

Ennoconn Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31,
2020 and 2019

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Declaration of Consolidated Financial Statements of Affiliated Enterprises

The entities of the Company that are required to be included in the consolidated financial statements of affiliates as of and for the year ended December 31, 2020 (from January 1 to December 31, 2020), under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements of parent company and its subsidiary prepared in conformity with the International Financial Reporting Standard 10. In addition, the information required to be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of parent company and its subsidiary. Consequently, we do not prepare a separate set of consolidated financial statements of affiliates.

Hereby certify

Company Name: Ennoconn Corporation

Person in charge: Fu-Chuan Chu

March 29, 2021

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	57,517,021	62	56,286,990	63
	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	35,645,560	38	32,731,770	37
1XXX	Total Assets	\$ 93,162,581	100	\$ 89,018,760	100
	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	42,250,760	45	42,144,099	48
	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	20,410,471	22	18,948,044	21
2XXX	Total Liabilities	62,661,231	67	61,092,143	69
	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	2,823,847	3	2,131,373	2
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	9,250,125	10	8,220,524	9
36XX	Non-controlling interests (Notes 4, 16, 25, 31, and 32)	21,251,225	23	19,706,093	22
3XXX	Total Equity	30,501,350	33	27,926,617	31
	Total Liabilities and Equity	\$ 93,162,581	100	\$ 89,018,760	100

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>	<u>-</u>	<u>16,979</u>	<u>-</u>
		(<u>26,733</u>)	<u>-</u>	(<u>95,396</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	(<u>504</u>)	<u>-</u>	(<u>451</u>)	<u>-</u>
		<u>44,561</u>	<u>-</u>	(<u>942,211</u>)	(<u>1</u>)
8300	Other comprehensive income/(loss) for the year, net of income tax	<u>17,828</u>	<u>-</u>	(<u>1,037,607</u>)	(<u>1</u>)
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

Ennconn Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

Unit: In Thousands of New Taiwan Dollars

		Equity attributable to owners of the parent company										Other equity							
		Ordinary share capital		Capital surplus				Retained earnings				Exchange differences on the translation of financial statements of foreign operations	Unrealized profit and loss of financial assets measured at fair value through other comprehensive income	Treasury stock	Total	Non-controlling interests	Total equity		
Code		Number of Shares (thousand shares)	Share capital	Stock issuance premium	Convertible corporate bonds	convertible corporate bonds	Others	Total	Legal reserve	Special reserve	Unappropriated earnings	Total							
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	\$ 800,779	\$ 1,721,462	(\$ 345,162)	(\$ 39,290)	(\$ 384,452)	(\$ 236,048)	\$ 6,605,147	\$ 19,294,031	\$ 25,899,178
	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)	-	(580,436)
	Subtotal	-	-	-	-	-	-	-	110,812	(111,213)	(580,035)	(580,436)	-	-	-	-	(580,436)	-	(580,436)
M7	Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(71,028)	(71,028)	-	-	-	-	(71,028)	832,863	761,835
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,041,681)	(1,041,681)
	Other changes in capital surplus																		
C5	Equity component of convertible corporate bonds issued by the Company	-	-	-	-	332,132	-	332,132	-	-	-	-	-	-	-	-	332,132	-	332,132
C17	The invalidation of the stock warrants of convertible corporate bonds	-	-	-	-	(249,881)	249,881	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	82,251	249,881	332,132	-	-	-	-	-	-	-	-	332,132	-	332,132
D1	Net profit in 2019	-	-	-	-	-	-	-	-	-	1,080,242	1,080,242	-	-	-	-	1,080,242	1,946,066	3,026,308
D3	Other comprehensive income after tax in 2019	-	-	-	-	-	-	-	-	-	(19,382)	(19,382)	(432,582)	(32,565)	(465,147)	-	(484,529)	(553,078)	(1,037,607)
D5	Total comprehensive income in 2019	-	-	-	-	-	-	-	-	-	1,060,860	1,060,860	(432,582)	(32,565)	(465,147)	-	595,713	1,392,988	1,988,701
Q1	Disposal of 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	-	1,339,180
L1	Treasury stock transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(184)	(184)	-	(184)
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(772,108)	(772,108)
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	19,706,093	27,926,617
	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)	-	(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)	-	(331,678)
M7	Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	63,337	63,337	-	-	-	-	-	-	-	-	63,337	(99,018)	(35,681)
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(697,730)	(697,730)
D1	Net profit for 2020	-	-	-	-	-	-	-	-	-	1,111,524	1,111,524	-	-	-	-	1,111,524	2,043,859	3,155,383
D3	Other comprehensive income after tax for 2020	-	-	-	-	-	-	-	-	-	(8,247)	(8,247)	(156,514)	(502)	(157,016)	-	(165,263)	183,091	17,828
D5	TOTAL COMPREHENSIVE INCOME/(LOSS) FOR 2020	-	-	-	-	-	-	-	-	-	1,103,277	1,103,277	(156,514)	(502)	(157,016)	-	946,261	2,226,950	3,173,211
I1	Convertible corporate bonds converted to ordinary shares	1,406	14,056	-	355,200	(20,199)	-	335,001	-	-	-	-	-	-	-	-	349,057	-	349,057
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	3,794	3,794	-	(3,794)	(3,794)	-	-	-	-
L1	Treasury stock transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,624	2,624	-	2,624
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,930	114,930
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	\$ 21,251,225	\$ 30,501,350

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 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	(<u>261,066</u>)	(<u>185,414</u>)
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	(<u>903,727</u>)	(<u>897,779</u>)
AAAA	Net cash inflow from operating activities	<u>5,316,585</u>	<u>5,241,645</u>

(Continued on the next page)

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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	<u>(5,951,993)</u>	<u>(1,643,140)</u>
	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	<u>(2,127,125)</u>	<u>2,359,056</u>
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>

December 31, 2020 December 31, 2019

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

Currency	Maturity period	Contractual Amount (thousand dollars)
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

Currency	Maturity period	Contractual Amount (thousand dollars)
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

	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	0.51%	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%	
Innovative	Nanjing Asiatek Inc.	Engaged in R&D and	100%	100%	

Name of investor	Name of Subsidiary (Asiatek)	Nature of business	Percentage of shareholding		Remark
			2020 December 31	2019 December 31	
Systems		sales of hardware and software products, and provide installation, debugging, and technical consultation.			
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 wholesale and software services	60%	60%	

Name of investor	Name of Subsidiary	Nature of business	Percentage of shareholding		Remark
			2020 December 31	2019 December 31	
"	Dexatek Technology Ltd.	R&D and design, manufacturing of multimedia products	60%	60%	
"	Marketech International Corp. (Marketech)	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 communication equipment	100%	100%	

Name of investor	Name of Subsidiary	Nature of business	Percentage of shareholding		Remark
			2020 December 31	2019 December 31	
"	Andrix International LTD.	Import and export trading	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 Marketech (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%
Marketech	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
Marketech (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	3,954	(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.	<u>44,483</u>	<u>38,420</u>
	<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.	<u>45,756</u>	<u>36,733</u>
	<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	<u>2,772</u>	<u>(10,571)</u>
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	<u>190,224</u>	<u>415,260</u>
	<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	(442,666)	32,281
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	(32,549)	13,361
	<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	(66,428)	36,438
	<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	(307,970)	38,349
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>
<u>Marketch and subsidiaries</u>		
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
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	(2,762,387)	(1,227,470)
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	93,979	37,956
	<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	(5,215)	(38,855)
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	(38,234)	(33,886)
	<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	(37,869)	(34,800)
	<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	(19,731)	(26,433)
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	(504)	(459)
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</u>	<u>For the years ended</u>
	<u>December 31, 2020</u>	<u>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

	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
Short-term lease expenses	<u>\$ 140,792</u>	<u>\$ 111,772</u>
Total cash (outflow) of lease	<u>(\$ 1,157,912)</u>	<u>(\$ 874,953)</u>

16. Goodwill

	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
<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	<u>(18,828)</u>	<u>(327,939)</u>
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	<u>(3,307)</u>	<u>(721)</u>
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

	<u>Trademark Rights</u>	<u>Patents</u>	<u>Computer software</u>	<u>Customer relations</u>	<u>Others</u>	<u>Total</u>
<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	<u>(147,797)</u>	<u>(2,515)</u>	<u>(124,726)</u>	<u>(20,589)</u>	<u>69,641</u>	<u>(225,986)</u>
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	<u>14,492</u>	<u>(2,151)</u>	<u>(161,227)</u>	<u>(68,644)</u>	<u>71,051</u>	<u>(146,479)</u>
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 %
Marketch 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	(90,841)
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) he 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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
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	<u>\$ 474,436</u>	<u>\$ 447,173</u>	<u>\$ 460,617</u>	<u>\$ -</u>	<u>\$ 636,116</u>	<u>\$ 2,018,342</u>

- 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, Marketech 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:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
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:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities (assets)</u>
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>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
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)
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:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
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%	(<u>\$ 28,575</u>)	(<u>\$ 36,670</u>)
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	(<u>\$ 777,744</u>)	(<u>\$ 345,162</u>)
Accrued in the current year		
Translation differences of foreign operations	(156,200)	(432,380)
Share of associates accounted for using the equity method	(<u>314</u>)	(<u>202</u>)
Other comprehensive income of the year	(<u>156,514</u>)	(<u>432,582</u>)
Ending balance of the year	(<u>\$ 934,258</u>)	(<u>\$ 777,744</u>)

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	(<u>502</u>)	(<u>32,565</u>)
Other comprehensive income of the year	(<u>502</u>)	(<u>32,565</u>)
Accumulated gains (losses) on disposal of equity instruments transferred to retained earnings	(<u>3,794</u>)	(<u>515</u>)
Ending balance of the year	(<u>\$ 76,666</u>)	(<u>\$ 72,370</u>)

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)

	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
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

<u>Reason for recovery</u>	<u>Shares transferred to employees (thousand shares)</u>	<u>Shares of parent company held by subsidiaries (thousand shares)</u>	<u>Total (thousand shares)</u>
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:

<u>Name of Subsidiary</u>	<u>Number of Shares (thousand shares)</u>	<u>Carrying amount</u>	<u>Market value</u>
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

	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accounts receivable (Note 10)	\$ 14,986,228	\$ 17,116,947
Contract assets		
Contract assets – construction contracts	\$ 5,306,618	\$ 4,095,623
Contract assets – sales contracts	436,573	760,777
Contract assets – service contracts	388,270	153,080
	<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	676,797	745,027
Total	<u>\$ 6,522,566</u>	<u>\$ 6,158,429</u>
Current	\$ 5,950,933	\$ 5,697,907
Non-current	571,633	460,522
	<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:

	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
<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	1,017,315	1,721,083
	<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

	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
Rental income	\$ 19,611	\$ 41,029
Dividend income	16,798	13,856
	<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	<u>689,680</u>	<u>984,350</u>
	<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	<u>102,344</u>	<u>149,450</u>
	<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	<u>1,354,199</u>	<u>1,425,749</u>
	<u>\$ 2,955,383</u>	<u>\$ 2,811,217</u>
Depreciation expense summarized by function		
Operating costs	\$ 428,561	\$ 302,694
Operating expenses	<u>1,172,623</u>	<u>1,082,774</u>
	<u>\$ 1,601,184</u>	<u>\$ 1,385,468</u>
Amortized expense summarized by function		
Operating costs	\$ 37,892	\$ 247,173
Operating expenses	<u>1,316,307</u>	<u>1,178,576</u>
	<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	455,980	471,381
	<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	<u>(\$ 322,200)</u>	<u>(\$ 117,782)</u>

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	<u>-</u>	<u>-</u>
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 Marketech 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

	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
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

	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
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	<u>-</u>	

b. Subsidiary - Marketech International Corp.

The stock warrants plan of Marketech 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
Marketech	Employee share options scheme	September 11, 2015	3,956	6 years	Service for 2 ~ 4 years
Marketech - 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) Marketech 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 Marketech - 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	<u>62,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	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	<u>358,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,718</u>
	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	(<u>522,392</u>)	(<u>363,357</u>)	(<u>53,584</u>)	(<u>96,302</u>)	(<u>70,754</u>)	(<u>22,590</u>)
	<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	Iskratek 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>Marketch</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>Marketch</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.	<u>(\$ 44,515)</u>	<u>(\$ 8,109)</u>	<u>(\$ 52,564)</u>	<u>\$ -</u>	<u>(\$ 52,564)</u>

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	<u>6</u>	<u>(6)</u>	<u>-</u>	<u>(9,139)</u>	<u>(9,139)</u>
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.	(<u>\$ 2,922</u>)	<u>\$ 34,780</u>	<u>\$ 31,858</u>	<u>\$ -</u>	<u>\$ 31,858</u>

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.

	<u>The impact of the US dollar</u>	
	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
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:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
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	<u>567</u>	<u>-</u>	<u>-</u>
	<u>\$ 567</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2019

	<u>Within 6 months (inclusive)</u>	<u>Over 6 months Up to 1 year</u>	<u>Over 1 year</u>
<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
Shenzhenshi 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

Name of related party	Relationship with the consolidated company
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

Item	Category of related party / Name	For the years ended December 31, 2020	For the years ended December 31, 2019
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
Construction revenue	Associates	<u>20,772</u>	<u>543,775</u>
		<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

Category of related party / Name	For the years ended December 31, 2020	For the years ended December 31, 2019
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 Ennopower 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 Marketech	<u>4,314,874</u>	<u>4,543,411</u>
	<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	<u>49,887</u>	<u>34,313</u>
	<u>\$ 1,997,965</u>	<u>\$ 1,123,901</u>

38. Significant Contingent Liabilities and Unrecognized Contract Commitments

- a. 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.
- b. 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
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

	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>
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:

	<u>Revenue from external customers</u>		<u>Non-Current Assets</u>	
	<u>For the years ended December 31, 2020</u>	<u>For the years ended December 31, 2019</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
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	

(Continued on the next page)(Continued from the previous page)

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 - relatia 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	Marketech International Corp.	Marketech International Sdn Bhd.	Other receivables	Yes	20,570	19,366	-	4.616	2	-	Operating turnover	-	None	-	2,418,103	2,418,103	
9	Marketech International Corp.	Marketech 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.	Marketech Co., Ltd.	Other receivables	Yes	4,060	-	-	-	2	-	Operating turnover	-	None	-	19,459	19,459	
13	Marketech Integrated Manufacturin g Co., Ltd.	Marketech 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	Marketech 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	Marketch 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	Marketch International Corp.	Marketch 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	Marketch International Corp.	Marketch 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	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 Vee 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	Marketch 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.

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

Ennoconn Corporation and Subsidiaries

Securities Held at the end of the Period

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.	Cloudtalk 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&TAG	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	
"	Mycopore 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	"	"	-	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 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.	Ennocoann (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 Ennower 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.	Ennocoann (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			Percentage of Consolidated Net Revenue or Total Assets %
				Ledger account	Amount	Transaction Terms	
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	Marketech International Corp.	MIC-Tech (Shanghai) Corp., Ltd.	Parent company to Subsidiary	Sales	37,448	General terms and conditions	0.04%
3	Marketech International Corp.	MIC-Tech (Shanghai) Corp., Ltd.	Parent company to Subsidiary	Non-operating revenue	7,368	General terms and conditions	-
3	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	Parent company to Subsidiary	Other receivables	11,506	General terms and conditions	0.01%
3	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	Parent company to Subsidiary	Non-operating revenue	22,686	General terms and conditions	0.03%
3	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	Parent company to Subsidiary	Revenue of Construction contract	35,563	General terms and conditions	0.04%
3	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Parent company to Subsidiary	Other receivables	21,534	General terms and conditions	0.02%
3	Marketech International Corp.	Marketech 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	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Parent company to Subsidiary	Revenue of Sales contract	\$ 80,597	General terms and conditions	0.10%
3	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Parent company to Subsidiary	Revenue of Construction contract	6,991	General terms and conditions	0.01%
4	Ezoom Information, Inc.	Marketech International Corp.	Subsidiary Parent Sub-Subsidiary	Service revenue	67,380	General terms and conditions	0.08%
4	Ezoom Information, Inc.	Marketech International Corp.	Subsidiary to Parent company	Revenue of Construction contract	10,312	General terms and conditions	0.04%
5	Marketech Netherlands B.V.	Marketech International Corp.	Subsidiary to Parent company	Revenue of Sales contract	6,042	General terms and conditions	0.01%
6	MIC-Tech Global Corp.	Marketech International Corp.	Subsidiary to Parent company	Revenue of Sales contract	85,108	General terms and conditions	0.10%
6	MIC-Tech Global Corp.	Marketech 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	Marketech 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.	Marketech 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	-

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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 NTD: 7,010,000	HKD: 502,937 NTD : 1,936,306 NTD: 7,010,000	518,216,530	100.00	HKD: 582,909 NTD : 2,139,276 NTD : 7,895,696	HKD: (2) NTD: (8) NTD : 594,209	HKD: (2) NTD: (8) NTD : 594,209	
"	Ennoconn International Investment Co., Ltd.	Taiwan	Professional Investment			711,735,000	100.00				
"	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: 3,500 NTD : 99,680	USD: 239,360 NTD : 7,716,013 USD: 3,500 NTD : 104,930	239,360,000	100.00	USD: 278,394 NTD : 7,917,767 HKD: 28,087 NTD : 103,078	USD: 17,404 NTD : 510,433 HKD: 360 NTD : 1,373	USD: 17,404 NTD : 510,433 HKD: 360 NTD : 1,373	
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	USD: 440 NTD : 12,528 USD: 14,381 NTD : 409,575	USD: 440 NTD : 12,999 USD: 4,078 NTD : 120,491	USD: 440 NTD : 12,999 USD: 2,476 NTD : 73,166	
"	Victor Plus Holdings Ltd.	Seychelles	Import and export trading	USD: - NTD: -	USD: - NTD: -	500,000	100.00	USD: 440 NTD : 12,528 USD: 14,381 NTD : 409,575	USD: 440 NTD : 12,999 USD: 4,078 NTD : 120,491	USD: 440 NTD : 12,999 USD: 2,476 NTD : 73,166	"
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	EUR: 215,257 NTD : 7,538,291	EUR: 55,609 NTD : 1,883,993	EUR: 12,420 NTD : 421,431	
"	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	USD: 4,976 NTD : 141,716	USD: 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: 8,747 NTD : 249,115	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: 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 NTD: 30,000	USD: 13,800 NTD : 4133,724 NTD: 30,000	13,800,000	100.00	USD: 19,903 NTD : 566,849 NTD : 30,248	USD: 1,155 NTD : 34,169 NTD : (235)	USD: 1,155 NTD : 34,169 NTD : (235)	
"	SyS-P Co., Ltd.	Taiwan	International trade, information software wholesale, and service	NTD: 75,029	NTD: 75,029	8,400,000	100.00	NTD : 51,113	NTD : (1,810)	NTD : (3,020)	Note II
"	Taiwan Applied Module Corporation	Taiwan	Research, design and sales of mobile payment, electronic signature and information security	NTD: 102,000	NTD: 102,000	10,200,000	60.00	NTD : 4,605	NTD : (12,265)	NTD : (8,585)	Note II
"	Thecus Technology Corporation	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	NTD: 236,862	NTD: 236,862	12,600,000	60.00	NTD : 271,695	NTD : 54,548	NTD : 25,014	Note II
"	Dexatek Technology Ltd.	Taiwan	Multimedia products research, design and manufacturing	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
"	S&T AG	Austria	Integration service for information software and hardware	NTD: -	NTD: 10,000	-	-	NTD: -	NTD : (4,097)	NTD : (323)	
"	SERVTECH Co., Ltd.	Taiwan	Wholesale of information software 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
"	Marketch International Corp.	Taiwan	Planning integration services for high-tech industrial plants and process systems	NTD : 228,626	NTD: 279,850	12,096,000	20.62	NTD : 263,873	NTD : 16,283	NTD : 3,316	
"	DIVA Laboratories. Ltd.	Taiwan	Research and development, manufacturing and sales of medical equipment and computer peripherals	NTD : 132,317	NTD: -	9,100,000	70.00	NTD : 124,422	NTD : (11,280)	NTD : (7,896)	
"	POSLAB TECHNOLOGY CORPORATION	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)	
"	RIGO GLOBAL CO., LTD.	Taiwan	Manufacturing, wholesale and sales of electronic and peripheral devices	NTD: 30,000	NTD: -	3,000	23.79	NTD : 20,480	NTD : 8,886	NTD : (3,520)	
"	Renown Information Technology Corp.	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	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
EnnoMech Precision (Cayman) Co., Ltd.	HighAim Technology INC.	Brunei	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)	
"	DOMINATE UNITED ENTERPRISE LTD.	Samoa	Professional Investment	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)	
"	EnnoMech Precision Co., Ltd.	Taiwan	Manufacturing of electronic parts, computer and peripheral devices, electronic material wholesale and software services	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	
HighAim Technology INC.	FUNOLOGY INVESTMENT INC.	Samoa	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)	
"	ANDRIX INTERNATIONAL LIMITED	Anguilla	Import and export trading	NTD: 27,062 NTD: 101,135	NTD: 27,062 NTD: 101,135	2,000	99.00	NTD : 67,205	NTD : 24,938	NTD : 24,689	
Caswell Inc.	CASO Inc.	Japan	Sales of networking products	NTD: 101,135	NTD: 101,135	3,206,000	100.00	NTD : 169,825	NTD : 27,619	NTD : 27,619	
"	Caswell International Investment Co., Ltd.	Samoa	Investment	NTD: 92,460	NTD: 92,460	3,000,000	100.00	NTD : 51,179	NTD : 1,637	NTD : 1,637	
"	Caswell Americas,Inc	USA	Sales of networking products	NTD : 60,275	NTD: 32,387	24,000	66.67	NTD : 68,767	NTD : 74,906	NTD : 7,882	
"	APLIGO GmbH	Germany	Sales of networking products	NTD : 602,041	NTD: 405,000	8,187,000	60.64	NTD : 466,310	NTD : 59,774	NTD : 22,776	
"	Hawkeye Tech Co., Ltd.	Taiwan	Computer and peripheral commodity wholesale trade								

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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)	
Sunlit Precision Technology Co., Ltd.	Tai Ron Precision Casting Corporation	Hong Kong	Finance / Logistics	USD: 10,212	USD: 10,212	7,500,000	40.30	USD: 7,644	USD(10)	USD(10)	
Tai Ron Precision Casting Corporation	TipARagon Industrial (Thailand) Co., Limited	Thailand	Metal stamping and casting industry	NTD: 290,838	NTD: 290,838	7,500,000	50.00	NTD: 218,278	NTD: (313)	NTD: (313)	
Taiwan Applied Module Corporation	SERVTECH Co., Ltd.	Taiwan	Wholesale of information software services	HKD: 7,500	HKD: 7,500	7,500,000	50.00	HKD: 25,657	HKD: 13,051	HKD: 6,525	
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Singapore	semiconductor industry automation supply system	NTD: 27,548	NTD: 27,548	7,500,000	50.00	NTD: 94,240	NTD: 49,711	NTD: 24,855	
"	Market Go Profits Ltd.	British Virgin Islands	Engaged in holding and reinvestment business	THB: 120,000	THB: 60,998	120,000,000	100.00	THB: 115,463	THB: (4,537)	HKD: (4,537)	
"	MIC-Tech Global Corp.	South Korea	General international trade	NTD: 114,672	NTD: 58,290	120,000,000	100.00	NTD: 110,337	NTD: (4,308)	NTD: (4,308)	
"	Headquarter International Ltd.	British Virgin Islands	Engaged in holding and reinvestment business	NTD: -	NTD: 28,125	-	-	NTD: -	NTD: (4,097)	NTD: (909)	
"	Tiger United Finance Ltd.	British Virgin Islands	Engaged in holding and reinvestment business	NTD: 233,306	NTD: 215,087	10,085,678	100.00	NTD: (37,181)	NTD: (5,107)	NTD: (5,107)	
"	Marketech Engineering Pte. Ltd.	Singapore	Undertaking of mechanical and electrical installation and other engineering business	NTD: 1,328,547	NTD: 1,298,124	41,069,104	100.00	NTD: 1,386,248	NTD: 142,606	NTD: 142,606	
"	Marketech Integrated Manufacturing Company Limited	Myanmar	Design, manufacture, assembly and other services of automatic production mechanical equipment and components	NTD: 19,147	NTD: 19,147	131,560	100.00	NTD: 12,581	NTD: 5,825	NTD: 5,825	
"	MIC-Tech Viet Nam Co., Ltd.	Vietnam	Trading, installation and maintenance of various machinery and equipment	NTD: 42,475	NTD: 42,475	1,289,367	100.00	NTD: 35,329	NTD: (471)	NTD: (471)	
"	Marketech Co., Ltd.	Vietnam	Professional engineering contracting and related maintenance services	NTD: 46,475	NTD: 46,475	1,410,367	100.00	NTD: 34,314	NTD: (495)	NTD: (495)	
"	Ezoom Information, Inc.	Taiwan	Research and development, trading, sales, consulting services, and consulting services	NTD: 21,804	NTD: 20,902	937,533	100.00	NTD: 2,131	NTD: (6,870)	NTD: (6,870)	
"	PT Marketech International Indonesia	Indonesia	Trading of mechanical equipment and spare parts	NTD: 478,985	NTD: 478,985	1,535,600	100.00	NTD: 356,748	NTD: (39,014)	NTD: (39,014)	
"	Glory Technology Service Inc.	Taiwan	Trading and installation of telecommunications equipment	NTD: 110,696	NTD: 39,345	-	100.00	NTD: 85,787	NTD: (1,948)	NTD: (1,948)	
"	MIC Techno Co., Ltd.	Taiwan	Sales of panel equipment and materials	NTD: 72,596	NTD: 45,246	-	100.00	NTD: 16,751	NTD: (10,094)	NTD: (10,094)	
"	ADAT Technology Co., Ltd.	Taiwan	R&D, application and service of information software; supply of electronic information and sale of equipment	NTD: 195,737	NTD: 195,737	20,000,000	100.00	NTD: 100,863	NTD: (20,255)	NTD: (20,255)	
"	Smart Health Corp.	Taiwan	Smart medical advisory services and investments	NTD: 38,042	NTD: 38,042	1,199,000	99.92	NTD: 33,131	NTD: 223	NTD: 223	
"	Marketech Netherlands B.V.	Netherlands	International trade businesses and technical services for mechanical equipment and components	NTD: 42,714	NTD: 42,714	5,968,371	29.24	NTD: 67,579	NTD: 12,911	NTD: 3,775	
"	Marketech International Sdn. Bhd.	Malaysia	Professional engineering contracting and related maintenance services	NTD: 2,000	NTD: 2,000	200,000	20.00	NTD: 1,824	NTD: (50)	NTD: (10)	
"	Market International Corporation USA	USA	Professional engineering contracting and related maintenance services	NTD: 50,000	NTD: 20,000	3,500,000	26.74	NTD: 23,954	NTD: (38,769)	NTD: (8,560)	
"	Vertex Corporation	Taiwan	Design and manufacture of RF Signal Generator ; Internet of Things management; 5G telecommunications equipment and agency services; 5G Vertical application	NTD: 500	NTD: 1,500	50,000	100.00	NTD: 476	NTD: (67)	NTD: (42)	
"	Spiro Technology Syetem, Inc.	USA	General international trade page	NTD: 31,253	NTD: 21,070	900,000	100.00	NTD: 12,543	NTD: (7,181)	NTD: (7,181)	
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	British Virgin Islands	Engaged in holding and reinvestment business	NTD: 83,122	NTD: 83,122	12,242,750	100.00	NTD: 58,483	NTD: (1,814)	NTD: (1,814)	
Marketech Engineering Pte Ltd.	Marketech Integrated Construction Co., Ltd.	Myanmar	Undertaking of mechanical and electrical installation and other engineering business	NTD: 23,086	NTD: 23,086	750,000	100.00	NTD: 11,729	NTD: (4,469)	NTD: (4,469)	
MIC-Tech Ventures Asia Pacific Inc.	Rusky H.K. Limited	Hong Kong	Engaged in holding and reinvestment business	NTD: 20,000	NTD: -	2,000,000	38.83	NTD: 18,046	NTD: (5,032)	NTD: (1,954)	
"	Frontken MIC Co. Limited	Hong Kong	Engaged in holding and reinvestment business	NTD: 23,936	NTD: -	19,982	100.00	NTD: 21,383	NTD: (1,758)	NTD: (1,758)	
"	MICT International Limited	Hong Kong	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: -	
"	Leader Fortune Enterprise Co., Ltd.	Samoa	Engaged in holding and reinvestment business	NTD: 19,342	NTD: 19,342	63,500	97.69	NTD: 1,218	NTD: (6,909)	NTD: -	
"	Fortune Blessing Co., 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: -	
Rusky H.K. Limited	PT Marketech International Indonesia	Indonesia	Trading of mechanical equipment and spare parts	NTD: 31,422	NTD: 31,422	2,337,608	100.00	NTD: 5,002	NTD: (193)	NTD: -	
S&T CEE Holding s.r.o., Slovakia	S&T CZ s.r.o., Czech Republic	Czech Republic	IT servers	NTD: 132,282	NTD: 132,282	5,400,000	60.00	NTD: 37,872	NTD: (23,808)	NTD: -	
"	S&T Plus s.r.o., Czech Republic	Czech Republic	Manufacturing and marketing of industrial computers	NTD: 8,990	NTD: 8,990	303,000	31.43	NTD: (3,395)	NTD: 3,982	NTD: -	
"	S&T Services Polska Sp.z.o.o., Poland	Poland	IT servers	NTD: 45,985	NTD: 15,563	500,000	27.78	NTD: 11,121	NTD: (8,041)	NTD: -	
"	S&T Crna Gora d.o.o., Montenegro	Montenegro	IT servers	NTD: 32	NTD: 32	1,000	0.08	NTD: 28	NTD: 223	NTD: -	
"	S&T Bulgaria e.o.o.d., Bulgaria	Bulgaria	Manufacturing and marketing of industrial computers	EUR: 8,187	EUR: 8,187	49,500,000	99.00	EUR: 7,664	EUR: 975	EUR: 965	
"	S&T Poland Sp.z.o.z., Poland	Poland	IT servers	NTD: 286,709	NTD: 275,003	9,900,000	99.00	NTD: 268,393	NTD: 32,867	NTD: 32,530	
				EUR: 471	EUR: 471	9,900,000	99.00	EUR: 2,345	EUR: 1,006	EUR: 996	
				NTD: 16,494	NTD: 15,825	2,120	100.00	NTD: 82,122	NTD: 33,912	NTD: 33,575	
				EUR: 2,651	EUR: 2,651	2,120	100.00	EUR: 1,936	EUR: 87	EUR: 87	
				NTD: 92,838	NTD: 89,059	25,000	100.00	NTD: 67,799	NTD: 2,933	NTD: 2,933	
				EUR: 33	EUR: 33	25,000	100.00	EUR: 879	EUR: 140	EUR: 140	
				NTD: 1,156	NTD: 1,112	13,126	100.00	NTD: 30,783	NTD: 4,719	NTD: 4,719	
				EUR: 1,271	EUR: 1,271	13,126	100.00	EUR: 2,219	EUR: 397	EUR: 397	
				NTD: 44,510	NTD: 42,691	26,974	100.00	NTD: 77,709	NTD: 13,383	NTD: 13,383	
				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: 1,006 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: 4,206 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)	
"	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)	Note IV
"	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)	
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 : 15,652	
"	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

(Continued on the next page)

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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 Comstruction 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 Note 2(2)B	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 Note 2(2)B	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 Note 4	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.