ 172,265	\$ 250,854
Defined benefit plans	14,251	13,686
Salary, incentive, and bonus	12,170,419	11,028,507
Other employee benefits	<u>455,980</u>	<u>471,381</u>
	<u>\$ 12,812,915</u>	<u>\$ 11,764,428</u>
Summary by function		
Operating costs	\$ 1,385,710	\$ 1,251,713
Operating expenses	<u>11,427,205</u>	<u>10,512,715</u>
	<u>\$ 12,812,915</u>	<u>\$ 11,764,428</u>

f. Compensations for employees and Remunerations for Directors

According to the provisions of the Articles of Incorporation, the Company allocates not less than 2% and not more than 2% of the employee compensation and the director remuneration, respectively, before deducting the profit before tax of the distributed the employee compensation and the director remuneration in the current year. The employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019, which were approved by the Board of Directors on March 29, 2021 and March 30, 2020, respectively, were as follows:

Estimated ratio

	For the years ended December 31, 2020	For the years ended December 31, 2019
Compensations for employees	2.0%	3.3%
Remunerations for Directors and Supervisors	0.3%	0.3%

Amount

	For the years ended December 31, 2020	For the years ended December 31, 2019
Employees' compensation - cash	\$ 24,000	\$ 36,726
Remuneration of directors - cash	3,060	3,060

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

There was no difference between the actual amount paid of employees' compensation and remuneration of directors and the amount recognized in the parent company only financial statements for the years ended December 31, 2019 and 2018.

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

g. Gains or Losses from foreign exchange

	For the years ended December 31, 2020	For the years ended December 31, 2019
Total gains on foreign exchange	\$ 792,050	\$ 581,817
Total losses on foreign exchange	(1,114,250)	(699,599)
Net Loss	(\$ 322,200)	(\$ 117,782)

28. Income Tax

a. Income Tax Recognized in profit or loss

The main components of income tax expenses are as follows:

	For the years ended December 31, 2020	For the years ended December 31, 2019
Current income tax		
Incurred in the current period	\$ 911,037	\$ 996,371
Surtax on unappropriated earnings	12,729	17,101
Land value increment tax	-	328
Adjustments from prior years	2,415	(27,265)
Deferred income tax		
Incurred in the current period	(104,997)	(200,887)
Changes in tax rate	-	-
Income tax expense recognized in profit or loss	<u>\$ 821,184</u>	<u>\$ 785,648</u>

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

	For the years ended December 31, 2020	For the years ended December 31, 2019
Profit before tax	<u>\$ 3,976,567</u>	<u>\$ 3,811,956</u>
Income tax of expenses profit before tax		
calculated at the legal tax rate	\$ 934,764	\$ 960,655
Non-deductible tax expense	446,539	442,552
Tax-exempted income	(203,161)	(174,480)
Surtax on unappropriated earnings	15,523	17,101
Land value increment tax	-	328
Overseas profit repatriated to withholding tax	-	7,876
Unrecognized loss carryforward and temporary difference	(103,493)	(87,650)
Investment tax credit	(1,195)	(2,704)
Impact of different tax rates on consolidated entities	(270,208)	(350,765)
Income tax expense from previous year adjusted for current period	<u>2,415</u>	<u>(27,265)</u>
Income tax expense recognized in profit or loss	<u>\$ 821,184</u>	<u>\$ 785,648</u>

The tax rate applicable to subsidiaries in mainland China is 25%. Tax arising from other jurisdictions is calculated at the rates applicable in the respective jurisdictions.

b. Income Tax Recognized in Other Comprehensive Income

	For the years ended December 31, 2020	For the years ended December 31, 2019
<u>Deferred income tax</u>		
Incurred in the period		
- Unrealized gain or loss of financial assets at fair value through other comprehensive income	\$ -	\$ 14,820
- Remeasurement of defined benefit plans	<u>4,037</u>	<u>2,159</u>
Income tax recognized in other comprehensive income	<u>\$ 4,037</u>	<u>\$ 16,979</u>

c. Deferred tax assets and Liabilities

The changes in deferred tax assets and liabilities are as follows:

For the years ended December 31, 2020

	Balance at the beginning of the year	Acquired through business combinations	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance of the year
<u>Deferred tax assets</u>						
Allowance for inventory write-down	\$ 241,244	\$ 39,165	(\$ 3,352)	\$ -	(\$ 25,953)	\$ 251,104
loss carryforward	747,586	6,072	67,555	-	5,525	826,738
Bad debt loss	56,831	-	18,504	-	(1,970)	73,365
Provisions	265,026	17,906	44,680	-	(42,407)	285,205
Others	194,178	73,065	(52,207)	4,033	(19,949)	199,120
	<u>\$1,504,865</u>	<u>\$ 136,208</u>	<u>\$ 75,180</u>	<u>\$ 4,033</u>	<u>(\$ 84,754)</u>	<u>\$1,635,532</u>
<u>Deferred tax liabilities</u>						
Defined benefit retirement plan	\$ 616	\$ -	\$ -	(\$ 4)	\$ -	\$ 612
Fiscal and tax differences	308,521	104,468	78,757	-	(32,810)	458,936
Asset revaluation	136,922	75,531	(85,590)	-	(57,509)	69,354
Others	22,984	-	(22,984)	-	-	-
	<u>\$ 469,043</u>	<u>\$ 179,999</u>	<u>(\$ 29,817)</u>	<u>(\$ 4)</u>	<u>(\$ 90,319)</u>	<u>\$ 528,902</u>

For the years ended December 31, 2019

	Balance at the beginning of the year	Acquired through business combinations	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance of the year
<u>deferred tax assets</u>						
Allowance for inventory write-down	\$ 193,025	\$ 51,021	\$ 3,440	\$ -	(\$ 6,242)	\$ 241,244
loss carryforward	767,982	-	4,134	-	(24,530)	747,586
Bad debt loss	41,774	-	16,922	-	(1,865)	56,831
Provisions	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>
<u>Deferred tax liabilities</u>						
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>

- d. Deduction Amount of Unused loss carryforward of deferred tax assets not Recognized in the Individual Balance Sheet

	For the years ended December 31, 2020	For the years ended December 31, 2019
Loss carryforward	<u>\$ 1,944,582</u>	<u>\$ 30,149</u>

- e. Information on Unused loss carryforward

As of December 31, 2020, information on loss carryforward is as follows:

<u>Balance not deducted yet</u>	<u>Last year of deduction</u>
\$ 45,033	2022
17,040	2023
23,647	2024
38,208	2025
30,946	2026
60,071	2027
6,411	2028
5,374	2029
\$ 1,722,572	2030
2,641	2034
5,132	2035
2,175	2036
5,275	2038
1,427	2039
<u>6,123,109</u>	No limit
<u>\$ 8,089,061</u>	

- f. Summary Amount of Temporary Differences Related to Investment and Unrecognized Deferred Tax Liabilities

As of December 31, 2020 and 2019, the taxable temporary differences related to investments in subsidiaries not recognized as deferred tax liabilities were \$5,684,101 thousand and \$1,834,070 thousand respectively.

- g. Income tax assessments

The annual income tax return of a profit-seeking enterprise of the Company, Ennoconn International, Goldtek Technology, Thecus Technology Co., Caswell Inc. and Marketch International Corp. have been assessed by the tax authorities through the 2018 annual income tax return of a profit-seeking enterprise. The Company is dissatisfied with the approval for 2016 and 2018 and is currently in the process of applying for a review, but the Company has estimated the relevant income tax based on the conservatism principle.

29. Earnings per Share

When calculating earnings per share, the impact of stock dividends has been retroactively adjusted, and September 15, 2020 was set to be the record date. Due to the retroactive adjustment, changes in the basic and diluted earnings per share in 2019 were as follows:

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic Earnings per Share	<u>\$ 13.22</u>	<u>\$ 12.03</u>
Diluted Earnings per Share	<u>\$ 10.80</u>	<u>\$ 9.84</u>

Weighted average of ordinary shares and earnings used for calculating earnings per share (EPS) are as follows:

Net profit

	For the years ended December 31, 2020	For the years ended December 31, 2019
Net income attributable to owners of the Company	\$ 1,111,524	\$ 1,080,242
Impacts of potential ordinary shares with dilution effect:		
The after-tax interest of convertible corporate bonds	<u>77,504</u>	<u>119,560</u>
Net profit used to calculate diluted earnings per share	<u>\$ 1,189,028</u>	<u>\$ 1,199,802</u>

Number of Shares Unit: thousand shares

	For the years ended December 31, 2020	For the years ended December 31, 2019
Weighted average of ordinary shares used for calculating basic earnings per share	91,643	89,781
Impacts of potential ordinary shares with dilution effect:		
Convertible corporate bonds	31,605	32,074
Employees' compensation	<u>155</u>	<u>197</u>
Weighted average of ordinary shares used for calculating dilutive earnings per share	<u>123,403</u>	<u>122,052</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 ordinary shares are diluted. While determining diluted earnings per share before distributing shares to employees as remunerations in the following year, dilutive effects of such potential ordinary shares should still be considered.

30. Share-based Payment Agreement

- a. The case of cash capital increase of the 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 \$101 per share. The transfer of the restricted stock warrants shall only be transferable three months after the shares are listed. In addition, the transfer of treasury stocks in 2019 shall be subscribed by employees. Caswell Inc. adopts the Black-Scholes option pricing model to estimate the fair value of the share-based payment.

The information on employee share options is as follows:

Employee share options	For the years ended December 31, 2019	
	Unit (thousand)	Weighted Average Exercise price (Dollar)
Outstanding at the beginning of the year	-	\$ -
Granted for the year	393	85.02
Lost for the year	-	-
Exercised for the year	(393)	85.02
Outstanding at year end	-	-

b. Subsidiary - Marketch International Corp.

The stock warrants plan of Marketch International Corp. and its subsidiary - ADAT as of December 31, 2020 and 2019, is as follows:

Issuing company	Type of agreement	Grant date	Quantity (thousand shares)	Contract period	Vesting conditions
Marketch	Employee share options scheme	September 11, 2015	3,956	6 years	Service for 2 ~ 4 years
Marketch - ADAT	" (Plan I)	April 1, 2019	436	6 years	Service for 0 ~ 2 years
"	" (Plan II)	September 1, 2019	314	6 years	Service for 0 ~ 2 years
"	" (Plan III)	May 1, 2020	27	6 years	Service for 0 ~ 2 years
"	" (Plan IV)	September 1, 2020	137	6 years	Service for 0 ~ 2 years

The abovementioned share-based payment agreements are equity-settled share-based payment transactions.

1) Marketch International Corp.

All outstanding vested stock warrants 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 warrants plan
Stock value on grant date (Dollar)	\$ 19.60
Exercise price (Dollar)	\$ 19.60
Expected volatility	34.91%
Duration	4.375 years
Expected dividends yield	0%
Risk-free interest rate	0.81%
Fair value per unit (Dollar)	\$ 5.8326

The information on employee share options is as follows:

Employee share options	For the years ended December 31, 2020		For the years ended December 31, 2019	
	Unit (thousand)	Weighted average Exercise price (Dollar)	Unit (thousand)	Weighted average Exercise price (Dollar)
Outstanding at the beginning of the year	548	\$ 15.70	1,325	\$ 16.70
Acquisition through business combinations	-	-	-	-
Granted in the period	-	-	-	-
Lost in the period	-	-	(14)	-
Exercised in the period	(379)	15.70	(763)	15.84
Outstanding at year end	<u>169</u>	15.20	<u>548</u>	15.70
Exercisable at year end	<u>169</u>		<u>548</u>	

2) The Subsidiary of Marketch - ADAT

All outstanding vested stock warrants 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	Plan III	Plan IV
Stock value on grant date (Dollar)	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Exercise price (Dollar)	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Expected volatility	47.77%	44.29%	38.58%	38.10%
Duration	3.550 years	3.550 years	3.550 years	3.550 years
Expected dividends yield	0%	0%	0%	0%
Risk-free interest rate	0.61%	0.54%	0.38%	0.38%
Fair value per unit (Dollar)	\$ 2.4727	\$ 2.7873	\$ 10.4014	\$ 9.9910

The information on employee share options is as follows:

Employee share options	For the years ended December 31, 2020		For the years ended December 31, 2019	
	Unit (thousand)	Weighted average Exercise price (Dollar)	Unit (thousand)	Weighted average Exercise price (Dollar)
Outstanding at the beginning of the year	549	\$ 10.00	-	\$ -
Acquisition through business combinations	-	-	-	-
Granted in the period	164	10.00	750	10.00
Lost in the period	(30)	-	-	-
Exercised in the period	(237)	10.00	(201)	10.00
Outstanding at year end	<u>446</u>	10.00	<u>549</u>	10.00
Exercisable at year end	<u>48</u>		<u>24</u>	

31. Business Combination

a. Acquisition of subsidiaries

	Main operating activities	Date of Acquisition	The proportion of acquisitions with voting rights (%)	Transfer consideration
POSLAB TECHNOLOGY CORPORATION	Manufacturing, wholesale and sales of electronic and peripheral devices	2020.01.01	70.00	\$ 132,317
CRONUS eBUSINESS S.R.L.	Industry of Internet of Things	2020.01.01	100.00	58,593
Iskratel Group	Industry of Internet of Things	2020.01.10	100.00	2,119,658
Kapsch Traffic Com Construction & Realization spol	Industry of Internet of Things	2020.01.12	100.00	56,700
Spiro Technology Systems, Inc.	Trading of semiconductor equipment components	2020.05.04	100.00	23,936
CITYCOMP Group	Industry of Internet of Things	2020.06.30	55.50	595,362
Sunlit Precision Technology Co., Ltd. and its subsidiaries (Sunlit Precision)	Metal stamping and casting industry	2019.01.15	40.30	358,537
EPRO DE	Industry of Internet of Things	2019.03.01	100.00	44,962
EPRO HU	Industry of Internet of Things	2019.03.01	86.00	36,518
APLIGO	Sales of netcom products	2019.04.01	52.00	32,387
Kapsch (Kapsch Carrier Com and Kapsch Public Transport Com)	Industry of Internet of Things	2019.06.01	100.00	1
XTRO Holding GmbH	Information technology services	2019.06.01	100.00	33,239
BASS Systems S.R.L	Information technology services	2019.08.01	51.00	555,031
Hawkeye Tech Co., Ltd.	Computer and peripheral commodity wholesale trade	2019.07.01	40.00	405,000

The consolidated company acquired these companies for business expansion, and has acquired relevant development design and production technologies.

The transfer consideration for the above acquisition of subsidiaries, other than the fair value of shares previously held by Sunlit Precision, was satisfied by cash contingent consideration agreement.

b. Assets Acquired and Liabilities Assumed on the Acquisition Date

For the years ended December 31, 2020

	POSLAB TECH	CRONUS eBUSINESS	Spiro Technology Systems	CITYCOMP GROUP	Iskratel Group	Kapsch Traffic Com Construction & Realization spol
Current assets						
Cash and Cash Equivalents	\$ 15,857	\$ 29,721	\$ 20,636	\$ 74,947	\$ 445,403	\$ 11,880
Notes and accounts receivable	44,171	40,218	2,901	209,337	810,136	1,351
Other receivables	1,017	3,652	-	2,609	204,824	-
Inventories	45,809	478	1,643	99,001	659,097	-
Prepayments	1,086	60	-	4,758	60,072	411
Contract assets	-	10,107	-	-	-	-
Tax refund receivable	-	-	-	1,846	48,061	148
Others	1,070	-	-	-	17,238	-
Non-Current Assets						
property, plant and equipment	152,248	962	2	292,665	972,669	-
Right-of-use assets	-	2,194	-	103,947	30,015	-
Intangible assets	146	1,283	-	156,271	307,979	13,551
Contract assets	-	-	-	-	5,691	-
deferred tax assets	11,399	1,704	-	8,977	114,128	-
Others	1,306	-	-	6,709	53,744	-
Current liabilities						
Notes and accounts payable	(27,696)	(43,227)	(751)	(28,661)	(456,389)	(119)
Lease liability	-	-	-	(53,525)	(3,895)	-
Provisions	-	-	-	(17,228)	(56,291)	(669)
Short-term borrowings	-	-	-	(52,607)	-	-
Contract liabilities	-	(652)	-	(73,669)	(44,988)	(427)
Other payables	(6,028)	(1,746)	(186)	(74,415)	(110,697)	-
Current tax liabilities	-	(346)	-	(39,324)	(81,621)	-
Others	(5,470)	-	-	(12,507)	(12,915)	-
Non-current liabilities						
Long-term borrowings	(104,021)	-	-	(131,325)	(503,771)	-
Contract liabilities	-	-	-	(15,429)	-	-
Deferred tax liabilities	-	(319)	-	(43,314)	(133,791)	(2,575)
Lease liability	-	(2,128)	-	(50,422)	(27,511)	-
Provisions	-	-	-	-	(73,765)	-
	<u>\$ 130,894</u>	<u>\$ 41,961</u>	<u>\$ 24,245</u>	<u>\$ 368,641</u>	<u>\$ 2,223,423</u>	<u>\$ 23,551</u>

For the years ended December 31, 2019

	Sunlit Precision	Kapsch (Kapsch Carrier Com and Kapsch Public Transport Com)	Hawkeye	Bass Systems S.R.L	AIS Automation Dresden GmbH	Others
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 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 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 tax liabilities	(33,163)	(125,122)	(9,775)	(9,146)	(11,768)	(1,790)
Lease liability	(22,411)	(94,056)	-	(2,565)	-	(15,295)
Provisions	-	(1,644,911)	-	(45,486)	(19,410)	(2,581)
Short-term borrowings	-	(737,458)	-	-	-	(41,295)
Contract liabilities	-	(846,761)	-	(2,724)	(45,397)	(2,011)
Others	(21,188)	-	(10,018)	-	-	(13,351)
Non-current liabilities						
Deferred tax liabilities	-	(68,573)	-	(30,436)	(22,627)	(12,502)
Lease liability	(17,052)	(185,118)	(23,237)	-	(4,677)	(2,121)
Provisions	-	(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>

Parts of the initial accounting practices for the acquisition of companies on the balance sheet date is only provisional. At the date of issuance of this consolidated financial statements, 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.

c. Goodwill Arising from Acquisition (gains on bargain purchase)

For the years ended December 31, 2020

	POSLAB TECH	CRONUS eBUSINESS	Spiro Technology Systems	CITYCOMP GROUP	Iskratel Group	Kapsch Traffic Com Construction & Realization spol
Transfer consideration						
Cash	\$ 69,907	\$ 52,530	\$ 23,936	\$ 210,120	\$ 1,488,350	\$ 44,001
Contingent consideration agreement	-	6,063	-	385,242	631,308	12,699
Prepayments for investments payable	62,410	-	-	-	-	-
	132,317	58,593	23,936	595,362	2,119,658	56,700
Plus: Non-controlling interests	39,268	-	-	-	39,347	-
Less: Fair value of identifiable net assets acquired	(130,894)	(41,961)	(24,245)	(368,641)	(2,223,423)	(23,551)
Goodwill arising from acquisition (gains on bargain purchase)	<u>\$ 40,691</u>	<u>\$ 16,632</u>	<u>(\$ 309)</u>	<u>\$ 226,721</u>	<u>(\$ 64,418)</u>	<u>\$ 33,149</u>

For the years ended December 31, 2019

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

d. Net cash outflow (inflow) on acquisition of subsidiaries

For the years ended December 31, 2020

	POSLAB TECH	CRONUS eBUSINESS	Spiro Technology Systems	CITYCOMP GROUP	Iskratel Group	Kapsch Traffic Com Construction & Realization spol
Consideration paid in cash	\$ 69,907	\$ 52,530	\$ 23,936	\$ 210,120	\$ 1,488,350	\$ 44,001
Cash and cash equivalents acquired	(15,857)	(29,721)	(20,636)	(74,947)	(445,403)	(11,880)
	<u>\$ 54,050</u>	<u>\$ 22,809</u>	<u>\$ 3,300</u>	<u>\$ 135,173</u>	<u>\$ 1,042,947</u>	<u>\$ 32,121</u>

For the years ended December 31, 2019

	Sunlit Precision	Kapsch (Kapsch Carrier Com and Kapsch Public Transport Com)	Hawkeye	Bass Systems S.R.L	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)
	<u>(\$ 522,392)</u>	<u>(\$ 363,356)</u>	<u>\$ 351,416</u>	<u>(\$ 96,302)</u>	<u>\$ 368,503</u>	<u>\$ 116,581</u>

e. The Impact of Business Combination on Operating Results

For the years ended December 31, 2020

The operating results of the acquired companies from the acquisition date are as follows:

	POSLAB TECH	CRONUS eBUSINESS	Spiro Technology Systems	CITYCOMP GROUP	Iskratel Group	Kapsch Traffic Com Construction & Realization spol
Operating revenue	<u>\$ 157,845</u>	<u>\$ 14,591</u>	<u>\$ 16,529</u>	<u>\$ 576,769</u>	<u>\$ 72,130</u>	<u>\$ -</u>
Net profit	<u>(\$ 11,280)</u>	<u>(\$ 1,854)</u>	<u>(\$ 1,084)</u>	<u>\$ 26,190</u>	<u>(\$ 429)</u>	<u>(\$ 248)</u>

For the years ended December 31, 2019

The operating results of the acquired companies from the acquisition date are as follows:

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

32. Equity Transactions with Non-controlling Interests

Due to S&T AG exercised repurchase of treasury stocks from January to March in 2020, resulting in an increase in the overall shareholding ratio of EIH and Ennoconn International from 26.93% to 27.09%.

S&T AG increased its investment in its subsidiaries in 2020 and 2019, resulting in changes in the shareholding ratio.

Marketch increased its equity due to the exercise of stock warrants in 2020 and 2019, resulting in a decrease in Ennoconn International shareholding ratio from 44.69% to 44.59%, and from 45.21% to 44.69%, respectively.

During 2020, Marketch did not proportionally subscribe the shares ownership from the issuance of ordinary shares for cash of the subsidiary, resulting in a change in the shareholding ratio.

In 2020, the consolidated shareholding ratio of Ennoconn Corporation and Ennoconn International decreased from 34.28% to 31.91% as a result of the exercise of conversion rights by the convertible corporate bonds holders of Caswell.

Caswell increased its investment in Yukai Technology in July 2020, resulting in an increase of shareholding ratio from 40% to 60.64%.

In 2020, EIH did not proportionally subscribe the shares ownership from the issuance of ordinary shares for cash of AIS Cayman, resulting in a change in the shareholding ratio from 60% to 62.36%.

Suzhou Ennoconn disposed of its equity in Kunshan Ennoconn in June 2020, resulting in a decrease in shareholding ratio from 100% to 70%.

During April 2019, Nanjing Asiatek did not proportionally subscribe the shares ownership from the issuance of ordinary shares for cash of Shenzhen Asiatek, resulting in a decrease of the shareholding ratio from 100% to 80%.

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

As the transactions mentioned above did not change the control of the Company, they are regarded as equity transactions.

For the years ended December 31, 2020

	<u>Marketech</u>	<u>S&T AG</u>	<u>Kunshan Ennoconn</u>	<u>AIS Cayman</u>	<u>Caswell</u>
Cash consideration (paid) received	\$ 55,000	(\$ 478,521)	\$ 630	\$ 58,445	\$ 312,413
Carrying amount of net assets of the subsidiary calculated based on corresponding changes in equity to be transferred into (out of) non-controlling interests	(52,212)	480,394	(1,961)	(58,001)	(269,202)
Difference in equity transactions	<u>(\$ 2,788)</u>	<u>\$ 1,873</u>	<u>\$ 1,331</u>	<u>\$ 444</u>	<u>\$ 43,211</u>

For the years ended December 31, 2019

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

33. Non-cash Transactions

In 2020, the Company converted convertible corporate bonds into share capital and capital surplus, with a total impact of \$349,057 thousand.

34. 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 dividend 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.

35. Financial Instruments

a. Fair value information - financial instruments not measured at fair value

The carrying amounts of financial assets and financial liabilities not measured at fair value, except for the following table, are considered to be close to the fair value by the management of the consolidated company.

	December 31, 2020	
	Carrying Amount	Fair value
<u>Financial liabilities</u>		
Financial liabilities at amortized cost:		
Convertible corporate bonds payable (including corporate bonds matured within 1 year or with redemption rights)	<u>\$ 8,456,371</u>	<u>\$ 9,455,931</u>

	December 31, 2019	
	Carrying Amount	Fair value
<u>Financial liabilities</u>		
Financial liabilities at amortized cost:		
– Convertible corporate bonds	<u>\$ 7,079,439</u>	<u>\$ 7,801,080</u>

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

1) Fair Value Hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 9,677	\$ 3,450	\$ 13,127
Investments in equity instruments				
-TWSE/TPEX-Listed stock	168,376	-	-	168,376
-Non-listed (Non-OTC) and emerging stock	-	-	482,304	482,304
-Fund beneficiary certificates	570	-	88,881	89,451
Foreign corporate bonds / convertible corporate bonds	-	-	4,867	4,867
Total	<u>\$ 168,946</u>	<u>\$ 9,677</u>	<u>\$ 579,502</u>	<u>\$ 758,125</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Non TWSE/TPEX-Listed stock	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 631,789</u>	<u>\$ 631,789</u>
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 685	\$ -	\$ 685
Contingent Consideration Obtained from Business Combination	-	-	964,002	964,002
Total	<u>\$ -</u>	<u>\$ 685</u>	<u>\$ 964,002</u>	<u>\$ 964,687</u>

December 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
Investments in equity instruments				
-TWSE/TPEX-Listed stock	77,421	-	-	77,421
-Non-listed (Non-OTC) and emerging stock	-	-	472,658	472,658
-Fund beneficiary certificates	600	-	4,720	5,320
Foreign corporate bonds / convertible corporate bonds	38,490	-	33,043	71,533
Total	<u>\$ 116,511</u>	<u>\$ 11,260</u>	<u>\$ 510,421</u>	<u>\$ 638,192</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
-Listed (OTC) stock	\$ 39,160	\$ -	\$ -	\$ 39,160
-Non TWSE/TPEX-Listed stock	-	-	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>

There was no transfer between Level 1 and Level 2 fair value measurements in 2020 and 2019.

2) Reconciliation of financial instruments at Level 3 fair value measurement

For the years ended December 31, 2020

Financial assets	Measured at fair value through profit or loss			Financial assets at fair value through other comprehensive income	
	Derivatives	Equity instruments	Total	Equity instruments	Total
Balance at the beginning of the year	\$ 33,043	\$ 477,378	\$ 510,421	\$ 328,893	\$ 839,314
Business Combinations	-	-	-	-	-
Recognized in profit or loss (other gains and losses)	(44,515)	(8,109)	(52,624)	-	(52,624)
Recognized in other comprehensive income (unrealized gains or losses on financial assets at fair value through other comprehensive income)	-	-	-	(750)	(750)
Purchase (including transferred from prepayments for investments)	19,789	112,666	132,455	298,098	430,553
Disposal/settlement	-	(10,750)	(10,750)	(10,407)	(21,157)
Foreign currency translation differences	-	-	-	15,955	15,955
Ending balance of the year	<u>\$ 8,317</u>	<u>\$ 571,185</u>	<u>\$ 579,502</u>	<u>\$ 631,789</u>	<u>\$ 1,211,291</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.	(\$ 44,515)	(\$ 8,109)	(\$ 52,564)	\$ -	(\$ 52,564)

Financial liabilities	Contingent consideration
Balance at the beginning of the year	\$ -
Recognized in profit or loss (other gains and losses)	(156,150)
Recognized in other comprehensive income (unrealized gains or losses on financial assets at fair value through other comprehensive income)	-
Purchase (acquired by business combination)	983,414
Disposal/settlement	
Foreign currency translation differences	<u>136,738</u>
Ending balance of the year	<u>\$964,002</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>\$156,150</u>)

For the years ended December 31, 2019

Financial assets	Measured at fair value through profit or loss			Financial assets at fair value through other comprehensive income	
	Derivatives	Equity instruments	Total	Equity instruments	Total
Balance at the beginning of the year	\$ 23,646	\$ 379,824	\$ 403,470	\$ 323,342	\$ 726,812
Business Combinations	-	-	-	-	-
Recognized in profit or loss (other gains and losses)	(2,922)	34,780	31,858	-	31,858
Recognized in other comprehensive income (unrealized gains or losses on financial assets at fair value through other comprehensive income)	-	-	-	(84,551)	(84,551)
Purchase (including transferred from prepayments for investments)	12,313	64,827	77,140	99,241	176,381
Disposal/settlement	-	(2,047)	(2,047)	-	(2,047)
Foreign currency translation differences	6	(6)	-	(9,139)	(9,139)
Ending balance of the year	<u>\$ 33,043</u>	<u>\$ 477,378</u>	<u>\$ 510,421</u>	<u>\$ 328,893</u>	<u>\$ 839,314</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.	(\$ 2,922)	\$ 34,780	\$ 31,858	\$ -	\$ 31,858

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

Classification of financial instruments	Valuation techniques and inputs
Derivative instruments – swap contracts, forward foreign exchange contracts, foreign currency option contracts, and interest rate swap contracts	Discounted cash flow method: Discounted forward exchange rate and the estimated future cash flows at the balance sheet date are discounted using a discount rate that reflects the credit risk of each counterparty.
Derivatives – repurchased and redemption rights of convertible corporate bonds	With the binary tree model for convertible corporate 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 securities in the domestic market	The determination of fair value is based on the observable market price of the underlying subject and the option pricing model.

4) Valuation techniques and inputs for Level 3 fair value measurements

The domestic and foreign non-listed (non-OTC) equity investment is applied to the income approach, and is calculated using the discounted cash flow method for the present value of the expected proceeds from the investment.

c. Classification of financial instruments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through other comprehensive income	\$ 758,125	\$ 638,192
Financial assets at amortized cost (Note 1)	35,345,233	37,422,395
Financial assets at fair value through other comprehensive income (investments in equity instruments)	631,789	368,053
<u>Financial liabilities</u>		
Financial assets at fair value through profit or loss (held for trading)	685	49,002
Measured at amortized cost (Note 2)	45,423,264	45,191,313
Contingent Consideration Obtained from Business Combination	964,002	-

Note 1. The balance refers to financial assets 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 borrowings, accounts payable, other payables (excluding salary and bonus payable), corporate bonds payable, and guarantee deposits.

d. Objectives and policy of financial risk management

The consolidated company's main financial instruments include equity and debt instrument investment, accounts receivable, accounts payable, corporate bonds payable, bank loans 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 risks (including foreign exchange rates, interest rates and other price risks), credit risk and liquidity risk.

1) Market Risks

The consolidated company's activities expose it primarily to the financial risks of changes in foreign exchange rates (see (1) below and the changes in interest rates (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.

a) Exchange Rate Risks

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 on the balance sheet date (including monetary items denominated in a non-functional currency in the consolidated financial statements).

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 NT dollar (the functional currency) increases and decreases by 1% for each relevant foreign currency. A sensitivity rate of 1% is used internally when reporting to management on exchange rate risks. It represents management's assessment on reasonably possible scope of foreign exchange rates. 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 NT dollar appreciates by 1% relative to each relevant currency; when the NT dollar 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	
	For the years ended December 31, 2020	For the years ended December 31, 2019
Profit or loss	(\$ 57,984) (i)	(\$ 34,258) (i)

- i. It is mainly derived from the net asset position of US dollar-denominated cash, receivables, and payables 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 for the years ended December 31, 2020 and 2019 is mainly due to the increase in net assets position in the US dollar.

b) Interest Rate Risks

The consolidated company has been exposed to interest rate risk through its fixed and floating-rate borrowings.

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:

	December 31, 2020	December 31, 2019
Interest rate risk with fair value		
– Financial liabilities	\$ 8,456,371	\$ 7,079,439
Interest rate risk with cash flows		
– Financial assets	15,649,664	17,970,184
– Financial liabilities	16,935,656	17,956,627

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments on the balance sheet date. For floating rate assets and liabilities, the analysis is based on the assumption that the amount of assets and liabilities outstanding on the balance sheet date is circulated during 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 increased/ decreased by 1% and all other variables were held constant, the consolidated company's net income before tax in 2020 would have increased/ decreased by \$12,860 thousand, mainly due to the consolidated company's net position of variable interest rate bank deposits and loans with variable interest rate.

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 \$135 thousand, mainly due to the consolidated company's net position of variable interest rate bank deposits and loans with variable interest rate.

The consolidated company has increased the interest rate sensitivity for the period due to the increase in deposits at variable interest rate.

c) Other Price Risks

The consolidated company has equity price exposure arising from the holding of domestic and foreign 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 hedging position of the hedged risk.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the balance sheet date.

If the monetary fund price increased/ decreased by 1%, income before tax in 2020 would have increased/ decreased by \$7,581 thousand due to a increase/ decrease in the fair value of financial assets at fair value through profit or loss. The pre-tax other comprehensive income for the years ended December 31, 2020 would have increased/ decreased by \$6,319 thousand, due to a increase/ decrease in fair value of financial assets at fair value through other comprehensive income.

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

2) Credit Risks

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:

- a) The carrying amount of financial assets recognized in the Consolidated Balance Sheets.

- b) 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 the credit risk, the management of the consolidated company appoints a team solely responsible for determination of credit lines, credit approvals and other monitoring procedures to ensure that appropriate action has been taken for the collection 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 management believes that the consolidated company's credit risk is significantly reduced.

The accounts receivable cover a number of customers in different industries and geographical areas. The consolidated company's customer base is diversified and dispersed, and thus the concentration of credit risk is not high.

3) Liquidity Risks

The consolidated company manages and maintains sufficient positions in cash and cash equivalents to support the Group's operations and to 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 loans contract.

The bank loans are 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 December 31, 2020 and 2019.

a) Table of liquidity and interest rate risks for non-derivative financial liabilities

The remaining contractual maturity analysis for non-derivative financial liabilities is prepared based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest date on which the consolidated company can be required to pay.

The undiscounted interest amount of interest cash flows of payment with variable interest rates are extrapolated using the interest rates at the balance sheet date.

December 31, 2020

	Within 6 months (inclusive)	Over 6 months Up to 1 year	Over 1 year
<u>Non-derivative financial liabilities</u>			
Non-interest-bearing liabilities	\$ 22,575,002	\$ -	\$ -
Lease liabilities	445,295	563,572	2,807,553
Instruments with variable interest rates	6,944,951	2,029,210	7,437,825
Instruments with fixed interest rates	-	-	5,434,586

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	20 years and above
	\$	\$	\$			
Lease liabilities	<u>1,008,867</u>	<u>1,542,929</u>	<u>1,264,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2019

	Within 6 months (inclusive)	Over 6 months Up to 1 year	Over 1 year
<u>Non-derivative financial liabilities</u>			
Non-interest-bearing liabilities	\$ 22,366,253	\$ -	\$ -
Lease liabilities	452,743	580,704	3,079,284
Instruments with variable 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	20 years and above
Lease liabilities	<u>\$1,033,447</u>	<u>\$1,738,926</u>	<u>\$1,340,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

For the liquidity analysis of derivative financial instruments, the derivatives are netted on the basis of undiscounted net cash inflows and outflows of the contracts. For derivatives with total delivery, they are unfolded, and the current total cash inflows and outflows are based total undiscounted 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.

December 31, 2020

	Within 6 months (inclusive)	Over 6 months Up to 1 year	Over 1 year
<u>Net settlement</u>			
Foreign Currency Option Contracts	\$ -	\$ -	\$ -
Forward foreign exchange contracts	567	-	-
	<u>\$ 567</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2019

	Within 6 months (inclusive)	Over 6 months Up to 1 year	Over 1 year
<u>Net settlement</u>			
Foreign Currency Option Contracts	\$ 1,282	\$ -	\$ -
Forward foreign exchange contracts	<u>23,002</u>	<u>-</u>	<u>-</u>
	<u>\$ 24,284</u>	<u>\$ -</u>	<u>\$ -</u>

c) Financing line

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Credit line of unsecured bank overdraft		
- Amount used	\$ 15,118,326	\$ 16,436,129
- Amount unused	<u>19,554,943</u>	<u>18,517,707</u>
	<u>\$ 34,673,269</u>	<u>\$ 34,953,836</u>
Credit line of secured bank loans		
- Amount used	\$ 1,908,914	\$ 1,520,498
- Amount unused	<u>1,612,545</u>	<u>1,344,114</u>
	<u>\$ 3,521,459</u>	<u>\$ 2,864,612</u>

36. Related Party Transactions

Transactions, balances, income and expenses between the Company and its subsidiaries (related parties of the Company) are eliminated in full on consolidation and therefore are not disclosed in this note.

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

a. Name and relationship of Related party

<u>Name of related party</u>	<u>Relationship with the consolidated company</u>
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
Hong Fu Sheng Precision Electronics (Yantai) Co., Ltd.	Associates
Hong Fu Sheng Precision Electronics (Zhengzhou) Co., Ltd.	Associates
Hongfujin Precision Industry (Taiyuan) Co., Ltd.	Associates
Cloud Network Technology Singapore PTE.	Associates
Chung Hsin Electric & Machinery Manufacturing Corp.	Associates
WT Microelectronics Co., Ltd.	Associates
Macrotec Technology Corp.	Associates

Name of related party	Relationship with the consolidated company
Glory Technology Service Inc.	Associates
Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	Associates
Hong Kong Ennopower Information Technology Co., Limited	Associates
Kang Zhun Electronic Technology (Kunshan) Co., Ltd.	Associates
Shenzhen Yuzhan Precision Technology Co., Ltd.	Associates
Shenzhen Hyper Power Information Technology Co., Ltd.	Associates
Shenzhen Fugui Precision Industrial Co., LTD.	Associates
Hongqing Precision Machinery Co., Ltd.	Associates
Hong 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 Corp.	Associates
Hong Fu Sheng 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 Corporation	Associates
First Special Material (Shenzhen) Holding Limited	Associates
G-Tech Optoelectronics Corp.	Associates
Anpinda Precision Industry (Huizhou) Co., Ltd.	Associates
Jiangsu Chunghsin Fine Mechanical Co., Ltd.	Associates
KUNSHAN FUCHENGKE PRECISION ELECTRONICAL CO.,LTD.	Associates
Wuhan Yuzhan Precision Technology CO., LTD.	Associates
HeNan YuZhan Technology Limited	Associates
STS Glory Technology Corp.	Associates
Fujun Material Technology (Shenzhen) Co., Ltd.	Associates
Fuzhun Precision Electronics (Hebi) Co., Ltd.	Associates
Jincheng Futaihua Precision Electronic 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
Fortune International Corporation	Associates
STS Glory Technology Corp.	Associates
Flnet Co., Ltd.	Associates
Foxnum Technology Co., Ltd.	Associates
Hon-Ling Technology Co., Ltd.	Associates

<u>Name of related party</u>	<u>Relationship with the consolidated company</u>
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
Chongqing Guanzhuo Technology Co., Ltd.	Associates
ChongQing FuGui Electronics Co., Ltd	Associates
Q.P.T.I CORPORATION	Associates
FORTUNEBAY TECHNOLOGY PTE LTD.	Associates
Socle Technology Corp.	Associates
ProbeLeader Co., Ltd.	Associates
GuiZhou FuNaYuanChuang 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

b. Operating Revenue

<u>Item</u>	<u>Category of related party / Name</u>	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
Sales revenue	<u>Associates</u>		
	Futaihua Industry (Shenzhen) Co., Ltd.	\$ 558,725	\$ 353,829
	Hon Hai Precision Industry Co., Ltd.	57,590	417,835
	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	276,843	1,228,212
	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	231,306	12,734
	HeNan YuZhan Technology Limited	194,525	470,645
	Hongfujin Precision Electronics (Zhengzhou)Co., Ltd.	221,326	726,324
	Others	517,707	141,534
	Associates	<u>20,772</u>	<u>543,775</u>
Construction revenue		<u>\$ 2,078,794</u>	<u>\$ 3,894,888</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.

c. Purchase and processing fees

<u>Category of related party / Name</u>	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
Associates		
Hon Hai Precision Industry Co., Ltd.	\$ 1,972,731	\$ 4,916,160
Others	<u>1,178,875</u>	<u>282,926</u>
	<u>\$ 3,151,606</u>	<u>\$ 5,199,086</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.

d. Receivables from related parties (excluding loans to related parties)

Item	Category of related party / Name	December 31, 2020	December 31, 2019
Accounts receivable - related parties	<u>Associates</u>		
	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	\$ 86,987	\$ 258,342
	Hong Kong Ennpower Information Technology Co., Limited	115,997	126,784
	HeNan YuZhan Technology Limited	\$ -	\$ 445,929
	Hongfujin Precision Electronics (Zhengzhou)Co., Ltd.	153,697	-
	Others	<u>136,386</u>	<u>378,672</u>
		<u>\$ 493,067</u>	<u>\$ 1,209,727</u>

Uncollected guarantees from outstanding accounts receivable of related parties No loss allowance was set aside for receivables from related parties for the years ended December 31, 2020 and 2019.

e. Accounts payable to related parties (excluding loans to related parties)

Item	Category of related party / Name	December 31, 2020	December 31, 2019
Accounts payable	<u>Associates</u>		
	Hon Hai Precision Industry Co., Ltd.	\$ 452,148	\$ 1,142,252
	Dongguan city Ouyu Precision Technology Co., Ltd.	181,409	-
	Shenzhen xiangxing Technology Co., Ltd.	259,150	-
	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	134,829	97,386
	Others	<u>150,288</u>	<u>73,054</u>
		<u>\$ 1,177,824</u>	<u>\$ 1,312,692</u>
Expense Payable (Listed in Other Payables)	Associates	<u>\$ 22,982</u>	<u>\$ 82,135</u>

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

f. Endorsements and Guarantees

Endorsements/guarantees to others

Category of related party / Name	December 31, 2020	December 31, 2019
Innovative Systems Integration Limited	\$ 854,400	\$ 1,499,000
Ennoconn International Investment Co., Ltd.	1,000,000	-
Dexatek Technology Ltd.	160,000	304,900
Thecus Technology Corporation	\$ 100,000	\$ 200,000
HighAim Technology Inc.	398,720	419,720
Highaim Technology Inc.	185,120	194,870
a subsidiary of S&T AG	6,945,850	5,294,991
a subsidiary of Marketch	4,314,874	4,543,411
	<u>\$ 13,958,964</u>	<u>\$ 12,456,892</u>

g. Remuneration of key management level

	For the years ended December 31, 2020	For the years ended December 31, 2019
Short-term employee benefits	\$ 255,747	\$ 275,698
Benefits after retirement	890	4,804
Other long-term employee benefits	-	-
Share-based payment	-	-
	<u>\$ 256,637</u>	<u>\$ 280,502</u>

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

37. Pledged Assets

The following assets of the consolidated company were pledged as collateral for financing loans and as security deposits of tariff collaterals for importing raw materials:

	December 31, 2020	December 31, 2019
Pledged time deposits (recognized as financial assets measured at amortized cost)	\$ 395,634	\$ 48,852
Pledged demand deposits (recognized as other financial assets)	83,642	190,385
Accounts receivable	51,416	347,586
Inventory	45,168	200
Land	200,300	63,316
Buildings – net	985,596	274,903
right-of-use assets	39,729	40,078
Refundable deposits	146,593	124,268
Others	49,887	34,313
	<u>\$ 1,997,965</u>	<u>\$ 1,123,901</u>

38. Significant Contingent Liabilities and Unrecognized Contract Commitments

- The significant 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.
- As of December 31, 2020, the Group has issued \$2,265 thousand of bills and guarantees for project performance and tariff guarantee.

39. Significant Events after the Balance Sheet Date

None.

40. Information on Foreign Currency Assets and Liabilities with Significant 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 significant influence are as follows:

December 31, 2020

	Foreign currency	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary Items</u>			
USD	\$ 327,575	28.48 (USD:TWD)	\$ 9,329,336
USD	64,631	1.2296 (USD:EUR)	1,840,680
USD	38,448	0.1534 (USD:CNY)	1,094,990
<u>Financial liabilities</u>			
<u>Monetary Items</u>			
USD	123,981	28.48 (USD:TWD)	3,530,966
USD	59,475	1.2296 (USD:EUR)	1,693,855
USD	19,359	0.1534 (USD:CNY)	551,345

December 31, 2019

	Foreign currency	Exchange rate	Carrying amount
<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:CNY)	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:CNY)	926,844

The foreign exchange (loss) gains (realized and unrealized) of the consolidated company in 2020 and 2019 were \$(322,200) thousand and \$(117,782) thousand respectively. Due to the variety of foreign currency transactions and functional currencies of the Group individual entities, the exchange gains or losses could not be disclosed according to the foreign currencies with significant impact.

41. Supplementary Disclosures

Information on (I) significant transactions and (II) reinvestment:

- 1) Loans to others (Table I)
- 2) Endorsements/guarantees to others (Table II)

- 3) Securities held at the end of the period (excluding investment in subsidiaries, associates, and joint ventures). (Table III)
 - 4) The cumulative purchase or sale of the same securities amounted to NT\$300 million or 20% and above of the paid-in capital. (Table IV)
 - 5) The amount of property acquired reached NT\$300 million or 20% and above of the paid-in capital. (None)
 - 6) The amount of property disposal reached NT\$300 million or 20% and above of the paid-in capital. (None)
 - 7) The amount of purchases or sales with related parties reached NT\$100 million or 20% and above of the paid-in capital. (Table V)
 - 8) Receivables from related parties amounted to NT\$100 million or 20% and above of paid-in capital. (Table VI)
 - 9) Engaged in derivative transactions (Notes 7 and 35)
 - 10) Others: The business relationships and significant transactions and amounts between parent and subsidiaries and between subsidiaries. (Table VII)
 - 11) Investee information. (Table VIII)
- c. Investment information in mainland China:
- 1) Name of the investee in mainland China, primary business, paid-in capital, investment method, outward and inward remittance of the fund, shareholding ratio, investment gain (loss) recognized for the period, carrying amount of the investment at the end of the period, repatriation of investment profit or loss and investment limit in mainland China. (Table IX)
 - 2) The following significant transactions with the mainland investee, directly or indirectly through the third region, and their prices, payment terms, unrealized gain or loss: (Note 39 and Table I, II, V, VI and VII)
 - a) Purchase amount and percentage, ending balance and percentage of payables.
 - b) Sales amount and percentage, ending balance and percentage of receivables.
 - c) The amount of property transactions and the amount of profit or loss generated.
 - d) The ending balance and the purpose of bill endorsement, or provision of collateral.
 - e) The maximum balance, ending balance, Interest rate interval and total amount of current interest of financing.
 - f) Other transactions that have a significant effect on the current profit or loss or financial situation, such as the provision or acceptance of services.

42. 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 2020 and 2019, 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.

a. Segment revenue and results of operations

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

	Segment revenue		Segment profit or loss	
	For the years ended December 31, 2020	For the years ended December 31, 2019	For the years ended December 31, 2020	For the years ended December 31, 2019
Sales of industrial computer hardware and software	\$ 7,625,896	\$ 12,461,064	\$ 344,673	\$ 1,093,622
Information system segment	47,539,300	42,660,568	1,160,539	1,045,318
Network communication production and marketing segment	5,773,062	4,803,355	471,168	343,277
Plant System and Electromechanical System Services	25,631,951	24,506,593	1,083,011	730,609
Other segments	<u>11,466,547</u>	<u>5,851,036</u>	292,742	47,513
Total	98,036,756	90,282,616		
Elimination of inter-segment transactions	(<u>13,945,271</u>)	(<u>8,776,400</u>)		
Total	<u>\$ 84,091,485</u>	<u>\$ 81,506,216</u>		
Other income			112,323	169,887
Miscellaneous income			1,102,699	1,892,525
Interest expenses			(536,706)	(573,930)
Miscellaneous expenses			(65,232)	(958,757)
Share of profit or loss of associates accounted for using equity method			<u>11,350</u>	<u>21,892</u>
Profit before tax			<u>\$ 3,976,567</u>	<u>\$ 3,811,956</u>

Revenue reported above is generated from transactions with external customers.

Segment profit or loss refer to the profit earned by each segment, excluding rental income, interest income, dividend income, profit or loss on disposal of an investment, profit or loss on the evaluation of financial assets, miscellaneous income, interest expense, impairment loss, miscellaneous expense, the share of profit or 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.

b. Segment assets and liabilities

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.

c. Revenue from major products and services

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

	For the years ended December 31, 2020	For the years ended December 31, 2019
Production and marketing of motherboard	\$ 5,561,172	\$ 9,505,359
Motherboard maintenance	926	929
Production and marketing of network communication	5,214,160	4,331,021
Integration service for information software and hardware	42,052,848	38,656,855
Plant and electrical system services	25,119,857	24,182,625

	For the years ended December 31, 2020	For the years ended December 31, 2019
Others	<u>6,142,522</u>	<u>4,829,427</u>
	<u>\$ 84,091,485</u>	<u>\$ 81,506,216</u>

d. 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:

	Revenue from external customers		Non-Current Assets	
	For the years ended December 31, 2020	For the years ended December 31, 2019	December 31, 2020	December 31, 2019
Taiwan	\$ 20,714,507	\$ 19,813,221	\$ 2,917,384	\$ 5,878,386
Mainland China	13,816,719	12,066,709	347,564	417,189
Europe	38,985,234	39,383,396	9,470,896	7,642,628
Others	<u>10,575,025</u>	<u>10,242,890</u>	<u>5,599,028</u>	<u>2,366,084</u>
Total	<u>\$ 84,091,485</u>	<u>\$ 81,506,216</u>	<u>\$ 18,334,872</u>	<u>\$ 16,304,287</u>

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

e. Major Customers Information

Major customers not accounting for 10% and above of the net consolidated sales revenue in 2020.

Ennoconn Corporation and Subsidiaries

Loans to others

January 1 to December 31, 2020

Table I

Unit: In Thousands of New Taiwan Dollars

Code (Note 1)	Grantor	Borrower	Transaction item	Related Party (Y/N)	Maximum balance for the period (Note 3)	Ending balance(Note 3)	Actual Amount Used	Interest rate interval %	Nature of loan (Note 2)	Amount of Transaction	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Limit on Loans Granted to a Single Party	Total Loan Limit	Remark
													Name	Value			
1	Caswell Inc.	Beijing Caswell Ltd.	Other receivables - related parties	Yes	\$ 14,240	\$ -	\$ -	2	1	\$ 131,624	Not applicable	\$ -	None	\$ -	\$ 131,626	\$ 598,623	
1	Caswell Inc.	Apligo GmbH	Other receivables - related parties	Yes	22,784	22,784	22,784	2.45	2	-	Operating turnover	-	None	-	299,312	598,623	
2	AIS Cayman Technology Group	American Industrial Systems, Inc	Other receivables - related parties	Yes	28,480	-	-	-	2	-	Operating turnover	-	None	-	288,366	286,366	
3	S&T AG, Austria	S&T Crna Gora	Other receivables - related parties	Yes	7,004	-	-	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S&T Mold srl	Other receivables - related parties	Yes	3,502	3,502	3,502	4	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S&T Services Bel LLC	Other receivables - related parties	Yes	13,308	7,121	7,121	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S & T Smart Energy GmbH	Other receivables - related parties	Yes	52,530	-	-	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S&T Deutschland GmbH, Germany	Other receivables - related parties	Yes	28,016	17,510	17,510	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S&T Consulting Hungary Kft., Hungary	Other receivables - related parties	Yes	44,125	29,417	29,417	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	Kontron Austria GmbH	Other receivables - related parties	Yes	402,730	367,710	346,698	1.5	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
3	S&T AG, Austria	S&T Slovakia s.r.o.	Other receivables - related parties	Yes	35,020	35,020	35,020	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S&T CEE Holding s.r.o., Slowakei	Other receivables - related parties	Yes	430,746	406,232	406,232	5	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	Kontron Modular Computers S.A.S.	Other receivables - related parties	Yes	87,550	87,550	87,550	3	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
3	S&T AG, Austria	RTSoft, AO, Russia	Other receivables - related parties	Yes	164,574	110,810	110,810	8	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
3	S&T AG, Austria	S&T Romania S.R.L., Romania	Other receivables - related parties	Yes	181,922	87,070	87,070	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	funworld gmbh, Austria	Other long-term receivables - other investments	No	11,907	-	-	3.00-4.00	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
3	S&T AG, Austria	Kontron Europe GmbH	Other receivables - related parties	Yes	189,108	189,108	189,108	3	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
3	S&T AG, Austria	Kontron Electronics Kft.	Other receivables - related parties	Yes	28,366	22,063	22,063	3	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
3	S&T AG, Austria	Kontron Transportation Austria AG	Other receivables - related parties	Yes	525,300	525,300	443,353	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S&T Bulgaria e.o.o.d	Other receivables - related parties	Yes	40,973	26,265	26,265	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	Kontron America Inc.	Other receivables - related parties	Yes	478,546	-	-	3	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	

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Code (Note 1)	Grantor	Borrower	Transaction item	Related Party (Y/N)	Maximum balance for the period (Note 3)	Ending balance(Note 3)	Actual Amount Used	Interest rate interval %	Nature of loan (Note 2)	Amount of Transaction	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Limit on Loans Granted to a Single Party	Total Loan Limit	Remark
													N a m e	V a l u e			
3	S&T AG, Austria	RTSoft Smart Grid, Russia	Other receivables - related parties	Yes	\$ 12,607	\$ 9,568	\$ 9,568	8	2	\$ -	Operating turnover	\$ -	None	\$ -	\$ 5,717,044	\$ 5,717,044	
3	S&T AG, Austria	Kontron Transportation Belgium NV	Other receivables - related parties	Yes	365,959	365,959	365,959	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	Computer Betting Company GmbH	Other receivables - related parties	Yes	12,257	-	-	1.5	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
4	S&T Mazedonien	S&T AG, Austria	Other receivables - related parties	Yes	19,261	19,261	19,261	1	2	-	Operating turnover	-	None	-	141,902	141,902	
5	KONTRON EUROPE GMBH	Kontron S&T AG	Other receivables - related parties	Yes	1,774,891	-	-	0.10-2.20	2	-	Operating turnover	-	None	-	1,937,980	4,844,949	
6	Kontron S&T AG	KONTRON ASIA PACIFIC DESIGN SDN. BHD.	Other receivables - related parties	Yes	144,850	141,438	141,438	1.2	2	-	Operating turnover	-	None	-	1,803,854	4,509,635	
7	EnnoMech Precision (Cayman) Co., Ltd.	Ennoconn Investment Holdings Co.,Ltd	Other receivables - related parties	Yes	19,936	19,936	19,936	-	2	-	Operating turnover	-	None	-	533,627	533,627	
8	ENGA Technology Co., Ltd.	Ennoconn Investment Holdings Co.,Ltd	Other receivables - related parties	Yes	93,984	93,984	93,984	-	2	-	Operating turnover	-	None	-	108,198	108,198	
9	Marketch International Corp.	Marketch International Sdn Bhd.	Other receivables	Yes	20,570	19,366	-	4.616	2	-	Operating turnover	-	None	-	2,418,103	2,418,103	
9	Marketch International Corp.	Marketch Integrated Pte Ltd	Other receivables	Yes	26,567	21,360	21,360	4.616	2	-	Operating turnover	-	None	-	2,418,103	2,418,103	
10	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Wuxi) Co., Ltd.	Other receivables	Yes	43,119	-	-	4.785	2	-	Operating turnover	-	None	-	394,974	394,974	
10	MIC-Tech Electronics Engineering Corp.	Fuzhou Jiwei System Integrated Co., Ltd.	Other receivables	Yes	2,189	2,188	2,188	4.785	2	-	Operating turnover	-	None	-	394,974	394,974	
10	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Other receivables	Yes	52,547	52,523	52,523	4.785	2	-	Operating turnover	-	None	-	197,487	394,974	
11	MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Other receivables	Yes	34,591	13,131	13,131	4.785	2	-	Operating turnover	-	None	-	358,624	358,624	
11	MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech (Wuxi) Co., Ltd.	Other receivables	Yes	43,789	43,769	43,769	4.785	2	-	Operating turnover	-	None	-	358,624	358,624	
12	MIC-Tech Viet Nam Co., Ltd.	Marketch Co., Ltd.	Other receivables	Yes	4,060	-	-	-	2	-	Operating turnover	-	None	-	19,459	19,459	
13	Marketch Integrated Manufacturin g Co., Ltd.	Marketch Integrated Construction Co., Ltd.	Other receivables - related parties	Yes	2,949	2,848	2,848	7	2	-	Operating turnover	-	None	-	152,575	305,150	
14	Marketch Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	Other receivables - related parties	Yes	13,225	8,880	8,880	4.5	2	-	Operating turnover	-	None	-	17,552	17,552	
15	ISKRATEL, d.o.o.	S&T AG, Austria	Other receivables - related parties	Yes	175,100	175,100	175,100	3	2	-	Operating turnover	-	None	-	1,107,159	2,767,897	

Note 1: (1) Fill in 0 for issuer.
(2) The investee company is coded in sequence starting from Arabic numeral 1 by company.

Note 2: The nature of the loans are as follows:
(1) Please fill in 1 for business interaction.
(2) Please fill in 2 if there is a need for short-term financing.

Note 3: Limit to loans is resolved by the Board of Directors.

Ennoconn Corporation and Subsidiaries
Endorsements/guarantees to others
January 1 to December 31, 2020

Table II

Unit: In Thousands of Foreign currency/ New Taiwan Dollars

Code	Company Name of Endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for the period	Ending Balance of endorsement	Actual Amount Used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements (%)	Maximum amount of endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China	Remark
		Company Name	Relationship											
0	Ennoconn corporation	Ennoconn International Investment Co., Ltd.	Subsidiary	NTD13,325,301 (limited to 150% of the Company's net worth)	NTD1,000,000	NTD1,000,000	NTD245,000	\$ -	11.26	NTD17,767,068 (limited to 200% of the Company's net worth)	Y	N	N	
0	Ennoconn corporation	Innovative Systems Integration Limited	Subsidiary	NTD13,325,301 (limited to 150% of the Company's net worth)	NTD854,400	NTD854,400	NTD2,848	-	9.62	NTD17,767,068 (limited to 200% of the Company's net worth)	Y	N	Y	
0	Ennoconn corporation	HIGHAIM TECHNOLOGY INC.	Subsidiary	NTD13,325,301 (limited to 150% of the Company's net worth)	NTD185,120	NTD185,120	NTD-	-	2.08	NTD17,767,068 (limited to 200% of the Company's net worth)	Y	N	N	
0	Ennoconn corporation	HighAim Technology Inc.	Subsidiary	NTD13,325,301 (limited to 150% of the Company's net worth)	NTD370,240	NTD370,240	NTD227,840	-	4.17	NTD17,767,068 (limited to 200% of the Company's net worth)	Y	N	Y	
0	Ennoconn corporation	Thecus Technology Corporation	Subsidiary	NTD13,325,301 (limited to 150% of the Company's net worth)	NTD100,000	NTD100,000	NTD 75,000	-	1.13	NTD17,767,068 (limited to 200% of the Company's net worth)	Y	N	N	
0	Ennoconn corporation	Dexatek Technology Ltd.	Subsidiary	NTD13,325,301 (limited to 150% of the Company's net worth)	NTD160,000	NTD160,000	NTD 120,000	-	1.80	NTD17,767,068 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Technologies GmbH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD 2,276	EUR-NTD 2,276	EUR-NTD-	-	0.02	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Plus s.r.o	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD9,646	EUR-NTD6,673	EUR-NTD-	-	0.05	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation France	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD8,755	EUR-NTD8,755	EUR-NTD-	-	0.06	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Austria GmbH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD8,755	EUR-NTD8,755	EUR-NTD8,401	-	0.06	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Europe GmbH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD35,020	EUR-NTD35,020	EUR-NTD-	-	0.25	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Slovenija d.d.	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD35,020	EUR-NTD35,020	EUR-NTD-	-	0.25	NTD28,585,221 (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	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD33,094	EUR-NTD33,094	EUR-NTD-	-	0.23	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Slovakia s.r.o.	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD140,080	EUR-NTD140,080	EUR-NTD47,134	-	0.98	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Smart Energy GmbH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD6,322	EUR-NTD-	EUR-NTD-	-	-	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	

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Code	Company Name of Endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for the period	Ending Balance of endorsement	Actual Amount Used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements (%)	Maximum amount of endorsement	Endorsement/ Guarantee of Parent company to subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China	Remark
		Company Name	Relationship											
1	S&T AG, Austria	diverse / Factoring CEE	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD630,360	EUR-NTD630,360	EUR-NTD238,666	\$ -	4.41	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T CZ s.r.o.	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD62,511	EUR-NTD60,053	EUR-NTD-	-	0.42	NTD28,585,221 (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	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD325,699	EUR-NTD307,213	EUR-NTD-	-	2.15	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Belgium NV	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD876	EUR-NTD-	EUR-NTD-	-	-	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD87,550	EUR-NTD87,550	EUR-NTD-	-	0.61	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD175,100	EUR-NTD175,100	EUR-NTD-	-	1.23	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD231,132	EUR-NTD231,132	EUR-NTD231,132	-	1.62	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD78,361	EUR-NTD77,062	EUR-NTD-	-	0.54	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD598,842	EUR-NTD586,127	EUR-NTD-	-	4.10	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Albania Sh.p.k	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD10,681	EUR-NTD10,681	EUR-NTD2,700	-	0.07	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Consulting Hungary Kft.	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD545,483	EUR-NTD490,813	EUR-NTD89,721	-	3.43	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron electronics Gmbh	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD10,506	EUR-NTD10,506	EUR-NTD-	-	0.07	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron America Inc	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD634,241	EUR-NTD570,777	EUR-NTD274,412	-	3.99	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron S&T AG	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD140,080	EUR-NTD140,080	EUR-NTD-	-	0.98	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Romania SRL	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD140,273	EUR-NTD140,273	EUR-NTD-	-	0.98	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	diverse / Factoring DACH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD525,300	EUR-NTD525,300	EUR-NTD273,540	-	3.68	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	

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Code	Company Name of Endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for the period	Ending Balance of endorsement	Actual Amount Used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements (%)	Maximum amount of endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China	Remark
		Company Name	Relationship											
1	S&T AG, Austria	ROSoft AO	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD25,392	EUR-NTD19,526	EUR-NTD-	\$ -	0.14	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	RTSoft Project OOO	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD99,577	EUR-NTD76,574	EUR-NTD-	-	0.54	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Deutschland GmbH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD14,008	EUR-NTD14,008	EUR-NTD-	-	0.10	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T MEDTECH SRL (GADA GROUP ROORMANIA SRL)	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD151,987	EUR-NTD122,570	EUR-NTD99,661	-	0.86	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Factoring Kontron Europe/Kontron Modular Computers S.A.S	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD1,120,640	EUR-NTD1,120,640	EUR-NTD733,949	-	7.84	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron AIS GmbH (AIS Automation Dresden GmbH)	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD28,016	EUR-NTD28,016	EUR-NTD-	-	0.20	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Crna Gora d.o.o.	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD10,662	EUR-NTD10,662	EUR-NTD-	-	0.07	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Belgium NV	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD97,206	EUR-NTD97,206	EUR-NTD-	-	0.68	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Smart Energy GmbH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD147,084	EUR-NTD24,514	EUR-NTD-	-	0.17	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T AG/Kontron Transportation Austria AG/S&T Smart Energy/ Kontron s.r.o.	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD389,066	EUR-NTD389,066	EUR-NTD-	-	2.72	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation S.r.o	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD267,584	EUR-NTD-	EUR-NTD-	-	-	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Romania SRL	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD87,550	EUR-NTD87,550	EUR-NTD24,271	-	0.61	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Romania SRL	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD1,751	EUR-NTD1,751	EUR-NTD-	-	0.01	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
2	HIGHAIM TECHNOLOGY INC.	HighAim Technology Inc.	Subsidiary	NTD607,717 (limited to 100% of the Company's net worth)	NTD28,480	NTD28,480	NTD-	-	4.69	NTD607,717 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketech International Corp.	Marketech Integrated Pte Ltd.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD34,543	NTD17,131	NTD4,140	-	0.28	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	N	

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Code	Company Name of Endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for the period	Ending Balance of endorsement	Actual Amount Used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements (%)	Maximum amount of endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China	Remark
		Company Name	Relationship											
3	Marketech International Corp.	Ezoom Information, Inc.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD 120,000	NTD 60,000	NTD-	\$ -	0.99	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	N	
3	Marketech International Corp.	Marketech International Sdn. Bhd.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD 239,840	NTD227,840	NTD31,266	-	3.77	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	N	
3	Marketech International Corp.	Marketech International Corporatiow USA	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD332,750	NTD-	NTD-	-	0.00	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	N	
3	Marketech International Corp.	MIC-Tech (Wuxi) Co., Ltd.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD314,307	NTD283,900	NTD184,209	-	4.70	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketech International Corp.	MIC-Tech (Shanghai) Corp., Ltd.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD885,360	NTD706,031	NTD39,011	-	11.68	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD1,696,667	NTD1,474,209	NTD589,605	-	24.39	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketech International Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD528,055	NTD318,971	NTD241,707	-	5.28	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketech International Corp.	Tak Cheong Construction Co., Ltd.	A company with contractual mutual-endorsement requirement for construction contracts	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD174,000	NTD174,000	NTD86,997	-	2.88	NTD6,045,256 (limited to 100% of the Company's net worth)	N	N	N	
4	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Wuxi) Co., Ltd.	Companies directly or indirectly held by the company for 90% and above of voting rights	NTD1,481,152 (limited to 300% of the Company's net worth)	NTD8,561	NTD8,557	NTD8,557	-	1.73	NTD2,468,587 (limited to 500% of the Company's net worth)	N	N	Y	
4	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp., Ltd.	Companies directly or indirectly held by the company for 90% and above of voting rights	NTD1,481,152 (limited to 300% of the Company's net worth)	NTD103,729	NTD-	NTD-	-	-	NTD2,468,587 (limited to 500% of the Company's net worth)	N	N	Y	
4	MIC-Tech Electronics Engineering Corp.	Marketech International Corp.	Companies that directly and indirectly hold more than 50% of the voting rights of the company	NTD1,481,152 (limited to 300% of the Company's net worth)	NTD511,679	NTD481,739	NTD481,739	-	97.57	NTD2,468,587 (limited to 500% of the Company's net worth)	N	Y	N	
4	MIC-Tech Electronics Engineering Corp.	MIC-Tech Viece Nam Co., Ltd.	Companies directly or indirectly held by the company for 90% and above of voting rights	NTD1,481,152 (limited to 300% of the Company's net worth)	NTD272,362	NTD269,930	NTD269,930	-	54.67	NTD2,468,587 (limited to 500% of the Company's net worth)	N	N	N	

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Code	Company Name of Endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for the period	Ending Balance of endorsement	Actual Amount Used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements (%)	Maximum amount of endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China	Remark
		Company Name	Relationship											
4	MIC-Tech Electronics Engineering Corp.	China Electronic System Engineering Fourth Construction Co., Ltd.	A company with contractual mutual-endorsement requirement for construction contracts	NTD1,481,152 (limited to 300% of the Company's net worth)	NTD807,834	NTD807,467	NTD784,817	\$ -	163.55	NTD2,468,587 (limited to 500% of the Company's net worth)	N	N	Y	
5	MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech Electronics Engineering Corp.	Companies directly or indirectly held by the company for 90% and above of voting rights	NTD1,344,842 (limited to 300% of the Company's net worth)	NTD596,060	NTD-	NTD-	-	-	NTD2,241,403 (limited to 500% of the Company's net worth)	N	N	Y	
6	Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	Companies directly or indirectly held by the company for 90% and above of voting rights	NTD219,403 (limited to 300% of the Company's net worth)	NTD130,641	NTD126,166	NTD126,166	-	575.04	NTD219,403 (limited to 500% of the Company's net worth)	N	N	N	

Note 1: The conversion rate is the spot average exchange rate of the Bank of Taiwan on December 31, 2020.

Note2 : 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

December 31, 2020

Table III Unit: In Thousands of New Taiwan Dollars

Holding company	Type and name of securities	Relationship with the issuer of securities	Ledger account	End of the period				Remark
				Number of Shares/ Unit	Carrying amount	Shareholding ratio %	Fair value	
Ennoconn International Investment Co., Ltd.	Q.P.T.I CORPORATION	None	Financial assets at fair value through other comprehensive income - non-current	726,418	\$ 38,039	19.5	\$ 38,039	
"	SERVTECH Co., Ltd.	"	"	85,200	8,708	3.91	8,708	
Taiwan Applied Module Corporation	SERVTECH Co., Ltd.	"	"	239,625	24,490	11.00	24,490	
Goldtek Technology Co., Ltd.	Clouddtalk Inc.	"	"	484,260	123,501	12.81	-	
Sunlit Precision Technology Co., Ltd.	LINKA GROUP LIMITED	"	"	142,910	28,660	7.98	-	
Techno Precision (Shenzhen) Co., Ltd.	Miaoxin Tiancheng (Guangdong) Technology Co., Ltd.	"	"	9,408,000	83,179	16.00	83,179	
Ennoconn (Foshan) Investment Co., Ltd.	Venture Capital Investment Fund for Tech Innovation Smart Industry of Foshan City	"	"	CNY65,000	283,874	18.57	283,874	
"	Guangdong Hongfu Xinghe Hongtu Venture Capital Fund Partnership	"	"	CNY2,000	8,735	10.00	8,735	
APLIGO GmbH	shares in Volksbank Karlsruhe	"	"	-	10	-	10	
Caswell Inc.	Advanio Technology Co., Ltd.	"	"	1,045	-	19	-	
Nanjing Asiatek Inc.	Shenzhen Execution System Technology Co., Ltd.	"	"	CNY900	3,931	10.00	3,931	
HighAim Technology Inc.	Qingdao Bonin Fortune Access equipment Co.,Ltd.	"	"	3,949,000	71,931	6.00	71,931	
"	Shenzhen City Tianlin Precision Technology Co.,Ltd.	"	"	CNY1,190	5,198	20	5,198	
Dexatek Technology Ltd.	Eve System GmbH	"	"	52,778	82,562	-	82,562	
S&T Hrvatska doo	Optima Telekom	"	"	EUR69,590	2,437	-	2,437	
Kontron Austria GmbH	Others	"	"	EUR8,828	309	-	309	
Secure Guard GmbH	Erste Immobilien Fonds	"	"	EUR232,026	8,126	-	8,126	
Iskyatel	Others	"	"	EUR158,812	5,562	-	5,562	
S&T Slovenija d.d	Shares	"	"	EUR7,985	280	-	280	
Diverse	Diverse	"	"	EUR1,140	40	-	40	
S&T AG	Others	"	"	EUR125,045	4,378	-	4,378	
	Less: Adjustment of valuation of financial assets at fair value through other comprehensive income				(152,161)			
					\$ 631,789		\$ 631,789	
Marketech International Corp.	Lasertec Corporation	None	Financial assets at fair value through profit or loss - current	40,000	\$ 133,840	-	\$ 133,840	
"	Solar Applied Materials Technology Co., Ltd.	"	"	44,078	1,917	-	1,917	
"	Aerospace Industrial Development Corporation	"	"	50,925	1,477	-	1,477	
					\$ 137,234		\$ 137,234	

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Holding company	Type and name of securities	Relationship with the issuer of securities	Ledger account	End of the period				Remark
				Number 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	\$ -	12.59	\$ -	
"	Chung Hsin Electric & Machinery Manufacturing Corp.	"	"	581,000	31,142	0.12	31,142	
"	Wings Global Technology Co., Ltd.	"	"	750,000	9,874	18.75	9,874	
"	ProMOS Technologies Inc.	"	"	250,331	-	0.56	-	
"	Taiwan Puritic Corp.	"	"	5,797,181	189,613	9.53	189,613	
"	Sopower Technology Corp.	"	"	189,223	-	12.61	-	
"	VEEV Interactive Pte. Ltd.	"	"	840,000	-	6.32	-	
"	Taiwan Intelligent Fiber Optic Network Consortium	"	"	3,868,261	23,397	1.41	23,397	
"	Han Da Venture Capital Co., Ltd.	"	"	13,333	133	6.67	133	
"	Civil Tech Holdings Ltd.	"	"	336,374	-	0.58	-	
"	ProbeLeader Co., Ltd.	Entities under the control or significant influence of the key management	"	966,000	12,318	3.46	12,318	
"	T Energy Co., Ltd.	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	3,581	2.24	3,581	
"	Long Time Technology Corp.	"	"	346,000	6,198	0.29	6,198	
"	Bon Dian Venture Capital Co., Ltd.	"	"	90,187	902	3.50	902	
"	Taiwan Specialty Chemicals Corporation	"	"	4,401,333	89,258	1.51	89,258	
"	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	1,615	19.01	1,615	
"	Radisen Co. Ltd	"	"	87,803	-	18.49	-	
"	Foresight Energy Technologies Co., Ltd.	"	"	675,000	2,695	3.00	2,695	
"	Mycropore Corporation	"	"	1,471,000	25,177	8.44	25,177	
"	STEK Co., Ltd.	"	"	432,900	27,136	6.34	27,136	
"	SumCapital Healthcare Investment Co., Ltd. (formerly known as Bi Yi Healthcare Investment Co., Ltd.)	Entities under the control or significant influence of the key management	"	943,050	9,431	7.44	9,431	
"	Intellicares Co., Ltd.	"	"	200,000	-	19.99	-	
"	Forward Science Corp.	"	"	2,450,000	32,321	9.80	32,321	
"	Big Giant Health Management Consulting Co., Ltd.	None	"	200,000	2,000	9.09	2,000	
"	Precision Medical Materials Co., Ltd.	"	"	667,000	10,005	3.67	10,005	
MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech (Beijing) Environment Co., Ltd.	Entities under the control or significant influence of the key management	"	-	-	19.00	-	
					\$ 496,796		\$ 496,796	

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Holding company	Type and name of securities	Relationship with the issuer of securities	Ledger account	End of the period				Remark
				Number of Shares/ Unit	Carrying amount	Shareholding ratio %	Fair value	
Marketech International Corp.	<u>convertible corporate bonds</u> Kinestral Technologies, Inc.	None	Financial assets at fair value through profit or loss - non-current	-	\$ 4,734	-	\$ 4,734	
"	HALLYS CORPORATION	"	"	-	133	-	133	
"	Radisen Co. Ltd	"	"	-	-	-	-	
"	Nitride Solutions Inc	"	"	-	-	-	-	
					<u>\$ 4,867</u>		<u>\$ 4,867</u>	
Marketech International Corp.	<u>Preference shares</u> Adant Technologies Inc.	None	Financial assets at fair value through profit or loss - non-current	174,520	\$ -	Note III	\$ -	
"	Kinestral Technologies, Inc.	"	"	501,532	<u>\$ 16,650</u>	"	<u>\$ 16,650</u>	
HighAim Technology INC	<u>Fund beneficiary certificates</u> Megabank Overseas Fund-Global AI Artificial Intelligence Fund	None	Financial assets at fair value through profit or loss - current		<u>\$ 570</u>		<u>\$ 570</u>	
Marketech International Corp.	<u>Fund beneficiary certificates</u> Vertax Growth (SG) LP	None	Financial assets at fair value through profit or loss - non-current	-	\$ 8,970		\$ 8,970	
Goldtek Technology Co., Ltd.	Zhuo Yi II Investment Limited Partnership	"	"	-	65,511		65,511	
Caswell Inc.	Zhuo Yi II Investment Limited Partnership	"	"	-	<u>14,400</u>		<u>14,400</u>	
				-	<u>\$ 88,881</u>		<u>\$ 88,881</u>	

Note 1: The abovementioned securities were not restricted for use due to guarantees, pledges, or other agreements as of the end of December 2020.

Note II: Please refer to attached Table VIII and IX for information about investment in subsidiaries.

Note 3: It is preference shares.

Ennoconn Corporation and Subsidiaries
The Cumulative Purchase or Sale of the Same Securities Amounted to NT\$300 Million or 20% and above of the Paid-in Capital
January 1 to December 31, 2020

Table IV Unit: In Thousands of Foreign currency/ New Taiwan Dollars

The purchasing/selling company	Type and name of securities	Ledger account	Counterparty	Relationship	Beginning of the period		Buy		Sell				End of the period	
					Number of Unit or shares	Amount	Number of Unit or shares	Amount	Number of Unit or shares	Selling price	Carrying amount of cost	Gain (loss) on disposal	Number of Unit or shares	Amount
Caswell Inc.	Stock Hawkeye Tech Co., Ltd.	Investments accounted for using the equity method	Hawkeye Tech Co., Ltd.	Subsidiary	5,400,000	\$ 405,000	2,787	\$ 197,041	-	\$ -	\$ -	\$ -	8,817,000	\$ 602,041
S&T AG, Austria	CITYCOMP Service GmbH.	Investments accounted for using the equity method	CITYCOMP Service GmbH	Subsidiary	-	-	255,900	EUR17,584 NTD615,792	-	-	-	-	255,900	EUR17,584 NTD615,792

Note 1: The conversion rate is the spot average rate of the Bank of Taiwan on December 31, 2020.

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 20% and above of the Paid-in Capital
January 1 to December 31, 2020

Table V

Unit: In Thousands of New Taiwan Dollars

Purchasing/selling company	Name of counterparty	Relationship	Transaction Status				The situation and reason for the difference between the trading terms and the general trading		Notes and accounts receivable (payable)		Remark
			Purchase (sales)	Amount	Ratio of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio of total notes and accounts receivable (payable)	
Ennoconn corporation	Kontron Europe GmbH	Subsidiary	Sales	(\$ 494,087)	(19.39%)	Payment term of 120 days	No significant discrepancy	No significant discrepancy	\$ 105,985	15.83%	
Ennoconn corporation	Kontron Canada Inc.	Subsidiary	Sales	(473,492)	(18.58%)	Payment term of 120 days	No significant discrepancy	No significant discrepancy	246,966	36.88%	
Ennoconn corporation	Kontron America Inc.	Subsidiary	Sales	(191,778)	(7.53%)	Payment term of 120 days	No significant discrepancy	No significant discrepancy	77,766	11.61%	
Ennoconn corporation	Vitor Plus Holdings Ltd.	Subsidiary	Purchase	1,858,602	79.78%	Payment term of 60 days	No significant discrepancy	No significant discrepancy	(351,793)	(68.55%)	
Caswell Inc.	Hon Hai Precision Industry Co., Ltd.	Associates	Purchase	425,967	12.21%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(97,110)	(15.82%)	
Caswell Inc.	Caswell Americas Inc.	Subsidiary	Sales	(217,783)	(5.78%)	O/A 90 days	No significant discrepancy	No significant discrepancy	53,692	6.50%	
Caswell Inc.	Beijing Caswell Ltd.	Subsidiary	Sales	(131,627)	(3.44%)	O/A 90 days	No significant discrepancy	No significant discrepancy	97,589	11.81%	
Caswell Inc.	CASO. Inc.	Subsidiary	Sales	(144,057)	(3.77%)	O/A 70 days	No significant discrepancy	No significant discrepancy	37,772	4.57%	
Apligo GmbH	America Industrial Systems Inc.	Associates	Sales	(251,633)	(54.89%)	O/A 60 days	No significant discrepancy	No significant discrepancy	65,695	57.59%	
HighAim Technology Inc.	Hong Fu Sheng Precision Electronics (Zhengzhou) Co., Ltd.	Associates	Sales	(170,284)	(9.37%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	324	0.07%	
HighAim Technology Inc.	Funology Investment Inc.	Subsidiary	Sales	(284,419)	(15.65%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	91,602	19.13%	
HighAim Technology Inc.	Andrix International Limited	Subsidiary	Sales	(159,260)	(8.77%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	20,943	4.37%	
HighAim Technology Inc.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Associates	Sales	(231,441)	(12.74%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	11,050	2.31%	
Limeng Machinery (Shenzhen) Co., Ltd.	Shenzhen Asiatek INC.	Associates	Sales	(330,998)	(18.22%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	20,943	4.37%	
Kontron Europe GmbH	Kontron America Inc.	Associates	Sales	(820,226)	(13.36%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	186,954	21.57%	
Kontron Europe GmbH	Kontron Technology Beijing Co., Ltd.	Associates	Sales	(149,423)	(2.43%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	81,577	9.41%	
Kontron Europe GmbH	RT soft	Associates	Sales	(101,304)	(1.65%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	27,258	3.15%	
Kontron Canada Inc.	Kontron America Inc.	Associates	Sales	(292,686)	(15.33%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	507,293	17.99%	
Kontron Canada Inc.	Kontron America Inc.	Associates	Purchase	150,343	7.89%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(24,688)	(2.45%)	
Kontron America Inc.	Kontron Technology Beijing Co., Ltd.	Subsidiary	Sales	(175,845)	(6.90%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	68,454	13.26%	
Ennoconn (Suzhou) Technology Co., Ltd.	Vitor Plus Holdings Ltd.	Associates	Sales	(1,968,787)	(81.12%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	386,903	80.51%	
Nanjing Asiatek Inc.	Futaihua Industry (Shenzhen) Co., Ltd.	Associates	Sales	(484,326)	(76.26%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	500,521	93.34%	
Nanjing Asiatek Inc.	Shenzhen Asiatek INC.	Subsidiary	Purchase	404,836	65.46%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(467,107)	(85.02%)	
Shenzhen Asiatek INC.	HeNan YuZhan Technology Limited	Associates	Sales	(192,542)	(11.54%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	185	0.02%	
Shenzhen Asiatek INC.	Hongfujin Precision Electronics (Zhengzhou)Co., Ltd.	Associates	Sales	(220,634)	(13.23%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	152,937	19.06%	

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Purchasing/selling company	Name of counterparty	Relationship	Transaction Status				Transactions with different transactions situations and reasons		Notes and accounts receivable (payable)		Remark
			Purchase (sales)	Amount	% of total purchases Percentage of the goods	Credit period	Unit price	Credit period	Balance	Accounts receivable (payable) notes and accounts Ratio of the Company's financial assets	
Shenzhen Asiatek INC.	Futaihua Industry (Shenzhen) Co., Ltd.	Associates	Sales	(\$ 467,955)	(28.06%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	\$ 8,959	1.12%	
Shenzhen Asiatek INC.	Dongguan city Ouyu Precision Technology Co., Ltd.	Associates	Purchase	264,157	15.58%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(180,581)	(15.11%)	
Shenzhen Asiatek INC.	Shenzhen xiangxing Technology Co., Ltd.	Subsidiary	Purchase	308,325	18.18%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(257,967)	(21.59%)	
Kontron Asia Technology Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	Associates	Sales	(308,005)	(17.16%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	35,746	2.41%	
Shanghai Maohua Electronics Engineering Co., Ltd.	Hong Kong Ennpower Information Technology Co., Limited	Other related party	Sales	(102,896)	(27.01%)	Installment payment according to contract	No significant discrepancy	No significant discrepancy	142	-	
Highaim Technology Inc.	Funology Investment Inc.	Subsidiary	Purchase	288,490	57.06%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(92,584)	(64.89%)	
Highaim Technology Inc.	Andrix International Limited	Subsidiary	Purchase	159,053	31.46%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(21,248)	(14.89%)	
Goldtek Technology Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	Associates	Purchase and processing expenses	820,590	35.08%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(325,906)	(40.83%)	
Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Subsidiary	Sales	(114,165)	(21.02%)	Payment term of 60 days	No significant discrepancy	No significant discrepancy	123,635	44.65%	
Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Subsidiary	Purchase	401,873	75.57%	Payment term of 60 days	No significant discrepancy	No significant discrepancy	-	-	
Tai Ron Precision Casting Corporation	T-Paragon Metal (Shenzhen) Co., Ltd.	Subsidiary	Purchase	274,961	82.34%	Payment term of 60 days	No significant discrepancy	No significant discrepancy	(263,076)	(90.77%)	
Keenest Electronic Corp.	Hongfujin Precision Electronics (Shenzhen) Co., Ltd.	Associates	Purchase	123,622	84.25%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(67,106)	(86.03%)	
S & T Hrvatska d.o.o.	Hon Hai Precision Industry Co., Ltd.	Associates	Purchase	456,992	28.45%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	-	-	
Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	Associates	Sales	(269,660)	(17.45%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	35,820	27.74%	
Kontron Asia Inc.	Kontron Austria GmbH	Associates	Sales	(132,904)	(8.60%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	2,906	2.25%	
Kontron Asia Inc.	Kontron Europe GmbH	Associates	Sales	(173,086)	(11.20%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	3,800	2.94%	
Kontron S&T AG,	Kontron Europe GmbH	Associates	Sales	(108,918)	(69.99%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	-	-	
S & T IT Services S.R.L.	S & T Mold S.R.L.	Associates	Sales	(161,765)	(39.95%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	189,389	64.05%	
Kontron Transporation France S.A.S.	Kontron Transporation Anstria AG	Associates	Sales	(182,673)	(19.22%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	158,686	29.64%	
Kontron Electronic Kft.	Kontron Electroincs GmbH	Associates	Sales	(107,860)	(86.39%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	45	3.45%	
S&T Services Polska Sp.z.o.o	S&T Poland Sp.z.o.o	Associates	Purchase	110,982	28.84%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(6,983)	(3.82%)	
Kontron Austria GmbH	Kontron Europe GmbH	Associates	Sales	(233,908)	(23.14%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	20,067	22.79%	

Note 1: Payment by installments according to the contract.

Note 2: The revenue of constructions undertaken from January 1 to December 31, 2020 were recognized under the percentage of completion method.

Ennoconn Corporation and Subsidiaries
Receivables from Related Parties Reached NT\$100 Million or 20% and above of Paid-in Capital
December 31, 2020

Table VI

Unit: In Thousands of New Taiwan Dollars

Accounts receivable from companies	Counterparty	Relationship	Balance due from related party	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for bad debts recognized
					Amount	Treatment		
Ennoconn corporation	Kontron Canada Inc.	Parent company to sub-subsidiary	\$ 246,966	1.92	\$ -	-	\$ -	\$ -
"	Kontron Europe GmbH	Parent company to sub-subsidiary	105,985	4.66	-	-	-	-
Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	sub-subsidiary to sub-subsidiary	386,903	5.09	-	-	-	-
Marketech International Corp.	Hong Kong Ennpower Information Technology Co., Limited	Other related party	115,891	-	-	-	-	36
Nanjing Asiatek Inc.	Futaihua Industry (Shenzhen) Co., Ltd.	Other related party	500,521	0.97	-	-	-	-
Shenzhen Asiatek INC.	Nanjing Asiatek Inc.	sub-subsidiary to sub-subsidiary	467,107	0.87	-	-	-	-
Shenzhen Asiatek INC.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Other related party	152,937	0.52	-	-	-	-
Kontron Europe GmbH	Kontron Asia Pacific Design Sdn. Bhd.	sub-subsidiary to sub-subsidiary	153,837	-	-	-	-	-
"	Kontron Electroincs GmbH	sub-subsidiary to sub-subsidiary	249,577	-	-	-	-	-
"	Kontron America Inc.	sub-subsidiary to sub-subsidiary	186,954	-	-	-	-	-

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Accounts receivable from companies	Counterparty	Relationship	Balance due from related party	Turnover rate	Overdue receivables from related parties		Accounts receivable from related party Amount recovered after the balance sheet date	Allowance for bad debts recognized
					Amount	Treatment		
S&T AG,	S&T CEE Holding s.r.o	sub-subsidiary to	\$ 782,563	-	\$ -	-	\$ -	\$ -
"	Kontron Europe GmbH	sub-subsidiary to	2,001,322	-	-	-	-	-
"	Kontron Modular Computers S.A.S	sub-subsidiary to	115,477	-	-	-	-	-
"	RT soft	sub-subsidiary to	120,347	-	-	-	-	-
"	Kontron Transportation Austria AG	sub-subsidiary to	537,130	-	-	-	-	-
"	Kontron Austria GmbH	sub-subsidiary to	342,163	-	-	-	-	-
"	Kontron Electronics GmbH	sub-subsidiary to	135,543	-	-	-	-	-
"	Kontron Transportation Belgium NV	sub-subsidiary to	366,020	-	-	-	-	-
Kontron Transportation Austria AG	Kontron Transportation Espana S.L.U	sub-subsidiary to	217,639	-	-	-	-	-
"	Kontron Transportation Sp z.o.o.	sub-subsidiary to	123,647	-	-	-	-	-
"	Kontron Transportation s.r.o	sub-subsidiary to	135,543	-	-	-	-	-

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Accounts receivable from companies	Counterparty	Relationship	Balance due from related party	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for bad debts recognized
					Amount	Treatment		
Kontron Transportation Austria AG	Kontron Transportation Taiwan Co. Ltd.	sub-subsidiary to sub-subsidiary	\$ 238,209	-	\$ -	-	\$ -	\$ -
"	Kontron Transportation France S.A.S.	sub-subsidiary to sub-subsidiary	148,338	-	-	-	-	-
Kontron Transportation Deutschland GmbH	Kontron Transportation Austria AG	sub-subsidiary to sub-subsidiary	208,869	-	-	-	-	-
Kontron Transportation France S.A.S.	Kontron Transportation Austria AG	sub-subsidiary to sub-subsidiary	307,024	-	-	-	-	-
Kontron Transportation Taiwan Co., Ltd.	Kontron Transportation Austria AG	sub-subsidiary to sub-subsidiary	219,242	-	-	-	-	-
Kontron Canada Inc.	Kontron America Inc.	sub-subsidiary to sub-subsidiary	507,293	-	-	-	-	-
S&T IT Service S.R.L	S&T Mold S.R.L	sub-subsidiary to sub-subsidiary	189,389	-	-	-	-	-
Iskratel d.o.o	S&T AG	sub-subsidiary to sub-subsidiary	176,279	-	-	-	-	-
Iskratel d.o.o	AO Iskra Ural Tel Yekaterinburg	sub-subsidiary to sub-subsidiary	542,316	-	-	-	-	-
T-Paragon Metal (Shenzhen) Co., Ltd.	Tai Ron Precision Casting Corporation	Subsidiary to Parent company	263,076	0.81	-	-	-	-
Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Parent company to Subsidiary	123,635	1.25	-	-	-	-

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 between Parent and Subsidiaries and between Subsidiaries, and Significant Transactions and Amounts

January 1 to December 31, 2020

Table VII

Unit: In Thousands of New Taiwan Dollars

Code (Note 1)	Name of trader	Counterparty	Relationship with trader	Transaction Status			
				Ledger account	Amount	Transaction Terms	Percentage of Consolidated Net Revenue or Total Assets %
0	The Company	Kontron Europe GmbH, Germany	Parent company to sub-subsidiary	Sales	\$ 494,087	General terms and conditions	0.59%
0	The Company	Kontron Europe GmbH, Germany	Parent company to sub-subsidiary	Accounts receivable	105,985	General terms and conditions	0.11%
0	The Company	Kontron Canada Inc., Canada	Parent company to sub-subsidiary	Sales	473,492	General terms and conditions	0.56%
0	The Company	Kontron Canada Inc., Canada	Parent company to sub-subsidiary	Accounts receivable	246,966	General terms and conditions	0.27%
0	The Company	Kontron America Inc.	Parent company to sub-subsidiary	Sales	191,778	General terms and conditions	0.23%
0	The Company	Kontron America Inc.	Parent company to sub-subsidiary	Accounts receivable	77,766	General terms and conditions	0.08%
0	The Company	Victor Plus Holding Ltd.	Parent company to sub-subsidiary	Purchase	1,858,602	General terms and conditions	2.88%
0	The Company	Victor Plus Holding Ltd.	Parent company to sub-subsidiary	Accounts payable	351,793	General terms and conditions	0.56%
1	Caswell Inc.	CASO	Parent company to sub-subsidiary	Sales	144,057	General terms and conditions	0.17%
1	Caswell Inc.	CASO	Parent company to sub-subsidiary	Accounts receivable	37,772	General terms and conditions	0.04%
1	Caswell Inc.	Beijing Caswell Ltd.	Parent company to sub-subsidiary	Sales	131,627	General terms and conditions	0.16%
1	Caswell Inc.	Beijing Caswell Ltd.	Parent company to sub-subsidiary	Accounts receivable	97,588	General terms and conditions	0.10%
1	Caswell Inc.	CAI	Parent company to sub-subsidiary	Sales	217,783	General terms and conditions	0.26%
1	Caswell Inc.	CAI	Parent company to sub-subsidiary	Accounts receivable	53,692	General terms and conditions	0.06%
1	Caswell Inc.	CAI	Parent company to sub-subsidiary	Purchase	18,292	General terms and conditions	0.03%
1	Caswell Inc.	APLIGO	Parent company to sub-subsidiary	Sales	28,088	General terms and conditions	0.03%
1	Caswell Inc.	APLIGO	Parent company to sub-subsidiary	Accounts receivable	4,325	General terms and conditions	-
1	Caswell Inc.	Hawkeye Tech Co., Ltd.	Parent company to sub-subsidiary	Sales	813	General terms and conditions	-
1	Caswell Inc.	Hawkeye Tech Co., Ltd.	sub-subsidiary to sub-subsidiary	Accounts payable	18,292	General terms and conditions	0.03%
1	Caswell Inc.	Hawkeye Tech Co., Ltd.	sub-subsidiary to sub-subsidiary	Accounts payable	419	General terms and conditions	-
2	HighAim Technology Inc.	Andrix International Ltd.	sub-subsidiary to sub-subsidiary	Purchase	159,053	General terms and conditions	0.25%
2	HighAim Technology Inc.	Andrix International Ltd.	sub-subsidiary to sub-subsidiary	Accounts payable	21,248	General terms and conditions	0.03%
2	HighAim Technology Inc.	Funology Investment Inc.	sub-subsidiary to sub-subsidiary	Purchase	288,490	General terms and conditions	0.45%
2	HighAim Technology Inc.	Funology Investment Inc.	sub-subsidiary to sub-subsidiary	Accounts payable	92,584	General terms and conditions	0.15%
3	Marketch International Corp.	MIC-Tech (Shanghai) Corp., Ltd.	Parent company to Subsidiary	Sales	37,448	General terms and conditions	0.04%
3	Marketch International Corp.	MIC-Tech (Shanghai) Corp., Ltd.	Parent company to Subsidiary	Non-operating revenue	7,368	General terms and conditions	-
3	Marketch International Corp.	MIC-Tech Electronics Engineering Corp.	Parent company to Subsidiary	Other receivables	11,506	General terms and conditions	0.01%
3	Marketch International Corp.	MIC-Tech Electronics Engineering Corp.	Parent company to Subsidiary	Non-operating revenue	22,686	General terms and conditions	0.03%
3	Marketch International Corp.	MIC-Tech Electronics Engineering Corp.	Parent company to Subsidiary	Revenue of Construction contract	35,563	General terms and conditions	0.04%
3	Marketch International Corp.	Marketch Integrated Pte. Ltd.	Parent company to Subsidiary	Other receivables	21,534	General terms and conditions	0.02%
3	Marketch International Corp.	Marketch Integrated Pte. Ltd.	Parent company to Subsidiary	Accounts receivable	36,749	General terms and conditions	0.18%

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Code (Note 1)	Name of trader	Counterparty	Relationship with trader	Transaction Status			
				Ledger account	Amount	Transaction Terms	Percentage of Consolidated Net Revenue or Total Assets %
3	Marketch International Corp.	Marketch Integrated Pte. Ltd.	Parent company to Subsidiary	Revenue of Sales contract	\$ 80,597	General terms and conditions	0.10%
3	Marketch International Corp.	Marketch Integrated Pte. Ltd.	Parent company to Subsidiary	Revenue of Construction contract	6,991	General terms and conditions	0.01%
4	Ezoom Information, Inc.	Marketch International Corp.	Subsidiary Parent Sub-Subsidiary	Service revenue	67,380	General terms and conditions	0.08%
4	Ezoom Information, Inc.	Marketch International Corp.	Subsidiary to Parent company	Revenue of Construction contract	10,312	General terms and conditions	0.04%
5	Marketch Netherlands B.V.	Marketch International Corp.	Subsidiary to Parent company	Revenue of Sales contract	6,042	General terms and conditions	0.01%
6	MIC-Tech Global Corp.	Marketch International Corp.	Subsidiary to Parent company	Revenue of Sales contract	85,108	General terms and conditions	0.10%
6	MIC-Tech Global Corp.	Marketch International Corp.	Subsidiary to Parent company	Accounts receivable	10,032	General terms and conditions	0.01%
6	MIC-Tech Global Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Subsidiary to Subsidiary	Revenue of Sales contract	41,384	General terms and conditions	0.16%
7	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Subsidiary to Subsidiary	Other receivables	52,523	General terms and conditions	0.06%
8	Shanghai Maohua Electronics Engineering Co., Ltd.	MIC-Tech Electronics Engineering Corp.	Subsidiary to Subsidiary	Revenue of Construction contract	77,453	General terms and conditions	0.09%
8	Shanghai Maohua Electronics Engineering Co., Ltd.	MIC-Tech Electronics Engineering Corp.	Subsidiary to Subsidiary	Sales contract revenues	25,666	General terms and conditions	0.03%
9	MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech (Wuxi) Co., Ltd.	Subsidiary to Subsidiary	Other receivables	43,769	General terms and conditions	0.05%
9	MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Subsidiary to Subsidiary	Other receivables	13,131	General terms and conditions	0.01%
10	Marketch Co., Ltd.	MIC-Tech Viet Nam Co. Ltd.	Subsidiary to Subsidiary	Other receivables	8,989	General terms and conditions	0.01%
11	Spiro Technology Systems Inc.	Marketch International Corp.	Subsidiary to Subsidiary	Sales	15,893	General terms and conditions	0.02%
12	Kontron Canada Inc.	Kontron America Inc.	sub-subsidiary to sub-subsidiary	Sales	292,686	General terms and conditions	0.35%
12	Kontron Canada Inc.	Kontron America Inc.	sub-subsidiary to sub-subsidiary	Accounts receivable	507,293	General terms and conditions	0.54%
12	Kontron Canada Inc.	Kontron America Inc.	sub-subsidiary to sub-subsidiary	Purchase	150,343	General terms and conditions	0.23%
12	Kontron Canada Inc.	Kontron America Inc.	sub-subsidiary to sub-subsidiary	Accounts payable	24,688	General terms and conditions	0.04%
13	Kontron Europe GmbH	Kontron Electronics GmbH	sub-subsidiary to sub-subsidiary	Other receivables	249,577	General terms and conditions	0.27%
13	Kontron Europe GmbH	Kontron Technology Beijing Co. Ltd.	sub-subsidiary to sub-subsidiary	Sales	14,923	General terms and conditions	0.18%
13	Kontron Europe GmbH	Kontron Technology Beijing Co. Ltd.	sub-subsidiary to sub-subsidiary	Accounts receivable	81,577	General terms and conditions	0.09%
13	Kontron Europe GmbH	RT Soft	sub-subsidiary to sub-subsidiary	Sales	10,304	General terms and conditions	0.12%
13	Kontron Europe GmbH	RT Soft	sub-subsidiary to sub-subsidiary	Accounts receivable	27,258	General terms and conditions	0.03%
13	Kontron Europe GmbH	Kontron Asia Pacific Design Sdn. Bhd.	sub-subsidiary to sub-subsidiary	Other receivables	153,837	General terms and conditions	0.17%
13	Kontron Europe GmbH	Kontron America Inc.	sub-subsidiary to sub-subsidiary	Sales	820,226	General terms and conditions	0.98%
13	Kontron Europe GmbH	Kontron America Inc.	sub-subsidiary to sub-subsidiary	Accounts receivable	186,954	General terms and conditions	0.20%
14	Kontron America Inc.	Kontron Technology Beijing Co. Ltd.	sub-subsidiary to sub-subsidiary	Sales	175,845	General terms and conditions	0.21%
14	Kontron America Inc.	Kontron Technology Beijing Co. Ltd.	sub-subsidiary to sub-subsidiary	Accounts receivable	68,454	General terms and conditions	0.07%
15	S&T AG	Kontron Modular Computers S.A.S.	sub-subsidiary to sub-subsidiary	Other receivables	115,477	General terms and conditions	0.12%
15	S&T AG	RT Soft	sub-subsidiary to sub-subsidiary	Other receivables	120,347	General terms and conditions	0.13%
15	S&T AG	Kontron Transportation Belgium N.V.	sub-subsidiary to sub-subsidiary	Other receivables	366,020	General terms and conditions	0.39%
15	S&T AG	S&T CEE Holding s.r.o.	sub-subsidiary to sub-subsidiary	Other receivables	782,563	General terms and conditions	0.84%
15	S&T AG	Kontron Europe GmbH	sub-subsidiary to sub-subsidiary	Other receivables	2,001,322	General terms and conditions	2.15%
15	S&T AG	Kontron Austria GmbH	sub-subsidiary to sub-subsidiary	Other receivables	342,163	General terms and conditions	0.37%

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Code (Note 1)	Name of trader	Counterparty	Relationship with trader	Transaction Status			
				Ledger account	Amount	Transaction Terms	Percentage of Consolidated Net Revenue or Total Assets %
15	S&T AG	Kontron Electronics GmbH	sub-subsidiary to sub-subsidiary	Other receivables	\$ 135,543	General terms and conditions	0.15%
15	S&T AG	Kontron Transportation Austria AG	sub-subsidiary to sub-subsidiary	Other receivables	537,130	General terms and conditions	0.58%
16	Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	sub-subsidiary to sub-subsidiary	Sales	1,968,787	General terms and conditions	2.34%
16	Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	sub-subsidiary to sub-subsidiary	Accounts receivable	386,903	General terms and conditions	0.42%
17	Kontron Transportation Austria AG	Kapsch CarrierCom Espana S.L.U	sub-subsidiary to sub-subsidiary	Other receivables	217,639	General terms and conditions	0.23%
17	Kontron Transportation Austria AG	Kapsch CarrierCom Sp.zo.o.	sub-subsidiary to sub-subsidiary	Other receivables	123,647	General terms and conditions	0.13%
17	Kontron Transportation Austria AG	Kontron Transportation France S.A.S.	sub-subsidiary to sub-subsidiary	Other receivables	148,338	General terms and conditions	0.16%
17	Kontron Transportation Austria AG	Kontron Transportation Taiwan Co. Ltd	sub-subsidiary to sub-subsidiary	Other receivables	238,209	General terms and conditions	0.26%
18	Kontron Transportation Austria AG	Kontron Transportation s.r.o.	sub-subsidiary to sub-subsidiary	Other receivables	135,543	General terms and conditions	0.15%
19	Kontron Transportation Austria AG	Kontron Transportation Austria AG	sub-subsidiary to sub-subsidiary	Other receivables	208,869	General terms and conditions	0.22%
20	Kontron Transportation Taiwan Co. Ltd	Kontron Transportation Austria AG	sub-subsidiary to sub-subsidiary	Other receivables	219,242	General terms and conditions	0.24%
21	Kontron Transportation France S.A.S	Kontron Transportation Austria AG	sub-subsidiary to sub-subsidiary	Other receivables	307,024	General terms and conditions	0.33%
21	Kontron Transportation France S.A.S	Kontron Transportation Austria AG	sub-subsidiary to sub-subsidiary	Sales	182,673	General terms and conditions	0.22%
21	Kontron Transportation France S.A.S	Kontron Transportation Austria AG	sub-subsidiary to sub-subsidiary	Accounts receivable	158,686	General terms and conditions	0.17%
22	S&T Hrvatska d.o.o	Hon Hai Precision Industry Co., Ltd.	sub-subsidiary to sub-subsidiary	Purchase	456,992	General terms and conditions	0.71%
23	Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	sub-subsidiary to sub-subsidiary	Sales	269,660	General terms and conditions	0.32%
23	Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	sub-subsidiary to sub-subsidiary	Accounts receivable	35,820	General terms and conditions	0.04%
23	Kontron Asia Inc.	Kontron Austria GmbH	sub-subsidiary to sub-subsidiary	Sales	132,904	General terms and conditions	0.16%
23	Kontron Asia Inc.	Kontron Austria GmbH	sub-subsidiary to sub-subsidiary	Accounts receivable	2,906	General terms and conditions	-
23	Kontron Asia Inc.	Kontron Europe GmbH	sub-subsidiary to sub-subsidiary	Sales	173,086	General terms and conditions	0.21%
23	Kontron Asia Inc.	Kontron Europe GmbH	sub-subsidiary to sub-subsidiary	Accounts receivable	3,800	General terms and conditions	-
24	Kontron Electronics Kft.	Kontron Electronics GmbH	sub-subsidiary to sub-subsidiary	Sales	107,860	General terms and conditions	0.13%
24	Kontron Electronics Kft.	Kontron Electronics GmbH	sub-subsidiary to sub-subsidiary	Accounts receivable	45	General terms and conditions	-
25	S&T Services Polska Sp.z.o.o.	S&T Poland Sp.z.o.o.	sub-subsidiary to sub-subsidiary	Purchase	110,982	General terms and conditions	0.17%
25	S&T Services Polska Sp.z.o.o.	S&T Poland Sp.z.o.o.	sub-subsidiary to sub-subsidiary	Accounts payable	6,983	General terms and conditions	0.01%
26	S&T IT Service S.R.L	S&T Mold srl.	sub-subsidiary to sub-subsidiary	Sales	161,765	General terms and conditions	0.19%
26	S&T IT Service S.R.L	S&T Mold srl.	sub-subsidiary to sub-subsidiary	Accounts receivable	189,389	General terms and conditions	0.20%
27	Kontron Austria GmbH	Kontron Europe GmbH	sub-subsidiary to sub-subsidiary	Sales	233,908	General terms and conditions	0.28%
27	Kontron Austria GmbH	Kontron Europe GmbH	sub-subsidiary to sub-subsidiary	Accounts receivable	20,067	General terms and conditions	0.02%
28	Iskratel, d.o.o.	S&T AG	sub-subsidiary to sub-subsidiary	Other receivables	176,279	General terms and conditions	0.19%
28	Iskratel, d.o.o.	AO Iskra Ural Tel Yekaterinburg	sub-subsidiary to sub-subsidiary	Other receivables	542,316	General terms and conditions	0.58%
29	Goldtek Technology Co., Ltd.	Sunlit Precision Technology Co., Ltd.	Parent company to Subsidiary	Purchase	21,222	General terms and conditions	-
29	Goldtek Technology Co., Ltd.	Sunlit Precision Technology Co., Ltd.	Parent company to Subsidiary	Accounts payable	5,069	General terms and conditions	-

(Continued on the next page)

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Code (Note 1)	Name of trader	Counterparty	Relationship with trader	Transaction Status			
				Ledger account	Amount	Transaction Terms	Percentage of Consolidated Net Revenue or Total Assets %
29	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Parent company to Subsidiary	Sales	\$ 1,830	General terms and conditions	-
29	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Parent company to Subsidiary	Accounts receivable	1,811	General terms and conditions	-
29	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Parent company to Subsidiary	Purchase	3,210	General terms and conditions	-
29	Goldtek Technology Co., Ltd.	Keenest Electronic Corp.	Parent company to Subsidiary	Sales	966	General terms and conditions	-
29	Goldtek Technology Co., Ltd.	Keenest Electronic Corp.	Parent company to Subsidiary	Accounts receivable	970	General terms and conditions	-
30	Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Parent company to Subsidiary	Sales	114,165	General terms and conditions	0.14%
30	Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Parent company to Subsidiary	Purchase	401,873	General terms and conditions	0.62%
30	Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Parent company to Subsidiary	Accounts receivable	123,625	General terms and conditions	0.13%
30	Sunlit Precision Technology Co., Ltd.	Tai Ron Precision Casting Corporation	Parent company to Subsidiary	Purchase	38,871	General terms and conditions	0.06%
30	Sunlit Precision Technology Co., Ltd.	Tai Ron Precision Casting Corporation	Parent company to Subsidiary	Accounts payable	13,661	General terms and conditions	0.02%
30	Sunlit Precision Technology Co., Ltd.	T-Paragon Metal (Shenzhen) Co., Ltd.	Parent company to Subsidiary	Other receivables	39,650	General terms and conditions	0.04%
31	Techno Precision (Shenzhen) Co., Ltd.	Techno Apogee Co.,Ltd.	Subsidiary to Subsidiary	Purchase	18,795	General terms and conditions	0.03%
31	Techno Precision (Shenzhen) Co., Ltd.	Techno Apogee Co.,Ltd.	Subsidiary to Subsidiary	Accounts payable	6,615	General terms and conditions	0.01%
31	Techno Precision (Shenzhen) Co., Ltd.	T-Paragon Metal (Shenzhen) Co., Ltd.	Subsidiary to Subsidiary	Other receivables	39,650	General terms and conditions	0.04%
32	Tai Ron Precision Casting Corporation	T-Paragon Metal (Shenzhen) Co., Ltd.	Parent company to Subsidiary	Sales	27,546	General terms and conditions	0.03%
32	Tai Ron Precision Casting Corporation	T-Paragon Metal (Shenzhen) Co., Ltd.	Parent company to Subsidiary	Purchase	274,961	General terms and conditions	0.43%
32	Tai Ron Precision Casting Corporation	T-Paragon Metal (Shenzhen) Co., Ltd.	Parent company to Subsidiary	Accounts payable	263,076	General terms and conditions	0.42%
33	HighAim Technology Inc.	Shenzhen Asiatek INC.	sub-subsidiary to sub-subsidiary	Sales	330,998	General terms and conditions	0.39%
33	HighAim Technology Inc.	Shenzhen Asiatek INC.	sub-subsidiary to sub-subsidiary	Accounts receivable	20,943	General terms and conditions	0.02%
33	HighAim Technology Inc.	Funology Investment Inc.	sub-subsidiary to sub-subsidiary	Sales	284,419	General terms and conditions	0.34%
33	HighAim Technology Inc.	Funology Investment Inc.	sub-subsidiary to sub-subsidiary	Accounts receivable	91,602	General terms and conditions	0.10%
33	HighAim Technology Inc.	Andrix International Inc.	sub-subsidiary to sub-subsidiary	Sales	159,260	General terms and conditions	0.19%
33	HighAim Technology Inc.	Andrix International Inc.	sub-subsidiary to sub-subsidiary	Accounts receivable	20,943	General terms and conditions	0.02%

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

1. Fill in 0 for parent company.
2. The subsidiary is coded in sequence starting from Arabic numeral 1 according to the Company type.

Note 2: The transaction amount accounts for the calculation of the combined total revenue or total assets ratio. In the case of an asset-liability account, the ending balance is calculated as the total assets consolidated. In the case of profit or loss, the cumulative amount at the end of the period accounts for the total combined revenue calculation.

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

Ennoconn Corporation and Subsidiaries
Name, Location, and Relevant Information of the Investee
January 1 to December 31, 2020

Table VIII

Unit: In Thousands of Foreign currency/ New Taiwan Dollars

Name of investor	Name of investee	Location	Primary Business	Initial Investment Amount		Held at the end of the period			Profit or loss of the investee for the period	Recognized investment profit or loss for the period	Remark
				End of the period	End of previous year	Number of Shares	Percentage %	Carrying amount			
Ennoconn corporation	Innovative Systems Integration Limited	Hong Kong	Professional Investment	HKD: 502,937 NTD : 1,845,779	HKD: 502,937 NTD : 1,936,306	518,216,530	100.00	HKD: 582,909 NTD : 2,139,276	HKD: (2) NTD: (8)	HKD: (2) NTD: (8)	
"	Ennoconn International Investment Co., Ltd.	Taiwan	Professional Investment	NTD: 7,010,000	NTD: 7,010,000	711,735,000	100.00	NTD : 7,895,696	NTD : 594,209	NTD : 594,209	
"	Caswell Inc.	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	NTD: 1,031,800	NTD: 1,031,800	20,000,000	27.45	NTD : 1,112,372	NTD : 372,353	NTD : 86,447	Note II
"	Ennoconn Investment Holdings Co.,Ltd	Samoa	Professional Investment	USD: 239,360 NTD : 6,816,973	USD: 239,360 NTD : 7,716,013	239,360,000	100.00	USD: 278,394 NTD : 7,917,767	USD: 17,404 NTD : 510,433	USD: 17,404 NTD : 510,433	
Innovative Systems Integration Limited	ENGA Technology Co., Ltd.	Hong Kong	Wholesale, manufacturing, service and import/export of industrial computer and industrial systems	USD: 3,500 NTD : 99,680	USD: 3,500 NTD: 104,930	3,500,000	100.00	HKD: 28,087 NTD : 103,078	HKD: 360 NTD : 1,373	HKD: 360 NTD : 1,373	
"	Victor Plus Holdings Ltd.	Seychelles	Import and export trading	USD: - NTD: -	USD: - NTD: -	500,000	100.00	USD: 440 NTD : 12,528	USD: 440 NTD: 12,999	USD: 440 NTD : 12,999	"
Ennoconn Investment Holdings Co.,Ltd	AIS Cayman Technology	Cayman Islands	Professional Investment	USD: 9,534 NTD : 271,514	USD: 5,535 NTD: 165,939	6,672,469	62.36	USD: 14,381 NTD : 409,575	USD: 4,078 NTD : 120,491	USD: 2,476 NTD : 73,166	
"	S&T AG	Austria	Integration service for information software and hardware	EUR: 158,929 NTD : 5,565,694	EUR: 158,929 NTD: 5,338,425	16,835,008	26.05	EUR: 215,257 NTD : 7,538,291	EUR: 55,609 NTD : 1,883,993	EUR: 12,420 NTD : 421,431	Note II
AIS Cayman	American Industrial Systems Inc.	USA	Human-machine interface, industrial 4.0 and other related products	USD: 1,500 NTD : 42,720	USD: 1,500 NTD: 44,970	1,500,000	100.00	USD: 4,976 NTD : 141,716	USD: 2,224 NTD : 65,719	USD: 2,224 NTD : 65,719	
"	Vecow Co., Ltd.	Taiwan	Manufacturing, processing, trading, import and export of communication machinery, electronic equipment, and electronic devices	USD: 3,229 NTD : 91,962	USD: 3,229 NTD: 96,805	20,000,000	100.00	USD: 8,747 NTD : 249,115	USD: 2,557 NTD : 75,559	USD: 2,557 NTD : 75,559	
Ennoconn International Investment Co., Ltd.	Goldtek Technology Co., Ltd.	Taiwan	Telecommunications control of radio frequency equipment input and information software wholesale and retail	NTD: 492,221	NTD: 492,221	17,022,831	56.74	NTD : 1,032,448	NTD : 239,298	NTD : 135,784	
"	Caswell Inc.	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	NTD: 149,500	NTD: 149,500	3,250,000	4.46	NTD : 149,627	NTD : 372,353	NTD : 14,047	Note II
"	EnnoMech Precision (Cayman) Co., Ltd.	Cayman Islands	Professional Investment	USD: 13,800 NTD : 393,024	USD: 13,800 NTD : 4133,724	13,800,000	100.00	USD: 19,903 NTD : 566,849	USD: 1,155 NTD : 34,169	USD: 1,155 NTD : 34,169	
"	SyS-P Co., Ltd.	Taiwan	International trade, information software wholesale, and service	NTD: 30,000	NTD: 30,000	-	100.00	NTD : 30,248	NTD : (235)	NTD : (235)	
"	Taiwan Applied Module Corporation	Taiwan	Research, design and sales of mobile payment, electronic signature and information security	NTD: 75,029	NTD: 75,029	8,400,000	100.00	NTD : 51,113	NTD : (1,810)	NTD : (3,020)	Note II
"	Thecus Technology Corporation	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	NTD: 102,000	NTD: 102,000	10,200,000	60.00	NTD : 4,605	NTD : (12,265)	NTD : (8,585)	Note II
"	Dexatek Technology Ltd.	Taiwan	Multimedia products research, design and manufacturing	NTD: 236,862	NTD: 236,862	12,600,000	60.00	NTD : 271,695	NTD : 54,548	NTD : 25,014	Note II
"	S&T AG	Austria	Integration service for information software and hardware	EUR: 7,523 NTD : 263,455	EUR: 7,523 NTD: 252,698	750,000	1.16	EUR: 12,166 NTD : 426,072	EUR: 55,609 NTD : 1,883,993	EUR: 553 NTD : 18,747	Note II
"	SERVTECH Co., Ltd.	Taiwan	Wholesale of information software services	NTD: -	NTD: 10,000	-	-	NTD: -	NTD : (4,097)	NTD : (323)	
"	Marketch International Corp.	Taiwan	Planning integration services for high-tech industrial plants and process systems	NTD: 4,924,648	NTD: 4,924,648	83,468,613	44.59	NTD : 5,083,627	NTD : 913,736	NTD : 386,211	Note II
"	DIVA Laboratories. Ltd.	Taiwan	Research and development, manufacturing and sales of medical equipment and computer peripherals	NTD : 228,626	NTD: 279,850	12,096,000	20.62	NTD : 263,873	NTD : 16,283	NTD : 3,316	
"	POSLAB TECHNOLOGY CORPORATION	Taiwan	Manufacturing, wholesale and sales of electronic and peripheral devices	NTD : 132,317	NTD: -	9,100,000	70.00	NTD : 124,422	NTD : (11,280)	NTD : (7,896)	
"	RIGO GLOBAL CO., LTD.	Taiwan	Manufacturing, wholesale and sales of electronic and peripheral devices	NTD : 32,000	NTD: -	1,066,667	26.23	NTD : 30,640	NTD : (8,405)	NTD : (1,360)	
"	Renown Information Technology Corp.	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	NTD: 30,000	NTD: -	3,000	23.79	NTD : 20,480	NTD : 8,886	NTD : (3,520)	
EnnoMech Precision (Cayman) Co., Ltd.	HighAim Technology INC.	Brunei	Professional Investment	USD: 10,843 NTD : 308,809	USD: 10,843 NTD: 325,073	3,302,618	66.05	USD: 13,623 NTD : 387,978	USD: 2,207 NTD : 65,207	USD: 1,261 NTD : 37,265	Note II
"	DOMINATE UNITED ENTERPRISE LTD.	Samoa	Professional Investment	USD: 2,100 NTD : 59,808	USD: 2,100 NTD: 62,958	2,100,000	100.00	USD: 2,148 NTD : 61,187	USD: (76) NTD : (2,246)	USD: (76) NTD : (2,246)	
"	EnnoMech Precision Co., Ltd.	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	NTD: 10,000	NTD: 10,000	1,000,000	100.00	USD: 1,133 NTD : 32,277	USD: (136) NTD : (1,046)	USD: (36) NTD : (1,046)	
HighAim Technology INC.	FUNOLOGY INVESTMENT INC.	Samoa	Import and export trading	USD: 1 NTD: 28	USD: 1 NTD: 31	1,000	100.00	USD: 189 NTD : 5,382	USD: 124 NTD : 3,676	USD: 124 NTD : 3,676	
"	ANDRIX INTERNATIONAL LIMITED	Anguilla	Import and export trading	USD: 1 NTD: 28	USD: 1 NTD: 31	900	100.00	USD: 354 NTD : 10,069	USD: (7) NTD : (210)	USD: (7) NTD : (210)	
Caswell Inc.	CASO Inc.	Japan	Sales of networking products	NTD: 27,062	NTD: 27,062	2,000	99.00	NTD : 67,205	NTD : 24,938	NTD : 24,689	
"	Caswell International Investment Co., Ltd.	Samoa	Investment	NTD: 101,135	NTD: 101,135	3,206,000	100.00	NTD : 169,825	NTD : 27,619	NTD : 27,619	
"	Caswell Americas,Inc	USA	Sales of networking products	NTD: 92,460	NTD: 92,460	3,000,000	100.00	NTD : 51,179	NTD : 1,637	NTD : 1,637	
"	APLIGO GmbH	Germany	Sales of networking products	NTD : 60,275	NTD: 32,387	24,000	66.67	NTD : 68,767	NTD : 74,906	NTD : 7,882	
"	Hawkeye Tech Co., Ltd.	Taiwan	Computer and peripheral commodity wholesale trade	NTD : 602,041	NTD: 405,000	8,187,000	60.64	NTD : 466,310	NTD : 59,774	NTD : 22,776	

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Name of investor	Name of investee	Location	Primary Business	Initial Investment Amount		Held at the end of the period			Profit or loss of the investee for the period	Recognized investment profit or loss for the period	Remark
				End of the period	End of previous year	Number of Shares	Percentage %	Carrying amount			
Thecus Technology Corporation	Thecus NL B.V.	Netherlands	Network storage device	NTD: 10,845	NTD: 10,845	2,600,000	100.00	NTD: -	NTD : 3,394	NTD : 3,394	Note II
"	Tecas USA.,Inc.	USA	Network storage device	NTD: 23,367	NTD: 23,367	750,000,000	100.00	NTD : 5,120	NTD : 1,711	NTD : 1,711	Note II
"	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: 20,500	USD: 17,000	20,500,000	100.00	USD: 17,917	USD: (988)	USD: (988)	
Keenest Electronic Corp.	Sunlit Precision Technology Co., Ltd.	Hong Kong	Metal stamping and casting industry	NTD : 538,840	NTD : 484,160	7,500,000	40.30	NTD : 510,287	NTD : (29,652)	NTD : (29,652)	
				USD: 10,212	USD: 10,212			USD: 7,644	USD(10)	USD(10)	
				NTD : 290,838	NTD : 290,838			NTD : 218,278	NTD : (313)	NTD : (313)	
				HKD: 7,500	HKD: 7,500			7,500,000	50.00	HKD: 25,657	HKD: 13,051
Sunlit Precision Technology Co., Ltd.	Tai Ron Precision Casting Corporation	Hong Kong	Finance / Logistics	NTD : 27,548	NTD : 27,548			NTD : 94,240	NTD : 49,711	NTD : 24,855	
Tai Ron Precision Casting Corporation	TipARagon Industrial (Thailand) Co., Limited	Thailand	Metal stamping and casting industry	THB: 120,000	THB: 60,998	120,000,000	100.00	THB: 115,463	THB: (4,537)	HKD: (4,537)	
				NTD : 114,672	NTD : 58,290			NTD : 110,337	NTD : (4,308)	NTD : (4,308)	
Taiwan Applied Module Corporation	SERVTECH Co., Ltd.	Taiwan	Wholesale of information software services	NTD: -	NTD: 28,125	-	-	NTD: -	NTD : (4,097)	NTD : (909)	
	Marketech Integrated Pte. Ltd.	Singapore	semiconductor industry automation supply system	NTD : 233,306	NTD: 215,087	10,085,678	100.00	NTD : (37,181)	NTD : (5,107)	NTD : (5,107)	
"	Market Go Profits Ltd.	British Virgin Islands	Engaged in holding and reinvestment business	NTD : 1,328,547	NTD : 1,298,124	41,069,104	100.00	NTD : 1,386,248	NTD : 142,606	NTD : 142,606	
"	MIC-Tech Global Corp.	South Korea	General international trade	NTD: 19,147	NTD: 19,147	131,560	100.00	NTD : 12,581	NTD : 5,825	NTD : 5,825	
"	Headquarter International Ltd.	British Virgin Islands	Engaged in holding and reinvestment business	NTD: 42,475	NTD: 42,475	1,289,367	100.00	NTD : 35,329	NTD : (471)	NTD : (471)	
"	Tiger United Finance Ltd.	British Virgin Islands	Engaged in holding and reinvestment business	NTD: 46,475	NTD: 46,475	1,410,367	100.00	NTD : 34,314	NTD : (495)	NTD : (495)	
"	Marketech Engineering Pte. Ltd.	Singapore	Undertaking of mechanical and electrical installation and other engineering business	NTD : 21,804	NTD: 20,902	937,533	100.00	NTD : 2,131	NTD : (6,870)	NTD : (6,870)	
"	Marketech Integrated Manufacturing Company Limited	Myanmar	Design, manufacture, assembly and other services of automatic production mechanical equipment and components	NTD: 478,985	NTD: 478,985	1,535,600	100.00	NTD : 356,748	NTD : (39,014)	NTD : (39,014)	
"	MIC-Tech Viet Nam Co., Ltd.	Vietnam	Trading, installation and maintenance of various machinery and equipment	NTD : 110,696	NTD: 39,345	-	100.00	NTD : 85,787	NTD : (1,948)	NTD : (1,948)	
"	Marketech Co., Ltd.	Vietnam	Professional engineering contracting and related maintenance services	NTD : 72,596	NTD: 45,246	-	100.00	NTD : 16,751	NTD : (10,094)	NTD : (10,094)	
"	Ezoom Information, Inc.	Taiwan	Research and development, trading, sales, consulting services, and consulting services	NTD: 195,737	NTD: 195,737	20,000,000	100.00	NTD : 100,863	NTD : (20,255)	NTD : (20,255)	
"	PT Marketech International Indonesia	Indonesia	Trading of mechanical equipment and spare parts	NTD: 38,042	NTD: 38,042	1,199,000	99.92	NTD : 33,131	NTD : 223	NTD : 223	
"	Glory Technology Service Inc.	Taiwan	Trading and installation of telecommunications equipment	NTD: 42,714	NTD: 42,714	5,968,371	29.24	NTD : 67,579	NTD : 12,911	NTD : 3,775	
"	MIC Techno Co., Ltd.	Taiwan	Sales of panel equipment and materials	NTD: 2,000	NTD: 2,000	200,000	20.00	NTD : 1,824	NTD : (50)	NTD: (10)	
"	ADAT Technology Co., Ltd.	Taiwan	R&D, application and service of information software; supply of electronic information and sale of equipment	NTD : 50,000	NTD: 20,000	3,500,000	26.74	NTD : 23,954	NTD : (38,769)	NTD : (8,560)	
"	Smart Health Corp.	Taiwan	Smart medical advisory services and investments	NTD: 500	NTD: 1,500	50,000	100.00	NTD : 476	NTD : (67)	NTD : (42)	
"	Marketech Netherlands B.V.	Netherlands	International trade businesses and technical services for mechanical equipment and components	NTD : 31,253	NTD: 21,070	900,000	100.00	NTD : 12,543	NTD : (7,181)	NTD : (7,181)	
"	Marketech International Sdn. Bhd.	Malaysia	Professional engineering contracting and related maintenance services	NTD : 83,122	NTD : 83,122	12,242,750	100.00	NTD : 58,483	NTD : (1,814)	NTD : (1,814)	
"	Market International Corporation USA	USA	Professional engineering contracting and related maintenance services	NTD : 23,086	NTD : 23,086	750,000	100.00	NTD : 11,729	NTD : (4,469)	NTD : (4,469)	
"	Vertex Corporation	Taiwan	Design and manufacture of RF Signal Generator ; Internet of Things management; 5G telecommunications equipment and agency services; 5G Vertical application	NTD: 20,000	NTD: -	2,000,000	38.83	NTD : 18,046	NTD : (5,032)	NTD : (1,954)	
"	Spiro Technology Syetem, Inc.	USA	General international trade page	NTD: 23,936	NTD: -	19,982	100.00	NTD : 21,383	NTD : (1,758)	NTD : (1,758)	
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	British Virgin Islands	Engaged in holding and reinvestment business	NTD : 1,323,049	NTD: 1,292,627	40,966,604	100.00	NTD : 1,384,843	NTD : 142,746	NTD: -	
Marketech Engineering Pte Ltd.	Marketech Integrated Construction Co., Ltd.	Myanmar	Undertaking of mechanical and electrical installation and other engineering business	NTD: 19,342	NTD: 19,342	63,500	97.69	NTD : 1,218	NTD : (6,909)	NTD: -	
MIC-Tech Ventures Asia Pacific Inc.	Russky H.K. Limited	Hong Kong	Engaged in holding and reinvestment business	NTD: 34,551	NTD: 34,551	833,000	100.00	NTD : (634)	NTD : (11,055)	NTD: -	
"	Frontken MIC Co. Limited	Hong Kong	Engaged in holding and reinvestment business	NTD: 31,422	NTD: 31,422	2,337,608	100.00	NTD : 5,002	NTD : (193)	NTD: -	
"	MICT International Limited	Hong Kong	Engaged in holding and reinvestment business	NTD: 132,282	NTD: 132,282	5,400,000	60.00	NTD : 37,872	NTD : (23,808)	NTD: -	
"	Leader Fortune Enterprise Co., Ltd.	Samoa	Engaged in holding and reinvestment business	NTD: 8,990	NTD: 8,990	303,000	31.43	NTD : (3,395)	NTD : 3,982	NTD: -	
Russky H.K. Limited	Fortune Blessing Co., Limited.	Hong Kong	Engaged in holding and reinvestment business	NTD : 45,985	NTD15,563	500,000	27.78	NTD : 11,121	NTD : (8,041)	NTD: -	
	PT Marketech International Indonesia	Indonesia	Trading of mechanical equipment and spare parts	NTD: 32	NTD: 32	1,000	0.08	NTD: 28	NTD : 223	NTD: -	
S&T CEE Holding s.r.o., Slovakia	S&T CZ s.r.o., Czech Republic	Czech Republic	IT servers	EUR: 8,187	EUR: 8,187	49,500,000	99.00	EUR: 7,664	EUR: 975	EUR: 965	
"	S&T Plus s.r.o., Czech Republic	Czech Republic	Manufacturing and marketing of industrial computers	NTD : 286,709	NTD: 275,003	9,900,000	99.00	NTD : 268,393	NTD : 32,867	NTD : 32,530	
"	S&T Services Polska Sp.z.o.o., Poland	Poland	IT servers	EUR: 471	EUR: 471			EUR: 2,345	EUR: 1,006	EUR: 996	
"	S&T Cma Gora d.o.o., Montenegro	Montenegro	IT servers	NTD : 16,494	NTD: 15,825	2,120	100.00	NTD : 82,122	NTD : 33,912	NTD : 33,575	
"	S&T Bulgaria e.o.o.d., Bulgaria	Bulgaria	Manufacturing and marketing of industrial computers	EUR: 2,651	EUR: 2,651	25,000	100.00	EUR: 1,936	EUR: 87	EUR: 87	
"	S&T Poland Sp.z.o.z., Poland	Poland	IT servers	NTD : 92,838	NTD: 89,059			EUR: 879	EUR: 140	EUR: 140	
"				EUR: 33	EUR: 33	13,126	100.00	EUR: 30,783	EUR: 4,719	EUR: 4,719	
"				EUR: 1,271	EUR: 1,271	26,974	100.00	EUR: 2,219	EUR: 397	EUR: 397	
"				NTD : 44,510	NTD: 42,691			NTD : 77,709	NTD : 13,383	NTD : 13,383	
"				EUR: 1	EUR: 1			EUR: 12,808	EUR: 6,637	EUR: 6,637	
"				NTD: 35	NTD: 34			NTD : 448,536	NTD : 223,733	NTD : 223,733	

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Name of investor	Name of investee	Location	Primary Business	Initial Investment Amount		Held at the end of the period			Profit or loss of the investee for the period	Recognized investment profit or loss for the period	Remark
				End of the period	End of previous year	Number of Shares	Percentage %	Carrying amount			
S&T CEE Holding s.r.o., Slovakia	S&T Slovenija d.d., Slovenia	Slovenia	IT servers	EUR: 15,516 NTD : 543,370	EUR: 15,516 NTD: 521,192	31,410	100.00	EUR: 7,853 NTD : 275,012	EUR: 1,121 NTD : 37,789	EUR: 1,121 NTD : 37,789	
S&T Slovenija d.d., Slovenia	S&T Hrvatska d.o.o., Croatia	Croatia	IT servers	EUR: 1,094 NTD : 38,312	EUR: 1,094 NTD: 36,750	221,300	100.00	EUR: 15,342 NTD : 537,277	EUR: 3,026 NTD : 102,006	EUR: 3,026 NTD : 102,006	
"	S&T Macedonia d.o.o.e.l., Macedonia	Macedonia	IT servers	EUR: 85 NTD : 2,977	EUR: 85 NTD: 2,870	568,000	100.00	EUR: 4,258 NTD : 149,115	EUR: 425 NTD : 14,327	EUR: 425 NTD : 14,327	
S&T AG, Austria	S&T CEE Holding s.r.o., Slovakia	Slovakia	IT servers	EUR: (5,345) NTD : (187,182)	EUR: (5,345) NTD: (179,525)	1,881,565	100.00	EUR: 8,932 NTD : 312,799	EUR: 3,312 NTD : 111,648	EUR: 3,312 NTD : 111,648	
"	S&T Plus s.r.o., Czech Republic	Czech Republic	Manufacturing and marketing of industrial computers	EUR: 92 NTD : 3,222	EUR: 92 NTD: 3,080	100,000	1.00	EUR: 24 NTD : 840	EUR: 1,006 NTD : 33,912	EUR: 10 NTD : 337	
"	S&T CZ s.r.o., Czech Republic	Czech Republic	IT servers	EUR: 61 NTD : 2,136	EUR: 61 NTD: 2,063	500,000	1.00	EUR: 77 NTD : 2,697	EUR: 975 NTD : 32,867	EUR: 10 NTD : 337	
"	S&T Romania S.R.L., Romania	Romania	IT servers	EUR: 3,227 NTD : 113,010	EUR: 3,227 NTD: 108,398	2,461	31.00	EUR: 1,942 NTD : 68,009	EUR: 459 NTD : 15,473	EUR: 143 NTD : 4,821	
"	S&T Serbia d.o.o., Serbia	Serbia	IT servers	EUR: 3,563 NTD : 124,776	EUR: 3,563 NTD: 119,673	8,786	100.00	EUR: 3,352 NTD : 117,387	EUR: 606 NTD : 20,428	EUR: 606 NTD : 20,428	
"	S&T Albania Sh.p.k., Albania	Albania	IT servers	EUR: 282 NTD : 9,876	EUR: 282 NTD: 9,460	100	100.00	EUR: 707 NTD : 24,759	EUR: 207 NTD : 6,978	EUR: 207 NTD : 6,978	
"	S&T Mold srl., Moldova	Modova	IT servers	EUR: 1,800 NTD : 63,036	EUR: 1,800 NTD: 60,462	578,898	51.00	EUR: 1,159 NTD : 40,588	EUR: 305 NTD : 10,282	EUR: 155 NTD : 5,225	
S&T AG, Austria	S&T Consulting Hungary Kft., Hungary	Hungary	IT servers	EUR: 11,947 NTD : 418,384	EUR: 11,947 NTD: 401,288	100,000	100.00	EUR: 6,578 NTD : 230,362	EUR: 229 NTD : 7,720	EUR: 229 NTD : 7,720	
"	S&T Deutschland GmbH, Germany	Germany	IT servers	EUR: 8,500 NTD : 297,670	EUR: 8,475 NTD: 284,682	25,000	100.00	EUR: 7,629 NTD : 267,168	EUR: 413 NTD : 13,922	EUR: 413 NTD : 13,922	
"	Computer Betting Company GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: 37,738 NTD : 1,321,585	EUR: 37,738 NTD: 1,267,611	36,336	100.00	EUR: 17,342 NTD : 607,317	EUR: 1,586 NTD : 53,464	EUR: 1,586 NTD : 53,464	
"	SecureGUARD GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: 2,371 NTD : 830,324	EUR: 2,371 NTD: 79,642	92,460	69.00	EUR: 1,071 NTD : 37,506	EUR: (97) NTD : (3,270)	EUR: (67) NTD : (2,259)	
"	Dorobet Ltd., Malta	Malta	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: 101 NTD: 3,393	-	99.00	EUR: - NTD: -	EUR: (473) NTD : (15,945)	EUR: (468) NTD : (15,776)	
"	S&T Smart Energy GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: 7,106 NTD : 248,852	EUR: 5,763 NTD : 193,579	36,000	100.00	EUR: 2,987 NTD : 104,605	EUR: 4 NTD : 135	EUR: 4 NTD : 135	
"	Amanox Solutions AG; Switzerland	Switzerland	IT servers	EUR: 15,578 NTD : 545,542	EUR: 4,856 NTD : 163,113	105,000	100.00	EUR: 6,106 NTD : 213,832	EUR: 1,111 NTD : 37,452	EUR: 1,111 NTD : 37,452	
"	Hamcos IT Service GmbH, Germany	Germany	IT servers	EUR: 1,802 NTD : 63,106	EUR: 1,802 NTD: 60,536	98,000	49.00	EUR: 978 NTD : 34,250	EUR: 253 NTD : 8,529	EUR: 124 NTD : 4,180	
"	Kontron Austria GmbH, Austria (formerly known as S&T Electronics and Payment Systems GmbH)	Austria	Manufacturing and marketing of industrial computers	EUR: 4,222 NTD : 147,854	EUR: 4,222 NTD: 141,810	32,702	90.00	EUR: 9,223 NTD : 322,989	EUR: (708) NTD : (23,867)	EUR: (638) NTD : (21,507)	
"	S&T SME Distribution GmbH (formerly known as NES OE Vertriebs-GmbH), Austria	Austria	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: 18 NTD: 600	17,850	-	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	
"	Kontron Technologies GmbH (formerly known as S&T Technologies GmbH), Austria	Austria	Manufacturing and marketing of industrial computers	EUR: 3,773 NTD : 132,130	EUR: 3,773 NTD: 126,725	35,000	100.00	EUR: 6,593 NTD : 230,887	EUR: 279 NTD : 9,405	EUR: 279 NTD : 9,405	
"	Linforge Technologies GmbH, Austria	Austria	IT servers	EUR: - NTD: -	EUR: 1,181 NTD: 41,571	-	100.00	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	Note III
"	S&T MEDTECH SRL (formerly known as GADA GROUP ROMANIA SRL), Romania	Romania	Manufacturing and marketing of industrial computers	EUR: 11,675 NTD : 408,859	EUR: 11,675 NTD: 392,158	105,000	100.00	EUR: 11,670 NTD : 408,683	EUR: 6 NTD : 2,022	EUR: 6 NTD : 2,022	
"	S&T Services Bel LLC	Belarus	IT servers	EUR: 538 NTD : 188,841	EUR: 538 NTD: 18,079	113,267	100.00	EUR: 779 NTD : 27,281	EUR: 145 NTD : 4,888	EUR: 145 NTD : 4,888	
"	Affair OOO, Russia	Russia	Manufacturing and marketing of industrial computers	EUR: 5,870 NTD : 205,567	EUR: 5,870 NTD: 197,173	4,800,000	48.00	EUR: 3,717 NTD : 130,169	EUR: 6 NTD : 202	EUR: 3 NTD : 101	
"	funworld gmbh, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: 330 NTD : 11,557	EUR: 330 NTD: 11,085	-	-	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	
"	Kontron Transportation Austria AG	Austria	Manufacturing and marketing of industrial computers	EUR: 10,902 NTD : 381,788	EUR: 10,902 NTD: 366,195	10,000,000	100.00	EUR: 31,059 NTD : 1,087,686	EUR: 2,574 NTD : 86,770	EUR: 2,574 NTD : 86,770	
"	Kontron Transportation North America Inc.	USA	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: 1 NTD: -	-	100.00	EUR: - NTD: -	EUR: 2,181 NTD : 73,522	EUR: 2,181 NTD : 73,522	
"	Kontron Transportation Belgium NV	Belgium	Manufacturing and marketing of industrial computers	EUR: 2 NTD: 70	EUR: 2 NTD : 67	11,318,887	99.00	EUR: 6,352 NTD : 222,447	EUR: 4,206 NTD : 141,784	EUR: 4,205 NTD : 141,784	

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Name of investor	Name of investee	Location	Primary Business	Initial Investment Amount		Held at the end of the period			Profit or loss of the investee for the period	Recognized investment profit or loss for the period	Remark
				End of the period	End of previous year	Number of Shares	Percentage %	Carrying amount			
S&T AG, Austria	S&T IT Services S.R.L	Modova	IT servers	EUR: 13,029 NTD: -	EUR: 13,029 NTD: 437,649	1,504,500	51.00	EUR: 3,789 NTD : 132,691	EUR: (2,272) NTD : (76,589)	EUR: (1,159) NTD : (39,070)	Note IV
"	Kontron Beteiligungs GmbH	Germany	IT servers	EUR: 209,459 NTD : 7,335,254	EUR: - NTD: -	25,001	100.00	EUR: 209,381 NTD : 7,332,523	EUR: (19) NTD : (640)	EUR: (19) NTD : (640)	
"	CITYCOMP Service GmbH	Germany	Manufacturing and marketing of industrial computers	EUR: 6,000 NTD : 210,120	EUR: - NTD: -	255,900	56.00	EUR: 17,584 NTD : 615,792	EUR: 777 NTD : 26,193	EUR: 777 NTD : 26,193	
"	Kontron AIS GmbH	Germany	Manufacturing and marketing of industrial computers	EUR: 13,175 NTD : 461,389	EUR: 13,077 NTD: 439,257	51,000	100.00	EUR: 11,203 NTD : 392,329	EUR: 866 NTD : 29,193	EUR: 866 NTD : 29,193	
"	FinTel Holding d.o.o.& co k.d., holdinska druzba	Slovenia	Manufacturing and marketing of industrial computers	EUR: 29,967 NTD: -	EUR: - NTD: -	2,179	100.00	EUR: 2,234 NTD : 78,235	EUR: (41) NTD : (1,382)	EUR: (41) NTD : (1,382)	
"	FinTel holding d.o.o.	Slovenia	Manufacturing and marketing of industrial computers	EUR: 30,560 NTD: -	EUR: - NTD: -	602	100.00	EUR: 1,243 NTD : 43,530	EUR: (2) NTD : (67)	EUR: (2) NTD : (67)	
S&T Deutschland GmbH, Germany	XTRO AG, Germany	Germany	IT servers	EUR: 2,500 NTD : 87,550	EUR: 2,500 NTD: 83,975	50,000	100.00	EUR: 3,826 NTD : 133,987	EUR: (330) NTD : (11,124)	EUR: (330) NTD : (11,124)	Note III
Computer Betting Company GmbH, Austria	S&T Romania S.R.L., Romania	Romania	IT servers	EUR: 1,690 NTD : 59,184	EUR: 1,690 NTD: 56,759	5,460	69.00	EUR: 4,308 NTD : 150,866	EUR: 459 NTD : 15,473	EUR: 459 NTD : 10,652	
"	S&T Slovakia s.r.o., Slovakia	Slovakia	IT servers	EUR: 6,971 NTD : 244,124	EUR: 6,971 NTD: 234,146	1,659,696	100.00	EUR: 4,964 NTD : 173,839	EUR: 539 NTD : 18,170	EUR: 539 NTD : 18,170	
S&T Consulting Hungary Kft., Hungary	S&T Services Kft., Hungary	Hungary	IT servers	EUR: 3,627 NTD : 127,018	EUR: 3,627 NTD: 121,842	268,000	100.00	EUR: 2,493 NTD : 87,305	EUR: 493 NTD : 16,619	EUR: 493 NTD : 16,619	
Kontron S&T AG, Germany	Kontron Asia Inc., Taiwan	Taiwan	Manufacturing and marketing of industrial computers	EUR: 2,797 NTD : 97,951	EUR: 2,797 NTD: -	13,000	100.00	EUR: 1,986 NTD : 69,550	EUR: 50 NTD : 1,686	EUR: 50 NTD : 1,686	
KONTRON EUROPE GMBH, Germany	Kontron Austria GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR: 71 NTD: 2,486	EUR: 71 NTD: 2,372	3,634	10.00	EUR: 1,025 NTD : 35,896	EUR: (708) NTD : (23,867)	EUR: (71) NTD : (2,393)	
"	Kontron America Inc.	USA	Communication products	EUR: 17,790 NTD : 623,006	EUR: 17,790 NTD: 597,575	2,036,040	100.00	EUR: 15,197 NTD : 532,199	EUR: (4,603) NTD : (155,167)	EUR: (4,603) NTD : (155,167)	
"	Kontron Canada Inc.	Canada	Communication products	EUR: 60,213 NTD : 2,108,659	EUR: 60,213 NTD: 2,022,546	50,000,200	100.00	EUR: 31,143 NTD : 1,090,628	EUR: 7,013 NTD : 236,408	EUR: 7,013 NTD : 236,408	
"	Kontron Asia Pacific Design Sdn. Bhd.	Malaysia	Manufacturing and marketing of industrial computers	EUR: 5,071 NTD : 177,586	EUR: 5,071 NTD: 170,345	44,581,102	100.00	EUR: (3,573) NTD : (125,126)	EUR: (216) NTD : (7,281)	EUR: (216) NTD : (7,281)	
"	Kontron (Beijing) Technology Co. Ltd.	Mainland China	Manufacturing and marketing of industrial computers	EUR: 918 NTD : 32,148	EUR: 918 NTD: 30,845	15,398,961	100.00	EUR: 10,475 NTD : 366,835	EUR: 1,273 NTD : 42,913	EUR: 1,273 NTD : 42,913	
"	Kontron Electronics GmbH, Germany	Germany	Manufacturing and marketing of industrial computers	EUR: 19,262 NTD : 674,555	EUR: 19,262 NTD: 646,994	102,150	100.00	EUR: 19,988 NTD : 699,980	EUR: (33) NTD : (1,112)	EUR: (33) NTD : (1,112)	
"	Kontron Modular Computers S.A.S.	France	Manufacturing and marketing of industrial computers	EUR: 5,158 NTD : 180,633	EUR: 5,158 NTD: 173,267	344,503	100.00	EUR: 5,597 NTD : 196,007	EUR: 4 NTD : 135	EUR: 4 NTD : 135	
"	Kontron UK Ltd.	UK	Manufacturing and marketing of industrial computers	EUR: 1,712 NTD : 59,954	EUR: 1,712 NTD: 57,495	172,550	100.00	EUR: 3,720 NTD : 130,274	EUR: 508 NTD : 17,125	EUR: 508 NTD : 17,125	
"	Kontron ECT design s.r.o.	Czech Republic	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	500,000	100.00	EUR: 882 NTD : 30,888	EUR: 179 NTD : 6,034	EUR: 179 NTD : 6,034	
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: -	
Kontron Austria GmbH, Austria	Kontron Electronics AG, Switzerland	Switzerland	Manufacturing and marketing of industrial computers	EUR: 1 NTD: -	EUR: 1 NTD: -	1,000	100.00	EUR: (1,935) NTD : (67,764)	EUR: (549) NTD : (18,507)	EUR: (549) NTD : (18,507)	
Affair OOO, Russia	RTSoft Project OOO, Russia	Russia	Manufacturing and marketing of industrial computers	EUR: 6,636 NTD : 232,393	EUR: 6,636 NTD: 222,891	372,500	75.00	EUR: 5,237 NTD : 183,400	EUR: 130 NTD : 4,382	EUR: 97 NTD : 3,270	Note III
S&T Mold srl., Moldova	S&T IT Technologie srl., Moldova	Modova	IT servers	EUR: 2 NTD: 70	EUR: 2 NTD: 82	50,000	100.00	EUR: (95) NTD : (3,327)	EUR: (103) NTD : (3,472)	EUR: (103) NTD : (3,472)	
S&T Hrvatska d.o.o., Croatia	S&T Carrier Business	Croatia	IT servers	EUR: - NTD: -	EUR: 744 NTD: 26,189	-	-	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	

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Name of investor	Name of investee	Location	Primary Business	Initial Investment Amount		Held at the end of the period			Profit or loss of the investee for the period	Recognized investment profit or loss for the period	Remark
				End of the period	End of previous year	Number of Shares	Percentage %	Carrying amount			
Kontron Beteibungs GmbH	Kontron S&T AG Germany	Germany	IT servers	EUR: - NTD: -	EUR: 192 NTD : 6,449	-	-	EUR: - NTD: -	EUR: 433 NTD : 14,596	EUR: 433 NTD : 14,596	Note IV
"	Kontron Europe GmbH	Germany	Manufacturing and marketing of industrial computers	EUR: 209,375 NTD : 7,332,313	EUR: 123,910 NTD : 4,162,137	23,600,000	100.00	EUR: 145,922 NTD : 5,110,188	EUR: 5,660 NTD : 190,799	EUR: 5,660 NTD : 190,799	Note IV
Kontron Electronics GmbH, Germany	Kontron Electronics V&t.	Hungary	Manufacturing and marketing of industrial computers	EUR: 145 NTD: -	EUR: 145 NTD: -	3,000,000	100.00	EUR: 420 NTD : 14,708	EUR: 151 NTD : 5,090	EUR: 151 NTD : 5,090	
Kontron Transportation France SAS	Kontron Transportation Saudi for Comstraction LLC	Saudi Arabia	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	25,000	5.00	EUR: 8 NTD : 280	EUR: 4 NTD : 135	EUR: 1 NTD: 34	
Kontron Asia Inc.	Kontron Transportation Taiwan Co., Ltd	Taiwan	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	50,000,000	100.00	EUR: (61) NTD : (2,136)	EUR: 97 NTD : 3,270	EUR: 97 NTD : 3,270	
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: 58 NTD : 2,031	EUR: 62 NTD : 2,090	EUR: 62 NTD : 2,090	
"	Kontron Transportation Espana, S.L.	Spain	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	250,000	100.00	EUR: 847 NTD : 29,662	EUR: 67 NTD : 2,259	EUR: 67 NTD : 2,259	
"	Kontron Transportation Portugal - Unipessoal LDA	Portugal	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	5,000	100.00	EUR: 623 NTD : 21,817	EUR: 245 NTD : 8,259	EUR: 245 NTD : 8,259	
"	Kontron Transportation s.r.o.	Czech Republic	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	30,400,000	100.00	EUR: (1,235) NTD : (43,250)	EUR: (92) NTD : (3,101)	EUR: (92) NTD : (3,101)	
"	Kontron Transportation Hungary Kft.	Poland	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	67,000,000	100.00	EUR: 2,096 NTD : 73,402	EUR: (753) NTD : (25,384)	EUR: (753) NTD : (25,384)	
"	Kapsch CarrierCom Saudi Arabia LLC	Saudi Arabia	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	475,000	95.00	EUR: 150 NTD : 5,253	EUR: 4 NTD : 135	EUR: 4 NTD : 135	
"	Kontron Transportation Deutschland GmbH	Germany	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	25,000	100.00	EUR: 3,912 NTD : 136,998	EUR: 2,898 NTD : 97,692	EUR: 2,898 NTD : 97,692	
"	Kontron Transportation France S.A.S	France	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	8,600,000	100.00	EUR: 9,521 NTD : 333,425	EUR: 3,511 NTD : 118,356	EUR: 3,511 NTD : 118,356	
"	Kontron Transportation UK Ltd.	UK	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	415,950	100.00	EUR: 1,014 NTD : 35,510	EUR: 649 NTD : 21,878	EUR: 649 NTD : 21,878	
Kontron Technology Beijing Co. Ltd.	Kontron (Beijing) Information and communication Technology Co., Ltd	Mainland China	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	1,000,000	100.00	EUR: 85 NTD : 2,977	EUR: 12 NTD : 405	EUR: 12 NTD : 405	
Kontron Transportation Belgium NV	AP Trans NV	Belgium	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: 1 NTD : 33	375,000	100.00	EUR: - NTD: -	EUR: (3) NTD : (101)	EUR: (3) NTD : (101)	
S&T Romania S.R.L.	CRONUS Ebusiness S.R.L	Romania	IT servers	EUR: 1,673 NTD : 58,588	EUR: - NTD: -	1,045,010	100.00	EUR: - NTD: -	EUR: (69) NTD : (2,326)	EUR: (69) NTD : (2,326)	
CITYCOMP Service GmbH	CITYCOMP Service GmbH	Austria	Industry of Internet of Things	EUR: 35 NTD : 1,226	EUR: - NTD: -	-	100.00	EUR: - NTD: -	EUR: - NTD: -	EUR: - NTD: -	
CITYCOMP Service GmbH	CITYCOMP Service AG	Switzerland	Industry of Internet of Things	EUR: 82 NTD : 2,872	EUR: - NTD: -	100,000	100.00	EUR: 81 NTD : 2,837	EUR: (1) NTD : (33)	EUR: (1) NTD : (33)	
FinTel Holding d.o.o.	Iskratel d.o.o.	Slovenia	Manufacturing and marketing of industrial computers	EUR: 2,167 NTD : 75,888	EUR: - NTD: -	109,275	100.00	EUR: 60,768 NTD : 2,128,095	EUR: (633) NTD : (21,338)	EUR: (633) NTD : (21,338)	
Iskratel d.o.o.	ITS Skopje	North Macedonia	Manufacturing and marketing of industrial computers	EUR: 397 NTD : 13,903	EUR: - NTD: -	309,000	100.00	EUR: 149 NTD : 5,218	EUR: 89 NTD : 3,000	EUR: 89 NTD : 3,000	
ITS Skopje	ITS Softver d.o.o.	North Macedonia	Manufacturing and marketing of industrial computers	EUR: 5 NTD : 175	EUR: - NTD: -	309,000	100.00	EUR: 198 NTD : 6,934	EUR: (33) NTD : (1,112)	EUR: (33) NTD : (1,112)	
Iskratel d.o.o.	IskraCom	Kazakhstan	Manufacturing and marketing of industrial computers	EUR: - NTD: -	EUR: - NTD: -	15,365,000	100.00	EUR: 103 NTD : 3,607	EUR: 118 NTD : 3,978	EUR: 118 NTD : 3,978	
"	OOO Iskratel Tashkent	Uzbek	Manufacturing and marketing of industrial computers	EUR: 2 NTD: 70	EUR: - NTD: -	11,576,588	76.00	EUR: 253 NTD : 8,860	EUR: 3 NTD : 101	EUR: 2 NTD : 67	
"	AD Iskra Ura Tel Yekaterinburg	Russia	Manufacturing and marketing of industrial computers	EUR: 1,131 NTD : 39,608	EUR: - NTD: -	760,000	48.00	EUR: 2,445 NTD : 85,624	EUR: 1,946 NTD : 65,600	EUR: 1,896 NTD : 63,915	
"	Iskratel Ukrain LTD	Ukraine	Manufacturing and marketing of industrial computers	EUR: 180 NTD : 6,304	EUR: - NTD: -	10,938,820	100.00	EUR: 43 NTD : 1,506	EUR: (13) NTD : (438)	EUR: (13) NTD : (438)	

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

Note 2: The investment profit or loss recognized for the period includes the amortization of the difference between the investment cost and net worth of shareholding.

Note 3: Due to the adjustment of the organizational structure in 2020, S&T AG has been merged and eliminated or dissolved and liquidated.

Note 4: S&T AG, Austria previously held 100% of Kontron S&T AG, Germany directly. Due to the adjustment of the organizational structure, it indirectly held Kontron S&T AG, Germany through the establishment of Kontron Beteijigungs GmbH.

Ennoconn Corporation and Subsidiaries
Investment information in mainland China
January 1 to December 31, 2020

Table IX Unit: In Thousands of Foreign currency/ New Taiwan Dollars

No "\$" added to this sheet

Investee in mainland China Company Name	Primary Business	Paid-in Capital	Investment method	Accumulated investment amount remitted out of Taiwan at the beginning of the period	Outward remittance or collection for the period Investment Amount		Accumulated investment amount remitted out of Taiwan at the end of the period	Current (loss) profit of the investee company for the period	The Company's shareholding ratio of direct or indirect investment	Investment (loss) profit recognized for the period	Carrying amount of the investment at the end of the period	Repatriated investment income by year end
					Remitted	Repatriated						
Nanjing Asiatek Inc.	Research, development, sales of software and hardware products, and provision of its installation, addition and technical consulting.	USD: 3,000 thousand NTD85,440	Acquired 100% equity of Innovative Systems Integration Limited (Innovative Systems) in the third region (registered in Hong Kong) with HKD 5,000 thousand, indirectly acquired 100% equity of Nanjing Asiatek Inc. of the mainland China region business (paid-in capital: USD 2,600 thousand), and invested an additional USD 400 thousand in Nanjing Asiatek Inc. of the mainland China region business through reinvestment in Innovative Systems in the third region. Note 1(2)	HKD5,000 thousand and USD 400 thousand NTD29,742 Note 3	-	-	HKD5,000 thousand and USD 400 thousand NTD29,742 Note 3	CNY12,284 NTD52,576	100%	CNY12,284 NTD52,576 Note 2(2)B	CNY57,695 NTD252,702	-
Shenzhen Asiatek INC.	Engaged in R & D, production and sales of electronic materials required for hardware and software products	CNY6,250 thousand NTD27,375	Reinvested by the sub-subsidiary Nanjing Asiatek Inc. Note 1(3)	-	-	-	-	CNY4,753 NTD20,341	70%	CNY3,327 NTD14,239	CNY12,191 NTD53,397	-
Shenzhen xiangxing Technology Co., Ltd.	Sales of machinery and accessories and moulds.	CNY20,000 thousand NTD87,600	Reinvested by the sub-subsidiary Nanjing Asiatek Inc. Note 1(3)	-	-	-	-	CNY16,704 NTD71,492	20%	CNY3,341 NTD14,298 Note 4	CNY10,381 NTD45,467	-
Shenzhen Kangni Intelligent Technology Co., Ltd.	Sales of machinery and accessories and moulds.	CNY11,980 thousand NTD52,472	Re-investment through the sub-subsidiary of Shenzhen Asiatek INC. Note 1(3)	-	-	-	-	CNY(1,350) NTD(5,779)	17.5%	CNY(270) NTD(1,156) Note 4	CNY730 NTD3,197	-
Ennoconn (Foshan) Investment Co., Ltd.	Professional Investment	USD: 9,746 thousand NTD277,566	Re-investment through the subsidiary at the third-region of Innovative Systems Note 1(2)	USD: 9,746 thousand NTD277,566 Note 3	-	-	USD: 9,746 thousand NTD277,566 Note 3	CNY383 NTD1,637	100%	CNY383 NTD1,637 Note 2(2)B	CNY67,535 NTD295,804	-
Ennoconn (Suzhou) Technology Co., Ltd.	Research and development, production and sales of industrial computers	USD: 30,000 thousand NTD854,400	Re-investment through the subsidiary at the third-region of Innovative Systems Note 1(2)	USD: 30,000 thousand NTD854,400 Note 3	-	-	USD: 30,000 thousand NTD854,400 Note 3	CNY(8,204), NTD(35,114)	100%	CNY(8,204) NTD(35,114) Note 2(2)B	CNY204,557 NTD895,959	-
Ennoconn (Kunshan) Technology Co., Ltd.	Intelligent technology development and sales of hardware	CNY500 thousand NTD2,190	Re-investment through the sub-subsidiary of Ennoconn (Suzhou) Technology Co., Ltd. Note 1(3)	-	-	-	-	CNY3,418 NTD14,631	70%	CNY2,471 NTD11,732 Note 2(2)B	CNY2,668 NTD11,688	-
Ennoconn Investment Co., Ltd.	Professional Investment	USD: 20,000 thousand NTD569,600	Re-investment through the subsidiary at the third-region of Innovative Systems Note 1(2)	USD: 20,000 thousand NTD569,600 Note 3	-	-	USD: 20,000 thousand NTD569,600 Note 3	CNY(7,193) NTD(30,785)	100%	CNY(7,193) NTD(30,785)	CNY133,681 NTD585,523	-
Beijing Caswell Ltd.	Production of electronic monitoring products and online communication products.	USD: 3,800 thousand NTD108,224	Reinvestment through Caswell International Investment Co., Ltd., a sub-subsidiary in the third region. Note 1(1)	USD: 3,116 thousand NTD88,744 Note 3	-	-	USD: 3,116 thousand NTD88,744 Note 3	NTD33,724	26.17%	NTD8,824 Note 2(2)A	NTD62,000	-
HighAim Technology Inc.	Design, research and development and production of molds, servers and communication equipment.	USD: 10,000 thousand NTD284,800	Through the third regional company, sub-subsidiary EnnoMech Precision (Cayman) Co., Ltd. invested in HighAim Technology Inc. and indirectly acquired the equity of its subsidiaries. Note 1(2)	USD: 10,843 thousand NTD308,809 Note 3	-	-	USD: 10,843 thousand NTD308,809 Note 3	CNY18,369 NTD75,251	66.05%	CNY12,133 NTD49,703 Note 2(2)B	CNY84,604 NTD369,561	-
Kunshan Lidingcheng Intelligent Equipment Co., Ltd.	Leasing, sales, and after-sales service of intelligence, mechanical equipment, and accessories.	CNY1,000 thousand NTD4,270	Reinvestment through HighAim Technology Inc., a sub-subsidiary in the third region. Note 1(3)	-	-	-	-	CNY294 NTD1,257	66.05%	CNY194 NTD830 Note 4	CNY983 NTD4,306	-
HighAim (Shenzhen) Technology Inc.	Automation fixtures, tools and moulds	CNY2,700 thousand NTD11,826	Reinvestment through HighAim Technology Inc., a sub-subsidiary in the third region. Note 1(3)	-	-	-	-	CNY(4) NTD(18)	66.05%	CNY(3) NTD(12)	CNY(3) NTD(13)	-
EnnoMech Precision (Shenzhen) Co., Ltd. (Note 5)	Mechanism parts	USD- NTD-	Reinvestment through Dominate United Enterprise Ltd. in the third region. Note 1(2)	USD: 1,530 thousand NTD43,574 Note 3	-	-	USD: 1,530 thousand NTD43,574 Note 3	CNY(544) NTD(2,395)	-	CNY(544) NTD(2,395) Note 2(2)B	CNY- NTD-	CNY10,367
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: 9,500 thousand NTD270,560	Reinvestment through Keenest Electronic Corp. in the third region. Note 1(2)	USD: 6,000 thousand NTD170,880 Note 3	USD: 3,500 thousand NTD99,680	-	USD: 9,500 thousand NTD270,560 Note 3	CNY(12,457) NTD(54,014)	56.74%	CNY(7,068) NTD(30,648) Note (2)2B	CNY48,842 NTD213,189	-

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Investee in mainland China Company Name	Primary Business	Paid-in Capital	Investment method	Accumulated investment amount remitted out of Taiwan at the beginning of the period	The amount of investment remitted or repatriated for the period		Accumulated investment amount remitted out of Taiwan at the end of the period	Current (loss) profit of the investee company for the period	The Company's shareholding ratio of direct or indirect investment	Investment (loss) profit recognized for the period	Carrying amount of the investment at the end of the period	Repatriated investment income by year end
					Remitted	Repatriated						
Techno Precision (Shenzhen) Co., Ltd.	Stamping/assembly	HKD23,000 NTD84,479	Indirectly acquired the equity of its subsidiaries through the investment in Hong Kong Techno Precision Co., Ltd. in the third region. Note 1(3)	-	-	-	-	CNY(3,300) NTD(14,132)	22.87%	CNY(755) NTD(3,231)	CNY533 NTD 2,334	-
T-Paragon Metal (Shenzhen) Co., Ltd.	Zinc / aluminum alloy die casting	HKD5,000 NTD18,365	Indirectly acquired the equity of its subsidiaries through the investment in Hong Kong Techno Precision Co., Ltd. in the third region. Note 1(3)	-	-	-	-	CNY7,165 NTD30,678	11.43%	CNY819 NTD3,508 Note (2) 2A	CNY4,129 NTD18,073	-
Techno Apogee Co.,Ltd.	Manufacturing and sales of plastic and hardware molds	CNY8,000 NTD35,016	Indirectly acquired the equity of its subsidiaries through the investment in Hong Kong Techno Precision Co., Ltd. in the third region. Note 1(3)	-	-	-	-	CNY286 NTD1,223	16.01%	CNY46 NTD196	CNY1,400 NTD6,128	-
T-MAXX Technology Co., Ltd.	Intelligent home security system equipment	CNY3,000 NTD11,019	Indirectly acquired the equity of its subsidiaries through the investment in Hong Kong Techno Precision Co., Ltd. in the third region. Note 1(3)	-	-	-	-	CNY(22) NTD(95)	22.87%	CNY(5) NTD(22)	CNY614 NTD2,689	-
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	NTD726,240	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD583,840	NTD-	NTD-	NTD583,840	NTD(18,272)	44.59%	NTD(7,900) Note 2(2)B	NTD7,453	-
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	NTD234,704	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD14,240	NTD-	NTD-	NTD14,240	NTD112,451	44.59%	NTD50,142 Note 2(2)B	NTD221,887	-
Fuzhou Jiwei System Integrated Co., Ltd.	Dust-free room and power system equipment, piping system equipment installation and related supporting services	NTD8,544	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD8,544	NTD-	NTD-	NTD8,544	NTD (254)	44.59%	NTD(113) Note 2(2)B	NTD(807)	-
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.	NTD17,088	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD17,173	NTD-	NTD-	NTD17,173	NTD12,753	38.79%	NTD4,304 Note 2(2)B	NTD(1,274)	-
MIC-Tech Electronics Engineering Corp.	Mechanical and electrical installation, engineering construction general contracting, electrical engineering professional contracting, chemical petroleum equipment pipeline installation, pipeline professional contracting and post-engineering warranty services, relevant engineering and technical consulting services	NTD501,789	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD242,650	NTD-	NTD-	NTD242,650	NTD20,178	44.59%	NTD8,997 Note 2(2)B	NTD239,623	-

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Name of the investee in mainland China	Primary Business	Paid-in Capital	Investment method	Accumulated investment amount remitted out of Taiwan at the beginning of the period	The amount of investment remitted or repatriated for the period		Accumulated investment amount remitted out of Taiwan at the end of the period	Current (loss) profit of the investee company for the period	The Company's shareholding ratio of direct or indirect investment	Investment (loss) profit recognized for the period	Carrying amount of the investment at the end of the period	Repatriated investment income by year end
					Remitted	Repatriated						
Frontken MIC Co. Limited	Special cleaning of semiconductor components and integrated circuits; parts for semiconductor devices, parts for integrated circuits and micro-components, wafer cleaning; development of semiconductor cleaning technology; assembly, installation and maintenance of refrigeration equipment; automated storage equipment and accessories, automatic design, manufacture, sales and installation of transportation logistics equipment and accessories; development, sales and installation of computer-aided engineering systems for logistics deployment; wholesale and commission agents for these abovementioned products and their parts, import and export business, etc.	NTD65,732	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD26,293	NTD-	NTD-	NTD26,293	NTD(194)	44.59%	NTD(87) Note 2(2)B	NTD 2,222	-
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 micro display projection equipment module for large screen color projection display, manufacturing of new electronic components, cleaning and regeneration services.	NTD199,360	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD111,072	NTD-	NTD-	NTD111,072	NTD(23,798)	26.75%	NTD(3,820) Note 2(2)B	NTD9,940	-
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.	NTD42,720	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD42,720	NTD-	NTD-	NTD42,720	NTD13,605	44.59%	NTD6,066 Note 2(2)B	NTD14,651	-
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.	NTD27,253	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD8,565	NTD-	NTD-	NTD8,565	NTD3,982	14.01%	NTD175 Note 2 (2)c	NTD(476)	-
Fortune International Corporation	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.	NTD34,176	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD14,240	NTD-	NTD-	NTD14,240	NTD(8,053)	12.39%	NTD(277) Note 2 (2)c	NTD790	-

Name of investor	Accumulated Outward Remittance for Investment from Taiwan to Mainland China - End of the Period	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	HKD5,000 thousand and USD60,146 thousand NTD1,731,308 (Note 3)	HKD5,000 thousand and USD92,946 thousand NTD2,665,452 (Note 3)	NTD5,550,075
Goldtek Technology Co., Ltd.	USD9,500 thousand and HKD80,100 thousand NTD564,767 (Note 3)	USD9,500 thousand and HKD80,100 thousand NTD564,767 (Note 3)	NTD1,066,033
Caswell Inc.	USD: 3,116 thousand NTD88,744 (Note 3)	USD: 3,116 thousand NTD88,744 (Note 3)	NTD1,846,468
Ennoconn International Investment Co., Ltd.	USD: 12,373 thousand NTD352,383 (Note 3)	USD: 12,373 thousand NTD352,383 (Note 3)	NTD4,737,418
Marketech International Corp.	NTD1,116,125 (Note 3)	NTD1,860,227 (Note 3)	NTD3,819,830

Note 1: Investment methods are divided into below three types with remark by type only:

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

Note 2: The column of investment profit or loss recognized for the period:

- (1) If the company is in preparation status without investment profit or loss, it shall be remarked.
- (2) Recognized basis of investment profit or loss includes below three types and shall be remarked.
 - A. The financial statements audited and certified by international accounting firms in cooperation with Republic of China accounting firms.
 - B. The financial statements had been audited and certified by the parent company's certified public accountant in Taiwan.
 - C. Others.

Note 3: The conversion rate is the spot average exchange rate of the Bank of Taiwan on December 31, 2020.

Note 4: It is a non-significant associates, and its financial statements not audited by certified public accountants shall not have a significant impact.

Note 5: The liquidation was processed in November 2020 and the remaining liquidation proceeds of RMB10,367 thousand were fully remitted back.

Ennoconn Corporation and Subsidiaries
Information on major shareholder
December 31, 2020

Table X

Name of Major Shareholders	Shares	
	Number of Shares held	Shareholdings (%)
Baoxin International Investments Ltd.	29,074,437	34.21
New Labor Pension Fund 2018 the second time of Discretionary Account at Capital Investment	5,869,467	6.9
Fubon Life Insurance Co., Ltd.	5,812,145	6.83

Note 1: The major shareholders in this statement are shareholders holding 5% and above of the ordinary and preference shares that have completed delivery without physical registration (including treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.

Note 2: If a shareholder delivers its shareholding to the trust, the aforesaid information shall be disclosed by the trustor's individual account of trustee who opened the trust account. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings including their own shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to the Market Observation Post System website.

Independent Auditors' Report

To Ennoconn Corporation:

Audit Opinion

We have audited the accompanying parent company only financial statements of the Ennoconn Corporation, which comprise the parent company only balance sheets as of December 31, 2020 and 2019, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion which based on our audit results and the other certified public accountants' audit reports (please refer to the paragraph of Other Matter), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and other certified public accountants' audit reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's parent company only financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2020 are stated as follows:

Evaluation of Investment Impairment Under the Equity Method

The Company's investments in using the equity method include goodwill arising from mergers and acquisitions which is significant, and the impairment evaluation tests are conducted by the management in according to IAS 36 "Impairment of Assets." Also, the goodwill was mainly sourced from the merger and acquisition of domestic and foreign listed companies with recoverable amount of using fair value less sales costs. Due to the significant impacts of the impairment review on the financial statements and the accuracy of calculation and measurement of the management, therefore, we have listed the impairment of goodwill as a key audit matter.

Our audit procedures for this critical matter consist of understanding the design and performance of the related internal control of the management, reviewing and re-calculating obtaining the evaluation report of goodwill impairment from the independent evaluation specialist entrusted by the management, understanding and reviewing the accuracy of the calculation on recoverable amount and carrying amounts, performing sensitivity analysis, and comprehensively evaluating the rationality of the above goodwill impairment evaluation.

Other Matters

Among the abovementioned parent company only financial statements, the financial statements of some investee companies accounted for using the equity method were reviewed by other certified public accountants. Therefore, our opinions expressed in the abovementioned parent company only financial statements, information regarding the financial statements of these investee companies accounted for using the equity method are recognized according to other certified public accountants' audit reports. The investment amounts of the investee companies accounted for using the equity method as of December 31, 2020, and 2019 were NT\$7,964,362 thousand and NT\$8,171,457 thousand respectively, accounting for 37.00% and 39.66% of the total assets; the comprehensive income of these investee companies accounted for using the equity method as of January 1 to December 31, 2020, and 2019 were NT\$328,834 thousand and NT\$436,646 thousand respectively, accounting for 34.75% and 73.30% of the comprehensive income.

Responsibilities of Management and Those Charged with Governance for the parent company only financial statements

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the related notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to Ennoconn Corporation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Company's parent company only financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Certified Public Accountant Shui-En Liu

Certified Public Accountant Jing-Ting Yang

Securities and Futures Commission

Approval No.

Taiwan-Finance-Securities-VI-0920123784

Securities and Futures Commission Approval

No.

Taiwan-Finance-Securities-VI-0930128050

March 29, 2021

Notices to Readers :

For the convenience of readers, the independent 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

Ennoconn Corporation
Parent Company Only Balance Sheets
December 31, 2020 and 2019
Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 531,134	3	\$ 341,659	1
1136	Financial assets at amortized cost - current (Notes 4, 8, and 30)	289,873	1	2,175	-
1172	Accounts receivable (Notes 4, 5, and 9)	209,649	1	344,773	2
1180	Accounts receivable - related parties (Notes 4, 5, 9, and 29)	460,062	2	292,403	1
130X	Inventory (Notes 4, 5, and 10)	222,104	1	148,884	1
1470	Other current assets (Notes 4, 15, and 29)	143,980	1	161,305	1
11XX	Total Current Assets	1,856,802	9	1,291,199	6
	Non-Current Assets				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4, 7, and 17)	9,016	-	-	-
1550	Investments accounted for using the equity method (Notes 4, 5, 11, 25, and 29)	19,065,111	89	18,679,156	91
1600	Property, plant and equipment (Notes 4 and 12)	517,081	2	522,447	3
1755	Right-of-use assets (Notes 4 and 13)	11,440	-	18,304	-
1821	Intangible assets (Notes 4 and 14)	1,052	-	1,533	-
1840	Deferred tax assets (Notes 4 and 23)	59,844	-	87,086	-
1990	Other non-current assets (Notes 4, 15, and 19)	2,186	-	5,235	-
15XX	Total non-current assets	19,665,730	91	19,313,761	94
1XXX	Total Assets	\$ 21,522,532	100	\$ 20,604,960	100
	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Notes 4 and 16)	\$ 4,666,000	22	\$ 4,620,000	23
2120	Financial liabilities at fair value through profit or loss - current (Notes 4, 7, and 17)	118	-	-	-
2170	Accounts payable (Note 4)	128,917	1	54,478	-
2180	Accounts payable - related parties (Notes 4 and 29)	384,273	2	344,381	2
2200	Other payables (Notes 4, 18, and 29)	203,748	1	163,187	1
2230	Current tax liabilities (Notes 4 and 13)	1,347	-	-	-
2280	Lease liabilities - current (Notes 4 and 13)	6,853	-	6,791	-
2320	Long-term liabilities matured within one year or one operating cycle (Notes 4 and 17)	1,391,307	6	-	-
2399	Other current liabilities (Notes 4 and 18)	49,832	-	79,137	-
21XX	Total Current Liabilities	6,832,395	32	5,267,974	26
	Non-current liabilities				
2500	Financial liabilities at fair value through profit or loss - non-current (Notes 4, 7, and 17)	-	-	24,718	-
2530	corporate bonds payable (Notes 4 and 17)	5,434,586	25	7,079,439	34
2570	Deferred tax liabilities (Notes 4 and 23)	611	-	616	-
2580	Lease liabilities - non-current (Notes 4 and 13)	4,603	-	11,456	-
2670	Other non-current liabilities (Notes 4 and 18)	212	-	233	-
25XX	Total Non-Current Liabilities	5,440,012	25	7,116,462	34
2XXX	Total Liabilities	12,272,407	57	12,384,436	60
	Equity (Notes 4, 17, 20, 26, and 27)				
3110	Ordinary shares	932,720	5	835,745	4
3200	Capital surplus	6,738,090	31	6,339,752	31
	Retained earnings				
3310	Legal reserve	643,854	3	535,830	2
3320	Special reserve	850,114	4	384,452	2
3350	Unappropriated earnings	1,329,879	6	1,211,091	6
3300	Total Retained Earnings	2,823,847	13	2,131,373	10
3490	Other equity	(1,010,924)	(5)	(850,114)	(4)
3500	Treasury stock	(233,608)	(1)	(236,232)	(1)
31XX	Total Equity	9,250,125	43	8,220,524	40
	Total Liabilities and Equity	\$ 21,522,532	100	\$ 20,604,960	100

The attached notes are part of this parent company only financial report.
(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Fu-Chuan Chu

Manager: Neng-chi Tsai

Accounting Supervisor: Yu-mei Wu

Ennoconn Corporation**Parent Company Only Statements of Comprehensive Income****For the years ended December 31, 2020 and 2019****Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share**

Code		For the year ended December 31, 2020		For the year ended December 31, 2019	
		Amount	%	Amount	%
4100	Net Operating revenue (Notes 4, 21, and 29)	\$ 2,547,970	100	\$ 3,188,103	100
5110	Operational costs (Notes 10, 22, and 29)	(2,238,998)	(88)	(2,754,672)	(86)
5900	Gross profit	308,972	12	433,431	14
5910	Unrealized gain from sales	(10,890)	-	(29,694)	(1)
5920	Realized gain from sales	29,694	1	29,694	1
	OPERATING EXPENSES (Notes 9, 19, 22, and 29)				
6100	Selling Expenses	(74,785)	(3)	(117,232)	(4)
6200	General and administrative expenses	(77,606)	(3)	(99,800)	(3)
6300	Research and development expense	(85,725)	(3)	(119,057)	(4)
6450	Expected credit gains (losses)	(25,620)	(1)	17,380	1
6000	Total operational expenses	(263,736)	(10)	(318,709)	(10)
6900	Operating profit	64,040	3	114,722	4
	Non-operating revenue and expenses (Notes 4, 11, 17, and 22)				
7100	Interest income	3,417	-	6,771	-
7010	Other income	3,336	-	2,307	-
7020	Other gains and losses	30,013	1	(195,266)	(6)
7050	Financial costs	(136,875)	(5)	(186,924)	(6)
7070	Profit or loss of associates under equity method	1,191,081	47	1,327,642	42
7000	Total non-operating revenue and expenses	1,090,972	43	954,530	30

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Code		For the year ended December 31, 2020		For the year ended December 31, 2019	
		Amount	%	Amount	%
7900	Profit before tax	\$ 1,155,012	46	\$ 1,069,252	34
7950	Tax expense (Notes 4 and 23)	(43,488)	(2)	10,990	-
8200	Net profit	<u>1,111,524</u>	<u>44</u>	<u>1,080,242</u>	<u>34</u>
	Other comprehensive income (Notes 4, 19, 20, and 23)				
	Items that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	(24)	-	(10)	-
8330	Share of other comprehensive income from subsidiaries accounted for using the equity method	(8,730)	(1)	(51,939)	(2)
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>5</u>	<u>-</u>	<u>2</u>	<u>-</u>
8310		(<u>8,749</u>)	(<u>1</u>)	(<u>51,947</u>)	(<u>2</u>)
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(156,815)	(6)	(397,220)	(12)
8370	Share of other comprehensive income from subsidiaries accounted for using the equity method	<u>301</u>	<u>-</u>	(<u>35,362</u>)	(<u>1</u>)
8360		(<u>156,514</u>)	(<u>6</u>)	(<u>432,582</u>)	(<u>13</u>)
8300	Other comprehensive income/(loss) for the year, net of income tax	(<u>165,263</u>)	(<u>7</u>)	(<u>484,529</u>)	(<u>15</u>)
8500	Total comprehensive income for the period	<u>\$ 946,261</u>	<u>37</u>	<u>\$ 595,713</u>	<u>19</u>
	Earnings per share (Note 24)				
9750	Basic	<u>\$ 12.13</u>		<u>\$ 12.03</u>	
9850	Diluted	<u>\$ 9.64</u>		<u>\$ 9.83</u>	

The attached notes are part of this parent company only financial report.

(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Fu-Chuan Chu

Manager: Neng-chi Tsai

Accounting Supervisor: Yu-mei Wu

Ennoconn Corporation

Parent Company Only Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
Unit: In Thousands of New Taiwan Dollars

		Ordinary share capital		Capital surplus				Retained earnings				Other equity item					
		Number of Shares (thousand shares)	Share capital	Stock issuance premium	Conversion premium of convertible corporate bonds	Stock warrants for convertible corporate bonds	Others	Total	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized gain/(loss) on financial assets at fair value through other comprehensive income	Total	Treasury stock	Total equity
Code																	
A1	Balance on January 1, 2019	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
A3	Impact amount of retrospective application and restatement (Note 11)	-	-	-	-	-	-	-	-	-	(18,153)	(18,153)	-	-	-	-	(18,153)
A5	Balance of retrospective application and restatement on January 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
	Appropriation and distribution of retained earnings for the year ended December 31, 2018																
B1	Legal reserve	-	-	-	-	-	-	-	110,812	-	(110,812)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	-	-	-	(111,213)	111,213	-	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	-	-	-	-	(580,436)	(580,436)	-	-	-	-	(580,436)
	Subtotal	-	-	-	-	-	-	-	110,812	(111,213)	(580,035)	(580,436)	-	-	-	-	(580,436)
	Other changes in capital surplus:																
C5	Equity component of convertible corporate bonds issued by the Company	-	-	-	-	332,132	-	332,132	-	-	-	-	-	-	-	-	332,132
C17	The invalidation of the stock warrants of convertible corporate bonds	-	-	-	-	(249,881)	249,881	-	-	-	-	-	-	-	-	-	-
M7	Impact amount of changes in the equity of subsidiaries accounted for using the equity method	-	-	-	-	-	-	-	-	-	(71,028)	(71,028)	-	-	-	-	(71,028)
D1	Net profit in 2019	-	-	-	-	-	-	-	-	-	1,080,242	1,080,242	-	-	-	-	1,080,242
D3	Other comprehensive income after tax in 2019	-	-	-	-	-	-	-	-	-	(19,382)	(19,382)	(432,582)	(32,565)	(465,147)	-	(484,529)
D5	Total comprehensive income in 2019	-	-	-	-	-	-	-	-	-	1,060,860	1,060,860	(432,582)	(32,565)	(465,147)	-	595,713
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	515	515	-	(515)	(515)	-	-
E1	Issuance of ordinary shares for cash	6,000	60,000	1,279,180	-	-	-	1,279,180	-	-	-	-	-	-	-	-	1,339,180
L1	Treasury stock transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(184)	(184)
Z1	Balance on December 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
	Appropriation and distribution of retained earnings for the year ended December 31, 2019																
B1	Legal reserve	-	-	-	-	-	-	-	108,024	-	(108,024)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	-	-	-	465,662	(465,662)	-	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	-	-	-	-	(331,678)	(331,678)	-	-	-	-	(331,678)
B9	Stock Dividend to Shareholders	8,292	82,919	-	-	-	-	-	-	-	(82,919)	(82,919)	-	-	-	-	-
	Subtotal	8,292	82,919	-	-	-	-	-	108,024	465,662	(988,283)	(414,597)	-	-	-	-	(331,678)
	Other changes in capital surplus:																
M7	Impact amount of changes in the equity of subsidiaries accounted for using the equity method	-	-	-	-	-	63,337	63,337	-	-	-	-	-	-	-	-	63,337
D1	Net profit for 2020	-	-	-	-	-	-	-	-	-	1,111,524	1,111,524	-	-	-	-	1,111,524
D3	Other comprehensive income (loss) after tax for 2020	-	-	-	-	-	-	-	-	-	(8,247)	(8,247)	(156,514)	(502)	(157,016)	-	(165,263)
D5	TOTAL COMPREHENSIVE INCOME/(LOSS) FOR 2020	-	-	-	-	-	-	-	-	-	1,103,277	1,103,277	(156,514)	(502)	(157,016)	-	946,261
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	3,794	3,794	-	(3,794)	(3,794)	-	-
I1	Convertible corporate bonds converted to ordinary shares	1,406	14,056	-	355,200	(20,199)	-	335,001	-	-	-	-	-	-	-	-	349,057
L1	Treasury stock transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,624	2,624
Z1	Balance on December 31, 2020	93,272	\$ 932,720	\$ 4,180,675	\$ 1,797,651	\$ 446,546	\$ 313,218	\$ 6,738,090	\$ 643,854	\$ 850,114	\$ 1,329,879	\$ 2,823,847	(\$ 934,258)	(\$ 76,666)	(\$ 1,010,924)	(\$ 233,608)	\$ 9,250,125

The attached notes are part of this parent company only financial report.
(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Fu-Chuan Chu

Manager: Neng-chi Tsai

Accounting Supervisor: Yu-mei Wu

Ennoconn Corporation**Parent Company Only Statement of Cash Flows****For the years ended December 31, 2020 and 2019****Unit: In Thousands of New Taiwan Dollars**

Code		For the year ended December 31, 2020	For the year ended December 31, 2019 (audited after restatement)
	Cash Flows from Operating Activities		
A10000	Profit before tax for the period	\$ 1,155,012	\$ 1,069,252
A20010	Adjustments for		
A20100	Depreciation expenses	20,262	16,269
A20200	Amortization expenses	1,001	1,341
A20300	Expected credit losses (gain on reversal)	25,621	(17,380)
A21900	Share-based payment compensation costs	-	20,180
A22400	Profit or loss of associates under equity method	(1,191,081)	(1,327,642)
A21200	Interest income	(3,417)	(6,771)
A20900	Financial costs	136,875	186,924
A23700	Inventory price loss (recovery gain)	(37,346)	4,501
A23100	Loss on the recovery of corporate bonds	-	187,228
A20400	Net loss (gain) of financial liabilities at fair value through profit or loss	(34,985)	15,008
A23900	Unrealized gains with subsidiary	10,890	-
A24000	Realized gains with subsidiary	(29,694)	-
A24100	Net loss on foreign exchange	35,305	15,478
A30000	Net changes in operating assets and liabilities related to operating activities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	-	-
A31150	Accounts receivable	(69,153)	180,439
A31200	Inventory	(35,874)	448,859
A31240	Other current assets	1,735	(105,959)
A32150	Accounts payable	118,132	(274,121)
A32180	Other payable	42,412	(9,568)
A32230	Other current liabilities	(29,305)	38,737
A32990	Others	(5)	(8)
A33000	Cash generated from/(used in) operations	116,385	442,767
A33100	Interest received	3,033	7,259
A33300	Interest paid	(40,610)	(73,025)
A33500	Income tax paid	(263)	(12,955)
AAAA	Net cash inflow from operating activities	<u>78,545</u>	<u>364,046</u>

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Code		For the year ended December 31, 2020	For the year ended December 31, 2019 (audited after restatement)
	NET CASH FLOWS FROM INVESTING ACTIVITIES		
B00040	Purchase of financial assets at amortized cost	(\$ 287,698)	(\$ 19)
B02200	Net cash outflow on acquisition of subsidiaries	-	(792,798)
B02700	Purchase of property, plant and equipment	(7,676)	(3,766)
B04500	Purchase of intangible assets	(520)	(1,150)
B07600	Dividends received from subsidiaries	724,648	627,330
B07100	Decrease (Increase) in prepayments for equipment	3,150	(3,150)
B03800	Increase in refundable deposits	(119)	(1,291)
BBBB	Net cash inflow (outflow) from investment activities	<u>431,785</u>	<u>(174,844)</u>
	Cash flows from financing activities		
C00100	Increase (Decrease) in short-term borrowings	46,000	(710,000)
C01200	Proceeds from issuance of convertible corporate bonds	-	6,007,148
C01300	Repayments of corporate bonds payables	-	(6,242,205)
C03000	Guarantee deposits received (returned)	(21)	21
C04020	Repayment of lease principal	(6,791)	(2,345)
C04500	Distribution of cash dividend	(331,678)	(580,436)
C04600	Issuance of ordinary shares for cash	<u>-</u>	<u>1,319,000</u>
CCCC	Net cash outflow from financing activities	<u>(292,490)</u>	<u>(208,817)</u>
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH and cash equivalents HELD IN FOREIGN CURRENCIES	<u>(28,365)</u>	<u>(8,181)</u>
EEEE	Net (decrease) increase in cash and cash equivalents	189,475	(27,796)
E00100	Balance of cash and cash equivalents at the beginning of the period	<u>341,659</u>	<u>369,455</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 531,134</u>	<u>\$ 341,659</u>

The attached notes are part of this parent company only financial report.

(Please refer to Deloitte & Touche's audit report on March 29, 2021.)

Chairman: Fu-Chuan Chu

Manager: Neng-chi Tsai

Accounting Supervisor: Yu-mei Wu

Ennoconn Corporation
Notes to the parent company only financial statements
For the years ended December 31, 2020 and 2019
(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company Overview

Ennoconn Corporation ("the Company") was established on July 12, 1999 with main 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 Rd., Zhonghe Dist., New Taipei City.

The Company's initial public offering was conducted on November 21, 2012. On December 18 of the same year, its emerging stocks were traded at Taipei Exchange (TPEX) and its stocks were listed at the Taiwan Stock Exchange Corporation on March 28, 2014.

The parent company only financial statements are presented in the New Taiwan Dollars, the functional currency of the Company.

2. Date and Procedures of Authorization of Financial Statements

The parent company only financial statements were approved by the Board of Directors and authorized for issue on March 29, 2021.

3. Application of New and Amended Standards and Interpretations

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

Except for the following, the application of the amended the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not result in significant changes on the accounting policies of the Company:

Amendments to IAS 1 and IAS 8 - "Definition of Materiality"

The Company adopted the amendments on January 1, 2020. The threshold for materiality was amended to be "could reasonably be expected to influence users" and the disclosures in parent company only financial statements were adjusted by removing immaterial information which may obscure material information.

- b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application in 2021

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendment to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective on the issued date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 - "Interest Rate Benchmark Reform - Phase 2"	Effective for annual reporting periods beginning on or after January 1, 2021
Amendment to IFRS 16, "Covid-19-Related Rent Concessions"	Effective for annual reporting periods beginning on or after June 1, 2020

Besides the abovementioned impacts, as of the date the accompanying parent company only financial statements were authorized for issue, the Company continues in evaluating the impact on its financial position and financial performance as a result of the aforementioned standards or interpretations. The related impact will be disclosed when the evaluation has been completed.

c. IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB (Note 1)</u>
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022 (Note 2)
Amendment to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023 (Note 6)
Amendment to IFRS 17	January 1, 2023 (Note 6)
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023 (Note 6)
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 6)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7)
Amendment to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendment to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

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

Note 2. Amendment to IFRS 9 is effective to exchanges of a financial liability or modifications of terms incurred during the annual periods beginning on or after January 1, 2022. Amendment to IAS 41 "Agriculture" is effective to fair value measurements for annual periods beginning on or after January 1, 2022. Amendment to IFRS 1 "First-time Adoption of IFRS" is retrospectively effective for annual periods beginning on or after January 1, 2022.

Note 3. This amendment shall be applied to business combinations for which the acquisition date is beginning on or after January 1, 2022.

Note 4. This amendment shall be applied to the property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5. The amendment shall be applied to contracts for which the Company has not yet fulfilled all its obligations on or after January 1, 2022.

Note 6. The amendment shall be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7. This amendment shall be applied to changes in accounting policies and changes in accounting estimates that occur for annual periods beginning on or after January 1, 2023.

- 1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendment provides that if the Company sells or invests assets in associates (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 profit or loss 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 associates (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 or loss arising from such transactions within the scope of equity unrelated to the investors' interest in such associates (or joint ventures), namely, the profit or loss attributable to the Company's share shall be written off.

- 2) Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"

The amendment clarifies whether or not a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right. The amendment also clarifies that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendment stipulates that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

- 3) Amendment to IAS 1, Disclosure of Accounting Policies

This amendment prescribes that the Company shall apply the concept of materiality in making decisions about the disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in the Company's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. This amendment also clarifies that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed by the Company.
- Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial.
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

Moreover, this amendment gives examples to explain that it is likely to consider accounting policy information significant to the financial statements if that information relates to significant transactions, other events or conditions and the accounting policy:

- a) Has changed during the period by the Company, and this change results in a significant change on information of the financial statements
- b) Was chosen properly by the Company from alternatives permitted by IFRS Standards
- c) Was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS Standard that specifically applies
- d) Relates to an area for which the Company is required to make significant judgments and assumptions
- e) Relates to complex accounting practices, and users of the Company's financial statements would otherwise not understand the relating significant transactions, other events or conditions

4) Amendment to IAS 8 "Definition of Accounting Estimates"

This amendment defines accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". The accounting policy may require items in financial statements to be measured at monetary amounts that cannot be observed directly and must instead be estimated. Therefore, an input or a measurement technique has to be used to develop an accounting estimate to achieve this goal.

Besides the abovementioned impacts, as of the date the accompanying parent company only financial statements were authorized for issue, the Company continues in evaluating the impact on its financial position and financial performance as a result of the aforementioned standards or interpretations. The related impact will be disclosed when the evaluation has been completed.

4. Summary of Significant Accounting Policies

a. Statement of Compliance

The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed and issued into effect by the FSC.

b. Basis of Preparation

The accompanying parent company only financial statements have been prepared on the historical cost basis except for financial instruments at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of plan assets.

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

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

When preparing parent company only financial statements, the Company adopts the equity method for investments in the subsidiary. To make the profit and loss, other comprehensive income and equity of the current year of the parent company only financial statements the same as the profit and loss, other comprehensive income and equity of the current year attributable to the owners of the Company in the consolidated financial statements of the Company, some accounting treatment differences under the parent company only basis and the consolidated basis are adjustment of "the investment under equity method," "share of profit and loss of subsidiaries under equity method" and "other comprehensive income shares of subsidiaries under equity method" and related equity items.

c. Standards for Classification of Current and Non-current Assets and Liabilities

Current assets include:

- 1) Assets held for trading purposes;
- 2) Assets expected to be realized within 12 months after the balance sheet date; and
- 3) Cash and cash equivalents, excluding those that are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Obligations incurred for trading purposes;
- 2) Obligations expected to be settled within 12 months from the balance sheet date (liabilities with long-term refinancing or rearrangement of payment terms completed after the balance sheet date and before the publication of the financial statements are also deemed as current liabilities); and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of an obligation that could, at the option of the counterparty, result in its settlement by the issuance of equity instruments, do not affect its classification.

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

d. Foreign Currency

When preparing the financial statements, 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 translated at the closing 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.

The assets and liabilities of foreign operations (including the country of operation or currency used of the subsidiary different from the Company) are converted into NTD 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).

e. Inventories

Inventories include raw materials, work in progress, semi-finished goods, finished goods and commodity inventory. 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.

f. Investments in Subsidiaries

The Company adopts the equity method for investment in subsidiaries. Subsidiaries refer to entities controlled by the Company.

Under the equity method, investments are initially recognized at cost. The carrying amount of such investments after the acquisition date increases or decreases in accordance with the Company's shares of subsidiaries' profit or loss and other comprehensive income, as well as earnings allocation. In addition, changes in the other interest of the subsidiaries entitled by the Company are recognized by the shareholding ratio.

Where the change in the Company's ownership interest in the subsidiary does not result in the loss of control, it shall be treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is directly recognized as equity.

When the loss share of the Company to the associates is equal to, or more than, its equity in the associates (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 component of the Company to the associates), the recognition of further loss shall be stopped.

The amount that the acquisition cost exceeds the net fair value share of the identifiable assets and liabilities of the subsidiaries that constitute business and are entitled by the Company on the acquisition date is recorded 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 subsidiaries that constitute business and are entitled by the Company on the acquisition date exceeds the acquisition cost is recorded as the current income.

When the Company evaluates the impairment, it reviews the cash-generating unit as a whole in the financial statements and compares its recoverable amount and carrying amount. Subsequently, if the recoverable amount of the asset increases, the reversal of impairment loss shall be recognized as profit. However, the carrying amount of the asset after the reversal of impairment loss shall not exceed the carrying amount of the asset without impairment loss recognized less amortization that shall be recognized. Impairment losses attributable to goodwill shall not be reversed in subsequent periods.

Unrealized profits and losses of downstream transactions between the Company and its subsidiaries shall be written off in the parent company only financial statements. Profit or loss in up- and downstream transactions between the Company shall only be recognized in the parent company only financial statements when it is not related to the Company's interest in the subsidiaries.

g. Property, Plant and Equipment

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. The cost includes professional service expenses and borrowing costs eligible for capitalization. When these assets are completed and ready for use, they are classified as property, plant or equipment, and start to be listed as depreciation.

property, plant and equipment are depreciated on a straight-line basis over their useful lives. The Company shall inspect the estimated useful life, residual value, and depreciation method at least at the end of each year, and postpone the treatment.

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

h. 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.

2) 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 or loss.

i. Impairment of Property, plant and equipment, Right-of-use assets and Intangible assets

On each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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 Company shall evaluate the recoverable amount of the cash-generating unit to which the asset belongs. Shared use asset are allocated to the cash-generating unit on a reasonable and consistent basis. Otherwise they are allocated to the smallest group of cash-generating units with a reasonable and consistent basis.

For intangible assets with uncertain useful life and not yet available for use, impairment test shall be conducted at least annually and when there is any indicator of impairment.

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 cash-generating unit is lower than its carrying amount, the carrying amount of the asset or cash-generating unit shall be reduced to its recoverable amount, and the impairment loss shall be recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit 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 cash-generating unit without impairment loss recognized in the previous year, and the reversal of the impairment loss shall be recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the Company becomes a party of the financial instrument contract.

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 issue of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial Assets

Transaction date accounting and derecognition apply to regular financial asset transactions.

a) Measurement Types

The types of financial assets held by the Company are financial assets at fair value through profit or loss and financial assets at amortized cost.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets mandatorily classified as at fair value through profit or loss, and financial assets designated at fair value through profit or loss. Financial assets mandatorily classified as at fair value through profit or loss include investments in equity instruments not designated by the consolidated company to be measured at fair value through other comprehensive income, and investments in debt instruments 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 dividend 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 28 for the determination of fair value.

ii. Financial assets at amortized cost

When the Company's investments in financial assets satisfy the following two conditions at the same time, they are classified as financial assets at amortized cost.

- A. It is held under a business model that is held for the purpose of obtaining financial assets to collect contractual cash flows; and
- B. The contractual terms generate cash flows on a specified date basis and the cash flows are solely payments on the principal amounts outstanding and interest amounts outstanding.

Financial assets at amortized cost (including cash and cash equivalents, accounts receivable and other financial assets at amortized cost) are measured at the aggregate carrying amount of the financial asset after initial recognition and determined by using the effective interest method. Any foreign exchange gains or losses are recognized in profit or loss.

Except for the following two situations, interest income shall be calculated by applying the effective interest rate to total carrying amount of financial assets from the next reporting period after credit impairment:

- 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 from the next reporting period after credit impairment.

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.

b) Impairment of Financial Assets and Contract Assets

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

Accounts receivable 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 losses are weighted average of credit losses that are highly probable. The 12-month expected credit loss represents possible credit loss from breach of contract within 12 months of reporting date. Lifetime expected credit loss represents expected credit loss from breach of contract of financial instruments during period of existence.

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

- i. There is internal or external information indicating that it is impossible for the debtor to settle the debt.
- ii. Overdue for more than 90 days, unless there is reasonable and valid information indicating that the deferred default basis is more appropriate.

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.

c) Derecognition of Financial Assets

The 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 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 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 assets 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 investments in equity instruments 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.

2) Equity Instruments

The debt and equity instruments issued by the 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 Company are recognized at the proceeds obtained minus the direct issue costs.

The Company's equity instruments are recognized and deducted from equity afterwards. The purchase, sale, issuance, or write-off of the Company's equity instruments are not recognized in profit or loss.

3) Financial Liabilities

a) Subsequent Measurement

Financial liabilities are measured at amortized cost by effective interest methods, except for:

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 28 for the determination of fair value.

b) 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 or loss.

4) Convertible corporate bonds

The component of compound financial instruments (convertible corporate bonds) issued by the Company are respectively 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 liability component is estimated using the prevailing market interest rate for similar non-convertible instruments and measured at amortized reached. The liability component of the non-equity derivative 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 corporate 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 corporate 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 Company includes forward foreign exchange contracts and foreign currency option contracts to manage the exchange rate risk of the Company.

Derivatives are initially recognized at fair value at contract signing, and subsequently remeasured at fair value on balance sheet date. Any gain or loss after that are recognized in profit or loss. For designated derivatives of hedging instruments, the timing of its recognition under income depends on the hedge 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. If derivatives embedded in an asset host contract is not within the scope of IFRS 9 (e.g. embedded in the host contract of financial liabilities), and the embedded derivative meets the definition of derivative too, when the risks and characteristics are not closely related to the risks and characteristics of the host contract, and the hybrid contract is not measured at fair value through profit or loss, the derivative is treated as a separate derivative.

k. Revenue recognition

The Company first identifies performance obligations in customer's contract, then distributes transaction price to each obligation and recognizes revenue when obligations are met.

The transaction price of significant financial components are not adjusted when contract time interval of merchandise or service transfer and acquired consideration is within one year.

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. The products above are delivered to locations designated by the customer, who has the right to set price and use the merchandise, in addition to the responsibility of reselling and assuming risk of obsolescence. The Company will recognize revenue and accounts receivable at each point of time.

When the material is processed, control of the processed products is not transferred and the amount of the control is not recognized when the material is finished.

2) Service Revenue

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

l. Leases

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

1) The Company is a Lessor

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.

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 Company is 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 parent company only balance sheet.

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 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 parent company only balance sheet.

m. Borrowing Costs

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, other borrowing costs are recognized in profit or loss.

n. Government grants

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

Government grants are recognized in profit or loss on a systematic basis over the periods in which the consolidated company recognizes as expenses the related costs for which the grants are intended to compensate.

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

Regarding the loans from the government with interest rate lower than the market interest rate received by the Company, the differences between the amount by which the loan is received and the fair value of the loan at the prevailing market interest rate are recognized as a government grant.

o. Employee benefits

1) Short-Term Employee Benefits

Short-term employee benefits liabilities are measured at the undiscounted amount of the employee services expected to be paid in exchange for the services.

2) Benefits after retirement

Pension from defined contribution plans is listed as expense for pension during periods of employee service.

The net defined benefit-cost of defined benefit retirement plan (including service cost, net interest, and remeasurement) 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 remeasurement (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 will not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) is the shortfall (surplus) for defined benefit pension plans. The net defined benefit assets shall not exceed the present value of the refunded or reduced future contributions from the scheme.

p. Income taxes

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

1) Current Income Tax

According to the Income Tax Law of our country, an additional income tax on unappropriated earnings was surcharged in the year approved by 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 tax is calculated from temporary differences between carrying amount of assets and liabilities, and tax base for determining taxable income.

Deferred tax liabilities are generally recognized for all temporary taxable differences, and deferred 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 carryforward or purchase of mechanical equipment.

The temporary taxable differences related to investment subsidiaries are recognized as deferred tax liabilities, except that the 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 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 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 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 tax assets and liabilities are measured at tax rates expected for liability settlement or asset realization in the same period. Tax rates are based on tax laws enacted or substantively enacted by balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

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.

5. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

When the Company adopts accounting policies, the management must make judgments, estimates and assumptions based on historical experience and other critical factors. Actual results might be different from estimates.

The Company takes into account the economic impact of the COVID-19 outbreak in its critical accounting judgments and the management will constantly review the estimations and underlying 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

a. Estimated Impairment of Financial Assets

The estimated impairment of accounts receivable is based on the assumption of the default rate and expected loss rate of the Company. The 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 9 for important assumptions and input values. Where the actual future cash flows are less than expected, a significant impairment loss may arise.

b. Impairment of Inventories

Since the inventory must be valued at the lower of cost or net realizable value, the Company must use judgment and estimation to determine the net realizable value of the inventory at the end of reporting period.

The Company assesses the amount of inventory at the end of reporting period due to normal deterioration, obsolescence, or no market sales value, and write-down the inventory cost to the net realizable value. As this inventory evaluation is mainly based on product demand in a specific future period, it may be subject to significant changes.

6. Cash and Cash Equivalents

	December 31, 2020	December 31, 2019
Cash on hand	\$ 1,865	\$ 1,829
Bank checking and demand deposits	529,269	180,037
Cash equivalents		
Time deposits with original maturity date less than three months	-	159,793
	<u>\$ 533,134</u>	<u>\$ 341,659</u>

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

	December 31, 2020	December 31, 2019
Demand deposits	0.01%~0.05%	0.01%~0.60%
Time deposits	-	1.80%~2.22%

7. Financial instruments at fair value through profit or loss

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets - non-current</u>		
Mandatorily at fair value through profit or loss		
Derivatives financial assets (not designated for hedging)		
Domestic convertible corporate bonds with repurchase agreement (Note 17)	<u>\$ 9,016</u>	<u>\$ -</u>
<u>Financial liabilities – current</u>		
Held for trading		
Derivatives financial assets (not designated for hedging)		
Domestic convertible corporate bonds (Note 17)	<u>\$ 118</u>	<u>\$ -</u>
<u>Financial liabilities – non-current</u>		
Held for trading		
Derivatives financial assets (not designated for hedging)		
Domestic convertible corporate bonds (Note 17)	<u>\$ -</u>	<u>\$ 24,718</u>

8. Financial Assets at Amortized Cost

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Current</u>		
Domestic investment		
Pledged time deposits	<u>\$ 289,873</u>	<u>\$ 2,175</u>

On December 31, 2020 and 2019, the interest rate intervals of time deposits with original maturity date more than 3 months were 0.41%~0.80% and 0.77%~1.045%, respectively.

Please refer to Note 30 for information on Financial assets at amortized cost pledged as collateral.

9. Notes Receivable and Accounts Receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Accounts receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 271,242	\$ 380,746
Less: Allowance for loss	(61,593)	(35,973)
	<u>\$ 209,649</u>	<u>\$ 344,773</u>
Accounts receivable - related parties	<u>\$ 460,062</u>	<u>\$ 292,403</u>

Accounts receivable at amortized cost

The average credit period of the Company for commodity sales is 30 to 75 days per month, and the accounts receivable shall not bear interest. The policy adopted by the 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 Company will use other publicly available financial information and historical transaction records to rate major customers. The 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 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. The historical experience of the Company's credit loss history has shown that the loss patterns of different customer have not significantly different from the loss patterns. Therefore, the provision matrix is not further differentiated in the customer base. Only the number of overdue days for accounts receivable are used for setting the expected credit loss rate.

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

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

December 31, 2020

	Not overdue	1 ~ 60 days overdue	61 ~ 150 days overdue	151 ~ 270 days overdue	271 ~ 365 days overdue	Overdue for more than 1 years	Counterparty with indicator of default event	Total
Expected credit loss rate	0%	0%	30%	50%	75%	100%	100%	
Total carrying amount	\$622,080	\$ 47,581	\$ 44	\$ 37	\$ -	\$ 34,738	\$ 26,804	\$731,304
Loss allowance (lifetime expected credit losses)	-	-	(13)	(18)	-	(34,738)	(26,804)	(61,593)
Amortized cost	<u>\$622,080</u>	<u>\$ 47,581</u>	<u>\$ 31</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$669,711</u>

December 31, 2019

	Not overdue	1 ~ 60 days overdue	61 ~ 150 days overdue	151 ~ 270 days overdue	271 ~ 365 days overdue	Overdue for more than 1 years	Total
Expected credit loss rate	0%	0%	30%	50%	75%	100%	
Total carrying amount	\$532,952	\$101,343	\$ 4,116	\$ -	\$ -	\$ 34,738	\$673,149
Loss allowance (lifetime expected credit losses)	-	-	(1,235)	-	-	(34,738)	(35,973)
Amortized cost	<u>\$532,952</u>	<u>\$101,343</u>	<u>\$ 2,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$637,176</u>

The impairment of the allowance for loss of accounts receivable is as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance at the beginning of the year	\$ 35,973	\$ 53,353
Plus: impairment loss recognized for the year	25,620	-
Less: impairment loss reversed for the year	-	(17,380)
Ending balance of the year	<u>\$ 61,593</u>	<u>\$ 35,973</u>

10. Inventories

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Raw materials	\$ 175,428	\$ 140,798
Work in progress	4,757	-
Semi-finished products	72,334	9,407
Finished goods	47,315	80,869
Stock in hand	11	2
Stock in transit	1,769	34,664
Less: Allowance for inventory price loss	(<u>79,510</u>)	(<u>116,856</u>)
	<u>\$ 222,104</u>	<u>\$ 148,884</u>

The sales cost in 2020 includes the inventory recovery gain of \$37,346 thousand (mainly caused by the disposal of the inventory with recognized price loss) and the manufacturing overheads of \$17,309 thousand. Cost of goods sold for the year ended December 31, 2019 included inventory price loss of \$4,501 thousand.

11. Investments accounted for using the equity method

Investment in subsidiaries

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Innovative Systems Integration Limited	\$ 2,139,276	\$ 2,113,862
Ennoconn International Investment Co., Ltd. (Ennoconn International)	7,895,696	7,951,050
Caswell Inc. (Caswell)	1,112,372	1,038,557
Ennoconn Investment Holdings Co., Ltd (EIH)	<u>7,917,767</u>	<u>7,575,687</u>
	<u>\$ 19,065,111</u>	<u>\$ 18,679,156</u>

	<u>Percentage of ownership interests and voting rights</u>	
<u>Name of Subsidiary</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Innovative Systems Integration Limited	100%	100%
Ennoconn International Investment Co., Ltd.	100%	100%
Caswell Inc.	27.45%	29.49%
Ennoconn Investment Holdings Co., Ltd	100%	100%

Please refer to Note 33 for details of investment subsidiaries indirectly held by the Company.

Ennoconn International, a subsidiary of the Company, obtained the acquisition price allocation report of Marketch International Corp. on the acquisition date (May 15, 2018) in the first quarter of 2019. According to the fair value of the intangible assets of Marketch International Corp. measured in the report on the acquisition date, adjust the initial accounting treatment and provisional amount since the acquisition date and recompile the comparative information. Please refer to Note 16 of the Company's consolidated financial statements for the year ended December 31, 2019.

The increase (decrease) of items related to the parent company only balance sheet is as follows:

	December 31, 2018		
	Before restatement	Adjustment	After restatement
Investment accounted under equity method	<u>\$ 17,759,932</u>	(<u>\$ 18,153</u>)	<u>\$ 17,741,779</u>
Capital surplus - changes in equity interest of subsidiaries (write off undistributed earnings)	<u>\$ -</u>	(<u>\$ 4,334</u>)	(<u>\$ 4,334</u>)

The increase (decrease) of items related to the parent company only comprehensive income statement is as follows:

	for the year ended December 31, 2018		
	Before restatement	Adjustment	After restatement
Profit or loss of subsidiaries accounted for using the equity method	<u>\$ 1,070,781</u>	(<u>\$ 13,819</u>)	<u>\$ 1,056,962</u>

The Company had held the majority of voting rights of the Board of Directors of Caswell Inc. and had the ability to dominate its personnel, financial and operating decision, and so to list it as a subsidiary. In December 2020, Caswell Inc. converted parts of the convertible corporate bonds into ordinary shares, resulting in a decrease in the shareholding ratio from 29.49% to 27.45%.

12. Property, plant and equipment

	Freehold land	Buildings	Mechanical equipment	Leasehold improvements	Other equipment	Total
<u>Cost</u>						
Balance on January 1, 2020	\$ 251,536	\$ 287,996	\$ 619	\$ -	\$ 63,758	\$ 603,909
Additions	-	-	-	5,448	2,584	8,032
Reclassification	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Balance on December 31, 2020	<u>\$ 251,536</u>	<u>\$ 287,996</u>	<u>\$ 619</u>	<u>\$ 5,448</u>	<u>\$ 66,342</u>	<u>\$ 611,941</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2020	\$ -	\$ 28,881	\$ 234	\$ -	\$ 52,347	\$ 81,462
Depreciation expenses	-	5,818	69	1,217	6,294	13,398
Disposal	-	-	-	-	-	-
Balance on December 31, 2020	<u>\$ -</u>	<u>\$ 34,699</u>	<u>\$ 303</u>	<u>\$ 1,217</u>	<u>\$ 58,641</u>	<u>\$ 94,860</u>
Net Balance on December 31, 2020	<u>\$ 251,536</u>	<u>\$ 253,297</u>	<u>\$ 316</u>	<u>\$ 4,231</u>	<u>\$ 7,701</u>	<u>\$ 517,081</u>
<u>Cost</u>						
Balance on January 1, 2019	\$ 251,536	\$ 287,996	\$ 316	\$ -	\$ 59,330	\$ 599,178
Additions	-	-	303	-	4,428	4,731
Reclassification	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Balance on December 31, 2019	<u>\$ 251,536</u>	<u>\$ 287,996</u>	<u>\$ 619</u>	<u>\$ -</u>	<u>\$ 63,758</u>	<u>\$ 603,909</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2019	\$ -	\$ 22,992	\$ 193	\$ -	\$ 44,296	\$ 67,481
Depreciation expenses	-	5,889	41	-	8,051	13,981
Disposal	-	-	-	-	-	-
Balance on December 31, 2019	<u>\$ -</u>	<u>\$ 28,881</u>	<u>\$ 234</u>	<u>\$ -</u>	<u>\$ 52,347</u>	<u>\$ 81,462</u>
Net Balance on December 31, 2019	<u>\$ 251,536</u>	<u>\$ 259,115</u>	<u>\$ 385</u>	<u>\$ -</u>	<u>\$ 11,411</u>	<u>\$ 522,447</u>

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

Buildings	5 ~ 50 years
Mechanical equipment	2 ~ 15 years
Leasehold improvements	2 ~ 10 years
Other equipment	3 ~ 15 years

13. Lease Agreements

a. Right-of-use Assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Carrying amount of right-of-use asset		
Buildings	<u>\$ 11,440</u>	<u>\$ 18,304</u>
	<u>For the year ended</u>	<u>For the year ended</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Addition of right-of-use assets	<u>\$ -</u>	<u>\$ 20,592</u>
Depreciation expenses of right-of-use assets		
Buildings	<u>\$ 6,864</u>	<u>\$ 2,288</u>

b. Lease liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Carrying amount of lease liability		
Current	<u>\$ 6,853</u>	<u>\$ 6,791</u>
Non-current	<u>\$ 4,603</u>	<u>\$ 11,456</u>

The discount rate interval of lease liabilities is as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Buildings	0.898%	0.898%

c. Important Leasing Activities and Terms

The underlying assets leased by the Company include land and buildings. The term of the lease agreement is usually 3 years.

d. Other Leasing Information

	<u>For the year ended</u>	<u>For the year ended</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Short-term lease expenses	<u>\$ 128</u>	<u>\$ 61</u>
Total cash (outflow) of lease	<u>(\$ 7,050)</u>	<u>(\$ 2,463)</u>

14. Intangible Assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Computer software	<u>\$ 1,052</u>	<u>\$ 1,533</u>

The above intangible assets with limited useful life are amortized based on the straight-line method over their useful lives of 3 to 5 years.

15. Other Assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other receivables (Notes 29)	\$ 79,009	\$ 136,409
Current tax assets	1,813	16,448
Prepayments	57,099	10,184
Refundable deposits	1,464	1,345
Net defined benefit asset (Note 19)	721	740
Others	<u>6,061</u>	<u>1,414</u>
	<u>\$ 146,166</u>	<u>\$ 166,540</u>
Current	\$ 143,980	\$ 161,305
Non-current	<u>2,186</u>	<u>5,235</u>
	<u>\$ 146,166</u>	<u>\$ 166,540</u>

16. Borrowings

Short-term borrowings

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Secured loans</u>		
Bank loans	\$ 256,000	\$ -
<u>Unsecured loans</u>		
Bank loans	<u>4,410,000</u>	<u>4,620,000</u>
	<u>\$ 4,666,000</u>	<u>\$ 4,620,000</u>
<u>Interest rate interval</u>		
Secured loans	0.35%	-
Unsecured loans	0.85%~1.00%	0.88%~0.90%

17. Convertible corporate bonds

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Second domestic unsecured convertible corporate bonds	\$ 12,135	\$ 11,964
Third domestic unsecured convertible corporate bonds	5,434,586	5,720,498
First foreign unsecured convertible corporate bonds	<u>1,379,172</u>	<u>1,346,977</u>
	6,825,893	7,079,439
Less: parts matured or able to exercise redemption rights within one year	(<u>1,391,307</u>)	-
	<u>\$ 5,434,586</u>	<u>\$ 7,079,439</u>

a. To meet the needs of working capital and reinvestment, the Company issued the second domestic unsecured convertible corporate bonds 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 corporate bonds held be converted into the ordinary shares of the Company from the following day after two months of issuance date (July 14, 2016) to the expiration date of May 13, 2021, under the regulations of corporate bonds conversion method. The suspension of conversion period is as follows:

- a) During the book closure period, the transfer of ordinary shares is suspended in accordance with the law.
- b) The Company will negotiate with Taipei Exchange on the period from the 15 business days before the book closure date of issuance of bonus shares, the book closure date of cash dividend or the book closure date of the issuance of ordinary shares for cash to the record date of rights distribution.
- c) The date of capital reduction is cut off one day before the commencement of capital reduction.
- d) 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 \$435. In the event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of December 31, 2020, the conversion price was adjusted to \$349.2.

9) Redemption rights of the creditor:

30 days prior to three years after the issuance of corporate bonds (May 13, 2019), bondholders may notify the Company in written based on the regulations of corporate bonds conversion method to request the addition of interest charges to face value (103.0301% of corporate bonds face value after three years) and redeem convertible corporate bonds in cash.

10) The Company's redemption options:

From the day after the issuance of corporate bonds for two months (July 14, 2016) to 40 days before the maturity date (April 3, 2021), if the closing price of the Company's ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may notify the bondholders in accordance with the regulations of conversion method and call back all the corporate bonds by cash at par value.

This convertible corporate bonds comprise liabilities and equity component. The equity component is presented in equity as a capital surplus – stock warrants. 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 December 31, 2020 and 2019 were both \$118 thousand. As of December 31, 2020, the measured amount of non-derivative financial liabilities is \$12,135 thousand at amortized cost, and its effective interest rate initially recognized is 1.4306%.

Issue proceeds (less transaction costs of \$3,395 thousand)	\$ 1,796,605
Equity components	(<u>99,172</u>)
Liability components on the date of issuance (including corporate bonds payable of \$1,679,592 thousand and financial liabilities at fair value through profit or loss - non-current of \$20,841 thousand)	1,697,433
Interest calculated at effective interest rate of 1.4306%	59,079
corporate bonds converted into ordinary shares	(558,808)
corporate bonds payable exercised redemption rights	(<u>1,185,451</u>)
The liability components as of December 31, 2020	<u>\$ 12,253</u>

b. To meet the needs of working capital and repayment for borrowings, the Company issued the domestic third unsecured convertible corporate bonds on February 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: February 26, 2019 - February 26, 2024
- 7) Conversion period:

Except for the suspension period of conversion, the creditor may at any time request that the convertible corporate bonds held be converted into the ordinary shares of the Company from the following day after three months of issuance date (May 27, 2019) to the expiration date of February 26, 2024, under the regulations of corporate bonds conversion method. The suspension of conversion period is as follows:

- a) During the book closure period, the transfer of ordinary shares is suspended in accordance with the law.
 - b) The Company will negotiate with Taipei Exchange on the period from the 15 business days before the book closure date of issuance of bonus shares, the book closure date of cash dividend or the book closure date of the issuance of ordinary shares for cash to the record date of rights distribution.
 - c) The date of capital reduction is cut off one day before the commencement of capital reduction.
 - d) 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 \$272.8. In the event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of December 31, 2020, the conversion price was adjusted to \$236.4.

9) Redemption rights of the creditor:

Thirty days prior to the issuance of corporate bonds for three years (February 26, 2022), the bondholders may notify the Company in writing based on the regulations of corporate bonds conversion method to require the Company to redeem the convertible corporate bonds held by them in cash based on the nominal amount of the corporate bonds plus interest compensation (1.5075% of the nominal amount of the corporate bonds for three years).

10) The Company's redemption options:

From the day after the issuance of corporate bonds for three months (May 27, 2019) to 40 days before the maturity date (January 17, 2024), if the closing price of the Company's ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may notify the bondholders in accordance with the regulations of conversion method and call back all the corporate bonds by cash at par value.

This convertible corporate bonds comprise liabilities and equity component. The equity component is presented in equity as a capital surplus – stock warrants. The liability components are the liabilities of embedded derivative financial products and non-derivative financial products. As of December 31, 2020 and 2019, the fair value of the embedded derivative financial products was \$(9,016) thousand and \$24,600 thousand, respectively. As of December 31, 2020, the measured amount of non-derivative financial liabilities is \$5,434,586 thousand at amortized cost, and its effective interest rate initially recognized is 1.1542%.

Issue proceeds (less transaction costs of \$4,852 thousand)	\$ 6,007,148
Equity components	(<u>332,132</u>)
Liability components on the date of issuance (including corporate bonds payable of \$5,665,424 thousand and financial liabilities at fair value through profit or loss - non-current of \$9,592 thousand)	5,675,016
Interest calculated at an effective interest rate of 1.1542%	119,588
Gain on financial commodity evaluation	(19,977)
corporate bonds converted into ordinary shares	(<u>349,057</u>)
The liability components as of December 31, 2020	<u>\$ 5,425,570</u>

c. To meet the needs of working capital and reinvestment, the Company issued the first foreign unsecured convertible corporate bonds on March 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 \$31.653 will be converted into NT dollars equivalent to US dollars for the repayment, repurchase, and redemption of the corporate 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: March 10, 2017 ~ March 10, 2022

7) Conversion period:

Except for the suspension period of conversion, the creditor may request at any time that the convertible corporate bonds held be converted into the ordinary shares of the Company from the following day (April 10, 2017) after thirty days of issuance date to ten days before (February 28, 2022) the expiration date under the regulations of corporate bonds conversion method.

8) Conversion price:

The creditors may request the Company to convert the corporate bonds they held into ordinary shares of the Company at a fixed exchange rate of NT\$31.653 and the conversion price of NT\$488 per share. In the event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 13 of the Company's regulations on issuance and conversion of foreign unsecured convertible corporate bonds. As of December 31, 2020, the conversion price was adjusted to \$399.65.

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) Redemption rights of the creditor:

From two years (March 10, 2019) to 4 years following the corporate bonds issuance (March 10, 2021), the bondholders may, in accordance with the provisions of the conversion method, notify the company in writing that the Company shall add the interest compensation (corporate bonds denomination plus 1.25% of the annual interest rate) to the denomination of the corporate bonds, and redeem the converted corporate bonds held from the Company.

11) The Company's redemption option:

After two years (March 10, 2019) of issuance of the corporate bonds, if 20 trading days in 30 consecutive business days of the ordinary shares of the issuing company, the closing price of the corporate 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 corporate bonds is 130% and above, the issuing company may redeem corporate bonds in whole or in part in advance at the calculated price of the nominal amount of the corporate 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.

This convertible corporate bonds comprise liabilities and equity component. The equity component is presented in equity as a capital surplus – stock warrants. The liability components are the liabilities of non-derivative financial products, as of December 31, 2020, its measured amount of amortized cost is \$1,379,172 thousand, and the effective interest rate initially recognized is 2.4144%.

Issue proceeds (less transaction costs of \$29,142 thousand)	\$ 6,301,458
Equity components	(<u>322,635</u>)
Liability components on date of issuance	5,978,823
Interest calculated at effective rate of 2.4144%	368,352
corporate bonds converted into ordinary shares	(<u>90,841</u>)
corporate bonds payable exercised redemption rights	(<u>4,877,162</u>)
The liability components as of December 31, 2020	<u>\$ 1,379,172</u>

18. Other Liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Other payables - current</u>		
Salary and bonus payable	\$ 20,946	\$ 11,421
Employee compensation payable	49,985	70,630
Remuneration payable to directors and supervisors	3,060	3,060
Construction and equipment payable	1,447	1,091
Others (note 1)	<u>128,310</u>	<u>76,985</u>
	<u>\$ 203,748</u>	<u>\$ 163,187</u>
 <u>Other liabilities</u>		
Contract liabilities	\$ 2,086	\$ 29,380
Receipts on behalf of others	47,746	49,730
Others (note 2)	<u>212</u>	<u>260</u>
	<u>\$ 50,044</u>	<u>\$ 79,370</u>
 Current	\$ 49,832	\$ 79,137
Non-current	<u>212</u>	<u>233</u>
	<u>\$ 50,044</u>	<u>\$ 79,370</u>

Note 1. Others under other payables include insurance premium payable, consumable expenses, maintenance fees, export fees and services expenses.

Note 2. Others (including current and non-current) under other liabilities are mainly composed of temporary receipts, other advances and guarantee deposits.

19. Plan of Benefits after retirement

a. Defined Contribution Plans

The pension system of the "Labor Pension Act" applicable to the Company is a defined contribution plan under government administration. 6% of the employees' monthly salaries is contributed to their personal accounts at the Bureau of Labor Insurance.

b. Defined Benefit Plans

The pension system conducted by the Company under the "Labor Standards Act" of our country 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 monthly an amount equal to 2% of the employees' monthly salaries and wages to a retirement fund that is deposited with Bank of Taiwan under the name of The Supervisory Committee of Workers' Retirement Fund. Before the end of year, if the balance at the retirement fund is not sufficient to pay employees who will meet the retirement criteria next year, a lump-sum deposit for the shortfall should be made 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.

The amount of defined benefit plan included in the parent company only balance sheet is as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligation	\$ 1,252	\$ 1,215
Fair value of plan assets	(<u>1,973</u>)	(<u>1,955</u>)
Net Defined Benefit Assets	(<u>\$ 721</u>)	(<u>\$ 740</u>)

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

	Present value of defined benefit obligation	Fair value of plan assets	Net Defined Benefit Liabilities (Assets)
January 1, 2019	<u>\$ 1,128</u>	<u>(\$ 1,870)</u>	<u>(\$ 742)</u>
Service cost			
Current service cost	-	-	-
Interest expenses (income)	<u>11</u>	<u>(19)</u>	<u>(8)</u>
Recognized in profit or loss	<u>11</u>	<u>(19)</u>	<u>(8)</u>
Remeasurement			
Return on plan assets (excluding the amount included in net interest)	-	(66)	(66)
Actuarial (gains) losses – changes in financial assumptions	47	-	47
Actuarial (gains) losses - experience adjustments	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 29</u>
Recognized in other comprehensive income	<u>76</u>	<u>(66)</u>	<u>10</u>
Employer contributions	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2019	<u>1,215</u>	<u>(1,955)</u>	<u>(740)</u>
Service cost			
Current service cost	-	-	-
Interest expenses (income)	<u>9</u>	<u>(14)</u>	<u>(5)</u>
Recognized in profit or loss	<u>9</u>	<u>(14)</u>	<u>(5)</u>
Remeasurement			
Return on plan assets (excluding the amount included in net interest)	-	(64)	(64)
Actuarial (gains) losses – changes in financial assumptions	59	-	59
Actuarial (gains) losses - experience adjustments	<u>29</u>	<u>-</u>	<u>29</u>
Recognized in other comprehensive income	<u>88</u>	<u>(64)</u>	<u>24</u>
Employer contributions	<u>-</u>	<u>-</u>	<u>-</u>
Benefits paid	<u>(60)</u>	<u>60</u>	<u>-</u>
December 31, 2020	<u>\$ 1,252</u>	<u>(\$ 1,973)</u>	<u>(\$ 721)</u>

The Company is exposed to the following risks due to the pension system under the "Labor Standards Act":

- 1) Investment risk: The Labor Fund Application Bureau of the Ministry of Labor invests in domestic and foreign equity securities, debt securities and bank deposits, respectively, through self-employment and entrusted operations. However, the amount of the Company's planned assets is calculated as not lower than the income from the local bank's 2-year fixed rate of time deposit.
- 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 present value of the defined benefit obligation of the Company is determined by a qualified actuary. The significant assumptions on the measurement date are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Discount rate	0.38%	0.73%
	3.00%	3.00%
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>December 31, 2020</u>
Discount rate	
Increase by 0.25%	(\$ 42)
Decrease by 0.25%	\$ 43
Expected salary growth rate	
Increase by 0.25%	\$ 39
Decrease by 0.25%	(\$ 38)

	<u>December 31, 2019</u>
Discount rate	
Increase by 0.5%	(\$ 78)
Decrease by 0.5%	\$ 86
Expected salary growth rate	
Increase by 0.5%	\$ 77
Decrease by 0.5%	(\$ 72)

As actuarial assumptions may be related to one another, the likelihood of one assumption changing is low. Therefore, the sensitivity analysis above may not be representative of the actual change in the present value of defined benefit obligations.

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
The expected amount of contribution within 1 year	\$ -	\$ -
The average maturity period of defined benefit obligations	6 years	6 years

20. Equity

a. Share capital

Ordinary shares

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Nominal shares (thousand shares)	<u>250,000</u>	<u>250,000</u>
Nominal capital	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Number of shares issued and paid (thousand shares)	<u>93,272</u>	<u>83,574</u>
Issued share capital	<u>\$ 932,720</u>	<u>\$ 835,745</u>

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

On November 13, 2018, the Board of Directors of the Company resolved to issue 6,000 thousand new ordinary shares with a par value of \$10 per share for cash, and set up February 25, 2019 as the record date of capital increase. The above-mentioned case of cash capital increase 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 \$835,745 thousand.

On June 23, 2020, the shareholders' meeting approved the resolution for the distribution of earnings for the year of 2019, pursuant to which a stock dividend of \$82,919 thousand will be distributed and the ex-rights date of the capital increase for shares was September 15, 2020.

In 2020, convertible corporate bonds were converted into ordinary shares of \$14,056 thousand, and the paid-in capital after the change was \$932,720 thousand.

b. Capital Surplus

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Used to offset deficit, distribute cash, or replenish share capital(1)</u>		
Stock issuance premium	\$ 3,694,775	\$ 3,694,775
Transfer of other company shares to issue new shares	485,900	485,900
Premium on conversion of convertible corporate bonds	1,797,651	1,442,451
<u>Only to offset deficit</u>		
Recognized changes in percentage of ownership interests in subsidiaries(2)	63,337	-
Redemption of convertible corporate bonds (stock warrants invalid) (3)	249,881	249,881
<u>Not to be used for any purposes</u>		
Stock warrants for convertible corporate bonds	<u>446,546</u>	<u>466,745</u>
	<u>\$ 6,738,090</u>	<u>\$ 6,339,752</u>

- 1) This type of capital surplus may be used to offset deficit or issue cash or replenish share capital when there are no loss, but share capital replenishment is restricted to the ratio of actual share capital stock each year.
- 2) This type of capital surplus recognized as equity transaction impact due to changes in subsidiary equity, when the Company's has not acquired or disposed of subsidiary shares, or as adjustment value of capital surplus from subsidiary recognized by the Company through equity methods.
- 3) Such capital surplus shall not be used for any purpose other than to offset deficit as it is caused by the redemption of convertible corporate bonds leads to invalidation of stock warrants.

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

In addition, the above-mentioned issuance of ordinary shares, of which 600 thousand shares are reserved as 10% of the shares to be subscribed by employees in accordance with 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 \$20,180 thousand shall be recognized on the grant day as the capital surplus addition to the issuance premium.

c. Retained Earnings and Dividends Policy

According to the earnings distribution policy of the Articles 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) Make up losses.
- 2) Setting aside as legal reserve equal to 10% of current year's net income. However, when the legal reserve has reached the total capital of the company, this does not apply.
- 3) Following laws and regulations, others to be allocated or reversed as special reserve.
- 4) After the annual final accounting, after deducting the amount from the aforementioned items 1-3, the Company's net profit for the year is added to the unappropriated earnings at the beginning of the period. The Board of Directors makes a distribution proposal for distributable earnings and submits it to the Shareholders' Meeting for resolution.

The Company is at the growing stage. The Company's stock dividend policy shall consider the Company's capital budget and fund requirements for the Board of Directors to propose the distribution package and the Shareholders' Meeting to pass the resolution. The distribution of cash dividends shall be no less than 10% of the dividends distributed in the current year. For the policies on employees' compensation and remuneration of directors, which is stipulated in the Company's Articles of Incorporation, please refer to Note 22(7).

The legal reserve shall be allocated until it reaches the balance of the Company's paid-in capital. The legal reserve can 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.

The Company set aside and reverses special surplus reserve and reversal according to the Financial Supervisory Securities Letter No. 1010012865, the Financial Supervisory Commission's Letter No. 1010047490 and the "Q&A of Application of Set Aside Special Reserve After Adoption of International financial statement Standards (IFRSs)".

The earnings distribution proposal for the year ended December 31, 2019 and 2018 had been approved in the Company's shareholders' meetings on June 23, 2020 and June 28, 2019, respectively, and they were as follows:

	Earnings distribution proposal		Dividend per share (Dollar)	
	For the year ended December 31, 2019	for the year ended December 31, 2018	For the year ended December 31, 2019	for the year ended December 31, 2018
Legal reserve	\$ 108,024	\$ 110,812		
(Reversal) Special Reserve	465,662	(111,213)		
Cash dividend	331,678	580,436	\$ 4.00	\$ 7.00
Stock dividends	82,919	-	1.00	-

The earnings distribution proposal and dividends per share for the year ended December 31, 2020 had been proposed by the Company's board of directors on March 29, 2021, and they were as follows:

	Earnings distribution proposal	Dividend per share (Dollar)
Legal reserve	\$ 110,707	
Special reserve	160,810	
Cash dividend	463,085	\$ 5.00
Stock dividends		

The earnings distribution proposal for the year ended December 31, 2020 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 23, 2021.

d. Other Equity Items

1) Exchange differences on translating the financial statements of foreign operations

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance at the beginning of the year	(\$ 777,744)	(\$ 345,162)
Accrued in the current year		
Translation differences of foreign operations	(156,815)	(397,220)
Share of associates accounted for using the equity method	301	(35,362)
Other comprehensive income of the year	(156,514)	(432,582)
Ending balance of the year	(\$ 934,258)	(\$ 777,744)

2) Unrealized gain/(loss) of financial assets at fair value through other comprehensive income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance at the beginning of the year	(\$ 72,370)	(\$ 39,290)
Accrued in the current year		
Share of associates accounted for using the equity method	(502)	(32,565)
Other comprehensive income of the year	(502)	(32,565)
Accumulated gains (losses) on disposal of equity instruments transferred to retained earnings	(3,794)	(515)
Ending balance of the year	(\$ 76,666)	(\$ 72,370)

e. Treasury stock

Reason for recovery	Shares transferred to employees (thousand shares)	Shares of parent company held by subsidiaries	Total (thousand shares)
Number of shares on January 1, 2020	655	10	665
Increase in the year	-	-	-
Decrease in the year	-	(10)	(10)
Number of shares on December 31, 2020	<u>655</u>	<u>-</u>	<u>655</u>
Number of shares on January 1, 2019	655	10	665
Increase in the year	-	-	-
Decrease in the year	-	-	-
Number of shares on December 31, 2019	<u>655</u>	<u>10</u>	<u>665</u>

The subsidiary held the Company's shares on December 31, 2019. The relevant information is as follows:

Name of Subsidiary	Number of Shares (thousand shares)	Carrying amount	Market value
Marketech International Corp.	10	\$ 2,624	\$ 2,624

Treasury stocks held by the Company shall not be pledged as collateral in accordance with the Securities and Exchange Act, nor shall it be entitled to dividend distribution and voting rights. The Company's stocks held by the subsidiary are treated as treasury stocks. Except for the Company's issuance of ordinary shares for cash and voting rights, the subsidiaries entitle the same rights as the other shareholders.

21. Revenue

	For the year ended December 31, 2020	For the year ended December 31, 2019
Revenue from customer contracts		
Sales revenue	\$ 2,547,044	\$ 3,187,173
Service revenue	<u>926</u>	<u>930</u>
	<u>\$ 2,547,970</u>	<u>\$ 3,188,103</u>

a. Description of Revenue from customer contracts

The merchandise above are sold to major companies in the world based on field of application at fixed contract price.

b. Contract Balance

	December 31, 2020	December 31, 2019	January 1, 2019
Accounts receivable (Note 9)	<u>\$ 669,711</u>	<u>\$ 637,176</u>	<u>\$ 811,991</u>
Contract liabilities			
Sales of goods	<u>\$ 2,086</u>	<u>\$ 29,380</u>	<u>\$ 20,909</u>

The change in contract liabilities mainly comes from the difference between the timing when the performance obligation is fulfilled and the timing when the customer pays.

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

	For the year ended December 31, 2020	For the year ended December 31, 2019
<u>Contract liabilities from the beginning of the year</u>		
Sales of goods	<u>\$ 29,380</u>	<u>\$ 20,909</u>

c. Breakdown of Customer Contract Revenue

Please refer to Statement X for revenue breakdown information.

22. Net Income

a. Interest income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Bank deposits	<u>\$ 3,417</u>	<u>\$ 6,771</u>

b. Other Income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Rental income	<u>\$ 3,336</u>	<u>\$ 2,307</u>

c. Other gains and losses

	For the year ended December 31, 2020	For the year ended December 31, 2019
Profit (loss) from financial assets and financial liabilities		
Financial liabilities held for trading	\$ 34,985	(\$ 15,008)
Loss on the recovery of corporate bonds	-	(187,228)
Net loss on foreign exchange	(51,281)	(21,956)
Subsidy income	10,641	-
Others	35,668	28,926
	<u>\$ 30,013</u>	<u>(\$ 195,266)</u>

d. Financial Costs

	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest on bank loans	\$ 39,864	\$ 37,417
Interest on lease liabilities	131	57
Imputed interests of corporate bonds payable	96,880	149,450
	<u>\$136,875</u>	<u>\$186,924</u>

e. Depreciation and Amortization Expenses

	For the year ended December 31, 2020	For the year ended December 31, 2019
Depreciation of property, plant and equipment	\$ 13,398	\$ 13,981
Depreciation of right-of-use asset	6,864	2,288
Amortization of intangible assets	1,001	1,341
	<u>\$ 21,263</u>	<u>\$ 17,610</u>
Depreciation expense summarized by function		
Operating costs	\$ 10,118	\$ 3,588
Operating expenses	10,144	12,681
	<u>\$ 20,262</u>	<u>\$ 16,269</u>
Amortized expense summarized by function		
Operating costs	\$ 51	\$ 37
Operating expenses	950	1,304
	<u>\$ 1,001</u>	<u>\$ 1,341</u>

f. Employee benefits expenses

	For the year ended December 31, 2020	For the year ended December 31, 2019
Benefits after retirement		
Defined contribution plans	\$ 7,999	\$ 8,632
Defined benefit plans	(5)	(8)
Salary, incentive, and bonus	180,804	227,144
Other employee benefits	23,460	25,490
	<u>\$212,258</u>	<u>\$261,258</u>
Summary by function		
Operating costs	\$ 30,737	\$ 22,135
Operating expenses	181,521	239,123
	<u>\$212,258</u>	<u>\$261,258</u>

g. Compensations for employees and Remunerations for Directors

According to the provisions of the Articles of Incorporation, the Company allocates not less than 2% and not more than 2% of the employee compensation and the director remuneration, respectively, before deducting the profit before tax of the distributed the employee compensation and the director remuneration in the current year. The employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019, which were approved by the Board of Directors on March 29, 2021 and March 30, 2020, respectively, were as follows:

Estimated ratio

	For the year ended December 31, 2020	For the year ended December 31, 2019
Compensation for employees	2.0%	3.3%
Remunerations for Directors	0.3%	0.3%

Amount

	For the year ended December 31, 2020	For the year ended December 31, 2019
	Cash	Cash
Compensation for employees	\$ 24,000	\$ 36,726
Remunerations for Directors	3,060	3,060

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

There was no difference between the actual amount paid of employees' compensation and remuneration of directors and the amount recognized in the parent company only financial statements for the years ended December 31, 2019 and 2018.

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

h. Gains or Losses from foreign exchange

	For the year ended December 31, 2020	For the year ended December 31, 2019
Total gains on foreign exchange	\$ 18,025	\$ 40,021
Total losses on foreign exchange	(69,306)	(61,977)
Net Loss	(\$ 51,281)	(\$ 21,956)

23. Income Tax

- a. Major components of income tax expenses (benefits) recognized in profit or loss are as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Current income tax		
Incurred in the current period	\$ -	\$ 6,385
Adjustments from prior years	16,246	-
Deferred income tax		
Incurred in the current period	<u>27,242</u>	(<u>17,375</u>)
Income tax expense (benefits) recognized in profit or loss	<u>\$ 43,488</u>	(<u>\$ 10,990</u>)

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

	For the year ended December 31, 2020	For the year ended December 31, 2019
Profit before tax	<u>\$ 1,155,012</u>	<u>\$ 1,069,252</u>
Income tax of profit before tax calculated at the legal tax rate	\$ 231,002	\$ 213,850
Items shall be adjusted with a decrease when determining taxable income	(130,720)	(145,157)
Surtax on unappropriated earnings	-	6,385
Unrecognized loss carryforward and temporary difference	(73,040)	(86,068)
Income tax expense from previous year adjusted for current period	<u>16,246</u>	<u>-</u>
Income tax expense (benefits) recognized in profit or loss	<u>\$ 43,488</u>	(<u>\$ 10,990</u>)

- b. Income Tax Recognized in Other Comprehensive Income

	For the year ended December 31, 2020	For the year ended December 31, 2019
<u>Deferred income tax</u>		
Incurred in the year		
– Remeasurement of defined benefit plans	(\$ 5)	(\$ 2)
Income tax recognized in other comprehensive income	(<u>\$ 5</u>)	(<u>\$ 2</u>)

- c. Deferred tax assets and Liabilities

The changes in deferred tax assets and liabilities are as follows:

For the year ended December 31, 2020

	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensi ve income	Ending balance of the year
<u>deferred tax assets</u>				
Unrealized interest expenses	\$ 9,468	\$ 3,450	\$ -	\$ 12,918
Allowance for inventory write-down	23,371	(7,469)	-	15,902

Unrealized loss on sales	5,939	(3,761)	-	2,178
loss carryforward	39,177	(28,635)	-	10,542
Others	<u>9,131</u>	<u>9,173</u>	-	<u>18,304</u>
	<u>\$ 87,086</u>	<u>(\$ 27,242)</u>	<u>\$ -</u>	<u>\$ 59,844</u>

Deferred tax liabilities

Defined benefit retirement
plan

\$ 616	\$ -	(\$ 5)	\$ 611
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For the year ended December 31, 2019

	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensi ve income	Ending balance of the year
<u>deferred tax assets</u>				
Unrealized interest expenses	\$ 32,000	(\$ 22,532)	\$ -	\$ 9,468
Allowance for inventory write- down	22,471	900	-	23,371
Unrealized loss on sales	5,939	-	-	5,939
loss carryforward	-	39,177	-	39,177
Others	<u>9,301</u>	<u>(170)</u>	-	<u>9,131</u>
	<u>\$ 69,711</u>	<u>\$ 17,375</u>	<u>\$ -</u>	<u>\$ 87,086</u>

Deferred tax liabilities

Defined benefit retirement
plan

\$ 618	\$ -	(\$ 2)	\$ 616
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Unrealized foreign exchange
gains

-	-	-	-
<u>\$ 618</u>	<u>\$ -</u>	<u>(\$ 2)</u>	<u>\$ 616</u>

d. Deduction Amount of Unused loss carryforward of deferred tax assets not Recognized in the Individual Balance Sheet

loss carryforward	December 31, 2020	December 31, 2019
Expired in 2029	\$ 51,625	\$ 70,000
Expired in 2030	<u>433</u>	<u>-</u>
	<u>\$ 52,708</u>	<u>\$ 70,000</u>

e. Information on Unused loss carryforward

As of December 31, 2020, information on loss carryforward is as follows:

Balance not deducted yet	Last year of deduction
\$ 103,249	118
<u>2,168</u>	<u>119</u>
<u>\$ 105,417</u>	

f. Summary Amount of Temporary Differences Related to Investment and Unrecognized Deferred Tax Liabilities

As of December 31, 2020 and 2019, the taxable temporary differences related to investments in subsidiaries not recognized as deferred tax liabilities were \$430,706 thousand and \$328,621 thousand respectively.

g. Income tax assessments

The annual income tax return of a profit-seeking enterprise of the Company has been assessed by the tax authorities through the 2018 annual income tax return of a profit-seeking enterprise. The Company is dissatisfied with the approval for 2016 and 2018 and is currently in the process of applying for a review, but the Company has estimated the relevant income tax based on the conservatism principle.

24. Earnings per Share

When calculating earnings per share, the impact of stock dividends has been retroactively adjusted, and September 15, 2020 was set to be the record date. Due to the retroactive adjustment, changes in the basic and diluted earnings per share in 2019 were as follows:

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic Earnings per Share	\$ 13.22	\$ 12.03
Diluted Earnings per Share	\$ 10.80	\$ 9.84

Weighted average of ordinary shares and earnings used for calculating earnings per share (EPS) are as follows:

Net income for the year

	For the year ended December 31, 2020	For the year ended December 31, 2019
Net income for the year	\$ 1,111,524	\$ 1,080,242
Impacts of potential ordinary shares with dilution effect:		
The after-tax interest of convertible corporate bonds	77,504	119,560
Net profit used to calculate diluted earnings per share	\$ 1,189,028	\$ 1,199,802

Number of Shares Unit: thousand shares

	For the year ended December 31, 2020	For the year ended December 31, 2019
Weighted average of ordinary shares used for calculating basic earnings per share	91,643	89,781
Impacts of potential ordinary shares with dilution effect:		
convertible corporate bonds	31,605	32,074
Compensation for employees	155	197
Weighted average of ordinary shares used for calculating dilutive earnings per share	123,403	122,052

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 ordinary shares are diluted. While determining diluted earnings per share before distributing shares to employees as remunerations in the following year, dilutive effects of such potential ordinary shares should still be considered.

25. Acquisition of Subsidiaries - Acquisition of Control

Please refer to Note 31 of the Company's 2020 consolidated financial statements for explanation for acquisition of investment in subsidiaries.

26. Non-cash Transactions

In 2020, the Company converted convertible corporate bonds into share capital and capital surplus, with a total impact of \$349,057 thousand.

27. 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 Company plans the working capital and dividend expenses needed by the Company in the future, to ensure that the 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 Company may adjust the amount of dividends paid to shareholders or issue new shares. Moreover, the Company is not subject to other external capital requirements.

28. Financial Instruments

a. Fair value information - financial instruments not measured at fair value

The carrying amounts of financial assets and financial liabilities not measured at fair value, except for the following table, are considered to be close to the fair value by the management of the Company.

	December 31, 2020		December 31, 2019	
	Carrying Amount	Fair value	Carrying Amount	Fair value
<u>Financial liabilities</u>				
Financial liabilities at amortized cost:				
Convertible corporate bonds payable (including corporate bonds matured within 1 year)	\$ 6,825,893	\$ 7,825,453	\$ 7,079,439	\$ 7,801,080

The above mentioned belongs to over-the-counter corporate bonds payable, and is used as fair value (level 1) due to there is a market transaction price to follow.

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

1) Fair Value Hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u> <u>through profit or loss</u>				
Derivatives	\$ -	\$ 9,016	\$ -	\$ 9,016
<u>Financial liabilities at fair value</u> <u>through profit or loss</u>				
Derivatives	\$ -	\$ 118	\$ -	\$ 118

December 31, 2019

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities at fair value</u> <u>through profit or loss</u>				
Derivatives	\$ -	\$ 24,718	\$ -	\$ 24,718

There was no transfer between Level 1 and Level 2 fair value measurements in 2020 and 2019.

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

<u>Classification of financial instruments</u>	<u>Valuation techniques and inputs</u>
Derivatives – repurchased and redemption rights of convertible corporate bonds	With the binary tree model for convertible corporate 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.

c. Classification of financial instruments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets mandatorily classified as at fair value through profit or loss	\$ 9,016	\$ -
Financial assets at amortized cost (Note 1)	1,571,191	1,118,764
<u>Financial liabilities</u>		
Measured at fair value through profit or loss (held for trading)	118	24,718
Measured at amortized cost (Note 2)	12,188,097	12,250,297

Note 1. The balance refers to financial assets 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 borrowings, accounts payable, other payables (excluding salary and bonus payable), corporate bonds payable, and guarantee deposits.

d. Objectives and policy of financial risk management

The Company's main financial instruments include equity and debt instrument investment, accounts receivable, accounts payable, corporate bonds payable, bank loans and lease liabilities. The financial management department of the 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 Company by analyzing the exposure of risk degree and extent. These risks include market risks (including foreign exchange rates, interest rates and other price risks), credit risk and liquidity risk.

1) Market Risks

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates (see (1) below and the changes in interest rates (see (2) below).

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

a) Exchange Rate Risks

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

Please refer to Note 32 for the carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies on the balance sheet date.

Sensitivity analysis

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

The table below details the sensitivity analysis of the Company when the exchange rate of the NT dollar (the functional currency) increases and decreases by 1% for each relevant foreign currency. A sensitivity rate of 1% is used internally when reporting to management on exchange rate risks. It represents management's assessment on reasonably possible scope of foreign exchange rates. 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 NT dollar appreciates by 1% relative to each relevant currency; when the NT dollar 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	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Profit or loss	(\$ 9,853) (i)	(\$ 5,173) (i)

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

The increase in the exchange rate sensitivity of the Company is mainly due to the increase in net assets position in the US dollar.

b) Interest Rate Risks

The Company has been exposed to interest rate risk through its fixed and floating-rate borrowings.

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Interest rate risk with fair value		
– Financial liabilities	\$ 6,825,893	\$ 7,079,439
Interest rate risk with cash flows		
– Financial assets	819,142	342,005
– Financial liabilities	4,666,000	4,620,000

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments on the balance sheet date. For floating rate assets and liabilities, the analysis is based on the assumption that the amount of assets and liabilities outstanding on the balance sheet date is circulated during 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 increased/ decreased by 1% and all other variables were held constant, the Company's net income before tax in 2020 would have increased/ decreased by \$38,469 thousand, mainly due to the Company's net position of variable interest rate bank deposits and loans with variable interest rate.

If the interest rate increases/decreases by 1%, and all other variables remain unchanged, the Company's profit before tax in 2019 will decrease/increase by \$42,780 thousand, mainly due to the Company's net position of variable interest rate bank deposits and loans with variable interest rate.

The Company has increased the interest rate sensitivity for the period due to the increase in deposits at variable interest rate.

2) Credit Risks

Credit risk refers to the risk of financial loss of the Company caused by the counterparty's default of contractual obligations. As of the balance sheet date, the 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 Company is mainly from:

- a) The carrying amount of financial assets recognized in the parent company only balance Sheets.
- b) The maximum amount that the Company may need to pay for providing a financial guarantee and the possibility of occurrence is not taken into account.

To mitigate the credit risk, the management of the Company appoints a team solely responsible for determination of credit lines, credit approvals and other monitoring procedures to ensure that appropriate action has been taken for the collection of overdue receivables. In addition, the 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 management believes that the Company's credit risk is significantly reduced.

Except for the customers with accounts receivable by customer of each period account accounting for 5% and above of the total monetary assets, the Company has no significant credit exposure against any single counterparty or any group of counterparties with similar characteristics. When the counterparties are affiliated enterprises, the Company defines them as counterparties with similar characteristics. In the balance of accounts receivable as of December 31, 2020, and 2019, the total accounts receivable of customers accounting for 5% and above of the total monetary assets are \$452,108 thousand and \$448,630 thousand, respectively. Besides, the concentration of credit risks between the Company and other counterparties has not exceeded 5% of total monetary assets.

3) Liquidity Risks

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

The bank loans are an important source of liquidity for the Company. Please refer to the following (2) description of financing lines for the unused financing lines of the Company.

a) Table of liquidity and interest rate risks for non-derivative financial liabilities

The remaining contractual maturity analysis for non-derivative financial liabilities is prepared based on the undiscounted cash flows (including principal and interest) of financial liabilities based on the earliest date on which the Company can be required to pay.

The undiscounted interest amount of interest cash flows of payment with variable interest rates are extrapolated using the interest rates at the balance sheet date.

December 31, 2020

	Within 6 months (inclusive)	Over 6 months Up to 1 year	Over 1 year
<u>Non-derivative financial liabilities</u>			
Non-interest-bearing liabilities	\$ 716,938	\$ -	\$ -
Lease liabilities	3,461	3,461	4,615
Instruments with variable interest rates	4,667,818	-	-
Instruments with fixed interest rates	1,391,307	-	5,434,586

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	20 years and above
Lease liabilities	<u>\$ 6,922</u>	<u>\$ 4,615</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2019

	Within 6 months (inclusive)	Over 6 months Up to 1 year	Over 1 year
<u>Non-derivative financial liabilities</u>			
Non-interest-bearing liabilities	\$ 562,046	\$ -	\$ -
Lease liabilities	3,505	3,490	11,522
Instruments with variable interest rates	4,640,559	-	-
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	20 years and above
Lease liabilities	<u>\$ 6,995</u>	<u>\$ 11,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

b) Financing line

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Credit line of unsecured bank overdraft		
- Amount used	\$ 4,666,000	\$ 4,620,000
- Amount unused	<u>2,214,000</u>	<u>4,680,000</u>
	<u>\$ 6,880,000</u>	<u>\$ 9,300,000</u>

29. Related Party Transactions

In addition to those disclosed in other notes, transactions between the Company and related parties are as follows:

a. Name and relationship of Related party

<u>Name of related party</u>	<u>Relationship with the consolidated company</u>
Hon Hai Precision Industry Co., Ltd.	Associates
Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	Associates
FIH (Nanjing) Communication Co., Ltd.	Associates
FIH (Hong Kong) Co., Ltd.	Associates
RIGO GLOBAL CO., LTD.	Associates
WT Microelectronics Co., Ltd.	Associates
Q.P.T.I CORPORATION	Associates
Hon-Ling Technology Co., Ltd.	Associates
AIS Cayman Technology Group Taiwan Branch	Associates
Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Associates

<u>Name of related party</u>	<u>Relationship with the consolidated company</u>
Futaihua Industry (Shenzhen) Co., Ltd.	Associates
Shenzhen FuTaiHong Precision Industry Co., Ltd.	Associates
Ever Light Technology Limited Taiwan Branch	Associates
Foxconn European Manufacturing Services	Associates
FORTUNE BAY TECHNOLOGY PTE LTD.	Associates
Vecow Co., Ltd.	Subsidiary
Ennoconn (Suzhou) Technology Co., Ltd.	Subsidiary
Taiwan Applied Module Corporation	Subsidiary
Caswell Inc.	Subsidiary
Marketech International Corp.	Subsidiary
Kontron Asia Technology Inc.	Subsidiary
POSLAB TECHNOLOGY CORPORATION	Subsidiary
EnnoMech Precision Co., Ltd.	Subsidiary
Ennoconn International Investment Co., Ltd.	Subsidiary
ENGA Technology Co., Ltd.	Subsidiary
SyS-P Co., Ltd.	Subsidiary
Goldtek Technology Co., Ltd.	Subsidiary
CASO, Inc.	Subsidiary
Kontron Europe GmbH	Subsidiary
Kontron Canada Inc.	Subsidiary
Kontron Asia Pacific Design Sdn.Bhd	Subsidiary
Kontron America Inc.	Subsidiary
Kontron Electronics GmbH	Subsidiary
Kontron Modular Computers S.A.S.	Subsidiary
American Industrial Systems, Inc.	Subsidiary
HighAim Technology Inc.	Subsidiary
Victor Plus Holdings Ltd.	Subsidiary
S&T AG	Subsidiary
Marketech International Corp.	Subsidiary
AIS Cayman Technology Group	Subsidiary

b. Operating Revenue

<u>Item</u>	<u>Category of related party / Name</u>	<u>For the year ended December 31, 2020</u>	<u>For the year ended December 31, 2019</u>
Sales revenue	<u>Subsidiary</u>		
	Kontron Canada Inc.	\$ 473,492	\$ 486,375
	Kontron Europe GmbH	494,087	711,738
	Others	<u>200,791</u>	<u>144,572</u>
		<u>1,168,370</u>	<u>1,342,685</u>
	<u>Associates</u>		
	Others	<u>30,563</u>	<u>11,895</u>
		<u>\$ 1,198,933</u>	<u>\$ 1,354,580</u>

The sales transaction price of the 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.

c. Purchase and processing fees

Category of related party / Name	For the year ended December 31, 2020	For the year ended December 31, 2019
<u>Subsidiary</u>		
Victor Plus Holdings Ltd.	\$ 1,858,602	\$ 388,027
Other	<u>12,045</u>	<u>1,129</u>
	<u>1,870,647</u>	<u>389,156</u>
<u>Associates</u>		
Hon Hai Precision Industry Co., Ltd.	8,771	620,805
Other	<u>39,172</u>	<u>13,416</u>
	<u>47,943</u>	<u>634,221</u>
	<u>\$ 1,918,590</u>	<u>\$ 1,023,377</u>

The sales transaction price of the 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.

d. Receivables from related parties (excluding loans to related parties)

Item	Category of related party / Name	December 31, 2020	December 31, 2019
<u>Accounts receivable - related parties</u>	<u>Subsidiary</u>		
	Kontron Canada Inc.	\$ 246,966	\$ 100,327
	Kontron Europe GmbH	105,985	169,533
	Others	<u>79,852</u>	<u>22,543</u>
		<u>432,803</u>	<u>292,403</u>
	<u>Associates</u>	<u>27,259</u>	-
		<u>\$ 460,062</u>	<u>\$ 292,403</u>
<u>Other receivables - related parties</u>	<u>Subsidiary</u>		
	Goldtek Technology Co., Ltd.	\$ -	\$ 3,791
	Kontron Europe GmbH	3,684	20,104
	Kontron America Inc.	1,276	2,907
	Ennoconn (Suzhou) Technology Co., Ltd.	28,149	-
	Others	<u>1,973</u>	<u>7,069</u>
		<u>35,082</u>	<u>33,871</u>
	<u>Associates</u>		
	Hon Hai Precision Industry Co., Ltd.	500	37,942
	Others	<u>32,771</u>	-
		<u>33,271</u>	<u>37,942</u>
		<u>\$ 68,353</u>	<u>\$ 71,813</u>

Uncollected guarantees from outstanding accounts receivable of related parties No loss allowance was set aside for receivables from related parties for the years ended December 31, 2020 and 2019.

e. Accounts payable to related parties (excluding loans to related parties)

Item	Category of related party / Name	December 31, 2020	December 31, 2019
Accounts payable	<u>Subsidiary</u>		
	Victor Plus Holdings Ltd.	\$ 351,793	\$ 342,392
	Others	<u>3,475</u>	<u>-</u>
		<u>355,268</u>	<u>342,392</u>
	<u>Associates</u>		
	Hon Hai Precision Industry Co., Ltd.	\$ 887	\$ 286
Expense Payable (Listed in Other Payables)	Others	<u>28,118</u>	<u>1,703</u>
		<u>29,005</u>	<u>1,989</u>
		<u>\$ 384,273</u>	<u>\$ 344,381</u>
	Subsidiary	\$ 12,536	\$ 233
	Associates	<u>34,950</u>	<u>12,768</u>
		<u>\$ 47,486</u>	<u>\$ 13,001</u>

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

f. Other Related Party Transactions

Item	Category of related party / Name	December 31, 2020	December 31, 2019
Manufacturing expenses	Subsidiary	(\$ 22,925)	\$ -
	Associates	<u>14,747</u>	<u>13,245</u>
		<u>(\$ 8,178)</u>	<u>\$ 13,245</u>
Operating expenses	Subsidiary	\$ 5,120	\$ 6,394
	Associates	<u>7,552</u>	<u>11,534</u>
		<u>\$ 12,672</u>	<u>\$ 17,928</u>

Capital increase to related parties

The Company's cash capital increase to Ennoconn International Investment Co., Ltd. for the year ended December 31, 2019 was \$180,000 thousand with a shareholding ratio of 100%.

The Company's cash capital increase to Innovative Systems Integration Limited for the year ended December 31, 2019 was \$612,798 thousand with a shareholding ratio of 100%.

g. Endorsements/Guarantees for Others

	For the year ended December 31, 2020	For the year ended December 31, 2019
Innovative Systems Integration Limited	\$ 851,700	\$ 1,499,000
Ennoconn International Investment Co., Ltd.	1,000,000	-
Dexatek Technology Ltd.	160,000	304,990
Thecus Technology Corp.	100,000	200,000
HighAim Technology Inc.	369,070	389,740
HighAim Technology Inc.	184,535	194,870
	<u>\$ 2,665,305</u>	<u>\$ 2,588,600</u>

h. Remuneration of key management level

	For the year ended December 31, 2020	For the year ended December 31, 2019
Short-term employee benefits	\$ 17,579	\$ 25,747
Benefits after retirement	116	308
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
	<u>\$ 17,695</u>	<u>\$ 26,055</u>

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

30. Pledged Assets

The following assets of the Company were provided for secured loans and as security deposits of tariff collaterals for importing raw materials:

	December 31, 2020	December 31, 2019
Pledged time deposits (recognized as financial assets measured at amortized cost)	<u>\$ 289,873</u>	<u>\$ 2,175</u>

31. Significant Events after the Balance Sheet Date

None.

32. Information on Foreign Currency Assets and Liabilities with Significant Effect

The following information is summarized and expressed in foreign currencies other than the functional currency of each entity of the 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 significant influence are as follows:

December 31, 2020

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>			
<u>Monetary Items</u>			
USD	\$ 56,197	28.48	\$ 1,600,491
<u>Non-monetary items</u>			
Subsidiary under equity method			
HKD	582,909	3.67	2,139,276
USD	279,065	28.48	7,947,771
<u>Foreign currency liabilities</u>			
<u>Monetary Items</u>			
USD	21,602	28.48	615,225

December 31, 2019

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>			
<u>Monetary Items</u>			
USD	\$ 31,884	29.98	\$ 955,893
<u>Non-monetary items</u>			
Subsidiary under equity method			
HKD	549,198	3.849	2,113,862
USD	252,691	29.98	7,575,687
<u>Foreign currency liabilities</u>			
<u>Monetary Items</u>			
USD	14,628	29.98	438,554

Foreign exchange gains and losses (unrealized) with significant effect are as follows:

	<u>For the year ended December 31, 2020</u>		<u>For the year ended December 31, 2019</u>	
<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Net exchange gains and losses</u>	<u>Exchange rate</u>	<u>Net exchange gains and losses</u>
USD	28.48 (USD:NTD)	(\$ 35,147)	29.98 (USD:NTD)	(\$ 15,362)
Others		(158)		(116)
		(\$ 35,305)		(\$ 15,478)

33. Supplementary Disclosures

Information on a. significant transactions:

- 1) Loans to others (Table I)
- 2) Endorsements/guarantees to others (Table II)
- 3) Securities held at the end of the period (excluding investment in subsidiaries, associates, and joint ventures). (Table III)
- 4) The cumulative purchase or sale of the same securities amounted to NT\$300 million or 20% and above of the paid-in capital. (Table IV)
- 5) The amount of property acquired reached NT\$300 million or 20% and above of the paid-in capital. (None)

- 6) The amount of property disposal reached NT\$300 million or 20% and above of the paid-in capital. (None)
 - 7) The amount of purchases or sales with related parties reached NT\$100 million or 20% and above of the paid-in capital. (Table V)
 - 8) Receivables from related parties amounted to NT\$100 million or 20% and above of paid-in capital. (Table VI)
 - 9) Engaged in derivative transactions (Notes 7 and 28)
- b. Information on Reinvestment: (Table VII)
- c. Investment information in mainland China:
- 1) Name of the investee in mainland China, primary business, paid-in capital, investment method, outward and inward remittance of the fund, shareholding ratio, investment gain (loss) recognized for the period, carrying amount of the investment at the end of the period, repatriation of investment profit or loss and investment limit in mainland China. (Table VIII)
 - 2) The following significant transactions with the mainland investee, directly or indirectly through the third region, and their prices, payment terms, unrealized gain or loss: (Note 29 and Table I, II, V and VI)
 - a) Purchase amount and percentage, ending balance and percentage of payables.
 - b) Sales amount and percentage, ending balance and percentage of receivables.
 - c) The amount of property transactions and the amount of profit or loss generated.
 - d) The ending balance and the purpose of bill endorsement, or provision of collateral.
 - e) The maximum balance, ending balance, Interest rate interval and total amount of current interest of financing.
 - f) Other transactions that have a significant effect on the current profit or loss or financial situation, such as the provision or acceptance of services.
- d. Information of major shareholder: Name, number of shares and percentage of ownership of the shareholders with shareholding ratio of 5 % and above. (Table X)

Ennoconn corporation and subsidiaries

Loans to others

January 1 to December 31, 2020

Table I

Unit: In Thousands of New Taiwan Dollars

Code (Note 1)	Grantor	Borrower	Transaction item	Related Party (Y/N)	Maximum balance for the period (Note 3)	Ending balance(Note 3)	Actual Amount Used	Interest rate interval %	Nature of loan (Note 2)	Amount of Transaction	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Limit on Loans Granted to a Single Party	Total Loan Limit	Remark
													Name	Value			
1	Caswell Inc.	Beijing Caswell Ltd.	Other receivables - related parties	Yes	\$ 14,240	\$ -	\$ -	2	1	\$ 131,626	Not applicable	\$ -	None	\$ -	\$ 131,626	\$ 598,623	
1	Caswell Inc.	Apligo GmbH	Other receivables - related parties	Yes	22,784	22,784	22,784	2.45	2	-	Operating turnover	-	None	-	299,312	598,623	
2	AIS Cayman Technology Group	American Industrial Systems, Inc	Other receivables - related parties	Yes	28,480	-	-	-	2	-	Operating turnover	-	None	-	288,366	286,366	
3	S&T AG, Austria	S&T Crna Gora	Other receivables - related parties	Yes	7,004	-	-	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S&T Mold srl	Other receivables - related parties	Yes	3,502	3,502	3,502	4	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S&T Services Bel LLC	Other receivables - related parties	Yes	13,308	7,121	7,121	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S & T Smart Energy GmbH	Other receivables - related parties	Yes	52,530	-	-	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S&T Deutschland GmbH, Germany	Other receivables - related parties	Yes	28,016	17,510	17,510	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S&T Consulting Hungary Kft., Hungary	Other receivables - related parties	Yes	44,125	29,417	29,417	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	Kontron Austria GmbH	Other receivables - related parties	Yes	402,730	367,710	346,698	1.5	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
3	S&T AG, Austria	S&T Slovakia s.r.o.	Other receivables - related parties	Yes	35,020	35,020	35,020	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S&T CEE Holding s.r.o., Slowakei	Other receivables - related parties	Yes	430,746	406,232	406,232	5	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	Kontron Modular Computers S.A.S.	Other receivables - related parties	Yes	87,550	87,550	87,550	3	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
3	S&T AG, Austria	RTSoft, AO, Russia	Other receivables - related parties	Yes	164,574	110,810	110,810	8	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
3	S&T AG, Austria	S&T Romania S.R.L., Romania	Other receivables - related parties	Yes	181,922	87,070	87,070	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	funworld gmbh, Austria	Other long-term receivables - other investments	No	11,907	-	-	3.00-4.00	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
3	S&T AG, Austria	Kontron Europe GmbH	Other receivables - related parties	Yes	189,108	189,108	189,108	3	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
3	S&T AG, Austria	Kontron Electronics Kft.	Other receivables - related parties	Yes	28,366	22,063	22,063	3	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
3	S&T AG, Austria	Kontron Transportation Austria AG	Other receivables - related parties	Yes	525,300	525,300	443,353	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	S&T Bulgaria e.o.o.d	Other receivables - related parties	Yes	40,973	26,265	26,265	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	Kontron America Inc.	Other receivables - related parties	Yes	478,546	-	-	3	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	

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Code (Note 1)	Grantor	Borrower	Transaction item	Related Party (Y/N)	Maximum balance for the period (Note 3)	Ending balance(Note 3)	Actual Amount Used	Interest rate interval %	Nature of loan (Note 2)	Amount of Transaction	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Limit on Loans Granted to a Single Party	Total Loan Limit	Remark
													Name	Value			
3	S&T AG, Austria	RTSoft Smart Grid, Russia	Other receivables - related parties	Yes	\$ 12,607	\$ 9,568	\$ 9,568	8	2	\$ -	Operating turnover	\$ -	None	\$ -	\$ 5,717,044	\$ 5,717,044	
3	S&T AG, Austria	Kontron Transportation Belgium NV	Other receivables - related parties	Yes	365,959	365,959	365,959	3	2	-	Operating turnover	-	None	-	14,292,611	14,292,611	
3	S&T AG, Austria	Computer Betting Company GmbH	Other receivables - related parties	Yes	12,257	-	-	1.5	2	-	Operating turnover	-	None	-	5,717,044	5,717,044	
4	S&T Mazedonien	S&T AG, Austria	Other receivables - related parties	Yes	19,261	19,261	19,261	1	2	-	Operating turnover	-	None	-	141,902	141,902	
5	KONTRON EUROPE GMBH	Kontron S&T AG	Other receivables - related parties	Yes	1,774,891	-	-	0.10-2.20	2	-	Operating turnover	-	None	-	1,937,980	4,844,949	
6	Kontron S&T AG	KONTRON ASIA PACIFIC DESIGN SDN. BHD.	Other receivables - related parties	Yes	144,850	141,438	141,438	1.2	2	-	Operating turnover	-	None	-	1,803,854	4,509,635	
7	EnnoMech Precision (Cayman) Co., Ltd.	Ennoconn Investment Holdings Co., Ltd.	Other receivables - related parties	Yes	19,936	19,936	19,936	-	2	-	Operating turnover	-	None	-	533,627	533,627	
8	ENGA Technology Co., Ltd.	Ennoconn Investment Holdings Co., Ltd.	Other receivables - related parties	Yes	93,984	93,984	93,984	-	2	-	Operating turnover	-	None	-	108,198	108,198	
9	Marketch Internationa l Corp.	Marketch International Sdn Bhd.	Other receivables	Yes	20,570	19,366	-	4.616	2	-	Operating turnover	-	None	-	2,418,103	2,418,103	
9	Marketch Internationa l Corp.	Marketch Integrated Pte Ltd	Other receivables	Yes	26,567	21,360	21,360	4.616	2	-	Operating turnover	-	None	-	2,418,103	2,418,103	
10	MIC-Tech Electronics Engineering Corp.	MIC-Tech (WuXi) Co., Ltd.	Other receivables	Yes	43,119	-	-	-	2	-	Operating turnover	-	None	-	394,974	394,974	
10	MIC-Tech Electronics Engineering Corp.	Fuzhou Jiwei System Integrated Co., Ltd.	Other receivables	Yes	2,189	2,188	2,188	4.785	2	-	Operating turnover	-	None	-	394,974	394,974	
10	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Other receivables	Yes	52,547	52,523	52,523	4.785	2	-	Operating turnover	-	None	-	197,487	394,974	
11	MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Other receivables	Yes	34,591	13,131	13,131	4.785	2	-	Operating turnover	-	None	-	358,624	358,624	
11	MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech (WuXi) Co., Ltd.	Other receivables	Yes	43,789	43,769	43,769	4.785	2	-	Operating turnover	-	None	-	358,624	358,624	
12	MIC-Tech Viet Nam Co., Ltd.	Marketch Co., Ltd.	Other receivables	Yes	4,060	-	-	-	2	-	Operating turnover	-	None	-	19,459	19,459	
13	Marketch Integrated Manufacturi ng Co., Ltd.	Marketch Integrated Construction Co., Ltd.	Other receivables - related parties	Yes	2,949	2,848	2,848	7	2	-	Operating turnover	-	None	-	152,575	305,150	
14	Marketch Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	Other receivables - related parties	Yes	13,225	8,880	8,880	4.5	2	-	Operating turnover	-	None	-	17,552	17,552	
15	ISKRATEL, d.o.o.	S&T AG, Austria	Other receivables - related parties	Yes	175,100	175,100	175,100	3	2	-	Operating turnover	-	None	-	1,107,159	2,767,897	

Note 1: (1) Fill in 0 for issuer.
(2) The investee company is coded in sequence starting from Arabic numeral 1 by company.

Note 2: The nature of the loans are as follows:
(1) Please fill in 1 for business interaction.
(2) Please fill in 2 if there is a need for short-term financing.

Note 3: Limit to loans is resolved by the Board of Directors.

Ennoconn corporation and subsidiaries
Endorsements/guarantees to others
January 1 to December 31, 2020

Table II

Unit: In Thousands of Foreign currency/ New Taiwan Dollars

Code	Company Name of Endorser	Company name of endorsee		Endorsement amount for a single enterprise	Maximum endorsement balance for the period	Ending Balance of endorsement	Actual Amount Used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements (%)	Maximum amount of endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China	Remark
		Company Name	Relationship											
0	Ennoconn Corporation	Ennoconn International Investment Co., Ltd.	Subsidiary	NTD13,325,301 (limited to 150% of the Company's net worth)	NTD1,000,000	NTD1,000,000	NTD245,000	\$ -	11.26	NTD17,767,068 (limited to 200% of the Company's net worth)	Y	N	N	
0	Ennoconn Corporation	Innovative Systems Integration Limited	Subsidiary	NTD13,325,301 (limited to 150% of the Company's net worth)	NTD854,400	NTD854,400	NTD2,848	-	9.62	NTD17,767,068 (limited to 200% of the Company's net worth)	Y	N	Y	
0	Ennoconn Corporation	HIGHAIM TECHNOLOGY INC.	Subsidiary	NTD13,325,301 (limited to 150% of the Company's net worth)	NTD185,120	NTD185,120	NTD-	-	2.08	NTD17,767,068 (limited to 200% of the Company's net worth)	Y	N	N	
0	Ennoconn Corporation	HighAim Technology Inc.	Subsidiary	NTD13,325,301 (limited to 150% of the Company's net worth)	NTD370,240	NTD370,240	NTD227,840	-	4.17	NTD17,767,068 (limited to 200% of the Company's net worth)	Y	N	Y	
0	Ennoconn Corporation	Thecus Technology Corp.	Subsidiary	NTD13,325,301 (limited to 150% of the Company's net worth)	NTD100,000	NTD100,000	NTD75,000	-	1.13	NTD17,767,068 (limited to 200% of the Company's net worth)	Y	N	N	
0	Ennoconn Corporation	Dexatek Technology Ltd.	Subsidiary	NTD13,325,301 (limited to 150% of the Company's net worth)	NTD160,000	NTD160,000	NTD120,000	-	1.80	NTD17,767,068 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Technologies GmbH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD2,276	EUR-NTD2,276	EUR-NTD-	-	0.02	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Plus s.r.o	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD9,646	EUR-NTD6,673	EUR-NTD-	-	0.05	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation France	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD8,755	EUR-NTD8,755	EUR-NTD-	-	0.06	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Austria GmbH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD8,755	EUR-NTD8,755	EUR-NTD8,401	-	0.06	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Europe GmbH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD35,020	EUR-NTD35,020	EUR-NTD-	-	0.25	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Slovenija d.d.	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD35,020	EUR-NTD35,020	EUR-NTD-	-	0.25	NTD28,585,221 (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	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD33,094	EUR-NTD33,094	EUR-NTD-	-	0.23	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Slovakia s.r.o.	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD140,080	EUR-NTD140,080	EUR-NTD47,134	-	0.98	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Smart Energy GmbH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD6,322	EUR-NTD	EUR-NTD-	-	-	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	

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Code	Company Name of Endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for the period	Ending Balance of endorsement	Actual Amount Used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements (%)	Maximum amount of endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China	Remark
		Company Name	Relationship											
1	S&T AG, Austria	diverse / Factoring CEE	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD630,360	EUR-NTD630,360	EUR-NTD238,666	\$ -	4.41	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T CZ s.r.o.	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD62,511	EUR-NTD60,053	EUR-NTD-	-	0.42	NTD28,585,221 (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	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD325,699	EUR-NTD307,213	EUR-NTD-	-	2.15	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Belgium NV	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD876	EUR-NTD-	EUR-NTD-	-	-	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD87,550	EUR-NTD87,550	EUR-NTD-	-	0.61	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD175,100	EUR-NTD175,100	EUR-NTD-	-	1.23	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD231,132	EUR-NTD231,132	EUR-NTD231,132	-	1.62	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD78,361	EUR-NTD77,062	EUR-NTD-	-	0.54	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Austria AG	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD598,842	EUR-NTD586,127	EUR-NTD-	-	4.10	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Albania Sh.p.k	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD10,681	EUR-NTD10,681	EUR-NTD2,700	-	0.07	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Consulting Hungary Kft.	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD545,483	EUR-NTD490,813	EUR-NTD89,721	-	3.43	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron electronics Gmbh	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD10,506	EUR-NTD10,506	EUR-NTD-	-	0.07	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron America Inc	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD634,241	EUR-NTD570,777	EUR-NTD274,412	-	3.99	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron S&T AG	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD140,080	EUR-NTD140,080	EUR-NTD-	-	0.98	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Romania SRL	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD140,273	EUR-NTD140,273	EUR-NTD-	-	0.98	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	diverse / Factoring DACH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD525,300	EUR-NTD525,300	EUR-NTD273,540	-	3.68	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	

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		Company Name	Relationship											
1	S&T AG, Austria	ROSoft AO	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD25,392	EUR-NTD19,526	EUR-NTD-	\$ -	0.14	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	RTSoft Project OOO	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD99,577	EUR-NTD76,574	EUR-NTD-	-	0.54	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Deutschland GmbH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD14,008	EUR-NTD14,008	EUR-NTD-	-	0.10	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T MEDTECH SRL (GADA GROUP ROORMANIA SRL)	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD151,987	EUR-NTD122,570	EUR-NTD99,661	-	0.86	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Factoring Kontron Europe/Kontron Modular Computers S.A.S	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD1,120,640	EUR-NTD1,120,640	EUR-NTD733,949	-	7.84	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron AIS GmbH (AIS Automation Dresden GmbH)	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD28,016	EUR-NTD28,016	EUR-NTD-	-	0.20	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Crna Gora d.o.o.	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD10,662	EUR-NTD10,662	EUR-NTD-	-	0.07	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation Belgium NV	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD97,206	EUR-NTD97,206	EUR-NTD-	-	0.68	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Smart Energy GmbH	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD147,084	EUR-NTD24,514	EUR-NTD-	-	0.17	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T AG/Kontron Transportation Austria AG/S&T Smart Energy/ Kontron s.r.o.	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD389,066	EUR-NTD389,066	EUR-NTD-	-	2.72	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	Kontron Transportation S.r.o	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD267,584	EUR-NTD-	EUR-NTD-	-	-	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Romania SRL	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD87,550	EUR-NTD87,550	EUR-NTD24,271	-	0.61	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
1	S&T AG, Austria	S&T Romania SRL	Subsidiary	NTD21,359,193 (limited to 150% of the Company's net worth)	EUR-NTD1,751	EUR-NTD1,751	EUR-NTD-	-	0.01	NTD28,585,221 (limited to 200% of the Company's net worth)	Y	N	N	
2	HIGHAIM TECHNOLOGY INC.	HighAim Technology Inc.	Subsidiary	NTD607,717 (limited to 100% of the Company's net worth)	NTD28,480	NTD28,480	NTD-	-	4.69	NTD607,717 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketch International Corp.	Marketch Integrated Pte Ltd.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD34,543	NTD17,131	NTD4,140	-	0.28	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	N	
3	Marketch International Corp.	Ezoom Information, Inc.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD120,000	NTD60,000	NTD-	-	0.99	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	N	

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Code	Company Name of Endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for the period	Ending Balance of endorsement	Actual Amount Used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements (%)	Maximum amount of endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China	Remark
		Company Name	Relationship											
3	Marketch International Corp.	Marketch International Sdn. Bhd.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD239,840	NTD227,840	NTD31,266	\$ -	3.77	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	N	
3	Marketch International Corp.	Marketch International Corporatiow USA	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD332,750	NTD-	NTD-	-	-	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	N	
3	Marketch International Corp.	MIC-Tech (WuXi) Co., Ltd.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD314,307	NTD283,900	NTD184,209	-	4.70	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketch International Corp.	MIC-Tech (Shanghai) Corp., Ltd.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD885,360	NTD706,031	NTD39,011	-	11.68	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketch International Corp.	MIC-Tech Electronics Engineering Corp.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD1,696,667	NTD1,474,209	NTD589,605	-	24.39	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketch International Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Subsidiary	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD528,055	NTD318,971	NTD241,707	-	5.28	NTD6,045,256 (limited to 100% of the Company's net worth)	Y	N	Y	
3	Marketch International Corp.	Tak Cheong Construction Co., Ltd.	A company with contractual mutual-endorsement requirement for construction contracts	NTD3,022,628 (limited to 50% of the Company's net worth)	NTD174,000	NTD174,000	NTD86,997	-	2.88	NTD6,045,256 (limited to 100% of the Company's net worth)	N	N	N	
4	MIC-Tech Electronics Engineering Corp.	MIC-Tech (WuXi) Co., Ltd.	Companies directly or indirectly held by the company for 90% and above of voting rights	NTD1,481,152 (limited to 300% of the Company's net worth)	NTD8,561	NTD8,557	NTD8,557	-	1.73	NTD2,468,587 (limited to 500% of the Company's net worth)	N	N	Y	
4	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp., Ltd.	Companies directly or indirectly held by the company for 90% and above of voting rights	NTD1,481,152 (limited to 300% of the Company's net worth)	NTD103,729	NTD-	NTD-	-	-	NTD2,468,587 (limited to 500% of the Company's net worth)	N	N	Y	
4	MIC-Tech Electronics Engineering Corp.	Marketch International Corp.	Companies that directly and indirectly hold more than 50% of the voting rights of the company	NTD1,481,152 (limited to 300% of the Company's net worth)	NTD511,679	NTD481,739	NTD481,739	-	97.57	NTD2,468,587 (limited to 500% of the Company's net worth)	N	Y	N	
4	MIC-Tech Electronics Engineering Corp.	MIC-Tech Viece Nam Co., Ltd.	Companies directly or indirectly held by the company for 90% and above of voting rights	NTD1,481,152 (limited to 300% of the Company's net worth)	NTD272,362	NTD269,930	NTD269,930	-	54.67	NTD2,468,587 (limited to 500% of the Company's net worth)	N	N	N	
4	MIC-Tech Electronics Engineering Corp.	China Electronic System Engineering Fourth Construction Co., Ltd.	A company with contractual mutual-endorsement requirement for construction contracts	NTD1,481,152 (limited to 300% of the Company's net worth)	NTD807,834	NTD807,467	NTD784,817	-	163.55	NTD2,468,587 (limited to 500% of the Company's net worth)	N	N	Y	

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Code	Company Name of Endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for the period	Ending Balance of endorsement	Actual Amount Used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements (%)	Maximum amount of endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China	Remark
		Company Name	Relationship											
5	MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech Electronics Engineering Corp.	Companies directly or indirectly held by the company for 90% and above of voting rights	NTD1,344,842 (limited to 300% of the Company's net worth)	NTD596,060	NTD-	NTD-	\$ -	-	NTD2,241,403 (limited to 500% of the Company's net worth)	N	N	Y	
6	Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	Companies directly or indirectly held by the company for 90% and above of voting rights	NTD219,403 (limited to 300% of the Company's net worth)	NTD130,641	NTD126,166	NTD126,166	-	575.04	NTD219,403 (limited to 500% of the Company's net worth)	N	N	N	

Note 1: The conversion rate is the spot average exchange rate of the Bank of Taiwan on December 31, 2020.

Note2 : 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
December 31, 2020

Table III Unit: In Thousands of New Taiwan Dollars

Holding company	Type and name of securities	Relationship with the issuer of securities	Ledger account	End of the period				Remark
				Number of shares/ number of unit	Carrying amount	Shareholding ratio %	Fair value	
Ennoconn International Investment Co., Ltd.	Q.P.T.I CORPORATION	None	Financial assets at fair value through other comprehensive income - non-current	726,418	\$ 38,039	19.5	\$ 38,039	
"	SERVTECH Co., Ltd.	"	"	85,200	8,708	3.91	8,708	
Taiwan Applied Module Corporation	SERVTECH Co., Ltd.	"	"	239,625	24,490	11.00	24,490	
Goldtek Technology Co., Ltd.	Clouddtalk Inc.	"	"	484,260	123,501	12.81	-	
Sunlit Precision Technology Co., Ltd.	LINKA GROUP LIMITED	"	"	142,910	28,660	7.98	-	
Techno Precision (Shenzhen) Co., Ltd.	Miaoxin Tiancheng (Guangdong) Technology Co., Ltd.	"	"	9,408,000	83,179	16.00	83,179	
Ennoconn (Foshan) Investment Co., Ltd.	Venture Capital Investment Fund for Tech Innovation Smart Industry of Foshan City	"	"	CNY65,000	283,874	18.57	283,874	
"	Guangdong Hongfu Xinghe Hongtu Venture Capital Fund Partnership	"	"	CNY2,000	8,735	10.00	8,735	
APLIGO GmbH	shares in Volksbank Karlsruhe	"	"	-	10	-	10	
Caswell Inc.	Advanio Technology Co., Ltd.	"	"	1,045	-	19	-	
Nanjing Asiatek Inc.	Shenzhen Execution System Technology Co., Ltd.	"	"	CNY900	3,931	10.00	3,931	
HighAim Technology Inc.	Qingdao Bonin Fortune Access equipment Co., Ltd..	"	"	3,949,000	71,931	6.00	71,931	
"	Shenzhen City Tianlin Precision Technology Co., Ltd..	"	"	CNY1,190	5,198	20	5,198	
Dexatek Technology Ltd.	Eve System GmbH	"	"	52,778	82,562	-	82,562	
S&T Hrvatska doo	Optima Telekom	"	"	EUR69,590	2,437	-	2,437	
Kontron Austria GmbH	Others	"	"	EUR8,828	309	-	309	
Secure Guard GmbH	Erste Immobilien Fonds	"	"	EUR232,026	8,126	-	8,126	
Iskyatel	Others	"	"	EUR158,812	5,562	-	5,562	
S&T Slovenija d.d	Shares	"	"	EUR7,985	280	-	280	
Diverse	Diverse	"	"	EUR1,140	40	-	40	
S&T AG	Others	"	"	EUR125,045	4,378	-	4,378	
	Less: Adjustment of valuation of financial assets at fair value through other comprehensive income				(152,161)			
					\$ 631,789		\$ 631,789	
Marketech International Corp.	Lasertec Corporation	None	Financial assets at fair value through profit or loss - current	40,000	\$ 133,840	-	\$ 133,840	
"	Solar Applied Materials Technology Co., Ltd.	"	"	44,078	1,917	-	1,917	
"	Aerospace Industrial Development Corporation	"	"	50,925	1,477	-	1,477	
					\$ 137,234		\$ 137,234	

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Holding company	Type and name of securities	Relationship with the issuer of securities	Ledger account	End of the period				Remark
				Number of shares/ number of 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	\$ -	12.59	\$ -	
"	Chung Hsin Electric & Machinery Manufacturing Corp.	"	"	581,000	31,142	0.12	31,142	
"	Wings Global Technology Co., Ltd.	"	"	750,000	9,874	18.75	9,874	
"	ProMOS Technologies Inc.	"	"	250,331	-	0.56	-	
"	Taiwan Puritic Corp.	"	"	5,797,181	189,613	9.53	189,613	
"	Sopower Technology Corp.	"	"	189,223	-	12.61	-	
"	VEEV Interactive Pte. Ltd.	"	"	840,000	-	6.32	-	
"	Taiwan Intelligent Fiber Optic Network Consortium	"	"	3,868,261	23,397	1.41	23,397	
"	Han Da Venture Capital Co., Ltd.	"	"	13,333	133	6.67	133	
"	Civil Tech Holdings Ltd.	"	"	336,374	-	0.58	-	
"	Probeleader Co., Ltd.	Entities under the control or significant influence of the key management	"	966,000	12,318	3.46	12,318	
"	T Energy Co., Ltd.	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	3,581	2.24	3,581	
"	Long Time Technology Corp.	"	"	346,000	6,198	0.29	6,198	
"	Bon Dian Venture Capital Co., Ltd.	"	"	90,187	902	3.50	902	
"	Taiwan Specialty Chemicals Corporation	"	"	4,401,333	89,258	1.51	89,258	
"	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	1,615	19.01	1,615	
"	Radisen Co. Ltd	"	"	87,803	-	18.49	-	
"	Foresight Energy Technologies Co., Ltd.	"	"	675,000	2,695	3.00	2,695	
"	Mycropore Corporation	"	"	1,471,000	25,177	8.44	25,177	
"	STEK Co., Ltd.	"	"	432,900	27,136	6.34	27,136	
"	Sum Capital Healthcare Investment Corp.	Entities under the control or significant influence of the key management	"	943,050	9,431	7.44	9,431	
"	Intellicares Co., Ltd.	"	"	200,000	-	19.99	-	
"	Forward Science Corp.	"	"	2,450,000	32,321	9.80	32,321	
"	Big Giant Health Management Consulting Co., Ltd.	None	"	200,000	2,000	9.09	2,000	
"	Precision Medical Materials Co., Ltd.	"	"	667,000	10,005	3.67	10,005	
MIC-Tech (Shanghai) Corp., Ltd.	MIC-Tech (Beijing) Environment Co.	Entities under the control or significant influence of the key management	"	-	-	19.00	-	
					\$ 496,796		\$ 496,796	

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Holding company	Type and name of securities	Relationship with the issuer of securities	Ledger account	End of the period				Remark
				Number of shares/ number of unit	Carrying amount	Shareholding ratio %	Fair value	
Marketech International Corp.	<u>Convertible corporate bonds</u> Kinestral Technologies, Inc.	None	Financial assets at fair value through profit or loss - non- current	-	\$ 4,734	-	\$ 4,734	
"	HALLYS CORPORATION	"	"	-	133	-	133	
"	Radisen Co. Ltd	"	"	-	-	-	-	
"	Nitride Solutions Inc	"	"	-	-	-	-	
					<u>\$ 4,867</u>		<u>\$ 4,867</u>	
Marketech International Corp.	<u>Preference shares</u> Adant Technologies Inc.	None	Financial assets at fair value through profit or loss - non- current	174,520	\$ -	Note III	\$ -	
"	Kinestral Technologies, Inc.	"	"	501,532	16,650	"	16,650	
					<u>\$ 16,650</u>		<u>\$ 16,650</u>	
HighAim Technology INC	<u>Fund beneficiary certificates</u> Megabank Overseas Fund-Global AI Artificial Intelligence Fund	None	Financial assets at fair value through profit or loss - current		<u>\$ 570</u>		<u>\$ 570</u>	
Marketech International Corp.	<u>Fund beneficiary certificates</u> Vertax Growth (SG) LP	None	Financial assets at fair value through profit or loss - non- current	-	\$ 8,970		\$ 8,970	
Goldtek Technology Co., Ltd.	Zhuo Yi II Investment Limited Partnership	"	"	-	65,511		65,511	
Caswell Inc.	Zhuo Yi II Investment Limited Partnership	"	"	-	14,400		14,400	
				-	<u>\$ 88,881</u>		<u>\$ 88,881</u>	

Note 1: The abovementioned securities were not restricted for use due to guarantees, pledges, or other agreements as of the end of December 2020.

Note II: Please refer to attached Statement VIII and IX for information about investment in subsidiaries.

Note 3: It is preference shares.

Ennoconn corporation and subsidiaries
The Cumulative Purchase or Sale of the Same Securities Amounted to NT\$300 Million or 20% and above of the Paid-in Capital
January 1 to December 31, 2020

Table IV Unit: In Thousands of Foreign currency/ New Taiwan Dollars

The purchasing/selling company	Type and name of securities	Ledger account	Counterparty	Relationship	Beginning of the period		Buy		Sell				End of the period	
					Number of unit or number of shares	Amount	Number of unit or number of shares	Amount	Number of unit or number of shares	Selling price	Carrying amount of cost	Gain (loss) on disposal	Number of unit or number of shares	Amount
Caswell Inc.	Stock Hawkeye Tech Co., Ltd.	Investment accounted under equity method	Hawkeye Tech Co., Ltd.	Subsidiary	5,400,000	\$ 405,000	2,787	\$ 197,041	-	\$ -	\$ -	\$ -	8,187,000	\$ 602,041
S&T AG, Austria	CITYCOMP Service GmbH	Investment accounted under equity method	CITYCOMP Service GmbH	Subsidiary	-	-	255,900	EUR17,584 NTD615,792	-	-	-	-	255,900	EUR17,584 NTD615,792

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

Ennoconn corporation and subsidiaries

The Amount of Goods Purchased or Sold with Related Parties Reached NT\$100 Million or 20% and above of the Paid-in Capital

January 1 to December 31, 2020

Table V

Unit: In Thousands of New Taiwan Dollars

Purchasing/selling company	Name of counterparty	Relationship	Transaction Status				The situation and reason for the difference between the trading terms and the general trading		Notes and accounts receivable (payable)		Remark
			Purchase (sales)	Amount	Ratio of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio of total notes and accounts receivable (payable)	
Ennoconn Corporation	Kontron Europe GmbH	Subsidiary	Sales	(\$ 494,087)	(19.39%)	Payment term of 120 days	No significant discrepancy	No significant discrepancy	\$ 105,985	15.83%	
Ennoconn Corporation	Kontron Canada Inc.	Subsidiary	Sales	(473,492)	(18.58%)	Payment term of 120 days	No significant discrepancy	No significant discrepancy	246,966	36.88%	
Ennoconn Corporation	Kontron America Inc.	Subsidiary	Sales	(191,778)	(7.53%)	Payment term of 120 days	No significant discrepancy	No significant discrepancy	77,766	11.61%	
Ennoconn Corporation	Vitor Plus Holdings Ltd.	Subsidiary	Purchase	1,858,602	79.78%	Payment term of 60 days	No significant discrepancy	No significant discrepancy	(351,793)	(68.55%)	
Caswell Inc.	Hon Hai Precision Industry Co., Ltd.	Associates	Purchase	425,967	12.21%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(97,110)	(15.82%)	
Caswell Inc.	Caswell Americas Inc.	Subsidiary	Sales	(217,783)	(5.78%)	D/A 90 days	No significant discrepancy	No significant discrepancy	53,692	6.50%	
Caswell Inc.	Beijing Caswell Ltd.	Subsidiary	Sales	(131,627)	(3.44%)	D/A 90 days	No significant discrepancy	No significant discrepancy	97,589	11.81%	
Caswell Inc.	CASO. Inc.	Subsidiary	Sales	(144,057)	(3.77%)	OA 70 days	No significant discrepancy	No significant discrepancy	37,772	4.57%	
Apligo GmbH	America Industrial Systems Inc.	Associates	Sales	(251,633)	(54.89%)	OA 60 days	No significant discrepancy	No significant discrepancy	65,695	57.59%	
HighAim Technology Inc.	Hong Fu Sheng Precision Electronics (Zhengzhou) Co., Ltd.	Associates	Sales	(170,284)	(9.37%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	324	0.07%	
HighAim Technology Inc.	Funology Investment Inc.	Subsidiary	Sales	(284,419)	(15.65%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	91,602	19.13%	
HighAim Technology Inc.	Andrix International Limited	Subsidiary	Sales	(159,260)	(8.77%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	20,943	4.37%	
HighAim Technology Inc.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Associates	Sales	(231,441)	(12.74%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	11,050	2.31%	
Limeng Machinery (Shenzhen) Co., Ltd.	Shenzhen Asiatek INC.	Associates	Sales	(330,998)	(18.22%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	20,943	4.37%	
Kontron Europe GmbH	Kontron America Inc.	Associates	Sales	(820,226)	(13.36%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	186,954	21.57%	
Kontron Europe GmbH	Kontron Technology Beijing Co., Ltd.	Associates	Sales	(149,423)	(2.43%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	81,577	9.41%	
Kontron Europe GmbH	RT soft	Associates	Sales	(101,304)	(1.65%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	27,258	3.15%	
Kontron Canada Inc.	Kontron America Inc.	Associates	Sales	(292,686)	(15.33%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(482,606)	(3.08%)	
Kontron Canada Inc.	Kontron America Inc.	Associates	Purchase	150,343	7.87%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	24,688	2.45%	
Kontron America Inc.	Kontron Technology Beijing Co., Ltd.	Subsidiary	Sales	(175,845)	(6.90%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	68,454	13.26%	
Ennoconn (Suzhou) Technology Co., Ltd.	Vitor Plus Holdings Ltd.	Associates	Sales	(1,968,787)	(81.12%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	386,903	80.51%	
Nanjing Asiatek Inc.	Futaihua Industry (Shenzhen) Co., Ltd.	Associates	Sales	(484,326)	(76.26%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	500,521	93.34%	
Nanjing Asiatek Inc.	Shenzhen Asiatek INC.	Subsidiary	Purchase	404,836	65.46%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	467,107	85.02%	
Shenzhen Asiatek INC.	HeNan YuZhan Technology Limited	Associates	Sales	(192,542)	(11.54%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	185	0.02%	
Shenzhen Asiatek INC.	Hongfujin Precision Electronics (Zhengzhou)Co., Ltd.	Associates	Sales	(220,634)	(13.23%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	152,937	19.06%	

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Purchasing/selling company	Name of counterparty	Relationship	Transaction Status				The situation and reason for the difference between the trading terms and the general trading		Notes and accounts receivable (payable)		Remark
			Purchase (sales)	Amount	Ratio of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio of total notes and accounts receivable (payable)	
Shenzhen Asiatek INC.	Futaihua Industry (Shenzhen) Co., Ltd.	Associates	Sales	(\$ 467,955)	(28.06%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	\$ 8,959	1.12%	
Shenzhen Asiatek INC.	Dongguan city Ouyu Precision Technology Co., Ltd.	Associates	Purchase	264,157	15.58%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(180,581)	(15.11%)	
Shenzhen Asiatek INC.	Shenzhen finagling Technology Co., Ltd.	Subsidiary	Purchase	308,325	18.18%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(257,967)	(21.59%)	
Kontron Asia Technology Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	Associates	Sales	(308,005)	(17.16%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	35,746	2.41%	
Shanghai Maohua Electronics Engineering Co., Ltd.	Hong Kong Ennopower Information Technology Co., Limited	Other related party	Sales	(102,896)	(27.01%)	Installment payment according to contract	No significant discrepancy	No significant discrepancy	142	-	
Highaim Technology Inc.	Funology Investment Inc.	Subsidiary	Purchase	288,490	57.06%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(92,584)	(64.89%)	
Highaim Technology Inc.	Andrix International Limited	Subsidiary	Purchase	159,053	31.46%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(21,248)	(14.89%)	
Goldtek Technology Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	Associates	Purchase and processing expenses	820,590	35.08%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(325,906)	(40.83%)	
Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Subsidiary	Sales	(114,165)	(21.02%)	Payment term of 60 days	No significant discrepancy	No significant discrepancy	123,635	44.65%	
Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Subsidiary	Purchase	401,873	75.57%	Payment term of 60 days	No significant discrepancy	No significant discrepancy	-	-	
Tai Ron Precision Casting Corporation	T-Paragon Metal (Shenzhen) Co., Ltd.	Subsidiary	Purchase	274,961	82.34%	Payment term of 60 days	No significant discrepancy	No significant discrepancy	(263,076)	(90.77%)	
Keenest Electronic Corp.	Hongfujin Precision Electronics (Shenzhen) Co., Ltd.	Associates	Purchase	123,622	84.25%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	(67,106)	(86.03%)	
S & T Hrvatska d.o.o.	Hon Hai Precision Industry Co., Ltd.	Associates	Purchase	456,992	28.45%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	-	-	
Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	Associates	Sales	(269,660)	(17.45%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	35,820	27.74%	
Kontron Asia Inc.	Kontron Austria GmbH	Associates	Sales	132,904	8.60%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	2,906	2.25%	
Kontron Asia Inc.	Kontron Europe GmbH	Associates	Sales	173,086	11.20%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	3,800	2.94%	
Kontron S&T AG,	Kontron Europe GmbH	Associates	Sales	108,918	69.99%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	-	-	
S & T IT Services S.R.L.	S & T Mold S.R.L.	Associates	Sales	(161,765)	(39.95%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	189,389	64.05%	
Kontron Transporation France S.A.S.	Kontron Transporation Anstria AG	Associates	Sales	(182,673)	(19.22%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	158,686	29.64%	
Kontron Electronic Kft.	Kontron Electroincs GmbH	Associates	Sales	107,860	86.39%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	45	3.45%	
S&T Services Polska Sp.z.o.o	S&T Poland Sp.z.o.o	Associates	Purchase	110,982	28.84%	Payment term of 90 days	No significant discrepancy	No significant discrepancy	6,983	(3.82%)	
Kontron Austria GmbH	Kontron Europe GmbH	Associates	Sales	(233,908)	(23.14%)	Payment term of 90 days	No significant discrepancy	No significant discrepancy	20,067	22.79%	

Note I: Payment by installments according to the contract.

Note 2. The revenue of constructions undertaken from January 1 to December 31, 2020 were recognized under the percentage of completion method.

Ennoconn corporation and subsidiaries
Receivables from Related Parties Reached NT\$100 Million or 20% and above of Paid-in Capital
December 31, 2020

Table VI

Unit: In Thousands of New Taiwan Dollars

Accounts receivable from companies	Counterparty	Relationship	Balance due from related party	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for bad debts recognized
					Amount	Treatment		
Ennoconn Corporation	Kontron Canada Inc.	Parent company to sub-subsidiary	\$ 246,966	1.92	\$ -	-	\$ -	\$ -
"	Kontron Europe GmbH	Parent company to sub-subsidiary	105,985	4.66	-	-	-	-
Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	sub-subsidiary to sub-subsidiary	386,903	5.09	-	-	-	-
Marketech International Corp.	Hong Kong Ennower Information Technology Co., Limited	Other related party	115,891	-	-	-	-	36
Nanjing Asiatek Inc.	Futaihua Industry (Shenzhen) Co., Ltd.	Other related party	500,521	0.97	-	-	-	-
Shenzhen Asiatek INC.	Nanjing Asiatek Inc.	sub-subsidiary to sub-subsidiary	467,107	0.87	-	-	-	-
Shenzhen Asiatek INC.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Other related party	152,937	0.52	-	-	-	-
Kontron Europe GmbH	Kontron Asia Pacific Design Sdn. Bhd.	sub-subsidiary to sub-subsidiary	153,837	-	-	-	-	-
"	Kontron Electroincs GmbH	sub-subsidiary to sub-subsidiary	249,577	-	-	-	-	-
"	Kontron America Inc.	sub-subsidiary to sub-subsidiary	186,954	-	-	-	-	-

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Accounts receivable from companies	Counterparty	Relationship	Balance due from related party	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for bad debts recognized
					Amount	Treatment		
S&T AG,	S&T CEE Holding s.r.o	sub-subsidiary to	\$ 782,563	-	\$ -	-	\$ -	\$ -
"	Kontron Europe GmbH	sub-subsidiary to	2,001,322	-	-	-	-	-
"	Kontron Modular Computers S.A.S	sub-subsidiary to	115,477	-	-	-	-	-
"	RT soft	sub-subsidiary to	120,347	-	-	-	-	-
"	Kontron Transportation Austria AG	sub-subsidiary to	537,130	-	-	-	-	-
"	Kontron Austria GmbH	sub-subsidiary to	342,163	-	-	-	-	-
"	Kontron Electronics GmbH	sub-subsidiary to	135,543	-	-	-	-	-
"	Kontron Transportation Belgium NV	sub-subsidiary to	366,020	-	-	-	-	-
Kontron Transportation Austria AG	Kontron Transportation Espana S.L.U	sub-subsidiary to	217,639	-	-	-	-	-
"	Kontron Transportation Sp z.o.o.	sub-subsidiary to	123,647	-	-	-	-	-
"	Kontron Transportation s.r.o	sub-subsidiary to	135,543	-	-	-	-	-

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Accounts receivable from companies	Counterparty	Relationship	Balance due from related party	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for bad debts recognized
					Amount	Treatment		
Kontron Transportation Austria AG	Kontron Transportation Taiwan Co. Ltd.	sub-subsidiary to sub-subsidiary	\$ 238,209	-	\$ -	-	\$ -	\$ -
"	Kontron Transportation France S.A.S.	sub-subsidiary to sub-subsidiary	148,338	-	-	-	-	-
Kontron Transportation Deutschland GmbH	Kontron Transportation Austria AG	sub-subsidiary to sub-subsidiary	208,869	-	-	-	-	-
Kontron Transportation France S.A.S.	Kontron Transportation Austria AG	sub-subsidiary to sub-subsidiary	307,024	-	-	-	-	-
Kontron Transportation Taiwan Co., Ltd.	Kontron Transportation Austria AG	sub-subsidiary to sub-subsidiary	219,242	-	-	-	-	-
Kontron Canada Inc.	Kontron America Inc.	sub-subsidiary to sub-subsidiary	507,293	-	-	-	-	-
S&T IT Service S.R.L	S&T Mold S.R.L	sub-subsidiary to sub-subsidiary	189,389	-	-	-	-	-
Iskratel d.o.o	S&T AG	sub-subsidiary to sub-subsidiary	176,279	-	-	-	-	-
Iskratel d.o.o	AO Iskra Ural Tel Yekaterinburg	sub-subsidiary to sub-subsidiary	542,316	-	-	-	-	-
T-Paragon Metal (Shenzhen) Co., Ltd.	Tai Ron Precision Casting Corporation	Subsidiary to Parent company	263,076	0.81	-	-	-	-
Sunlit Precision Technology Co., Ltd.	Techno Precision (Shenzhen) Co., Ltd.	Parent company to Subsidiary	123,635	1.25	-	-	-	-

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

Ennoconn corporation and subsidiaries
Name, Location, and Relevant Information of the Investee
January 1 to December 31, 2020

Table VII

Unit: In Thousands of Foreign currency/ New Taiwan Dollars

Name of investor	Name of investee	Location	Primary Business	Initial Investment Amount		Held at the end of the period			Profit or loss of the investee for the period	Recognized investment profit or loss for the period	Remark
				End of the period	End of previous year	Number of Shares	Percentage %	Carrying amount			
Ennoconn Corporation	Innovative Systems Integration Limited	Hong Kong	Professional Investment	HKD : 502,937 NTD : 1,845,779	HKD : 502,937 NTD : 1,936,306	518,216,530	100.00	HKD : 582,909 NTD : 2,139,276	HKD : (2) NTD : (8)	HKD : (2) NTD : (8)	
"	Ennoconn International Investment Co., Ltd.	Taiwan	Professional Investment	NTD : 7,010,000	NTD : 6,830,000	711,735,000	100.00	NTD : 7,895,696	NTD : 594,209	NTD : 594,209	
"	Caswell Inc.	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	NTD : 1,031,800	NTD : 1,031,800	20,000,000	27.45	NTD : 1,112,372	NTD : 372,353	NTD : 86,447	Note II
"	Ennoconn Investment Holdings Co., Ltd.	Samoa	Professional Investment	USD : 239,360 NTD : 6,816,973	USD : 239,360 NTD : 7,176,013	239,360,000	100.00	USD : 278,394 NTD : 7,917,767	USD : 17,404 NTD : 510,433	USD : 17,404 NTD : 510,433	
Innovative Systems Integration Limited	ENGA Technology Co., Ltd.	Hong Kong	Wholesale, manufacturing, service and import/export of industrial computer and industrial systems	USD : 3,500 NTD : 99,680	USD : 3,500 NTD : 104,930	3,500,000	100.00	HKD : 28,087 NTD : 103,078	HKD : 360 NTD : 1,373	HKD : 360 NTD : 1,373	
"	Victor Plus Holdings Ltd.	Seychelles	Import and export trading	USD : - NTD : -	USD : - NTD : -	500,000	100.00	USD : 440 NTD : 12,528	USD : 440 NTD : 12,999	USD : 440 NTD : 12,999	"
Ennoconn Investment Holdings Co., Ltd.	AIS Cayman Technology	Cayman Islands	Professional Investment	USD : 9,534 NTD : 271,514	USD : 5,535 NTD : 165,939	6,672,469	62.36	USD : 14,381 NTD : 409,575	USD : 4,078 NTD : 120,491	USD : 2,476 NTD : 73,166	
"	S&T AG	Austria	Integration service for information software and hardware	EUR : 158,929 NTD : 5,565,694	EUR : 158,929 NTD : 5,338,425	16,835,008	26.05	EUR : 215,257 NTD : 7,538,291	EUR : 55,609 NTD : 1,883,993	EUR : 10,574 NTD : 420,797	Note II
AIS Cayman	American Industrial Systems Inc.	USA	Human-machine interface, industrial 4.0 and other related products	USD : 1,500 NTD : 42,720	USD : 1,500 NTD : 44,970	1,500,000	100.00	USD : 4,976 NTD : 141,716	USD : 2,224 NTD : 65,719	USD : 2,224 NTD : 65,719	
"	Vecow Co., Ltd.	Taiwan	Manufacturing, processing, trading, import and export of communication machinery, electronic equipment, and electronic devices	USD : 3,229 NTD : 91,962	USD : 3,229 NTD : 96,805	20,000,000	100.00	USD : 8,747 NTD : 249,115	USD : 2,557 NTD : 75,559	USD : 2,557 NTD : 75,559	
Ennoconn International Investment Co., Ltd.	Goldtek Technology Co., Ltd.	Taiwan	Telecommunications control of radio frequency equipment input and information software wholesale and retail	NTD : 492,221	NTD : 492,221	17,022,831	56.74	NTD : 1,032,448	NTD : 239,298	NTD : 135,784	
"	Caswell Inc.	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	NTD : 149,500	NTD : 149,500	3,250,000	4.46	NTD : 149,684	NTD : 372,353	NTD : 14,047	Note II
"	EnnoMech Precision (Cayman) Co., Ltd.	Cayman Islands	Professional Investment	USD : 13,800 NTD : 393,024	USD : 13,800 NTD : 4133,724	13,800,000	100.00	USD : 19,903 NTD : 566,849	USD : 1,155 NTD : 34,169	USD : 1,155 NTD : 34,169	
"	SyS-P Co., Ltd.	Taiwan	International trade, information software wholesale, and service	NTD : 30,000	NTD : 30,000	-	100.00	NTD : 30,248	NTD : (235)	NTD : (235)	
"	Taiwan Applied Module Corporation	Taiwan	Research, design and sales of mobile payment, electronic signature and information security	NTD : 75,029	NTD : 75,029	8,400,000	100.00	NTD : 51,113	NTD : (1,810)	NTD : (3,020)	Note II
"	Thecus Technology Corp.	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	NTD : 102,000	NTD : 102,000	10,200,000	60.00	NTD : 4,605	NTD : (12,265)	NTD : (8,585)	Note II
"	Dexatek Technology Ltd.	Taiwan	R&D and design, manufacturing of multimedia products	NTD : 236,862	NTD : 236,862	12,600,000	60.00	NTD : 271,695	NTD : 54,548	NTD : 25,014	Note II
"	S&T AG	Austria	Integration service for information software and hardware	EUR : 7,523 NTD : 263,455	EUR : 7,523 NTD : 252,698	750,000	1.16	EUR : 12,166 NTD : 426,072	EUR : 55,609 NTD : 1,883,993	EUR : 471 NTD : 16,198	Note II
"	SERVTECH Co., Ltd.	Taiwan	Wholesale of information software services	NTD : -	NTD : 10,000	-	-	NTD : -	NTD : (4,097)	NTD : (323)	
"	Marketch International Corp.	Taiwan	Integration of high-tech industrial plants and manufacturing system planning services	NTD : 4,924,648	NTD : 4,924,648	83,468,613	44.59	NTD : 5,083,627	NTD : 913,736	NTD : 386,211	Note II
"	DIVA Laboratories. Ltd.	Taiwan	Research and development, manufacturing and sales of medical equipment and computer peripherals	NTD : 228,626	NTD : 279,850	12,096,000	20.62	NTD : 263,873	NTD : 16,283	NTD : 3,316	
"	POSLAB TECHNOLOGY CORPORATION	Taiwan	Manufacturing, wholesale and sales of electronic and peripheral devices	NTD : 132,317	NTD : -	9,100,000	70.00	NTD : 124,422	NTD : (11,280)	NTD : (7,896)	
"	RIGO GLOBAL CO., LTD.	Taiwan	Manufacturing, wholesale and sales of electronic and peripheral devices	NTD : 32,000	NTD : -	1,066,667	26.23	NTD : 30,640	NTD : (8,405)	NTD : (1,360)	
"	Renown Information Technology Corp.	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	NTD : 30,000	NTD : -	3,000	23.79	NTD : 20,480	NTD : 8,886	NTD : (3,520)	
EnnoMech Precision (Cayman) Co., Ltd.	HighAim Technology INC.	Brunei	Professional Investment	USD : 10,843 NTD : 308,809	USD : 10,843 NTD : 325,073	3,302,618	66.05	USD : 13,623 NTD : 387,978	USD : 2,207 NTD : 65,207	USD : 1,261 NTD : 37,265	Note II
"	DOMINATE UNITED ENTERPRISE LTD.	Samoa	Professional Investment	USD : 2,100 NTD : 59,808	USD : 2,100 NTD : 62,958	2,100,000	100.00	USD : 2,148 NTD : 61,187	USD : (76) NTD : (2,246)	USD : (76) NTD : (2,246)	
"	EnnoMech Precision Co., Ltd.	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	NTD : 10,000	NTD : 10,000	1,000,000	100.00	USD : 1,133 NTD : 32,277	USD : (136) NTD : (1,046)	USD : (36) NTD : (1,046)	
HighAim Technology INC.	FUNOLOGY INVESTMENT INC.	Samoa	Import and export trading	USD : 1 NTD : 28	USD : 1 NTD : 31	1,000	100.00	USD : 189 NTD : 5,382	USD : 124 NTD : 3,676	USD : 124 NTD : 3,676	
"	ANDRIX INTERNATIONAL LIMITED	Anguilla	Import and export trading	USD : 1 NTD : 28	USD : 1 NTD : 31	900	100.00	USD : 354 NTD : 10,069	USD : (7) NTD : (210)	USD : (7) NTD : (210)	
Caswell Inc.	CASO Inc.	Japan	Sales of networking products	NTD : 27,062	NTD : 27,062	2,000	99.00	NTD : 67,205	NTD : 24,938	NTD : 24,689	
"	Caswell International Investment Co., Ltd.	Samoa	Investment	NTD : 101,135	NTD : 101,135	3,206,000	100.00	NTD : 169,825	NTD : 27,619	NTD : 27,619	
"	Caswell Americas, Inc	USA	Sales of networking products	NTD : 92,460	NTD : 92,460	3,000,000	100.00	NTD : 51,179	NTD : 1,637	NTD : 1,637	
"	APLIGO	Germany	Sales of networking products	NTD : 60,275	NTD : 32,387	24,000	66.67	NTD : 68,767	NTD : 74,906	NTD : 7,882	
"	Hawkeye Tech Co., Ltd.	Taiwan	Computer and peripheral commodity wholesale trade	NTD : 602,041	NTD : 405,000	8,187,000	60.64	NTD : 466,310	NTD : 59,774	NTD : 22,776	

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Name of investor	Name of investee	Location	Primary Business	Initial Investment Amount		Held at the end of the period			Profit or loss of the investee for the period	Recognized investment profit or loss for the period	Remark
				End of the period	End of previous year	Number of Shares	Percentage %	Carrying amount			
Thecus Technology Corp.	Thecus NL B.V.	Netherlands	Network storage device	NTD : 10,845	NTD : 10,845	2,600,000	100.00	NTD : -	NTD : 3,394	NTD : 3,394	Note II Note II
"	Tecas USA., Inc.	USA	Network storage device	NTD : 23,367	NTD : 23,367	750,000,000	100.00	NTD : 5,120	NTD : 1,711	NTD : 1,711	
"	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 : 20,500	USD : 17,000	20,500,000	100.00	USD : 17,917	USD : (988)	USD : (988)	
				NTD : 538,840	NTD : 484,160			NTD : 510,287	NTD : (29,652)	NTD : (29,652)	
Keenest Electronic Corp.	Sunlit Precision Technology Co., Ltd.	Hong Kong	Metal stamping and casting industry	USD : 10,212	USD : 10,212	7,500,000	40.30	USD : 7,644	USD : (10)	USD : (10)	
				NTD : 290,838	NTD : 290,838			NTD : 218,278	NTD : (313)	NTD : (313)	
Sunlit Precision Technology Co., Ltd.	Tai Ron Precision Casting Corporation	Hong Kong	Finance / Logistics	HKD : 7,500	HKD : 7,500	7,500,000	50.00	HKD : 25,657	HKD : 13,051	HKD : 6,525	
				NTD : 27,548	NTD : 27,548			NTD : 94,240	NTD : 49,711	NTD : 24,855	
Tai Ron Precision Casting Corporation	TipARagon Industrial (Thailand) Co., Limited	Thailand	Metal stamping and casting industry	THB : 120,000	THB : 60,998	120,000,000	100.00	THB : 115,463	THB : (4,537)	HKD : (4,537)	
				NTD : 114,672	NTD : 58,290			NTD : 110,337	NTD : (4,308)	NTD : (4,308)	
Taiwan Applied Module Corporation	SERVTECH Co., Ltd.	Taiwan	Wholesale of information software services	NTD : -	NTD : 28,125	-	-	NTD : -	NTD : (4,097)	NTD : (909)	
Marketch International Corp.	Marketch Integrated Pte. Ltd.	Singapore	semiconductor industry automation supply system	NTD : 233,306	NTD : 215,087	10,085,678	100.00	NTD : (37,181)	NTD : (5,107)	NTD : (5,107)	
"	Market Go Profits Ltd.	British Virgin Islands	Engaged in holding and reinvestment business	NTD : 1,328,547	NTD : 1,298,124	41,069,104	100.00	NTD : 1,386,248	NTD : 142,606	NTD : 142,606	
"	MIC-Tech Global Corp.	South Korea	General international trade	NTD : 19,147	NTD : 19,147	131,560	100.00	NTD : 12,581	NTD : 5,825	NTD : 5,825	
"	Headquarter International Ltd.	British Virgin Islands	Engaged in holding and reinvestment business	NTD : 42,475	NTD : 42,475	1,289,367	100.00	NTD : 35,329	NTD : (471)	NTD : (471)	
"	Tiger United Finance Ltd.	British Virgin Islands	Engaged in holding and reinvestment business	NTD : 46,475	NTD : 46,475	1,410,367	100.00	NTD : 34,314	NTD : (495)	NTD : (495)	
"	Marketch Engineering Pte. Ltd.	Singapore	Undertaking of mechanical and electrical installation and other engineering business	NTD : 21,804	NTD : 20,902	937,533	100.00	NTD : 2,131	NTD : (6,870)	NTD : (6,870)	
"	Marketch Integrated Manufacturing Company Limited	Myanmar	Design, manufacture, assembly and other services of automatic production mechanical equipment and components	NTD : 478,985	NTD : 478,985	1,535,600	100.00	NTD : 356,748	NTD : (39,014)	NTD : (39,014)	
"	MIC-Tech Viet Nam Co., Ltd.	Vietnam	Trading, installation and maintenance of various machinery and equipment	NTD : 110,696	NTD : 39,345	-	100.00	NTD : 85,787	NTD : (1,948)	NTD : (1,948)	
"	Marketch Co., Ltd.	Vietnam	Professional engineering contracting and related maintenance services	NTD : 72,596	NTD : 45,246	-	100.00	NTD : 16,751	NTD : (10,094)	NTD : (10,094)	
"	Ezoom Information, Inc.	Taiwan	Research and development, trading, sales, consulting services, and consulting services	NTD : 195,737	NTD : 195,737	20,000,000	100.00	NTD : 100,863	NTD : (20,255)	NTD : (20,255)	
"	PT Marketch International Indonesia	Indonesia	Trading of mechanical equipment and spare parts	NTD : 38,042	NTD : 38,042	1,199,000	99.92	NTD : 33,131	NTD : 223	NTD : 223	
"	Glory Technology Service Inc.	Taiwan	Trading and installation of telecommunications equipment	NTD : 42,714	NTD : 42,714	5,968,371	29.24	NTD : 67,579	NTD : 12,911	NTD : 3,775	
"	MIC Techno Co., Ltd.	Taiwan	Sales of panel equipment and materials	NTD : 2,000	NTD : 2,000	200,000	20.00	NTD : 1,824	NTD : (50)	NTD : (10)	
"	ADAT Technology Co., Ltd.	Taiwan	R&D, application and service of information software; supply of electronic information and sale of equipment	NTD : 50,000	NTD : 20,000	3,500,000	26.74	NTD : 23,954	NTD : (38,769)	NTD : (8,560)	
"	Smart Health Corp.	Taiwan	Smart medical advisory services and investments	NTD : 500	NTD : 1,500	50,000	100.00	NTD : 476	NTD : (67)	NTD : (42)	
"	Marketch Netherlands B.V.	Netherlands	International trade businesses and technical services for mechanical equipment and components	NTD : 31,253	NTD : 21,070	900,000	100.00	NTD : 12,543	NTD : (7,181)	NTD : (7,181)	
"	Marketch International Sdn. Bhd.	Malaysia	Professional engineering contracting and related maintenance services	NTD : 83,122	NTD : 83,122	12,242,750	100.00	NTD : 58,483	NTD : (1,814)	NTD : (1,814)	
"	Market International Corporation USA	USA	Professional engineering contracting and related maintenance services	NTD : 23,086	NTD : 23,086	750,000	100.00	NTD : 11,729	NTD : (4,469)	NTD : (4,469)	
"	Vertex Corporation	Taiwan	Design and manufacture of RF Signal Generator ; Internet of Things management; 5G telecommunications equipment and agency services; 5G Vertical application	NTD : 20,000	NTD : -	2,000,000	38.83	NTD : 18,046	NTD : (5,032)	NTD : (1,954)	
"	Spiro Technology Sytem, Inc.	USA	General international trade	NTD : 23,936	NTD : -	19,982	100.00	NTD : 21,383	NTD : (1,758)	NTD : (1,758)	
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	British Virgin Islands	Engaged in holding and reinvestment business	NTD : 1,323,049	NTD : 1,292,627	40,966,604	100.00	NTD : 1,384,843	NTD : 142,746	NTD : -	
Marketch Engineering Pte Ltd.	Marketch Integrated Construction Co., Ltd.	Myanmar	Undertaking of mechanical and electrical installation and other engineering business	NTD : 19,342	NTD : 19,342	63,500	97.69	NTD : 1,218	NTD : (6,909)	NTD : -	
MIC-Tech Ventures Asia Pacific Inc.	Rusky H.K. Limited	Hong Kong	Engaged in holding and reinvestment business	NTD : 34,551	NTD : 34,551	833,000	100.00	NTD : (634)	NTD : (11,055)	NTD : -	
"	Frontken MIC Co. Limited	Hong Kong	Engaged in holding and reinvestment business	NTD : 31,422	NTD : 31,422	2,337,608	100.00	NTD : 5,002	NTD : (193)	NTD : -	
"	MICT International Limited	Hong Kong	Engaged in holding and reinvestment business	NTD : 132,282	NTD : 132,282	5,400,000	60.00	NTD : 37,872	NTD : (23,808)	NTD : -	
"	Leader Fortune Enterprise Co., Ltd.	Samoa	Engaged in holding and reinvestment business	NTD : 8,990	NTD : 8,990	303,000	31.43	NTD : (3,395)	NTD : 3,982	NTD : -	
"	Fortune Blessing Co., Limited.	Hong Kong	Engaged in holding and reinvestment business	NTD : 45,985	NTD15,563	500,000	27.78	NTD : 11,121	NTD : (8,041)	NTD : -	
Rusky H.K. Limited	PT Marketch International Indonesia	Indonesia	Trading of mechanical equipment and spare parts	NTD : 32	NTD : 32	1,000	0.08	NTD : 28	NTD : 223	NTD : -	
S&T CEE Holding s.r.o., Slovakia	S&T CZ s.r.o., Czech Republic	Czech Republic	IT servers	EUR : 8,187	EUR : 8,187	49,500,000	99.00	EUR : 7,664	EUR : 975	EUR : 965	
"				NTD : 286,709	NTD : 275,003			NTD : 268,393	NTD : 32,867	NTD : 32,530	
"	S&T Plus s.r.o., Czech Republic	Czech Republic	Manufacturing and marketing of industrial computers	EUR : 471	EUR : 471	9,900,000	99.00	EUR : 2,345	EUR : 1,006	EUR : 996	
"				NTD : 16,494	NTD : 15,825			NTD : 82,122	NTD : 33,912	NTD : 33,575	
"	S&T Services Polska Sp.z.o.o., Poland	Poland	IT servers	EUR : 2,651	EUR : 2,651	2,120	100.00	EUR : 1,936	EUR : 87	EUR : 87	
"				NTD : 92,838	NTD : 89,059			NTD : 67,799	NTD : 2,933	NTD : 2,933	
"	S&T Crna Gora d.o.o., Montenegro	Montenegro	IT servers	EUR : 33	EUR : 33	25,000	100.00	EUR : 879	EUR : 140	EUR : 140	
"				NTD : 1,156	NTD : 1,112			NTD : 30,783	NTD : 4,719	NTD : 4,719	
"	S&T Bulgaria e.o.o.d., Bulgaria	Bulgaria	Manufacturing and marketing of industrial computers	EUR : 1,271	EUR : 1,271	13,126	100.00	EUR : 2,219	EUR : 397	EUR : 397	
"				NTD : 44,510	NTD : 42,691			NTD : 77,709	NTD : 13,383	NTD : 13,383	
"	S&T Poland Sp.z.o.z., Poland	Poland	IT servers	EUR : 1	EUR : 1	26,974	100.00	EUR : 12,808	EUR : 6,637	EUR : 6,637	
				NTD : 35	NTD : 34			NTD : 448,536	NTD : 223,733	NTD : 223,733	

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Name of investor	Name of investee	Location	Primary Business	Initial Investment Amount		Held at the end of the period			Profit or loss of the investee for the period	Recognized investment profit or loss for the period	Remark
				End of the period	End of previous year	Number of Shares	Percentage %	Carrying amount			
S&T CEE Holding s.r.o., Slovakia	S&T Slovenija d.d., Slovenia	Slovenia	IT servers	EUR : 15,516 NTD : 543,370	EUR : 15,516 NTD : 521,192	31,410	100.00	EUR : 7,853 NTD : 275,012	EUR : 1,121 NTD : 37,789	EUR : 1,121 NTD : 37,789	
S&T Slovenija d.d., Slovenia	S&T Hrvatska d.o.o., Croatia	Croatia	IT servers	EUR : 1,094 NTD : 38,312	EUR : 1,094 NTD : 36,750	221,300	100.00	EUR : 15,342 NTD : 537,277	EUR : 3,026 NTD : 102,006	EUR : 3,026 NTD : 102,006	
"	S&T Macedonia d.o.o.e.l., Macedonia	Macedonia	IT servers	EUR : 85 NTD : 2,977	EUR : 85 NTD : 2,870	568,000	100.00	EUR : 4,258 NTD : 149,115	EUR : 425 NTD : 14,327	EUR : 425 NTD : 14,327	
S&T AG, Austria	S&T CEE Holding s.r.o., Slovakia	Slovakia	IT servers	EUR : (5,345) NTD : (187,182)	EUR : (5,345) NTD : (179,525)	1,881,565	100.00	EUR : 8,932 NTD : 312,799	EUR : 3,312 NTD : 111,648	EUR : 3,312 NTD : 111,648	
"	S&T Plus s.r.o., Czech Republic	Czech Republic	Manufacturing and marketing of industrial computers	EUR : 92 NTD : 3,222	EUR : 92 NTD : 3,080	100,000	1.00	EUR : 24 NTD : 840	EUR : 1,006 NTD : 33,912	EUR : 10 NTD : 337	
"	S&T CZ s.r.o., Czech Republic	Czech Republic	IT servers	EUR : 61 NTD : 2,136	EUR : 61 NTD : 2,063	500,000	1.00	EUR : 77 NTD : 2,697	EUR : 975 NTD : 32,867	EUR : 10 NTD : 337	
"	S&T Romania S.R.L., Romania	Romania	IT servers	EUR : 3,227 NTD : 113,010	EUR : 3,227 NTD : 108,398	2,461	31.00	EUR : 1,942 NTD : 68,009	EUR : 459 NTD : 15,473	EUR : 143 NTD : 4,821	
"	S&T Serbia d.o.o., Serbia	Serbia	IT servers	EUR : 3,563 NTD : 124,776	EUR : 3,563 NTD : 119,673	8,786	100.00	EUR : 3,352 NTD : 117,387	EUR : 606 NTD : 20,428	EUR : 606 NTD : 20,428	
"	S&T Albania Sh.p.k., Albania	Albania	IT servers	EUR : 282 NTD : 9,876	EUR : 282 NTD : 9,460	100	100.00	EUR : 707 NTD : 24,759	EUR : 207 NTD : 6,978	EUR : 207 NTD : 6,978	
"	S&T Mold srl., Moldova	Modova	IT servers	EUR : 1,800 NTD : 63,036	EUR : 1,800 NTD : 60,462	578,898	51.00	EUR : 1,159 NTD : 40,588	EUR : 305 NTD : 10,282	EUR : 155 NTD : 5,225	
S&T AG, Austria	S&T Consulting Hungary Kft., Hungary	Hungary	IT servers	EUR : 11,947 NTD : 418,384	EUR : 11,947 NTD : 401,288	100,000	100.00	EUR : 6,578 NTD : 230,362	EUR : 229 NTD : 7,720	EUR : 229 NTD : 7,720	
"	S&T Deutschland GmbH, Germany	Germany	IT servers	EUR : 8,500 NTD : 297,670	EUR : 8,475 NTD : 284,682	25,000	100.00	EUR : 7,629 NTD : 267,168	EUR : 413 NTD : 13,922	EUR : 413 NTD : 13,922	
"	Computer Betting Company GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR : 37,738 NTD : 1,321,585	EUR : 37,738 NTD : 1,267,611	36,336	100.00	EUR : 17,342 NTD : 607,317	EUR : 1,586 NTD : 53,464	EUR : 1,586 NTD : 53,464	
"	SecureGUARD GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR : 2,371 NTD : 830,324	EUR : 2,371 NTD : 79,642	92,460	69.00	EUR : 1,071 NTD : 37,506	EUR : (97) NTD : (3,270)	EUR : (67) NTD : (2,259)	
"	Dorobet Ltd., Malta	Malta	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : 101 NTD : 3,393	-	99.00	EUR : - NTD : -	EUR : (473) NTD : (15,945)	EUR : (468) NTD : (15,776)	
"	S&T Smart Energy GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR : 7,106 NTD : 248,852	EUR : 5,763 NTD : 193,579	36,000	100.00	EUR : 2,987 NTD : 104,605	EUR : 4 NTD : 135	EUR : 4 NTD : 135	
"	Amanox Solutions AG; Switzerland	Switzerland	IT servers	EUR : 15,578 NTD : 545,542	EUR : 4,856 NTD : 163,113	105,000	100.00	EUR : 6,106 NTD : 213,832	EUR : 1,111 NTD : 37,452	EUR : 1,111 NTD : 37,452	
"	Hamcos IT Service GmbH, Germany	Germany	IT servers	EUR : 1,802 NTD : 63,106	EUR : 1,802 NTD : 60,536	98,000	49.00	EUR : 978 NTD : 34,250	EUR : 253 NTD : 8,529	EUR : 124 NTD : 4,180	
"	Kontron Austria GmbH, Austria (formerly known as S&T Electronics and Payment Systems GmbH)	Austria	Manufacturing and marketing of industrial computers	EUR : 4,222 NTD : 147,854	EUR : 4,222 NTD : 141,810	32,702	90.00	EUR : 9,223 NTD : 322,989	EUR : (708) NTD : (23,867)	EUR : (638) NTD : (21,507)	
"	S&T SME Distribution GmbH (formerly known as NES OE Vertriebs-GmbH), Austria	Austria	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : 18 NTD : 600	17,850	-	EUR : - NTD : -	EUR : - NTD : -	EUR : - NTD : -	
"	Kontron Technologies GmbH (formerly known as S&T Technologies GmbH), Austria	Austria	Manufacturing and marketing of industrial computers	EUR : 3,773 NTD : 132,130	EUR : 3,773 NTD : 126,725	35,000	100.00	EUR : 6,593 NTD : 230,887	EUR : 279 NTD : 9,405	EUR : 279 NTD : 9,405	
"	Linforge Technologies GmbH, Austria	Austria	IT servers	EUR : - NTD : -	EUR : 1,181 NTD : 41,571	-	100.00	EUR : - NTD : -	EUR : - NTD : -	EUR : - NTD : -	Note III
"	S&T MEDTECH SRL (formerly known as GADA GROUP ROMANIA SRL), Romania	Romania	Manufacturing and marketing of industrial computers	EUR : 11,675 NTD : 408,859	EUR : 11,675 NTD : 392,158	105,000	100.00	EUR : 11,670 NTD : 408,683	EUR : 6 NTD : 2,022	EUR : 6 NTD : 2,022	
"	S&T Services Bel LLC	Belarus	IT servers	EUR : 538 NTD : 188,841	EUR : 538 NTD : 18,079	113,267	100.00	EUR : 779 NTD : 27,281	EUR : 145 NTD : 4,888	EUR : 145 NTD : 4,888	
"	Affair OOO, Russia	Russia	Manufacturing and marketing of industrial computers	EUR : 5,870 NTD : 205,567	EUR : 5,870 NTD : 197,173	4,800,000	48.00	EUR : 3,717 NTD : 130,169	EUR : 6 NTD : 202	EUR : 3 NTD : 101	
"	funworld gmbh, Austria	Austria	Manufacturing and marketing of industrial computers	EUR : 330 NTD : 11,557	EUR : 330 NTD : 11,085	-	-	EUR : - NTD : -	EUR : - NTD : -	EUR : - NTD : -	
"	Kontron Transportation Austria AG	Austria	Manufacturing and marketing of industrial computers	EUR : 10,902 NTD : 381,788	EUR : 10,902 NTD : 366,195	10,000,000	100.00	EUR : 31,059 NTD : 1,087,686	EUR : 2,574 NTD : 86,770	EUR : 2,574 NTD : 86,770	
"	Kontron Transportation North America Inc.	USA	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : 1 NTD : -	-	100.00	EUR : - NTD : -	EUR : 2,181 NTD : 73,522	EUR : 2,181 NTD : 73,522	
"	Kontron Transportation Belgium NV	Belgium	Manufacturing and marketing of industrial computers	EUR : 2 NTD : 70	EUR : 2 NTD : 67	11,318,887	99.00	EUR : 6,352 NTD : 222,447	EUR : 4,206 NTD : 141,784	EUR : 4,205 NTD : 141,784	

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Name of investor	Name of investee	Location	Primary Business	Initial Investment Amount		Held at the end of the period			Profit or loss of the investee for the period	Recognized investment profit or loss for the period	Remark
				End of the period	End of previous year	Number of Shares	Percentage %	Carrying amount			
S&T AG, Austria	S&T IT Services S.R.L	Modova	IT servers	EUR : 13,029 NTD : -	EUR : 13,029 NTD : 437,649	1,504,500	51.00	EUR : 3,789 NTD : 132,691	EUR : (2,272) NTD : (76,589)	EUR : (1,159) NTD : (39,070)	Note IV
"	Kontron Beteiligungs GmbH	Germany	IT servers	EUR : 209,459 NTD : 7,335,254	EUR : - NTD : -	25,001	100.00	EUR : 209,381 NTD : 7,332,523	EUR : (19) NTD : (640)	EUR : (19) NTD : (640)	
"	CITYCOMP Service GmbH	Germany	Manufacturing and marketing of industrial computers	EUR : 6,000 NTD : 210,120	EUR : - NTD : -	255,900	56.00	EUR : 17,584 NTD : 615,792	EUR : 777 NTD : 26,193	EUR : 777 NTD : 26,193	
"	Kontron AIS GmbH	Germany	Manufacturing and marketing of industrial computers	EUR : 13,175 NTD : 461,389	EUR : 13,077 NTD : 439,257	51,000	100.00	EUR : 11,203 NTD : 392,329	EUR : 866 NTD : 29,193	EUR : 866 NTD : 29,193	
"	FinTel Holding d.o.o.& co k.d., holdinska družba	Slovenia	Manufacturing and marketing of industrial computers	EUR : 29,967 NTD : -	EUR : - NTD : -	2,179	100.00	EUR : 2,234 NTD : 78,235	EUR : (41) NTD : (1,382)	EUR : (41) NTD : (1,382)	
"	FinTel holding d.o.o.	Slovenia	Manufacturing and marketing of industrial computers	EUR : 30,560 NTD : -	EUR : - NTD : -	602	100.00	EUR : 1,243 NTD : 43,530	EUR : (2) NTD : (67)	EUR : (2) NTD : (67)	
S&T Deutschland GmbH, Germany	XTRO AG, Germany	Germany	IT servers	EUR : 2,500 NTD : 87,550	EUR : 2,500 NTD : 83,975	50,000	100.00	EUR : 3,826 NTD : 133,987	EUR : (330) NTD : (11,124)	EUR : (330) NTD : (11,124)	
Computer Betting Company GmbH, Austria	S&T Romania S.R.L., Romania	Romania	IT servers	EUR : 1,690 NTD : 59,184	EUR : 1,690 NTD : 56,759	5,460	69.00	EUR : 4,308 NTD : 150,866	EUR : 459 NTD : 15,473	EUR : 316 NTD : 10,652	
"	S&T Slovakia s.r.o., Slovakia	Slovakia	IT servers	EUR : 6,971 NTD : 244,124	EUR : 6,971 NTD : 234,146	1,659,696	100.00	EUR : 4,964 NTD : 173,839	EUR : 539 NTD : 18,170	EUR : 539 NTD : 18,170	
S&T Consulting Hungary Kft., Hungary	S&T Services Kft., Hungary	Hungary	IT servers	EUR : 3,627 NTD : 127,018	EUR : 3,627 NTD : 121,842	268,000	100.00	EUR : 2,493 NTD : 87,305	EUR : 493 NTD : 16,619	EUR : 493 NTD : 16,619	
Kontron S&T AG, Germany	Kontron Asia Inc., Taiwan	Taiwan	Manufacturing and marketing of industrial computers	EUR : 2,797 NTD : 97,951	EUR : 2,797 NTD : -	13,000	100.00	EUR : 1,986 NTD : 69,550	EUR : 50 NTD : 1,686	EUR : 50 NTD : 1,686	
KONTRON EUROPE GMBH, Germany	Kontron Austria GmbH, Austria	Austria	Manufacturing and marketing of industrial computers	EUR : 71 NTD : 2,486	EUR : 71 NTD : 2,372	3,634	10.00	EUR : 1,025 NTD : 35,896	EUR : (708) NTD : (23,867)	EUR : (71) NTD : (2,393)	
"	Kontron America Inc.	USA	Communication products	EUR : 17,790 NTD : 623,006	EUR : 17,790 NTD : 597,575	2,036,040	100.00	EUR : 15,197 NTD : 532,199	EUR : (4,603) NTD : (155,167)	EUR : (4,603) NTD : (155,167)	
"	Kontron Canada Inc.	Canada	Communication products	EUR : 60,213 NTD : 2,108,659	EUR : 60,213 NTD : 2,022,546	50,000,200	100.00	EUR : 31,143 NTD : 1,090,628	EUR : 7,013 NTD : 236,408	EUR : 7,013 NTD : 236,408	
"	Kontron Asia Pacific Design Sdn. Bhd.	Malaysia	Manufacturing and marketing of industrial computers	EUR : 5,071 NTD : 177,586	EUR : 5,071 NTD : 170,345	44,581,102	100.00	EUR : (3,573) NTD : (125,126)	EUR : (216) NTD : (7,281)	EUR : (216) NTD : (7,281)	
"	Kontron (Beijing) Technology Co. Ltd.	Mainland China	Manufacturing and marketing of industrial computers	EUR : 918 NTD : 32,148	EUR : 918 NTD : 30,845	15,398,961	100.00	EUR : 10,475 NTD : 366,835	EUR : 1,273 NTD : 42,913	EUR : 1,273 NTD : 42,913	
"	Kontron Electronics GmbH, Germany	Germany	Manufacturing and marketing of industrial computers	EUR : 19,262 NTD : 674,555	EUR : 19,262 NTD : 646,994	102,150	100.00	EUR : 19,988 NTD : 699,980	EUR : (33) NTD : (1,112)	EUR : (33) NTD : (1,112)	
"	Kontron Modular Computers S.A.S.	France	Manufacturing and marketing of industrial computers	EUR : 5,158 NTD : 180,633	EUR : 5,158 NTD : 173,267	344,503	100.00	EUR : 5,597 NTD : 196,007	EUR : 4 NTD : 135	EUR : 4 NTD : 135	
"	Kontron UK Ltd.	UK	Manufacturing and marketing of industrial computers	EUR : 1,712 NTD : 59,954	EUR : 1,712 NTD : 57,495	172,550	100.00	EUR : 3,720 NTD : 130,274	EUR : 508 NTD : 17,125	EUR : 508 NTD : 17,125	
"	Kontron ECT design s.r.o.	Czech Republic	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	500,000	100.00	EUR : 882 NTD : 30,888	EUR : 179 NTD : 6,034	EUR : 179 NTD : 6,034	
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 III
Kontron Austria GmbH, Austria	Kontron Electronics AG, Switzerland	Switzerland	Manufacturing and marketing of industrial computers	EUR : 1 NTD : -	EUR : 1 NTD : -	1,000	100.00	EUR : (1,935) NTD : (67,764)	EUR : (549) NTD : (18,507)	EUR : (549) NTD : (18,507)	
Affair OOO, Russia	RTSoft Project OOO, Russia	Russia	Manufacturing and marketing of industrial computers	EUR : 6,636 NTD : 232,393	EUR : 6,636 NTD : 222,891	372,500	75.00	EUR : 5,237 NTD : 183,400	EUR : 130 NTD : 4,382	EUR : 97 NTD : 3,270	
S&T Mold srl., Moldova	S&T IT Technologie srl., Moldova	Modova	IT servers	EUR : 2 NTD : 70	EUR : 2 NTD : 82	50,000	100.00	EUR : (95) NTD : (3,327)	EUR : (103) NTD : (3,472)	EUR : (103) NTD : (3,472)	
S&T Hrvatska d.o.o., Croatia	S&T Carrier Business	Croatia	IT servers	EUR : - NTD : -	EUR : 744 NTD : 26,189	-	-	EUR : - NTD : -	EUR : - NTD : -	EUR : - NTD : -	Note III
Kontron Beteibgungs GmbH	Kontron S&T AG Germany	Germany	IT servers	EUR : - NTD : -	EUR : 192 NTD : 6,449	-	-	EUR : - NTD : -	EUR : 433 NTD : 14,596	EUR : 433 NTD : 14,596	Note IV
"	Kontron Europe GmbH	Germany	Manufacturing and marketing of industrial computers	EUR : 209,375 NTD : 7,332,313	EUR : 123,910 NTD : 4,162,137	23,600,000	100.00	EUR : 145,922 NTD : 5,110,188	EUR : 5,660 NTD : 190,799	EUR : 5,660 NTD : 190,799	Note IV

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Name of investor	Name of investee	Location	Primary Business	Initial Investment Amount		Held at the end of the period			Profit or loss of the investee for the period	Recognized investment profit or loss for the period	Remark
				End of the period	End of previous year	Number of Shares	Percentage %	Carrying amount			
Kontron Electronics GmbH, Germany	Kontron Electronics V&t.	Hungary	Manufacturing and marketing of industrial computers	EUR : 145 NTD : -	EUR : 145 NTD : -	3,000,000	100.00	EUR : 420 NTD : 14,708	EUR : 151 NTD : 5,090	EUR : 151 NTD : 5,090	
Kontron Transportation France SAS	Kontron Transportation Saudi for Comstraction LLC	Saudi Arabia	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	25,000	5.00	EUR : 8 NTD : 280	EUR : 4 NTD : 135	EUR : 1 NTD : 34	
Kontron Asia Inc.	Kontron Transportation Taiwan Co., Ltd	Taiwan	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	50,000,000	100.00	EUR : (61) NTD : (2,136)	EUR : 97 NTD : 3,270	EUR : 97 NTD : 3,270	
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 : 58 NTD : 2,031	EUR : 62 NTD : 2,090	EUR : 62 NTD : 2,090	
"	Kontron Transportation Espana, S.L.	Spain	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	250,000	100.00	EUR : 847 NTD : 29,662	EUR : 67 NTD : 2,259	EUR : 67 NTD : 2,259	
"	Kontron Transportation Portugal - Unipessoal LDA	Portugal	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	5,000	100.00	EUR : 623 NTD : 21,817	EUR : 245 NTD : 8,259	EUR : 245 NTD : 8,259	
"	Kontron Transportation s.r.o.	Czech Republic	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	30,400,000	100.00	EUR : (1,235) NTD : (43,250)	EUR : (92) NTD : (3,101)	EUR : (92) NTD : (3,101)	
"	Kontron Transportation Hungary Kft.	Poland	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	67,000,000	100.00	EUR : 2,096 NTD : 73,402	EUR : (753) NTD : (25,384)	EUR : (753) NTD : (25,384)	
"	Kapsch CarrierCom Saudi Arabia LLC	Saudi Arabia	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	475,000	95.00	EUR : 150 NTD : 5,253	EUR : 4 NTD : 135	EUR : 4 NTD : 135	
"	Kontron Transportation Deutschland GmbH	Germany	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	25,000	100.00	EUR : 3,912 NTD : 136,998	EUR : 2,898 NTD : 97,692	EUR : 2,898 NTD : 97,692	
"	Kontron Transportation France S.A.S	France	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	8,600,000	100.00	EUR : 9,521 NTD : 333,425	EUR : 3,511 NTD : 118,356	EUR : 3,511 NTD : 118,356	
"	Kontron Transportation UK Ltd.	UK	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	415,950	100.00	EUR : 1,014 NTD : 35,510	EUR : 649 NTD : 21,878	EUR : 649 NTD : 21,878	
Kontron Technology Beijing Co. Ltd.	Kontron (Beijing) Information and communication Technology Co., Ltd	Mainland China	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	1,000,000	100.00	EUR : 85 NTD : 2,977	EUR : 12 NTD : 405	EUR : 12 NTD : 405	
Kontron Transportation Belgium NV	AP Trans NV	Belgium	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : 1 NTD : 33	375,000	100.00	EUR : - NTD : -	EUR : (3) NTD : (101)	EUR : (3) NTD : (101)	
S&T Romania S.R.L.	CRONUS Ebusiness S.R.L	Romania	IT servers	EUR : 1,673 NTD : 58,588	EUR : - NTD : -	1,045,010	100.00	EUR : - NTD : -	EUR : (69) NTD : (2,326)	EUR : (69) NTD : (2,326)	
CITYCOMP Service GmbH	CITYCOMP Service GmbH	Austria	Industry of Internet of Things	EUR : 35 NTD : 1,226	EUR : - NTD : -	-	100.00	EUR : - NTD : -	EUR : - NTD : -	EUR : - NTD : -	
CITYCOMP Service GmbH	CITYCOMP Service AG	Switzerland	Industry of Internet of Things	EUR : 82 NTD : 2,872	EUR : - NTD : -	100,000	100.00	EUR : 81 NTD : 2,837	EUR : (1) NTD : (33)	EUR : (1) NTD : (33)	
FinTel Holding d.o.o.	Iskratel d.o.o.	Slovenia	Manufacturing and marketing of industrial computers	EUR : 2,167 NTD : 75,888	EUR : - NTD : -	109,275	100.00	EUR : 60,768 NTD : 2,128,095	EUR : (633) NTD : (21,338)	EUR : (633) NTD : (21,338)	
Iskratel d.o.o.	ITS Skopje	Macedonia	Manufacturing and marketing of industrial computers	EUR : 397 NTD : 13,903	EUR : - NTD : -	309,000	100.00	EUR : 149 NTD : 5,218	EUR : 89 NTD : 3,000	EUR : 89 NTD : 3,000	
ITS Skopje	ITS Softver d.o.o.	Macedonia	Manufacturing and marketing of industrial computers	EUR : 5 NTD : 175	EUR : - NTD : -	309,000	100.00	EUR : 198 NTD : 6,934	EUR : (33) NTD : (1,112)	EUR : (33) NTD : (1,112)	
Iskratel d.o.o.	IskraCom	Kazakhstan	Manufacturing and marketing of industrial computers	EUR : - NTD : -	EUR : - NTD : -	15,365,000	100.00	EUR : 103 NTD : 3,607	EUR : 118 NTD : 3,978	EUR : 118 NTD : 3,978	
"	OOO Iskratel Tashkent	Uzbekistan	Manufacturing and marketing of industrial computers	EUR : 2 NTD : 70	EUR : - NTD : -	11,576,588	76.00	EUR : 253 NTD : 8,860	EUR : 3 NTD : 101	EUR : 2 NTD : 67	
"	AD Iskra Ura Tel Yekaterinburg	Russia	Manufacturing and marketing of industrial computers	EUR : 1,131 NTD : 39,608	EUR : - NTD : -	760,000	48.00	EUR : 2,445 NTD : 85,624	EUR : 1,946 NTD : 65,600	EUR : 1,896 NTD : 63,915	
"	Iskratel Ukrain LTD	Ukraine	Manufacturing and marketing of industrial computers	EUR : 180 NTD : 6,304	EUR : - NTD : -	10,938,820	100.00	EUR : 43 NTD : 1,506	EUR : (13) NTD : (438)	EUR : (13) NTD : (438)	

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

Note 2: The investment profit or loss recognized for the period includes the amortization of the difference between the investment cost and net worth of shareholding.

Note 3: Due to the adjustment of the organizational structure in 2020, S&T AG has been merged and eliminated or dissolved and liquidated.

Note 4: For the year ended December 31, 2020, due to the adjustment of organizational structure, SyS-P has been merged and eliminated or dissolved and liquidated.

Note 4: S&T AG, Austria previously held 100% of Kontron S&T AG, Germany directly. Due to the adjustment of the organizational structure, it indirectly held Kontron S&T AG, Germany through the establishment of Kontron Beteijigungs GmbH.

Ennoconn corporation and subsidiaries
Investment information in mainland China
January 1 to December 31, 2020

Table VIII Unit: In Thousands of Foreign currency/ New Taiwan Dollars

No "\$" added to this sheet

Name of the investee in mainland China	Primary Business	Paid-in Capital	Investment method	Accumulated investment amount remitted out of Taiwan at the beginning of the period	Investment Amount of outward remittance or collection for the period		Accumulated investment amount remitted out of Taiwan at the end of the period	Current (loss) profit of the investee company for the period	The Company's shareholding ratio of direct or indirect investment	Investment (loss) profit recognized for the period	Carrying amount of the investment at the end of the period	Repatriated investment income by year end
					Remitted	Repatriated						
Nanjing Asiatek Inc.	Research, development, sales of software and hardware products, and provision of its installation, addition and technical consulting.	USD3,000 thousand NTD85,440	Acquired 100% equity of Innovative Systems Integration Limited (Innovative Systems) in the third region (registered in Hong Kong) with HKD 5,000 thousand, indirectly acquired 100% equity of Nanjing Asiatek Inc. of the mainland China region business (paid-in capital: USD 2,600 thousand), and invested an additional USD 400 thousand in Nanjing Asiatek Inc. of the mainland China region business through reinvestment in Innovative Systems in the third region. Note 1(2)	HKD5,000 thousand and USD 400 thousand NTD29,742 Note 3	-	-	- HKD5,000 thousand and USD 400 thousand NTD29,742 Note 3	CNY12,284 NTD52,576	100%	CNY12,284 NTD52,576 Note 2(2)B	CNY57,695 NTD252,702	-
Shenzhen Asiatek INC.	Engaged in R & D, production and sales of electronic materials required for hardware and software products	CNY6,250 thousand NTD27,375	Reinvested by the sub-subsiary Nanjing Asiatek Inc. Note 1(3)	-	-	-	- CNY4,753 NTD20,341	70%	CNY3,327 NTD14,239	CNY12,191 NTD53,397	-	-
Shenzhen finagling Technology Co., Ltd.	Sales of machinery and accessories and molds.	CNY20,000 thousand NTD87,600	Reinvested by the sub-subsiary Nanjing Asiatek Inc. Note 1(3)	-	-	-	- CNY16,704 NTD71,492	20%	CNY3,341 NTD14,298 Note 4	CNY10,381 NTD45,467	-	-
Shenzhen Kangni Intelligent Technology Co., Ltd.	Sales of machinery and accessories and molds.	CNY11,980 thousand NTD52,472	Re-investment through the sub-subsiary of Shenzhen Asiatek INC. Note 1(3)	-	-	-	- CNY(1,350) NTD(5,779)	17.5%	CNY(270) NTD(1,156) Note 4	CNY730 NTD3,197	-	-
Ennoconn (Foshan) Investment Co., Ltd.	Professional Investment	USD9,746 thousand NTD277,566	Re-investment through the subsidiary at the third-region of Innovative Systems Note 1(2)	USD9,746 thousand NTD277,566 Note 3	-	-	- USD9,746 thousand NTD277,566 Note 3	CNY383 NTD1,637	100%	CNY383 NTD1,637 Note 2(2)B	CNY67,535 NTD295,804	-
Ennoconn (Suzhou) Technology Co., Ltd.	Research and development, production and sales of industrial computers	USD30,000 thousand NTD854,400	Re-investment through the subsidiary at the third-region of Innovative Systems Note 1(2)	USD30,000 thousand NTD854,400 Note 3	-	-	- USD30,000 thousand NTD854,400 Note 3	CNY(8,204), NTD(35,114)	100%	CNY(8,204) NTD(35,114) Note 2(2)B	CNY204,557 NTD895,959	-
Ennoconn (Kunshan) Technology Co., Ltd.	Intelligent technology development and sales of hardware	CNY500 thousand NTD2,190	Re-investment through the sub-subsiary of Ennoconn (Suzhou) Technology Co., Ltd. Note 1(3)	-	-	-	- CNY3,418 NTD14,631	70%	CNY2,471 NTD11,732 Note 2(2)B	CNY2,668 NTD11,688	-	-
Ennoconn Investment Co., Ltd.	Professional Investment	USD20,000 thousand NTD569,600	Re-investment through the subsidiary at the third-region of Innovative Systems Note 1(2)	USD20,000 thousand NTD569,600 Note 3	-	-	- USD20,000 thousand NTD569,600 Note 3	CNY(7,193) NTD(30,785)	100%	CNY(7,193) NTD(30,785) Note 2(2)B	CNY133,681 NTD585,523	-
Beijing Caswell Ltd.	Production of electronic monitoring products and online communication products.	USD3,800 thousand NTD108,224	Reinvestment through Caswell International Investment Co., Ltd., a sub-subsiary in the third region. Note 1(1)	USD3,116 thousand NTD88,744 Note 3	-	-	- USD3,116 thousand NTD88,744 Note 3	NTD33,724	26.17%	NTD8,824 Note 2(2)A	NTD62,000	-
HighAim Technology Inc.	Design, R&D, and production of various molds, servers, and communication equipment	USD10,00 thousand NTD284,800	Through the third regional company, sub-subsiary EnnoMech Precision (Cayman) Co., Ltd. invested in HighAim Technology Inc. and indirectly acquired the equity of its subsidiaries. Note 1(2)	USD10,843 thousand NTD308,809 Note 3	-	-	- USD10,843 thousand NTD308,809 Note 3	CNY18,369 NTD75,251	66.05%	CNY12,133 NTD49,703 Note 2(2)B	CNY84,604 NTD369,561	-
Kunshan Lidingcheng Intelligent Equipment Co., Ltd.	Leasing, sales, and after-sales service of intelligence, mechanical equipment, and accessories.	CNY1,000 thousand NTD4,270	Reinvestment through HighAim Technology Inc., a sub-subsiary in the third region. Note 1(3)	-	-	-	- CNY294 NTD1,257	66.05%	CNY194 NTD830 Note 4	CNY983 NTD4,306	-	-
HighAim (Shenzhen) Technology Inc.	Automation fixtures, tools and molds	CNY2,700 thousand NTD11,826	Reinvestment through HighAim Technology Inc., a sub-subsiary in the third region. Note 1(3)	-	-	-	- CNY(4) NTD(18)	66.05%	CNY(3) NTD(12)	CNY(3) NTD(13)	-	-
EnnoMech Precision (Shenzhen) Co., Ltd. (Note 5)	Mechanism parts	USD- NTD-	Reinvestment through Dominate United Enterprise Ltd. in the third region. Note 1(2)	USD1,530 thousand NTD43,574 Note 3	-	-	- USD1,530 thousand NTD43,574 Note 3	CNY(544) NTD(2,395)	-	CNY(544) NTD(2,395) Note 2(2)B	CNY- NTD-	CNY10,367
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.	USD9,500 thousand NTD270,560	Reinvestment through Keenest Electronic Corp. in the third region. Note 1(2)	USD6,000 thousand NTD170,880 Note 3	USD3,500 thousand NTD99,680	-	- USD9,500 thousand NTD270,560 Note 3	CNY(12,457) NTD(54,014)	56.74%	CNY(7,068) NTD(30,648) Note (2)2B	CNY48,842 NTD213,189	-

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Name of the investee in mainland China	Primary Business	Paid-in Capital	Investment method	Accumulated investment amount remitted out of Taiwan at the beginning of the period	Investment Amount of outward remittance or collection for the period		Accumulated investment amount remitted out of Taiwan at the end of the period	Current (loss) profit of the investee company for the period	The Company's shareholding ratio of direct or indirect investment	Investment (loss) profit recognized for the period	Carrying amount of the investment at the end of the period	Repatriated investment income by year end
					Remitted	Repatriated						
Techno Precision (Shenzhen) Co., Ltd.	Stamping/assembly	HKD23,000 NTD84,479	Indirectly acquired the equity of its subsidiaries through the investment in Hong Kong Techno Precision Co., Ltd. in the third region. Note 1(3)	-	-	-	-	CNY(3,300) NTD(14,132)	22.87%	CNY(755) NTD(3,231)	CNY533 NTD2,334	-
T-Paragon Metal (Shenzhen) Co., Ltd.	Zinc / aluminum alloy die casting	HKD5,000 NTD18,365	Indirectly acquired the equity of its subsidiaries through the investment in Hong Kong Techno Precision Co., Ltd. in the third region. Note 1(3)	-	-	-	-	CNY7,165 NTD30,678	11.43%	Note (2) 2A CNY819 NTD3,508 Note (2) 2A	CNY4,129 NTD18,073	-
Techno Apogee Co., Ltd.	Manufacturing and sales of plastic and hardware molds	CNY8,000 NTD35,016	Indirectly acquired the equity of its subsidiaries through the investment in Hong Kong Techno Precision Co., Ltd. in the third region. Note 1(3)	-	-	-	-	CNY286 NTD1,223	16.01%	CNY46 NTD196	CNY1,400 NTD6,128	-
T-MAXX Technology Co., Ltd.	Intelligent home security system equipment	CNY3,000 NTD11,019	Indirectly acquired the equity of its subsidiaries through the investment in Hong Kong Techno Precision Co., Ltd. in the third region. Note 1(3)	-	-	-	-	CNY(22) NTD(95)	22.87%	CNY(5) NTD(22)	CNY614 NTD2,689	-
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	NTD726,240	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD583,840	NTD-	NTD-	NTD583,840	NTD(18,272)	44.59%	NTD(7,900) Note 2(2)B	NTD7,453	-
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	NTD234,704	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD14,240	NTD-	NTD-	NTD14,240	NTD112,451	44.59%	NTD50,142 Note 2(2)B	NTD221,887	-
Fuzhou Jiwei System Integrated Co., Ltd.	Dust-free room and power system equipment, piping system equipment installation and related supporting services	NTD8,544	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD8,544	NTD-	NTD-	NTD8,544	NTD(254)	44.59%	NTD(113) Note 2(2)B	NTD(807)	-
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.	NTD17,088	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD17,173	NTD-	NTD-	NTD17,173	NTD12,753	38.79%	NTD4,304 Note 2(2)B	NTD(1,274)	-
MIC-Tech Electronics Engineering Corp.	Mechanical and electrical installation, engineering construction general contracting, electrical engineering professional contracting, chemical petroleum equipment pipeline installation, pipeline professional contracting and post-engineering warranty services, relevant engineering and technical consulting services	NTD501,789	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD242,650	NTD-	NTD-	NTD242,650	NTD20,178	44.59%	NTD8,997 Note 2(2)B	NTD239,623	-

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Name of the investee in mainland China	Primary Business	Paid-in Capital	Investment method	Accumulated investment amount remitted out of Taiwan at the beginning of the period	Investment Amount of outward remittance or collection for the period		Accumulated investment amount remitted out of Taiwan at the end of the period	Current (loss) profit of the investee company for the period	The Company's shareholding ratio of direct or indirect investment	Investment (loss) profit recognized for the period	Carrying amount of the investment at the end of the period	Repatriated investment income by year end
					Remitted	Repatriated						
Frontken MIC Co. Limited	Special cleaning of semiconductor components and integrated circuits; parts for semiconductor devices, parts for integrated circuits and micro-components, wafer cleaning; development of semiconductor cleaning technology; assembly, installation and maintenance of refrigeration equipment; automated storage equipment and accessories, automatic design, manufacture, sales and installation of transportation logistics equipment and accessories; development, sales and installation of computer-aided engineering systems for logistics deployment; wholesale and commission agents for these abovementioned products and their parts, import and export business, etc.	NTD65,732	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD26,293	NTD-	NTD-	NTD26,293	NTD(194)	44.59%	NTD(87) Note 2(2)B	NTD2,222	-
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 micro display projection equipment module for large screen color projection display, manufacturing of new electronic components, cleaning and regeneration services.	NTD199,360	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD111,072	NTD-	NTD-	NTD111,072	NTD(23,798)	26.75%	NTD(3,820) Note 2(2)B	NTD9,940	-
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.	NTD42,720	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD42,720	NTD-	NTD-	NTD42,720	NTD13,605	44.59%	NTD6,066 Note 2(2)B	NTD14,651	-
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.	NTD27,253	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD8,565	NTD-	NTD-	NTD8,565	NTD3,982	14.01%	NTD175 Note 2 (2)c	NTD(476)	-
Fortune International Corporation	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.	NTD34,176	Through Market Go Profits Ltd. to reinvest companies in third-region and reinvest in mainland companies Note 1(2)	NTD14,240	NTD-	NTD-	NTD14,240	NTD(8,053)	12.39%	NTD(277) Note 2 (2)c	NTD790	-

Name of investor	Accumulated Outward Remittance for Investment from Taiwan to Mainland China - End of the Period	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	HKD5,000 thousand and USD 60,146 thousand NTD1,731,308 (Note 3)	HKD5,000 thousand and USD 92,946 thousand NTD2,665,452 (Note 3)	NTD5,550,075
Goldtek Technology Co., Ltd.	USD9,500 thousand and HKD80,100 thousand NTD564,767 (Note 3)	USD9,500 thousand and HKD80,100 thousand NTD564,767 (Note 3)	NTD1,066,033
Caswell Inc.	USD3,116 thousand NTD88,744 (Note 3)	USD3,116 thousand NTD88,744 (Note 3)	NTD1,846,468
Ennoconn International Investment Co., Ltd.	USD12,373 thousand NTD352,383 (Note 3)	USD12,373 thousand NTD352,383 (Note 3)	NTD4,737,418
Marketech International Corp.	NTD1,116,125 (Note 3)	NTD1,860,227 (Note 3)	NTD3,819,830

Note 1: Investment methods are divided into below three types with remark by type only:

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

Note 2: The column of investment profit or loss recognized for the period:

- (1) If the company is in preparation status without investment profit or loss, it shall be remarked.
- (2) Recognized basis of investment profit or loss includes below three types and shall be remarked.
 - A. The financial statements audited and certified by international accounting firms in cooperation with Republic of China accounting firms.
 - B. The financial statements had been audited and certified by the parent company's certified public accountant in Taiwan.
 - C. Others.

Note 3: The conversion rate is the spot average exchange rate of the Bank of Taiwan on December 31, 2020.

Note 4: It is a non-significant associates, and its financial statements not audited by certified public accountants shall not have a significant impact.

Note 5: The liquidation was processed in November 2020 and the remaining liquidation proceeds of RMB10,367 thousand were fully remitted back.

Ennoconn corporation and subsidiaries
Information on major shareholder
December 31, 2020

Table IX

Name of Major Shareholders	Shares	
	Number of Shares held	Shareholdings (%)
Baoxin International Investments Ltd.	29,074,437	34.21
New Labor Pension Fund 2018 the second time of Discretionary Account at Capital Investment	5,869,467	6.9
Fubon Life Insurance Co., Ltd.	5,812,145	6.83

Note 1: The major shareholders in this statement are shareholders holding 5% and above of the ordinary and preference shares that have completed delivery without physical registration (including treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.

Note 2: If a shareholder delivers its shareholding to the trust, the aforesaid information shall be disclosed by the trustor's individual account of trustee who opened the trust account. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings including their own shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to the Market Observation Post System website.

STATEMENTS OF MAJOR ACCOUNTING SUBJECTS

ITEM	CODE / INDEX
Major Accounting Items in Assets, Liabilities and Equity	
Statement of Cash and Cash Equivalents	Statement I
Statement of Financial Assets Measured at Amortized Cost - Current	Note 8
Statement of Accounts Receivable	Statement II
Statement of Inventories	Statement III
Statement of Other Current Assets	Note 15
Statement of Changes in Investments accounted for using the equity method	Statement IV
Statement of Changes in Property, Plant and Equipment	Note 12
Statement of Changes in Accumulated Depreciation of Property, Plant and Equipment	Note 12
Statement of Changes in Right-of-use Assets	Statement V
Statement of Changes in Accumulated Depreciation of Right-of-use Assets	Statement VI
Statement of Accounts Payable	Statement VII
Statement of Short-term borrowings	Statement VIII
Statement of Other Payable	Note 18
Statement of corporate bonds Payable	Statement IX
Statements of Profit or Loss Items	
Statement of OPERATING REVENUE	Statement X
Statement of Operating Cost	Statement XI
Statement of Selling and marketing expenses	Statement XII
Statement of General and administrative expenses	Statement XII
Statement of OTHER OPERATING INCOME AND EXPENSES	Note 22
Summary of Employee Benefits, Depreciation, Depletion and Amortization Expenses Incurred in the Current Period by Function	Statement XIII

Ennoconn Corporation
Statement of Cash and Cash Equivalents
December 31, 2020

Statement I

Unit: In Thousands of New Taiwan Dollars,
Unless Specified Otherwise

Item	Summary	Amount
Cash on hand		<u>\$ 1,865</u>
Bank deposits		
Checks and demand deposits		7,636
Foreign currency demand deposits	Including USD 18,305 thousand, @28.48; JPY 448 thousand, @0.2763; HKD 25 thousand, @3.673; GBP 2 thousand, @38.90	<u>521,633</u>
Subtotal		<u>529,269</u>
Total		<u><u>\$ 531,134</u></u>

Ennoconn Corporation
Statement of Accounts Receivable
December 31, 2020

Statement II

Unit: In Thousands of New Taiwan Dollars

Name of client	Summary	Amount
Non-related party		
Company A	Payment for goods	\$ 99,157
Company B	Payment for goods	34,738
Company C	Payment for goods	24,489
Company D	Payment for goods	23,788
Company E	Payment for goods	16,090
Company F	Payment for goods	13,631
Others (Note)	Payment for goods	59,349
Subtotal		<u>271,242</u>
Less: Allowance for loss		<u>61,593</u>
Net amount		<u>\$ 209,649</u>
Related party		
Kontron Europe GmbH	Payment for goods	\$ 105,985
Kontron Canada Inc.	Payment for goods	246,966
Kontron America Inc.	Payment for goods	77,765
RIGO GLOBAL CO., LTD.	Payment for goods	25,198
Others (Note)	Payment for goods	4,148
Total		<u>\$ 460,062</u>

Note: The balance of each client does not exceed 5% of the balance of this account.

Ennoconn Corporation
Statement of Inventories
December 31, 2020

Statement III

Unit: In Thousands of New Taiwan Dollars

Item	Cost	Net realizable value (Note)
Stock in hand	\$ 11	\$ 11
Finished goods	47,315	36,168
Semi-finished products	72,334	65,406
Raw materials	175,428	113,993
Work in progress	4,757	4,757
Stock in transit	1,769	1,769
Less: Allowance for inventory price loss	(79,510)	-
Total	<u>\$222,104</u>	<u>\$ 222,104</u>

Note: Except for the raw materials are reasonably estimated based on the replacement cost as net realizable value, the net realizable value shall be evaluated based on the balance of the estimated selling price in normal circumstances less the cost and selling expenses to be contributed for completion.

Ennoconn Corporation
Statement of Changes in Investments accounted for using the equity method
January 1 to December 31, 2020

Statement IV Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

	Opening balance		Increase in the period		Decrease in the period		Investment Profit (Loss) (Note 1)	Conversion adjustment	Recognized in other comprehensive income (Note 1)	Others (note 2)	Ending balance			net worth of shareholding	Conditions of Guarantee or Pledge Provided
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount					Number of Shares	Shareholding ratio %	Amount		
Non-listed (Non-OTC) company															
Innovative Systems Integration Limited	518,216,530	\$ 2,113,862	-	\$ -	-	\$ -	(\$ 8)	\$ 26,753	\$ -	(\$ 1,331)	518,216,530	100%	\$ 2,139,276	\$ 2,139,276	None
Ennoconn International Investment Co., Ltd.	711,735,000	7,951,050	-	-	-	-	594,209	(330)	(4,023)	(645,210)	711,735,000	100%	7,895,696	7,895,696	None
Caswell Inc.	20,000,000	1,038,557	-	-	-	-	86,447	631	-	(13,263)	20,000,000	29.49%	1,112,372	1,112,372	None
Ennoconn Investment Holdings Co., Ltd	239,360,000	<u>7,575,687</u>	-	<u>-</u>	-	<u>-</u>	<u>510,433</u>	<u>(183,568)</u>	<u>(4,706)</u>	<u>19,921</u>	239,360,000	100%	<u>7,917,767</u>	<u>7,928,657</u>	None
		<u>\$ 18,679,156</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ 1,191,081</u>	<u>(\$ 156,514)</u>	<u>(\$ 8,729)</u>	<u>(\$ 639,883)</u>			<u>\$ 19,065,111</u>	<u>\$ 19,076,001</u>	

Note 1: It is calculated according to the investee company's financial statements audited by the certified public accountant and the Company's shareholding ratio in the same period.

Note 2: It is the impact from recognition of changes in the equity of the subsidiary amounted to \$63,337 thousand, sales on the Company's treasury stocks held by subsidiaries amounted to \$2,624 thousand, unrealized (realized) downstream transactions amounted to \$18,804 thousand, and the dividends received from subsidiaries \$(724,648) thousand.

Ennoconn Corporation
Statement of Changes in Right-of-use Assets
January 1 to December 31, 2020

Statement V

Unit: In Thousands of New Taiwan Dollars, Unless
Specified Otherwise

	Opening balance	Increase in the period	Decrease in the period	Ending balance	Remark
Land and buildings	\$ 20,592	\$ -	\$ -	\$ 20,592	-

Ennoconn Corporation
Statement of Changes in Accumulated Depreciation of Right-of-use Assets
January 1 to December 31, 2020

Statement VI

Unit: In Thousands of New Taiwan Dollars, Unless
Specified Otherwise

	<u>Opening balance</u>	<u>Increase in the period</u>	<u>Decrease in the period</u>	<u>Ending balance</u>	<u>Remark</u>
Land and buildings	\$ 2,288	\$ 6,864	\$ -	\$ 9,152	

Ennoconn Corporation
Statement of Accounts Payable
December 31, 2020

Statement VII

Unit: In Thousands of New Taiwan Dollars

Name of supplier	Summary	Amount
Non-related party		
A Company	Payment for goods	\$ 22,522
B Company	Payment for goods	22,498
C Company	Payment for goods	15,219
D Company	Payment for goods	10,074
Others (Note)	Payment for goods	58,604
Total		<u>\$ 128,917</u>
Related party		
Victor Plus Holdings Ltd.	Payment for goods	\$ 351,793
Others (Note)	Payment for goods	32,480
Total		<u>\$ 384,273</u>

Note: The balance of each supplier does not exceed 5% of the balance of this account.

Ennoconn Corporation
Statement of Short-term borrowings
December 31, 2020

Statement VIII

Unit: In Thousands of New Taiwan Dollars

Type of loans	Creditor	Ending balance	Term of the agreement	Interest rate interval (%)	Financing line	Collaterals or guarantees
Credit loan	First Commercial Bank Zhonghe Branch	\$ 600,000	109.12.25-110.01.04	0.80%	\$ 1,000,000	None
Credit loan	Bank SinoPac	10,000	109.12.25-110.01.04	1.00%	-	None
Credit loan	Bank SinoPac	100,000	109.12.31-110.01.04	1.00%	1,000,000	None
Credit loan	Land Bank of Taiwan	600,000	109.12.18-110.01.15	0.78%	600,000	None
Credit loan	E.Sun Bank Liancheng Branch	1,000,000	109.12.04-110.01.04	0.75%	1,000,000	None
Credit loan	Taishin International Bank	800,000	109.12.04-110.01.05	0.82%	800,000	None
Credit loan	Far Eastern International Bank	700,000	109.12.31-110.01.29	0.85%	700,000	None
Credit loan	King's Town Bank	256,000	109.12.14-110.03.14	0.35%	288,000	Pledged USD time deposits amounted to \$285,678 thousand.
Credit loan	Cathay United Bank	600,000	109.11.30-110.02.26	0.78656%	700,000	None
Credit loan	Hua Nan Commercial Bank	-			1,000,000	None
Credit loan	Mega International Commercial Bank	-			800,000	None
Credit loan	KGI Commercial Bank	-			1,500,000	None
Credit loan	Citibank Taiwan	-			700,000	None
Credit loan	CTBC Bank	-			800,000	None
		<u>\$ 4,666,000</u>			<u>\$ 10,888,000</u>	

Ennoconn Corporation
Statement of corporate bonds Payable
December 31, 2020

Statement IX

Unit: In Thousands of New Taiwan Dollars

Name	Trustee	Issuance date	Interest rate %	Amount						Repayment method	Status of collateral
				Total issuance amount	Converted amount	Ending balance	Interest payable	Unamortized discount	Carrying Amount		
Second domestic unsecured convertible corporate bonds in 2016	Bank SinoPac Co., Ltd.	105.05.13	-	\$ 1,800,000	\$ 1,787,800	\$ 12,200	\$ -	\$ 65	\$ 12,135	Refer to Note 17	None
Third domestic unsecured convertible corporate bonds in 2019	Yuanta Securities	108.02.26	-	6,000,000	364,900	5,635,100	-	200,514	5,434,586	Refer to Note 17	None
First foreign unsecured convertible corporate bonds in 2017	Citicorp international limited	106.03.10	-	<u>6,330,600</u>	<u>4,998,009</u>	<u>1,332,591</u>	<u>64,590</u>	<u>18,009</u>	<u>1,379,172</u>	Refer to Note 17	None
				<u>\$ 14,130,600</u>	<u>\$ 7,150,709</u>	<u>\$ 6,979,891</u>	<u>\$ 64,590</u>	<u>\$ 218,588</u>	6,825,893		
Less: parts able to exercise redemption rights within one year									(<u>1,391,307</u>)		
									<u>\$ 5,434,586</u>		

Ennoconn Corporation
Statement of OPERATING REVENUE
January 1 to December 31, 2020

Statement X Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Item	Amount
Motherboard	\$ 2,617,448
Repairs and maintenance	926
Operating return and allowance	(<u>70,404</u>)
Net operating revenue	<u>\$ 2,547,970</u>

Ennoconn Corporation
Statement of Operating Cost
January 1 to December 31, 2020

Statement XI

Unit: In Thousands of New Taiwan Dollars

Item	Amount
Raw materials, Beginning	\$ 175,462
Materials purchased in the period	283,733
Transferred costs and others	(105,250)
Raw materials, Ending (including inventory in transit)	(177,197)
Materials consumed in the period	176,748
Manufacturing expenses	154,034
Manufacturing cost	330,782
Work In Process, Beginning	-
Work In Process, Ending	(4,757)
Manufacturing cost of finished goods	326,025
semi-finished goods, Beginning	9,407
semi-finished goods purchased in the period	522,808
Transferred costs and others	(6,651)
semi-finished goods, Ending	(72,334)
Cost of semi-finished goods and finished goods	779,255
finished goods, Beginning	80,869
Finished goods purchased in the period	1,450,805
Transferred costs and others	(4,644)
finished goods, Ending	(47,315)
Cost of finished goods sold	2,258,970
Merchandise cost	
inventory, Beginning	2
Commodity purchased in the period	80
Transferred costs and others	(6)
inventory, Ending	(11)
Cost of purchase and sale	65
Gains on price recovery of inventory	(37,346)
Manufacturing overheads	17,309
Operating Costs	2,238,998
	<u>\$ 2,238,998</u>

Ennoconn Corporation
Statement of Operating Expense
January 1 to December 31, 2020

Statement XII

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Item	Selling Expenses	General and administrative expenses	Expected credit losses	Research and development expense
Salary and bonus	\$ 43,307	\$ 50,800	\$ -	\$ 67,820
Expected credit loss	-	-	25,620	-
Insurance expense	3,363	3,884	-	5,157
Service expense	1,890	6,976	-	2,537
Depreciation	2,142	3,762	-	4,240
Consumption of raw materials and requisition of inventory	15,890	-	-	543
Others (Note)	<u>8,193</u>	<u>12,184</u>	<u>-</u>	<u>5,428</u>
Total	<u>\$ 74,785</u>	<u>\$ 77,606</u>	<u>\$ 25,620</u>	<u>\$ 85,725</u>

Note: The amount of each item does not exceed 3% of the balance of this account.

Ennoconn Corporation

Summary Statement of Employee Benefits, Depreciation, Depletion and Amortization Expenses Incurred in the Current Period by Function

For the years ended December 31, 2020 and 2019

Statement XIII

Unit: In Thousands of New Taiwan Dollars

	For the year ended December 31, 2020			For the year ended December 31, 2019		
	Belongs to operating cost	Belongs to operating expenses	Total	Belongs to operating cost	Belongs to operating expenses	Total
Employee Benefits Expense (Note)						
Salary expense	\$ 25,679	\$ 149,940	\$ 175,619	\$ 19,044	\$ 202,670	\$ 221,714
Labor insurance and National Health Insurance expense	2,072	12,404	14,476	1,338	13,991	15,329
Pension expense	1,192	6,802	7,994	758	7,866	8,624
Remuneration of directors	-	5,185	5,185	-	5,430	5,430
Other employee benefits expenses	1,794	7,190	8,984	995	9,166	10,161
Depreciation expenses	10,118	10,144	20,262	3,588	12,681	16,269
Amortization expenses	51	950	1,001	37	1,304	1,341

Note 1: As of December 31, 2020 and 2019, the number of employees of the Company was 186 and 179, respectively. The number of directors who did not concurrently serve as employees was 6 and 6, respectively.

Note 2: The average employee benefits expenses were \$1,150 thousand for the year. The average employee benefits expenses were \$1,479 thousand for the prior year.

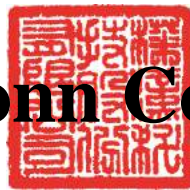
Note 3: The average employees' salary expenses were \$976 thousand for the year. The average employees' salary expenses were \$1,282 thousand for the prior year.

Note 4: The change in the average employees' salary expenses was (24%).

Note 5: The Company does not have any supervisor.

Note 6: In order to institutionalize and being fellow by the salary of the Company, the salary and compensation policy of the Company has laid down the regulations of compensation management as a basis, and the salary of all employees hired by the Company is evaluated based on their education, experience, skills, potential and functions of job position. By the end of the year, if there is profit, employee compensation will be provided in accordance with the Articles of Incorporation. The remuneration received by the Directors of the Company is determined in accordance with the Articles of Incorporation. The Board of Directors drafts and reports the proposal for the distribution of the remuneration to the shareholders' meeting. The remuneration of Directors and compensation of officers shall be paid with deliberation by the Remuneration and Compensation Committee and approval of the Board of Directors. The compensation of the officers of the Company is classified as salary, bonus, and employee compensation, and the salary and the bonus are deliberated by the Remuneration and Compensation Committee and approved of the Board of Directors. Employee compensation is based on the Company's operating conditions and the appropriation ratio in accordance with the Articles of Incorporation, which is subject to the deliberation of the Board of Directors before being reported to the shareholders' meeting. The remuneration and compensation evaluation items for the Directors and officers of the Company include: target achievement rate, company profitability ratio, contribution degree and whether there are any ethical risk events, etc.

Ennoconn Corporation



Chairman Fu-Chuan Chu



Apr. 30, 2021