

Stock Code: 6414

# **Ennoconn Corporation**



## **2021 Annual Report**

Annual Report is available at:  
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<https://www.ennocnn.com>

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# Table of Contents

<b>Chapter 1 Letter to Shareholders .....</b>	<b>1</b>
<b>Chapter 2 Company Introduction .....</b>	<b>3</b>
<b>I. Date of Incorporation .....</b>	<b>3</b>
<b>II. Company History .....</b>	<b>3</b>
<b>Chapter 3 Corporate Governance Report .....</b>	<b>7</b>
<b>I. Organization.....</b>	<b>7</b>
<b>II. Information on Directors, President, Vice Presidents, Assistant Managers, and         Heads of Departments and Branches .....</b>	<b>12</b>
<b>III. Implementation of Corporate Governance .....</b>	<b>34</b>
<b>IV. Information on CPA Professional Fees .....</b>	<b>95</b>
<b>V. Information on Change to CPA .....</b>	<b>95</b>
<b>VI. The Company's Chairman, President, or Any Managerial Officer in Charge of         Finance or Accounting Matters Held a Position in the Accounting Firm of its         CPA or in an Affiliates in the Most Recent Year .....</b>	<b>96</b>
<b>VII. Transfer &amp; Pledge of Equity by Directors, Managerial Officers and         Shareholders Holding More than 10% of the Company's Shares in the Most         Recent Year and up to the Publication Date of this Annual Report.....</b>	<b>96</b>
<b>VIII. Information on Top Ten Shareholders and Their Relationships .....</b>	<b>97</b>
<b>IX. Number of Shares in the Same Investee and Total Shareholding Ratio Held by         the Company, its Directors, Supervisors and Managerial Officers, and Any         Companies Controlled either Directly or Indirectly by the Company.....</b>	<b>100</b>
<b>Chapter 4 Fund Raising.....</b>	<b>101</b>
<b>I. Capital and Shares: .....</b>	<b>101</b>
<b>II. Shareholder Structure: .....</b>	<b>106</b>
<b>III. Distribution of Shareholding: .....</b>	<b>106</b>
<b>IV. List of Major Shareholders: .....</b>	<b>107</b>
<b>V. Market Price, Net Value and Earnings Per Share, Dividends and Related         Information in the Most Recent Two Years: .....</b>	<b>107</b>
<b>VI. The Company's Dividend Policy and Implementation Status: .....</b>	<b>108</b>
<b>VII. Effect on the Company's Business Performance and Earnings per Share of any         Stock Dividend Distribution Proposed or Adopted at This Shareholders'         Meeting.....</b>	<b>109</b>
<b>VIII. Employee Bonus and Director Compensation: .....</b>	<b>110</b>
<b>IX. The Company's Shares Bought Back by the Company (Executed and         Completed): .....</b>	<b>111</b>
<b>X. Issuance of Corporate Bonds: .....</b>	<b>112</b>

<b>XI. Issuance of Preferred Shares.....</b>	<b>118</b>
<b>XII. Participation in Issuance of Global Depository Receipts.....</b>	<b>118</b>
<b>XIII. Issuance of Employee Warrants .....</b>	<b>118</b>
<b>XIV. Name of Managerial Officer Holding Employee Warrants and Top Ten Employees in terms of Subscription of Warrants, and the Obtaining Status As of the Publication Date of this Annual Report .....</b>	<b>118</b>
<b>XV. Issuance of New Shares with Restricted Employee's Rights.....</b>	<b>118</b>
<b>XVI. Name of Managerial Officer Holding the New Shares with Restricted Employee's Rights and Top Ten Employees in terms of Subscription of Such New Share, and the Acquisition Status As of the Publication Date of this Annual Report.....</b>	<b>118</b>
<b>XVII. Issuance of New Shares due to Acquisition or Acceptance of Transfer of Shares in Other Company .....</b>	<b>118</b>
<b>XVIII. Implementation of Fund Usage Plan: .....</b>	<b>118</b>
<b>Chapter 5 Operating Overview.....</b>	<b>153</b>
<b>I. Business Activities .....</b>	<b>153</b>
<b>II. Overview of the Market, Production, and Sales: .....</b>	<b>173</b>
<b>III. Information on Employees in the Last Two Fiscal Years and up to the Publication Date of this Annual Report .....</b>	<b>185</b>
<b>IV. Disbursements for Environmental Protection: .....</b>	<b>186</b>
<b>V. Labor Relations:.....</b>	<b>187</b>
<b>VI. Important Contracts:.....</b>	<b>189</b>
<b>Chapter 6. Financial Standing.....</b>	<b>190</b>
<b>I. Five-Year Financial Summary, and the Names of the Certified Public Accountants and Their Audit Opinion Shall Be Specified .....</b>	<b>190</b>
<b>II. Most Recent 5-Year Financial Analysis.....</b>	<b>198</b>
<b>III. Audit Committee's Report for the Most Recent Fiscal Year's Financial Statement .....</b>	<b>203</b>
<b>IV. Consolidated Financial Statements with Subsidiaries Audited by CPAs: Please refer to page 181 to 312.....</b>	<b>204</b>
<b>V. Financial Statements for the Most Recent Year: Please refer to page 313 to 404.....</b>	<b>204</b>
<b>VI. Financial Difficulties of the Company and Its Affiliated Companies in the Most Recent Year up to the Date of this Annual Report Printed .....</b>	<b>204</b>
<b>Chapter 7. Review and Analysis of the Company's Financial Position and Financial Performance and Risk .....</b>	<b>205</b>
<b>I. Financial Position .....</b>	<b>205</b>

<b>II. Financial Performance .....</b>	<b>207</b>
<b>III. Analysis of Cash Flow .....</b>	<b>210</b>
<b>IV. Effect upon Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year .....</b>	<b>211</b>
<b>V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re- investment Profitability, and Investment Plans for Coming Year .....</b>	<b>212</b>
<b>VI. Risk .....</b>	<b>212</b>
<b>VII. Other Important Matters: None.....</b>	<b>217</b>
<b>Chapter 8 Special Disclosure.....</b>	<b>218</b>
<b>I. Relevant Information on the Company's Affiliates .....</b>	<b>218</b>
<b>II. Private Placement of Securities in the Most Recent Year and up to the Publication Date of this Annual Report .....</b>	<b>263</b>
<b>III. Holding or Disposal of Shares in the Company by the Company's Subsidiaries during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report.....</b>	<b>267</b>
<b>IV. Other Supplemental Information .....</b>	<b>267</b>
<b>Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities as Specified in Subparagraph 3, Paragraph 3, Article 36 of Securities and Exchange Act in the Most Recent Year and up to the Publication Date of this Annual Report. ....</b>	<b>267</b>



## Chapter 1 Letter to Shareholders

Thanks to the collective efforts of all employees, Ennoconn Corp. reported net consolidated revenue of NT\$96.6 billion in 2021, and net income attributed to parent was NT\$1.33 billion, with earnings per share of NT\$13.91. Compared to those in 2020, consolidated revenue and net income increased by 14.8% and 20.1% respectively.

Looking back on the ever-changing economic environment in 2021, Ennoconn Corp. dealt with uncontrollable risks arising from the COVID-19 pandemic with prudence. With the core competitive advantages of business units in R&D, technology, and products, along with key technologies, value-added niche products, and omni-channel deployment, the Company built an AIoT platform combining design and manufacturing service (DMS), information technology (IT), system integration (SI), and cloud service to continuously boost its operating results in the face of new challenges.

With the maturity and rapid development of technologies such as 5G, cloud computing, and artificial intelligence (AI), every industry has targeted digital transformation and smart applications for years to come. In 2021, the Company cooperated with international partners such as Google, Intel, MTK, VIA, Chunghwa Telecom Company, Ltd., and Systex Corporation to bring in huge commercial benefits from its "3 + 3 Integrated Cloud Service" based on its technologies and strengths. The Company's products operated with Cloud-Edge Anthos Server, Connectivity Gateway, and video conferencing systems in the hybrid cloud, creating a complete value chain of a digital service platform. The connection between on-premise and cloud services gave rise to a new business model for the Company's AIoT digital products and services targeting smart manufacturing, smart cities, and other smart applications. In addition to products in the ten fields, the Company eyed huge business opportunities created by metaverse for the advent of IPC 3.0.

The Company's strategic partner, NCR, one of the world's leading financial service providers, has adopted the Company's design and manufacturing service and global supply chain system in its plant in Budapest, Hungary. Expanding the Company's presence in Europe, this strategic cooperation is expected to provide smart financial and retail customers with a full range of integrated cloud solutions, helping

customers lead in the digital banking and retail industries around the world. Accordingly, the Company's market share will increase.

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

Yours respectfully,  
Good health and good luck.

Chairman Fu-Chuan Chu





## Chapter 2 Company Introduction

### I. Date of Incorporation:

July 12, 1999

### II. Company History:

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

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

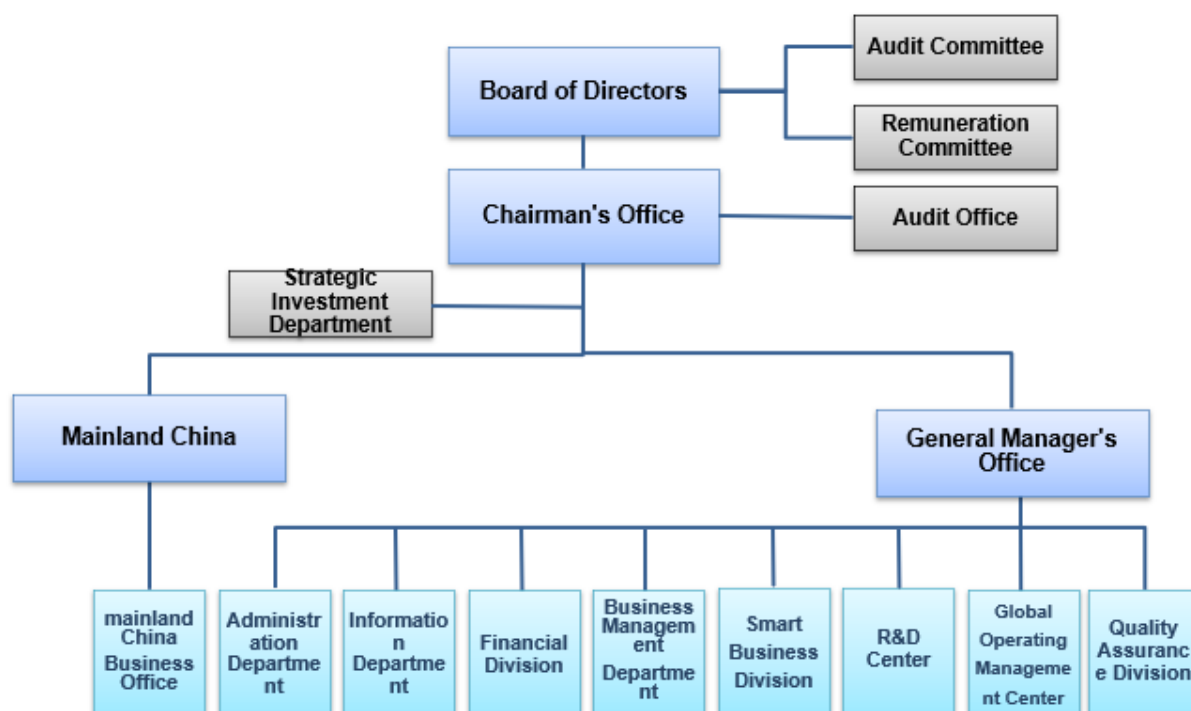
Date	Major Events
	excellent brand and marketing channels, the industry chain layout of the vertical market is introduced. Ennoconn Corporation, S&T, and Kontron's three-way strategic alliance will further extend the core advantages and benefits of each other's software R&D, hardware manufacturing, system integration, brand, and distribution channel. etc., work together to expand the industrial computer market share and steadily develop a diversified global operation.
In January 2018	Ennoconn Corporation invested 19.5% equity of "DIVA Laboratories. Ltd." through its subsidiary and officially entered the medical field. DIVA is a major manufacturer of medical displays, currently accounting for about 3% of the global market share. Major customers include Philips, GE, etc., and the products are sold in Japan, Europe, the US, and so on.
In May 2018	Acquired approximately 47.15% equity of "Marketch International Corp." via a public acquisition. Through this strategic cooperation, Ennoconn Corporation, together with Marketch, will enhance the vertical and horizontal development advantages of manufacturing internet in multiple aspects, such as factory equipment management, manufacturing execution management system, turnkey transfer, combining with the core niche to accelerate the expansion of operation scale of both parties and bring the integration benefits into play to enhance the competitive advantage.
In June 2018	Merged and acquired "Vecow Co., Ltd." through the subsidiary AIS to expand product lines, and deepen into the application fields of industrial wide temperature embedded computers, machine vision, image monitoring analysis, smart transportation, smart control, industrial automation, AGV unmanned vehicles, multiport ethernet, etc.
In September 2018	Expanded and deployed global gaming industry customer services and combined upstream and downstream supply chains to provide a complete electromechanical integration program.
In March 2019	Provided Ennoconn Corporation's own brand and application services, through Ennoconn (Suzhou) Technology Co., Ltd., in various vertical fields, machinery equipment, plant automation, automotive assembly line control system, sewage purification system, etc. in Greater China.
In January 2020	Ennoconn Corporation invested 70% equity of "Poslab," a smart retail solution provider, through its subsidiaries to enhance the vertical integration capabilities of smart retail products. In the future, it will also cooperate with the system integration business group to create greater business opportunities.
In January 2021	The Company issued new shares to increase capital as the consideration for acquiring the shares of its subsidiary AIS Cayman Technology for share swap. After the share swap, the Group holds 100% equity of AIS Cayman Technology, which can reinforce the combination of each other's strengths, improve the overall operating efficiency, jointly layout the machine vision and AI application market, and strengthen the synergy of cooperation between the two parties.

Date	Major Events
September 2021	<p>The Company issued the first privately placed unsecured convertible corporate bonds in domestic, with a total amount of NT\$1.5 billion, and introduced strategic investment partners, MediaTek and VIA, for long-term cooperation. By virtue of that MediaTek's chips have a high market share in smart-phones field, and provide power for more than 2 billion devices worldwide, VIA has powerful solutions for AI application software and embedded operating system, and Ennoconn has already become the major supplier regarding industrial computer of many international cloud service providers in the world, including Google, Microsoft, Amazon, and has access channels concerning, including, retail, financial, gaming, manufacturing and other industrial markets, these three companies cooperated with each other, and Ennoconn facilitated upgrading of the design and development technologies for its industrial computer products and developed different levels of customers through vertically integrated alliance, and created a win-win-win situation based on the cooperation mode with the maximum efficiency, and they promoted the improvement of the share of Ennoconn, MediaTek and VIA in global AIoT market and jointly moved towards a new future of technology.</p>
January 2022	<p>The Company issued 4,880,000 privately placed common shares, with a total amount of NT\$1.107 billion, and introduced a strategic investment partner, Google International LLC, for long-term cooperation. From Q4 of this year, the Company will not only focus on the long-term stable growth of Ennoconn's future operating, but also will offer “3 +3 Cloud-to-Earth Integration Service” to form an international alliance based on open strategies to propose three major IOT solutions to conduct “standardization” for product design and development, “modularization” for integration of software and hardware communication, and “digitalization” for information data, and three Cloud solutions, by stages, by combining the innovative "Smart Industry and Intelligent City" business mode, such as Google Cloud, Google Workspace, Google Glass, etc. The Company will develop towards "cloud-based" computing and storage by using cloud network platform, continue to create high operational efficiency by virtue of cloud-ground cycle through "intelligent" data analysis and optimization of human-machine collaboration, provide a complete one-stop solution from IoT cloud connection, cloud access, cloud use, cloud management to cloud protection based on a flexible "service-oriented" mode to improve service functions and platform value and create usage and new revenue, so as to further form a strong ecosystem, help customers to solve the problems related to cloud-ground integration technology, security and reliability, and pro-actively grasp the opportunities in the huge industrial Metaverse (IMVS) market to officially develop towards the new era of IPC 3.0 (Innovation Platform Convergence).</p>

## Chapter 3 Corporate Governance Report

### I. Organization

(I) Organization Chart:



## (II) Functions of Major Departments or Divisions:

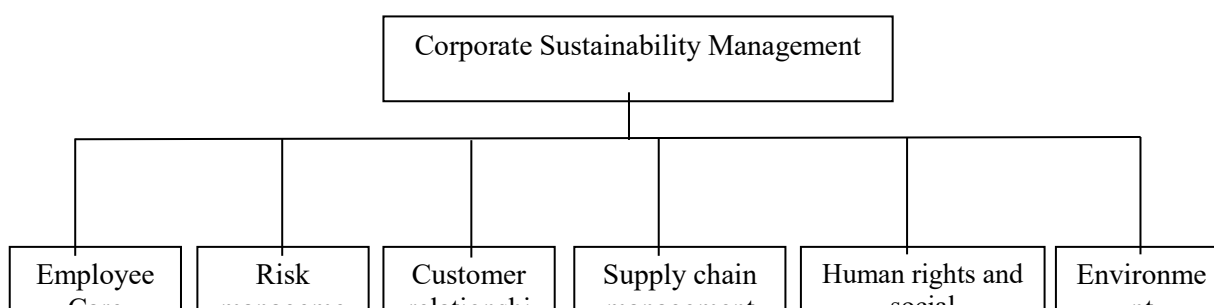
Department or Division	Functions
Chairman's Office	Chairman/Chief Executive Officer (CEO): <ol style="list-style-type: none"> <li>1. Integrate the Company's resources and participate in the Board of Directors' decision-making process to promote the Company's growth.</li> <li>2. Establish, improve or change corporate culture.</li> <li>3. Formulate corporate strategies, objectives, and strategic M&amp;A plans.</li> <li>4. Create a senior management team to achieve corporate goals.</li> </ol>
President's Office	<ol style="list-style-type: none"> <li>1. Comprehensively supervise and manage the Company's operating objectives and lead various departments and divisions to implement the Company's policies.</li> <li>2. Be responsible for business or sales strategies, product planning, and formulation of blueprint for technical development, and the Company's overall operating.</li> </ol>
Audit Office	Be responsible for evaluation on and implementation of the Company's audit and internal control, and make suggestions on improvement to promote the Company's effective operating.
Strategic Investment Department	Be responsible for planning for various M&A and investment strategies and post-investment management according to the Company's development strategies.
Business Management Department	Be responsible for managing and tracking various operating performance and planning, and managing and reviewing various management systems.
Administration Department	<ol style="list-style-type: none"> <li>1. Be responsible for human resources policies, and establish, implement and improve human resources management system.</li> <li>2. Provide staff services and manage affairs on an overall basis.</li> </ol>
Information Department	Be responsible for planning for, installation and maintenance of the Company's information system.
Financial Division	Be responsible for the Company's capital planning and accounting, formulation and implementation of accounting policies, financial data analysis, and legal and financial matters.
Smart Business Division	<ol style="list-style-type: none"> <li>1. Be responsible for the Company's global business development, product sale, customer service, operating strategies, and establishment of development direction.</li> </ol>

	<p>2. Be responsible for product planning, special new projects, design, R&amp;D and production, and supervise and control products status, until the end of their service life.</p> <p>3. Be responsible for the profits and losses of product line, set retail prices, and manage costs.</p>
R&D Center	Make coordination in the Company's R&D activities and engineering resources, and formulate R&D directions.
Global Operating Management Center	Be responsible for procurement of various raw materials and components, and coordination in production plans and supply chain.
Quality Assurance Department	Be responsible for various quality control, understand each customer's requirements on quality, and supervise and control product design and quality.
Mainland China Business Office	Be responsible for various business development planning and operating performance management for the businesses in mainland China.

### (III) Corporate Sustainability Management:

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

Ennoconn Corporation's internal Corporate Sustainability Management Unit is responsible for sustainability management and corporate social responsibility (CSR), formulation and implementation of policies, and regular reports to the Board of Directors.



Unit	In charge of
Corporate Sustainability Management	1.The management and responsibility of all committees under CSR. 2.Formulation of management policies and regulations review for the committees under its jurisdiction. 3.Implementation of cross-departmental coordination processing and data integration from various units. 4.Information disclosure, corporate internal control promotion, communication with related parties. 5. Reporting to the Board of Directors.
Employee Care	1. Principles of fairness in salary, benefits, hiring, and promotion. 2. Labor safety and various functional education and training. 3.Friendly and safe working environment, reasonable working hours, and gender equality. 4. Employee health promotion. 5.Employee recognition and communication channels with the Company.
Risk management	1.Operation, financial risk management & evaluation, and regular institutional investor conferences for shareholders to disclose information on operating conditions. 2.Operation and maintenance, formulation of various risk response procedures. 3. Major disaster response measures.



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

## II. Information on Directors, President, Vice Presidents, Assistant Managers, and Heads of Departments and Branches:

### (I) Directors' Information:

April 25, 2022 Unit: shares; %

Title	Name	Gender/ Age	Nationality or place of registration	First-time Election Date	Election Date	Term	Shares held when elected Shareholding		Shares held currently Number of shares held		Spouse & minor current shareholding		Shareholding by nominees		Experience (Education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relationship	
Chairman	Fu-Chuan Chu	Male / 51 ~ 60	Republic of China	2012.10.04	2019.06.28	3 years	790,787	0.95%	1,026,726	0.96%	0	0%	0	0%	Department of Electronic Engineering, St. John's University Senior Associate Manager of Hon Hai Precision Industry Co., Ltd.	Chairman and CEO of the Company Chairman of Caswell Inc. Chairman of Goldtek Technology Co., Ltd. Chairman of Dexatek Technology Ltd. Director of Ennoconn (Suzhou) Technology Co., Ltd. Chairman of Poslab Chairman of AIS Cayman Technology Group Director of Ennoconn International Investment Co., Ltd. Director of Marketech International Corporation Director of EnnoMech Precision Co., Ltd. Director of Vecow Co., Ltd. Director of S&T AG Director of ENGA Technology Co., Ltd.	None	None	None	None
Director	Cheng-Ching Chu	Male / 61 ~ 70	Republic of China	2019.06.28	2019.06.28	3 years	0	0%	0	0%	0	0%	0	0%	Master Degree in Mechanical Engineering, National Cheng Kung University	Chief Procurement Officer of Hon Hai Precision Industry Co., Ltd.	None	None	None	None
Director	Baoxin	-	Republic of China	196.03.12	2019.06.28	3 years	29,074,437	34.79%	33,178,779	31.10%	0	0%	0	0%	-	Chairman of Ennoconn	None	None	None	None

Title	Name	Gender/ Age	Nationality or place of registration	First-time Election Date	Election Date	Term	Shares held when elected Shareholding		Shares held currently Number of shares held		Spouse & minor current shareholding		Shareholding by nominees		Experience (Education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relationship	
	International Investments Ltd.		Public of China		8	years										International Investment Co., Ltd. Chairman of EnnoMech Precision Co., Ltd. Chairman of EnnoMech Precision (Cayman) Co., Ltd. Chairman of Ennoconn Investment Holdings Co., Ltd. Chairman of Ennoconn (Foshan) Investment Co., Ltd. Chairman of Ennoconn Investment Co., Ltd.	e	e	e	ne
	Representative: Chao-Tsung Lou	Male / 51 ~ 60	Republic of China	2021.11.29	2019.06.28	3 years	176,071	0.21%	220,914	0.21%	1,364	0.00%	0	0%	Department of Business Administration, Feng Chia University Engineering Management, Nan Ya Plastics Corporation Vice President of Business Management, Hon Hai Precision Industry Co., Ltd.	Chairman of Ennoconn Investment Co., Ltd. Director of Marketech International Corporation Director of Goldtek Technology Co., Ltd. Director of Caswell Inc. Director of Innovative Systems Integration Ltd. Director of Shijun International Investment Co., Ltd. Chairman of Ennoconn (Suzhou) Technology Co., Ltd. Director of ENGA Technology Co., Ltd.				
Director	Baoxin International Investments Ltd.	-	Republic of China	2007.03.12	2019.06.28	3 years	29,074,437	34.79%	33,178,779	31.10%	0	0%	0	0%	-					
	Representative: Chia-Lin Teng	Male / 51 ~ 60	Republic of China	2019.06.28	2019.06.28	3 years	0	0%	0	0%	0	0%	0	0%	Master of Electrical Engineering, University of Bridgeport, Connecticut, USA	Vice President of IoT Business Division, Foxconn Industrial Internet Co., Ltd.	None	None	None	None
Independent Director	Wen-Chang Fang	Male	Republic of	2013.01.22	2019.06.28	3 years	0	0%	0	0%	0	0%	0	0%	PhD in Computer Science, Northwestern University, USA	Professor of Department of Business Administration, College of Business, National Taipei	None	None	None	None

Title	Name	Gender/ Age	Nationality or place of registration	First-time Election Date	Election Date	Term	Shares held when elected Shareholding		Shares held currently Number of shares held		Spouse & minor current shareholding		Sharehold ing by nominees		Experience (Education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation	
		/ 61 ~ 70	China											Chief of Graduate Institute of Information Management, NTPU; Chief of Graduate School of Business Administration, NTPU; Chairperson of Department of Business Administration, NTPU; Director of E-Business Research Center, NTPU; Dean of College of Business, NTPU.	University Independent Director of ACSIP Technology Corp. Director of Taipei Jingwen High School Director of Da-Yeh University					
Independent Director	Yu-Hui Su	Female / 51 ~ 60	Republic of China	2017.05.18	2019.06.28	3 years	0	0%	0	0%	0	0%	0	0%	PhD in Business Administration, National Taiwan University Chairperson of the Department of Accounting, Soochow University Adjunct Professor of the Department of Accounting, National Taiwan University Director of the Taiwan Accounting Association	Professor of the Department of Accounting, Soochow University Independent Director of In Win Development Inc. Independent Director of Makalot Industrial Co., Ltd Independent Director of Formosa Pharmaceuticals, Inc. Supervisor of China Steel Security	None	None	None	None
Independent Director	Chien-Min Wang	Male / 51 ~ 60	Republic of China	2019.06.28	2019.06.28	3 years	0	0%	0	0%	0	0%	0	0%	Department of Electrical Engineering, Chung Yuan Christian University MBA, University of California, Los Angeles Sales Department Manager of Macronix	CEO of Shenzhen ShuWei Ltd. Consultant of Suzhou Kuan-Ching Semiconductor Co., Ltd.	None	None	None	None

Title	Name	Gender/ Age	Nationality or place of registration	First-time Election Date	Election Date	Term	Shares held when elected Shareholding		Shares held currently Number of shares held		Spouse & minor current shareholding		Shareholding by nominees		Experience (Education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation	
														International Co., Ltd. Senior Regional Manager of Cisco Systems, Inc. President of Strategic Account of Broadcom Corp. Asia Pacific Region President of I-Ching Semiconductor Ltd. Asia Pacific Region						

Note 1: Where the chairman and president or person of an equivalent rank (the highest level managerial officer) are the same one person, spouses, or relatives within the first degree of kinship, the reason, reasonableness, necessity, and future improvement measures (such as increasing the number of independent directors, that over half of directors shall not hold a concurrent position as employees or managerial officers, etc.) shall be specified.

The Company's chairman also serves as its CEO, in order to improve its operating efficiency and execution of decisions, but the Company has actively trained suitable internal candidates to strengthen the independence of the Board of Directors. Besides, the chairman of the Board of Directors also closely communicates with directors on the Company's operating status

and planning policies to implement corporate governance. In the future, the Company also plans to increase the number of independent directors to improve the Board of Directors' functions and supervision function. At present, the Company has the following specific measures:

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

## 1. Major Institutional Shareholders:

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

Note: Directors are institutional shareholders.

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

Name of institutional shareholder	Major shareholders
Hon Hai Precision Industry Co., Ltd.	<p>Terry Guo (12.57%)</p> <p>Dedicated investment account of Singapore government managed by Citibank on a trust basis (2.37%)</p> <p>Dedicated depository receipts account of Hon Hai Precision Industry Co., Ltd. managed by Citibank on a trust basis (1.28%)</p> <p>Labor Retirement Reserve Fund (The New Fund) (1.26%)</p> <p>Vanguard Emerging Markets Stock Index Fund managed by JPMorgan on a trust basis (1.20%)</p> <p>PGAI Progressive International Stock Index managed by JPMorgan on a trust basis (1.11%)</p> <p>Dedicated investment account of Norges Bank managed by Citibank on a trust basis (1.02%)</p> <p>Fidelity Puritan Fund managed by Standard Chartered on a trust basis (0.96%)</p> <p>Standard Chartered Trusted Liechtenstein Bank Investment Account (0.82%)</p> <p>Saudi Arabian Central Bank Investment Account managed by JPMorgan (0.79%)</p>

Note: The benchmark shareholding date is April 25, 2022.

## 3. Professional Qualifications of Directors and Independence of Independent Directors:

Qualification Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies where the individual concurrently serves as an independent director
Fu-Chuan Chu	Chairman Fu-Chuan Chu graduated from the Department of Electronic Engineering, St. John's University, and served as the Senior Associate Manager of Hon Hai Precision Industry Co., Ltd. He has operational judgment, business and crisis management capabilities, knowledge in the industry, international market perspective, leadership and decision-making capabilities.	N/A	0
Cheng-Ching Chu	Director Cheng-Ching Chu graduated from National Cheng Kung University with a master's degree in mechanical engineering. He currently serves as the Chief Procurement Officer of Hon Hai Precision Industry Co., Ltd. He has operational judgment and business management capabilities, knowledge in the industry, international market perspective, and leadership.	N/A	0

<p>Baoxin International Investments Ltd. Representative: Chao-Tsung Lou</p>	<p>Director Chao-Tsung Lou graduated from the Department of Business Administration, Feng Chia University, and served as the Vice President of Hon Hai Precision Industry Co., Ltd. He has operational judgment, accounting and financial analysis, business and crisis management capabilities, knowledge in the industry, international market perspective, leadership and decision-making capabilities.</p>	<p>N/A</p>	<p>0</p>
<p>Baoxin International Investments Ltd. Representative: Chia-Lin Teng</p>	<p>Director Chia-Lin Teng graduated from Master of Electrical Engineering, University of Bridgeport, Connecticut, USA. He currently serves as the Vice President of IoT Business Division, Foxconn Industrial Internet Co., Ltd. He has operational judgment and business management capabilities, knowledge in the industry, international market perspective and leadership.</p>	<p>N/A</p>	<p>0</p>



Wen-Chang Fang	Independent Director Wen-Chang Fang graduated from Northwestern University with a Ph.D. degree in Computer Science. He served as the Dean of College of Business, NTPU. He has crisis management capabilities and knowledge in the industry.	Independent Director Wen-Chang Fang, his spouse, or his any relative within the second degree of kinship holds (or holds, by any nominees,) 0 share in the Company, and he does not serve as the director, supervisor or employee of the Company, any companies having specific relation with the Company or the Company's any related companies, and he has not received any remuneration for provision of any business, legal, financial, accounting or any other services to the Company or its any related companies in the most recent 2 years.	1
Yu-Hui Su	Independent Director Yu-Hui Su graduated from National Taiwan University with a Ph.D. degree in Business. She served as the Chairperson of the Department of Accounting, Soochow University. She has accounting and financial analysis and crisis management capabilities, and international market perspective, and there is no situation specified in Article 30 of the Company Act occurred to her.	Independent Director Yu-Hui Su, her spouse, or her any relative within the second degree of kinship holds (or holds, by any nominees,) 0 share in the Company, and she does not serve as the director, supervisor or employee of the Company, any companies having specific relation with the Company or the Company's any related companies, and she has not received any remuneration for provision of any business, legal, financial, accounting or any other services to the Company or its any related companies in the most recent 2 years.	3

Chien-Min Wang	Independent Director Chien-Min Wang graduated from the University of California, Los Angeles with a master's degree in business administration. He served as the President of I-Ching Semiconductor Ltd. Asia Pacific Region. He has business management capabilities, knowledge in the industry and international market perspective.	Independent Director Chien-Min Wang, his spouse, or his any relative within the second degree of kinship holds (or holds, by any nominees,) 0 share in the Company, and he does not serve as the director, supervisor or employee of the Company, any companies having specific relation with the Company or the Company's any related companies, and he has not received any remuneration for provision of any business, legal, financial, accounting or any other services to the Company or its any related companies in the most recent 2 years.	0
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Note 1: Professional qualifications and experience: The professional qualifications and experience of individual directors and supervisors shall be specified. If any of them is a member of Audit Committee and have accounting or financial expertise, his/her accounting or financial background and work experience shall be specified, and it shall be specified that if any situation specified in Article 30 of the Company Act occurred to him/her.

Note 2: The independence of Independent Director shall be specified, including but not limited to that if he/she, his/her spouse, or his/her any relative within the second degree of kinship serves as the director, supervisor or employee of the Company or the Company's any related companies; number of shares in the Company held by him/her, his/her spouse, or his/her any relative within the second degree of kinship (or by his/her any nominees,) and his/her shareholding ratio; that if he/she serves as the director, supervisor or employee of any companies having specific relation with the Company (please refer to item 5-8 Article 3-1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); amount of any remuneration received by him/her for provision of any business, legal, financial, accounting or any other services to the Company or its any related companies in the most recent 2 years.

#### 4. Diversity and independence of the Board of Directors:

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

I. Basic requirements and values: gender, age, nationality, and culture.

II. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience, etc.

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

capabilities:

- I. Operational judgment capabilities.
- II. Accounting and financial analysis capabilities.
- III. Business management capabilities.
- IV. Crisis management capabilities.
- V. Knowledge in the industry.
- VI. International market perspective.
- VII. Leadership.
- VIII. Decision-making capabilities.

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

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

The Company also attaches importance to gender equality in the composition of the Board of Directors' members. The target ratio of female directors is set at 25% or more. Currently, there are 7 directors, including 1 female director, with a ratio of 14%. The implementation status of the diversification of the Company's Board members is summarized in the following table:

Core items of diversity  Name of Directors	Basic Composition								Experience in the Industry				Professional Capabilities				
	Nationality	Gender	Concurrently serve as the Company's employee	Age			Independent director's tenure			Industrial computer	Computer and peripheral equipment	On-line communication Technology	Accounting and financial	Business management	Financial and accounting	Information technology	Risk management
				51 to 55	56 to 60	Over 60	Under 3 years	3 to 9 years	Over 9 years								
Fu-Chuan Chu	R.O.C.	Male	V		V					V	V			V		V	V
Chao-Tsung Lou	R.O.C.	Male		V						V	V			V	V		V
Cheng-Ching Chu	R.O.C.	Male				V					V			V		V	
Chia-Lin Teng	R.O.C.	Male		V							V			V		V	
Wen-Chang Fang	R.O.C.	Male				V		V				V				V	V
Yu-Hui Su	R.O.C.	Female		V				V					V		V		V
Chien-Min Wang	R.O.C.	Male		V			V				V	V		V		V	

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

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

The Board of Directors of the Company passed the amendments to the "Performance Evaluation Measures for the Board of Directors," on Nov. 11, 2020, stipulating that the Board of Directors should conduct at least one performance evaluation for the Board, the Board of Directors' members, and the Functional Committee every year. The internal evaluation shall be conducted at the end of each year, and the performance evaluation of the current year shall be conducted following these measures. The average score of evaluation on the Board of Directors and functional committees in 2021 reached 95 or more, and has been submitted to the Board of Directors' meeting on March 22, 2022.

The measurement items for the performance evaluation of the Company's Board of

directors include the following five aspects:

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

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

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

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

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

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

The Company has completed performance evaluation on the Board of Directors, Board of Directors' members and functional committees of 2021 in the first quarter of 2022, and has submitted and reported the evaluation results and the direction for continued improvement in the following year.

According to Article 20 of the Articles of Incorporation, the remuneration of the Company's directors may not exceed 2% of the current year's profit as the directors' remuneration of the current year. Reasonable remuneration shall be given considering the Company's operational results and its contributions to the Company's performance. The procedures for determining remuneration are based on the results of the performance evaluation of directors. In addition to referring to the Company's overall operating performance, future business risks, and development trends of the industry, it

also refers to the individual's performance achievement rate and contributions to the Company's performance and gives reasonable remuneration. The relevant performance appraisal and remuneration reasonableness are reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system is reviewed in due course depending on the actual operating conditions and the relevant laws and regulations to balance the Company's sustainable management and risk control.

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

(1) Board of Directors' members:

1. Succession plan:

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

2. Implementation status:

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

(2) Important management levels:

1. Succession plan:

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

The Company will provide multiple kinds of training for senior management, including courses-based training, development of leadership, as well as cross-functional and change management capabilities and other training courses, and will formulate career development plans for senior management, and increase job development opportunities by virtue of secondment, dispatching, etc. to improve leadership.

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

2. Implementation status:

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

(II) Information on President, Vice Presidents, Assistant Managers, and Heads of Departments and Branches:

April 25, 2022 Unit: shares; %

Title	Nationality	Name	Gender	Date Elected (Appointed) Date	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Main experience (education)	Other position concurrently held in other companies	Managerial officers who are spouses or within the second degree of kinship			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation	
CEO	Republic of China	Fu-Chuan Chu	Male	100.06.11	1,026,726	0.96%	0	0%	0	0%	Department of Electronic Engineering, St. John's University Senior Associate Manager of Hon Hai Precision Industry Co., Ltd.	Chairman and CEO of the Company Chairman of Caswell Inc. Chairman of Goldtek Technology Co., Ltd. Chairman of Dexatek Technology Ltd. Director of Ennoconn (Suzhou) Technology Co., Ltd. Chairman of Poslab Chairman of AIS Cayman Technology Group Director of Ennoconn International Investment Co., Ltd. Director of Marketech International Corporation Director of EnnoMech Precision Co., Ltd. Director of Vecow Co., Ltd. Director of S&T AG Director of ENGA Technology Co., Ltd.	No	No	None	Note 1 (Same as Note 1 on page 8)
President	Republic of China	Neng-Chi Tsai	Male	2019.12.19	35,000	0.03%	0	0%	366,726	0.34%	MBA of University on the West Coast of America President of American Industrial Systems Inc.	President of the Company Chairman of American Industrial Systems Inc. Chairman of Vecow Co., Ltd. Director of AIS Cayman Technology Group Director of Ennoconn International Investment Co., Ltd. Director of Caswell Inc.	No	No	None	Shareholding by nominees is his dedicated account managed

																	by the bank on a trust basis
Mainland China President	Republic of China	Chao-Tsung Lou	Male	2021.09.01	220,914	0.21%	1,364	0%	0	0%	Department of Business Administration, Feng Chia University Engineering Management, Nan Ya Plastics Corporation Vice President of Business Management, Hon Hai Precision Industry Co., Ltd.	Chairman of Ennoconn International Investment Co., Ltd. Chairman of EnnoMech Precision Co., Ltd. Chairman of EnnoMech Precision (Cayman) Co., Ltd. Chairman of Ennoconn Investment Holdings Co., Ltd Chairman of Ennoconn (Foshan) Investment Co., Ltd. Chairman of Ennoconn Investment Co., Ltd. Director of Marketch International Corporation Director of Goldtek Technology Co., Ltd. Director of Caswell Inc. Director of Innovative Systems Integration Ltd. Director of Shijun International Investment Co., Ltd. Chairman of Ennoconn (Suzhou) Technology Co., Ltd. Director of ENGA Technology Co., Ltd.	None	None	None	None	
R&D Center Associate Manager	Republic of China	Sheng-Hsiung Chang	Male	2019.12.16	12,000	0.01%	0	0%	0	0%	Department of Electrical Engineering, Lee-Ming Institute of Technology R&D Manager of ADLINK Technology Inc.	None	None	None	None	None	
Chief	Republic of China	You-Mei	Female	107.08.13	3,422	0.00%	0	0%	0	0%	Master of Financial	Representative of Corporate	None	None	None	None	



Financial Officer	blic of China	Wu	ale								Management, National Chengchi University University of Reading ,U.K.MSc International SecuritiesInvestment and Banking Leader of Brokerage Firms Division, Securities and Futures Bureau, Financial Supervisory Commission	Director, Marketch International Corp. Supervisor of Ennoconn International Investment Co., Ltd.	ne	ne		e
Information Department Associate Manager	Republic of China	Wen-Ta Chang	Male	2021.09.01	10,000	0.01%	0	0%	0	0%	Department of Business Administration, Chung Yuan Christian University	None	No ne	No ne	None	Non e

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

1. Remuneration to Directors (Including Independent Directors):

As of December 31, 2021 Unit: NT\$ thousand

Title	Name	Remuneration to directors								Ratio of total amount of A, B, C and D in net profits after tax (%) (Note 5)		Relevant remuneration received by director who concurrently serves as employee								Ratio of total amount of A, B, C, D, E, F and G in net profits after tax (%)		Remuneration received from parent company or the investee or other subsidiaries
		Remuneration (A) (Note 1)		Severance pay and pension (B) (Note 2)		Directors' compensation (C) (Note 3)		Business execution fees (D) (Note 4)				Salary, bonuses, and allowances (E) (Note 6)		Severance pay and pension (F)		Employee compensation (G) (Note 7)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements			
Chairman	Fu-Chuan Chu	0	0	0	0	3,060	3,060	2,135	3,095	0.39	0.46	13,407	13,407	0	0	8,600	0	8,600	0	2.04	2.11	0
Director	Cheng-Ching Chu																					
Director	Baoxin International Investments Ltd.																					
Director	Baoxin International Investments Ltd. Corporate representative: Chao-Tsung Lou																					
Director	Baoxin International Investments Ltd. Corporate Representative: Chia-Lin Teng																					
Independent	Wen-Chang Fang																					

ent Director																					
Independ ent Director	Yu-Hui Su																				
Independ ent Director	Chien-Min Wang																				
<p>1. Please specify the payment policy, system, standards, and structure of remuneration to independent directors, and specify their relevance with the amount of remuneration based on their responsibilities, risks, work time, and other factors: Not only the results of performance evaluation on the Board of Directors is taken into account for the remuneration to the Company's independent directors, but also such remuneration is submitted to the Board of Directors for resolution, in accordance with the Company's Articles of Incorporation, based on their participation in, and the value of their contribution to, the Company's operation, with reference to the standards of the industry.</p> <p>2. In addition to that disclosed in the above table, remuneration received by the Company's directors for providing services to all companies included in the financial statements (such as serving as a non-employee consultant for the Company's parent company or all companies included in the financial statement or investee, etc.) in the most recent year:</p> <p>None.</p> <p>Note 1: It refers the remuneration paid to directors in 2021 (including director's salary, job allowance, severance pay, various bonuses, rewards, etc.)</p> <p>Note 2: It refers to the amount withdrawn and paid in 2021 in accordance with laws.</p> <p>Note 3: It refers to the distribution of directors' remuneration for 2020 approved at the Company's Board of Directors' meeting on March 29, 2021 and annual Shareholders' Meeting on August 2, 2021.</p> <p>Note 4: It refers to directors' related business execution fees in 2021 (including the remuneration to the representative of corporate director appointed by the Company for its subsidiary, including travel expenses, special fees, allowances, dormitories, vehicle and other material items provided, etc.)</p> <p>Note 5: Net profits after tax refer to the net profits after tax specified in 2021 Individual Financial Report.</p> <p>Note 6: It refers to, including, the salary, job allowance, severance pay, various bonuses, rewards, travel expenses, special fees, allowances, dormitories, vehicle and other material items provided, etc. received by the directors who concurrently serve as employees (including concurrently serving as president, vice presidents, other managerial officers, and employees) in 2021. Any salary listed under IFRS 2 "Share-based Payment," including employee stock options, new restricted employee shares, and cash capital increase by stock subscription, shall also be included in the remuneration.</p> <p>Note 7: It refers to employee remuneration (including stock and cash) received by directors who concurrently serve as employees (including concurrently serving as president, vice presidents, other managerial officers, and employees) for 2021, the distribution of which was approved at the Company's Board of Directors' meeting on March 29, 2021 and the annual Shareholders' Meeting on August 2, 2021.</p>																					

## Range of Remuneration

Range of remuneration paid to the Company's directors	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than NT\$1,000,000	Fu-Chuan Chu, Cheng-Ching Chu, Chao-Tsung Lou, Chia-Lin Teng, Wen-Chang Fang, Yu-Hui Su, Chien-Min Wang	Chao-Tsung Lou, Cheng-Ching Chu, Chia-Lin Teng, Wen-Chang Fang, Yu-Hui Su, Chien-Min Wang	Cheng-Ching Chu, Chia-Lin Teng, Wen-Chang Fang, Yu-Hui Su, Chien-Min Wang	Cheng-Ching Chu, Chia-Lin Teng, Wen-Chang Fang, Yu-Hui Su, Chien-Min Wang
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Baoxin International Investments Ltd.	Baoxin International Investments Ltd., Fu-Chuan Chu	Baoxin International Investments Ltd.	Baoxin International Investments Ltd., Chao-Tsung Lou
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)			Chao-Tsung Lou	Chao-Tsung Lou
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)				
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)			Fu-Chuan Chu	Fu-Chuan Chu
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)				
NT\$100,000,000 and above				
Total	8 persons in total (including one corporate director)	8 persons in total (including one corporate director)	8 persons in total (including one corporate director)	8 persons in total (including one corporate director)

## 2. Remuneration to President and Vice Presidents:

As of December 31, 2021 Unit: NT\$ thousand

Title	Name	Salary (A) (Note 2)		Severance pay and pension (B) (Note 3)		Bonuses and special fees (C) (Note 4)		Employee compensation (D) (Note 5)				Ratio of total amount of A, B, C and D in net profits after tax (%) (Note 6)		Remu- neration received from parent company or investor other than subsidiaries
		The Compan y	All compani es included in the financial statemen ts	The Com pan y	All compani es included in the financial statemen ts	The Compa n y	All compani es included in the financial statemen ts	The Company		All companies included in the financial statements		The Comp an y	All compani es included in the financia l stateme nts	
								Cash amount	Stock amount	Cash amount	Stoc k amoun t			
CEO	Fu-Chuan Chu	5,013	5,013	109	109	9,765	9,765	10,400	0	10,400	0	1.89	1.89	0
President	Neng-Chi Tsai													
Mainland China President	Chao-Tsung Lou (Note 1)													

## Range of Remuneration

Range of remuneration paid to the Company's president and vice presidents	Name of president and vice president	
	The Company	All companies included in the financial statements
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Neng-Chi Tsai	Neng-Chi Tsai
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)		
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)		
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	Fu-Chuan Chu	Fu-Chuan Chu
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)		
NT\$100,000,000 and above		
Total	3 persons in total	3 persons in total

Note 1: Mr. Chao-Tsung Lou assumed the office of the Company's President for mainland China on September 1, 2021.

Note 2: The salary, job allowance and severance pay paid to president and vice presidents in 2021.

Note 3: It refers to the amount withdrawn and paid in 2021 in accordance with laws.

Note 4: Various bonuses, rewards, travel expenses, special fees, allowances, dormitories, vehicle and other material items provided and other remuneration to president and vice presidents in 2021 shall be filled out. Any salary listed under IFRS 2 "Share-based Payment," including employee stock options, new restricted employee shares, and cash capital increase by stock subscription, shall also be included in the remuneration.

Note 5: It refers to the distribution of employee compensation for 2020 approved at the Company's Board of Directors' meeting on March 22, 2022.

Note 6: Net profits after tax refer to the net profits after tax specified in 2021 Individual Financial Report.

## 3. Employee compensation paid to managerial officers and status of payment:

Unit: NT\$ thousand

Title	Name	Stock amount	Cash amount	Total	Ratio of total amount in net profits after tax (%)
CEO	Fu-Chuan Chu	0	11,458	11,458	0.86%
President	Neng-Chi Tsai				
President for mainland China	Chao-Tsung Lou				
Associate Manager of R&D Center	Sheng-Hsiung Chang				
Chief Financial Officer	You-Mei Wu				
Associate Manager of Information Department	Wen-Ta Chang				

(IV) Specify and compare the ratio of the total remuneration paid to the Company's directors, president and vice presidents by the Company and all the companies included in the Consolidated Financial Statements in the most recent two years in the net profits after tax specified in the Individual Financial Report, and specify the remuneration payment policies, standards, combinations, remuneration determination procedures and their relevance with business performance and future risks:

1. Analysis on the ratio of the total remuneration paid to the Company's directors, president and vice presidents by the Company and all the companies included in the Consolidated Financial Statements in the most recent two years in the net profits after tax:

Year Title	2020		2021	
	The Company	All the companies included in the Consolidated Financial Statements	The Company	All the companies included in the Consolidated Financial Statements
Ratio of remuneration to directors	2.39%	2.67%	2.04%	2.11%
Ratio of	2.13%	2.13%	1.89%	1.89%

remuneration to president and vice presidents				
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2. Remuneration payment policies, standards, combinations, remuneration determination procedures and their relevance with business performance and future risks:

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

The remuneration for managerial officers of the Company is mainly divided into salary, bonus, and employee compensation. Salary and bonus are deliberated by the Remuneration Committee and then resolved by the Board of Directors. Employee compensation is based on the Company's operating conditions and the allocation proportion stipulated in the Company's Articles of Incorporation, which shall be reported to the shareholders' meeting after the resolution of the Board of Directors.

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

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

### III. Implementation of Corporate Governance:

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

The Company held 5 Board of Directors' meetings (A) in 2021, with the following attendance by directors:

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

Other matters:

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

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

Date of meeting	Major resolution	Independent directors' opinions	The Company's response to independent directors' opinions
2021.03.29 The 11th session of the 9th Board of Directors' meeting	(1) Approved the Company's 2020 business report. (2) Approved the Company's 2020 Consolidated and Individual Financial Statements. (3) Approved the total amount of directors' compensation and employee compensation paid by the Company in 2020. (4) Approved the Company's 2020 earnings distribution plan. (5) Approved the Company's 2021 business plan.	Unanimously approved by all directors present (including independent directors)	N/A



	<ul style="list-style-type: none"> <li>(6) Approved the amendment to the Company's Rules of Procedures of the Shareholders' Meeting.</li> <li>(7) Approved the proposal for holding the Company's 2021 annual Shareholders' Meeting.</li> <li>(8) Approved the proposal for evaluation by the Company on the overdue payment without the nature of loan as of the fourth quarter of 2020.</li> <li>(9) Approved the proposal for submission and report of the Company's 2020 Internal Control System Effectiveness Evaluation and Statement of Internal Control.</li> <li>(10) Approved the amendment to the Company's Production Cycle.</li> <li>(11) Approved releasing president from non-competition restriction.</li> <li>(12) Approved the proposal for applying for issuance of short-term loan from eight financial institutions.</li> <li>(13) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary THECUS TECHNOLOGY CORP.</li> <li>(14) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary Poslab Technology Corporation.</li> <li>(15) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from three banks through its subsidiary Kunshan Limeng Machinery Industry Co., Ltd.</li> <li>(16) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary HIGHAIM TECHNOLOGY INC.</li> </ul>		
2021.05.13 The 12th session of the 9th Board of Directors' meeting	<ul style="list-style-type: none"> <li>(1) Reported the Company's 2021 Q1 Consolidated Financial Statements.</li> <li>(2) Reported 2020 Audit Plan.</li> <li>(3) Approved the proposal for transfer of the Company's shares to employees at a price lower than the actual average buyback price of such shares.</li> <li>(4) Approved the proposal for issuance of the Company's new shares with restricted employee's rights.</li> <li>(5) Approved the proposal for issuance of the Company's new shares for capital increase in cash.</li> <li>(6) Approved the proposal for issuance of the Company's fourth unsecured convertible corporate bonds in domestic.</li> <li>(7) Approved the proposal for issuance of the Company's first privately placed unsecured convertible corporate bonds in domestic.</li> <li>(8) Approved the Company's proposed investment to</li> </ul>	Unanimously approved by all directors present (including independent directors)	N/A

	<p>establish a subsidiary in Hungary.</p> <p>(9) Approved the proposal for disposal of the privately placed common shares in DIVA Laboratories. Ltd. through its subsidiary Ennoconn International Investment Co., Ltd.</p> <p>(10) Approved the updating of the Company's agenda for its 2021 annual Shareholders' Meeting.</p>		
2021.07.15 The 13th session of the 9th Board of Directors' meeting	(1) Approved the proposal for re-determining the date for the Company to hold 2021 annual Shareholders' Meeting.		
2021.08.11 The 14th session of the 9th Board of Directors' meeting	<p>(1) Reported the Company's 2021 Q2 Consolidated Financial Statements.</p> <p>(2) Approved the proposal for the Company's detailed distribution of directors' compensation in 2020.</p> <p>(3) Approved the proposal for the Company's distribution of compensation to managerial officers in 2020.</p> <p>(4) Approved the proposal for subscription for shares by managerial officers for the Company's capital increase in cash.</p> <p>(5) Approved the proposal for adjustment to the salary of the Company's managerial officers in 2021.</p> <p>(6) Approved the proposal for the Company to apply for issuance of short-term loan from two financial institutions.</p> <p>(7) Approved the proposal for issuance of the Company's first privately placed unsecured convertible corporate bonds in domestic and pricing-related matters.</p>	Unanimously approved by all directors present (including independent directors)	N/A
2021.11.11 The 15th session of the 9th Board of Directors' meeting	<p>(1) Reported the Company's 2021 Q3 Consolidated Financial Statements.</p> <p>(2) Approved the proposal for change in CPA Firm and CPAs for the Company from the fourth quarter of 2021.</p> <p>(3) Approved the proposal for determining the professional fees for entrusting KPMG in Taiwan to provide CPA professional services.</p> <p>(4) Approved the proposal for establishment of corporate governance officer.</p> <p>(5) Approved the proposal for submission and report of the Company's 2022 audit plan.</p> <p>(6) Approved the proposal for formulation of Intellectual Property Management Plan and its implementation report for the Company.</p> <p>(7) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its</p>	Unanimously approved by all directors present (including independent directors)	N/A

	subsidiary DEXATEK TECHNOLOGY LTD. (8) Approved the Company's proposal for capital increase in its subsidiary in Hungary through its subsidiary Ennoconn Investment Holdings Co., Ltd. (9) Approved the Company's proposal for capital increase in its subsidiary Ennoconn Investment Holdings Co., Ltd. (10) Approved the proposal for subscription for shares by managerial officers for the Company's capital increase in cash. (11) Approved the proposal for issuance of the Company's privately offered common shares. (12) Approved the proposal 2 for holding the Company's 2022 extraordinary Shareholders' Meeting.		
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(II) In addition to the above, any recorded or written Board of Directors' resolutions to which independent directors have dissenting or qualified opinions: The Company has implemented in accordance with Article 14-3 of the Securities and Exchange Act, and there is no resolution to which independent directors have dissenting or qualified opinions as aforementioned.

II. Regarding recusals of directors from voting on proposal due to conflicts of interests, the names of the directors, contents of proposals, reasons for recusal, and participation in voting shall be specified:

Board of Directors' meeting Date	Name of Directors	Contents of proposal	Reasons for recusal	Participation in voting
2021.08.11	Fu-Chuan Chu, Chia-Lin Teng, Chao-Tsung Lou, Cheng-Ching Chu, independent director Wen-Chang Fang, Yu-Hui Su and Chien-Min Wang	Discussion on the proposal for the Company's detailed distribution of directors' compensation in 2020.	Involving their interests	Recusal is adopted due to conflicts of interest in accordance with laws and they did not participate in the discussion and voting.
2021.08.11	Fu-Chuan Chu	Discussion on the proposal for the Company's detailed distribution of compensation to managerial officers in 2020.	Involving their interests	Recusal is adopted due to conflicts of interest in accordance with laws and they did not participate in the discussion and voting.

III. TWSE/TPEX listed companies shall disclose the information of self-evaluation (or peer

evaluation) of the Board of Directors, such as evaluation cycle, period, scope, method and contents :

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Contents of evaluation
Once a year	1/1/2021 - 12/31/2021	Board of Directors' meeting Board of Directors' members Functional Committee	Internal self-evaluation Self-evaluation by the Board of Directors' members	<p>(1) Performance evaluation of the Board of Directors Participation in the Company's operation, the decision quality of the Board of Directors, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control.</p> <p>(2) Performance evaluation of the Individual Board Members: mastery of the Company's goals and tasks, recognition of directors' responsibilities, participation in the Company's operation, internal relationship management and communication, the director's professional and continuing education, and internal control.</p> <p>(3) Performance evaluation of the Functional Committee: Participation in the Company's operation, recognition of the Functional Committee's responsibilities, the decision quality of the Functional Committee, composition of the Functional Committee, the election of the members, and</p>

				internal control.
<p>The Company's 2021 Evaluation Report on the Performance of the Board of Directors, the Board of Directors' Members, and Functional Committees</p> <p>(I) Basis: In order to implement corporate governance, improve the functions of the Company's Board of Directors, and establish performance objectives to improve the operational efficiency of the Board of Directors, 2021 performance evaluation on the Board of Directors, the Board of Directors' members, and functional committees was conducted in accordance with the Company's "Performance Evaluation Measures of the Board of Directors."</p> <p>(II) Performance evaluation period: Jan. 1, 2021 to Dec. 31, 2021</p> <p>(III) Participants of self-evaluation questionnaire:</p> <ol style="list-style-type: none"> <li>1. Self-evaluation questionnaire for the Board of Directors' members' performance evaluation: The self-evaluation questionnaire is filled out by the Company's seven current directors (including independent directors).</li> <li>2. Self-evaluation questionnaire for the Board's performance evaluation: It is filled out by the Company's deliberating unit</li> <li>3. Self-evaluation questionnaire for the Board of Directors' members' performance evaluation: The self-evaluation questionnaire is filled out by the Company's three current directors (including independent directors).</li> </ol> <p>(IV) Evaluation conclusion</p> <ol style="list-style-type: none"> <li>1. Performance self-evaluation questionnaire for the Board of Directors' members (the average score was 97.4 in 2021, and the average score was 97.9 in 2020)</li> <li>2. Performance self-evaluation questionnaire for the Board of Directors (the score was 97 in 2021, and the score was 96 in 2020)</li> <li>3. Performance self-evaluation questionnaire for functional committees (the score was 99.2 in 2021, and the score was 96.7 in 2020)</li> </ol> <p>IV. The objectives of strengthening the functions of the Board of Directors in the current year and the most recent year (such as the establishment of the Audit Committee, the enhancement of information transparency, etc.) and the evaluation of their implementation: The Company has set up the Audit Committee and the Remuneration Committee. At the same time, the Company regularly and from time to time discloses the operation and training status at the Market observation Post System to the investors so that the information disclosure can be real-time and transparent.</p>				

## (II) Operation of Audit Committee:

## 1. Information on the Operation of the Audit Committee:

The Company held 4 Audit Committee's meetings (A) in 2021, with the following attendance by independent directors:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A) (Note 1, Note 2)	Remarks
Independent director's	Yu-Hui Su	4	0	100%	None
Independent director's	Wen-Chang Fang	4	0	100%	None
Independent director's	Chien-Min Wang	4	0	100%	None
<p>Note 1: If any independent director resigns before the end of the year, his/her resignation date shall be specified in the remarks column, and his/her actual attendance rate (%) shall be calculated on the basis of the number of Audit Committee's meetings held during his/her tenure and the number of his/her actual attendance in such meetings.</p> <p>Note 2: If any independent director is changed before the end of the year, the new and old independent directors shall be filled in, and that he/she is the old, new or re-elected independent director and the change date shall be specified in the remarks column. His/her actual attendance rate (%) shall be calculated on the basis of the number of Audit Committee's meetings held during his/her tenure and the number of his/her actual attendance in such meetings.</p> <p>Other matters:</p> <p>一、With regard to the operation of the Audit Committee, if any of the following circumstances occur, the dates, sessions, contents of disposals, the contents of independent director's dissenting or qualified opinions or significant suggestions, and resolution results of and at Audit Committee's meeting and the Company's response regarding such opinions shall be specified. (I) Matters specified in Article 14-5 of Securities and Exchange Act: submitted to the Board of Directors after they are approved by the Audit Committee.</p>					
Date of meeting	Major resolution			Resolution of the Audit Committee	The Company's response to the Audit Committee's opinions
2021.03.28 The 10th session of the	(1) Approved the Company's 2020 business report. (2) Approved the Company's 2020 Consolidated and Individual Financial Statements.			Unanimously approved by all	There is no dissenting or qualified

3rd Audit Committee's meeting	<p>(3) Approved the Company's 2020 earnings distribution plan.</p> <p>(4) Approved the proposal for submission and report of audit reports on the newly completed audits.</p> <p>(5) Approved the proposal for submission and report of the Company's 2020 Internal Control System Effectiveness Evaluation and Statement of Internal Control.</p> <p>(6) Approved the proposal for submission and report of the Company's 2020 Q3 Planning and Implementation Form for Improvement of Financial Statements Self-preparation Ability.</p> <p>(7) Approved the amendment to the Company's Production Cycle.</p> <p>(8) Approved the amendment to the Company's Rules of Procedures of the Shareholders' Meeting.</p> <p>(9) Approved the proposal for evaluation by the Company on the overdue payment without the nature of loan as of the fourth quarter of 2020.</p> <p>(10) Approved the proposal for applying for issuance of short-term loan from eight financial institutions.</p> <p>(11) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary THECUS TECHNOLOGY CORP.</p> <p>(12) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary Poslab Technology Corporation.</p> <p>(13) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from three banks through its subsidiary Kunshan Limeng Machinery Industry Co., Ltd.</p> <p>(14) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary HIGHAIM TECHNOLOGY INC.</p>	members present.	opinions from independent director.
2021.05.13 The 11th session of the 3rd Audit Committee's meeting	<p>(1) Approved the Company's 2021 Q1 Consolidated Financial Statements.</p> <p>(2) Approved the proposal for transfer of the Company's shares to employees at a price lower than the actual average buyback price of such shares.</p> <p>(3) Approved the proposal for issuance of the Company's new shares with restricted employee's rights.</p> <p>(4) Approved the proposal for issuance of the Company's new shares for capital increase in cash.</p> <p>(5) Approved the proposal for issuance of the Company's fourth unsecured convertible corporate bonds in domestic.</p> <p>(6) Approved the proposal for issuance of the</p>	Unanimously approved by all members present.	There is no dissenting or qualified opinions from independent director.

	<p>Company's first privately placed unsecured convertible corporate bonds in domestic.</p> <p>(7) Approved the Company's proposed investment to establish a subsidiary in Hungary.</p> <p>(8) Approved the proposal for disposal of the privately placed common shares in DIVA Laboratories, Ltd. through its subsidiary Ennoconn International Investment Co., Ltd.</p> <p>(9) Approved the proposal for submission and report of the Company's audit reports on the newly completed audits in 2021.</p>		
<p>2021.08.11 The 12th session of the 3rd Audit Committee's meeting</p>	<p>(1) Approved the Company's 2021 Q2 Consolidated Financial Statements.</p> <p>(2) Approved the proposal for submission and report of the audit reports on the newly completed audits in 2021.</p> <p>(3) Approved the proposal for the Company to apply for issuance of short-term loan from two financial institutions.</p>	Unanimously approved by all members present.	There is no dissenting or qualified opinions from independent director.
<p>2021.11.10 The 13th session of the 3rd Audit Committee's meeting</p>	<p>(1) Approved the Company's 2021 Q3 Consolidated Financial Statements.</p> <p>(2) Approved the proposal for change in CPA Firm and CPAs for the Company from the fourth quarter of 2021.</p> <p>(3) Approved the proposal for determining the professional fees for entrusting KPMG in Taiwan to provide CPA professional services.</p> <p>(4) Approved the proposal for submission and report of the audit reports on the newly completed audits in 2021.</p> <p>(5) Approved the proposal for submission and report of the Company's 2022 audit plan.</p> <p>(6) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary DEXATEK TECHNOLOGY LTD.</p> <p>(7) Approved the Company's proposal for capital increase in its subsidiary in Hungary through its subsidiary Ennoconn Investment Holdings Co., Ltd.</p> <p>(8) Approved the Company's proposal for capital increase in its subsidiary Ennoconn Investment Holdings Co., Ltd.</p> <p>(9) Approved the proposal for issuance of the Company's privately offered common shares.</p>	Unanimously approved by all members present.	There is no dissenting or qualified opinions from independent director.
<p>(II) In addition to the above, any resolution not approved by the Audit Committee but approved by two thirds of all members of the Board of Directors: None.</p>			



II. Regarding recusals of independent directors from voting on proposal due to conflicts of interests, the names of the independent directors, contents of proposals, reasons for recusal, and participation in voting shall be specified: None.

III. Communications between the independent directors, the Company's chief internal auditor, and CPAs (shall include the material items, methods, and results of audits of corporate finance or operations, etc.).

The Company's independent directors have smooth communication channels with the chief internal auditor and CPAs, and they have reached a consistent conclusion:

(I) Independent communication with CPAs: If there's any significant investment or financing, or before issuance of financial reports, independent directors will communicate with CPAs on the contents first.

Date/Nature	Major points of independent communication	Results
2021.05.13 Before Audit Committee's meeting	Self-preparation of the Group's financial statements, and the Company's major difficulties in self-preparation.	Major difficulties to be conquered are as follows: 1. There are many parts to be consolidated in terms of the Group, system must be relied on to increase efficiency, reduce processing time, and reduce the error rate caused by manual processing, in addition to manpower. (The system can divide preparation processes or contents into different parts for preparation step by step) 2. The time of provision of statements/Package by subsidiaries, and quality of such statements/Package. (Requirements and supervision) 3. They shall be submitted to the Board of Directors after they are reviewed and approved.
	Impact of major transaction in the first quarter, i.e. purchase of AIS shares by issuance of new shares, on financial statements.	Accounting for the transaction (which is a stock-for-stock exchange, and which shall be measured based on relatively objective prices), and its impact on adjustment to the retained earnings specified in the Statement of Changes in Shareholders' Equity shall be explained.
2021.08.11 Before Audit Committee's meeting	Classification of previous adjustments, different reasons for major adjustments, and their related entities.	1. It is mainly caused by the difference in the financial statements submitted by subsidiaries. In terms of the proportion of the difference, it does not originate from major entities, S&T, Marketch and Caswell (the quality of their financial statements is relatively good), but from other subsidiaries, such as the subsidiaries under Innovative Systems and Goldtek, HighAim, etc. 2. In terms of the accounting treatment of the subsidiaries in mainland China, there may be significant difference between their self-prepared financial statements originally provided by them

		to parent company and subsequently audited or reviewed financial statements due to difference in rules or accounting habits (failure to conduct accounting in a real time, and considering tax issues). Therefore, for supervision on subsidiaries, the guidance and supervision on the accounting standards and accounting treatment of subsidiaries may be strengthened, and their financial status may be understood in an early time. 3. They shall be submitted to the Board of Directors after they are reviewed and approved.
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## (II) Communication with chief internal auditor:

The communication between the independent directors of the Company and the chief internal auditor is made mainly by the following four methods:

1. After each audit item is completed, it shall be delivered to independent directors for review before the end of the following month.
2. Discuss any deficiency detected in significant audits and its improvement at Audit Committee's and Board of Directors' meetings.
3. Perform various audit projects or conduct further analysis on the contents of the previous audit report following the instructions of the Independent Directors.
4. Communicate directly by phone or email.

The key points of individual communication between independent directors and chief internal auditor and subsequent processing and implementation are specified below:

Date	Major points of independent communication	Results
2022.05.13	Report on the execution results of audits in 2021.	Independent directors suggested that manpower and system shall be increased and established for self-preparation of financial statements. Implementation status: Financial Department and Information Department already started to evaluate various possible solutions.
2022.08.11	Report on the execution results of audits in 2021.	Independent directors suggested strengthening purchase and purchase quality inspection and other inspection procedures. Implementation status: Inspection procedures were adjusted in the purchase and

		payment process in current year.
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## 2. Key tasks of the Audit Committee:

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

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

## Major points of Audit Committee's work in 2021

- Approval on the Company's 2020 Internal Control System Effectiveness Evaluation.
- Approved the Company's 2020 Consolidated and Individual Financial Statements.
- Approved the Company's 2020 earnings distribution plan.
- Approved the proposal for submission and report of the audit reports on the completed audits in 2021.
- Approved the proposal for submission and report of the Consolidated Financial Statements of the first three quarters of 2021 of the Company and

its subsidiaries.

- Approved the proposal for amendment to the Company's Rules of Procedures of the Shareholders' Meeting and Production Cycle.
- Approved the proposal for change in CPA Firm and CPAs for the Company from the fourth quarter of 2021.
- Approved the proposal for determining the professional fees for entrusting KPMG in Taiwan to provide CPA professional services.
- Approved the proposal for transfer of the Company's shares to employees at a price lower than the actual average buyback price of such shares.
- Approved the proposal for issuance of the Company's new shares with restricted employee's rights.
- Approved the proposal for issuance of the Company's new shares for capital increase in cash.
- Approved the proposal for issuance of the Company's fourth unsecured convertible corporate bonds in domestic.
- Approved the proposal for issuance of the Company's first privately placed unsecured convertible corporate bonds in domestic.
- Approved the Company's proposed investment to establish a subsidiary in Hungary.
- Approved the proposal for issuance of the Company's privately offered common shares.

## 3. Professional Qualifications and Independence of Independent Directors:

<div>Qualification</div> <div>Name</div>	Professional qualifications and experience	Independence	Number of other public companies where the individual concurrently serves as an independent director
Wen-Chang Fang	Independent Director Wen-Chang Fang graduated from Northwestern University with a Ph.D. degree in Computer Science. He served as the Dean of College of Business, NTPU. He has crisis management capabilities and knowledge in the industry.	Independent Director Wen-Chang Fang, his spouse, or his any relative within the second degree of kinship holds (or holds, by any nominees,) 0 share in the Company, and he does not serve as the director, supervisor or employee of the Company, any companies having specific relation with the Company or the Company's any related companies, and he has not received any remuneration for provision of any business, legal, financial, accounting or any other services to the Company or its any related companies in the most recent 2 years.	1
Yu-Hui Su	Independent Director Yu-Hui Su graduated from National Taiwan University with a Ph.D. degree in Business. She served as the Chairperson of the Department of Accounting, Soochow University. She has accounting and financial analysis and crisis management capabilities, and international market perspective, and there is no situation specified in Article 30 of the Company Act occurred to her.	Independent Director Yu-Hui Su, her spouse, or her any relative within the second degree of kinship holds (or holds, by any nominees,) 0 share in the Company, and she does not serve as the director, supervisor or employee of the Company, any companies having specific relation with the Company or the Company's any related companies, and she has not received any remuneration for provision of any business, legal, financial, accounting or any other services to the Company or its any related companies in the most recent 2 years.	3

Chien-Min Wang	Independent Director Chien-Min Wang graduated from the University of California, Los Angeles with a master's degree in business administration. He served as the President of I-Ching Semiconductor Ltd. Asia Pacific Region. He has business management capabilities, knowledge in the industry and international market perspective.	Independent Director Chien-Min Wang, his spouse, or his any relative within the second degree of kinship holds (or holds, by any nominees,) 0 share in the Company, and he does not serve as the director, supervisor or employee of the Company, any companies having specific relation with the Company or the Company's any related companies, and he has not received any remuneration for provision of any business, legal, financial, accounting or any other services to the Company or its any related companies in the most recent 2 years.	0
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(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons:

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Has the Company established its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and disclose it disclose its Corporate Governance Best Practice Principles?	V		In order to establish a good corporate governance system, the Company has formulated its Corporate Governance Best Practice Principles as approved by its Board of Directors. Please visit the company's official website for the rules related to protection of shareholders' rights and interests, improvement of the Board of Directors' functions, respecting of the rights and interests of stakeholders, and improvement of information transparency, and the Company's Corporate Governance Best Practice Principles.	No significant deviation

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
II. Shareholding structure & shareholders' rights				
(I) Does the Company establish internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations, and does the Company implement the procedures in accordance with the procedure?	✓		(I) The Company has a spokesperson and a deputy spokesperson mechanism and established an investor relations mailbox. Shareholders' suggestions, doubts, and disputes are handled by the spokesperson or deputy spokesperson and the Company's stock affairs agency in a unified manner.	None
(II) Does the company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓		(II) The Company, through its stock affairs agency, has fully controlled the list of major shareholders and their ultimate owners, regularly disclosed insider shareholding changes every month according to laws and regulations and truly kept abreast of information regarding major shareholders.	None
(III) Does the Company establish and execute a risk management and firewall system within its affiliated companies?	✓		(III) The Company has established the "Trading Procedures for Specific Company Affiliates and Group Enterprises" and the "Operating Measures of Monitoring Subsidiaries" to regulate the management of personnel and assets with affiliated companies and conducts effective risk control through the implementation of internal control and internal audit systems.	None
(IV) Does the Company establish internal rules against insiders using undisclosed information to trade securities?	✓		(IV) The Company has formulated the Management Procedures for Prevention of Insider Trading to govern the procedures for confidentiality of its internal	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			important information, and it regularly educates its managerial officers and employees that they shall not purchase or sell the Company's securities by taking advantage of any information not disclosed in the market.	
III. Composition and responsibilities of the Board of Directors				
(I) Has the Board of Directors formulated diversity policies and specific management objectives, and does it implement them?	✓		(I) Subject to the Company's Corporate Governance Best Practice Principles, diversity shall be taken into account for the composition of the Board of Directors, and the Board of Directors shall formulate appropriate diversity policies based on its operating, operating type and development needs, including basic conditions and values: gender, age, etc., and professional knowledge and skills: professional background and skills and experience in the industry, etc. The Company has diversified Board members with backgrounds in science and engineering, finance, and industrial work experience to implement the diversity policy, thereby establishing a sound structure of the Board of Directors.	None
(II) In addition to the legally required Remuneration Committee and Audit Committee, does the Company voluntarily	✓		(II) In addition to the Remuneration Committee and Audit Committee established legally, the Company will research and draft related rules depending on demands in the future.	None



Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
establish other functional committees?			The rest of the Company's governance operations are under the responsibility of various departments. In the future, the Company will establish various functional committees following the relevant laws and regulations and align with the Company's actual development needs.	
(III) Does the Company establish standards to measure the performance of the Board, implement the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and make use of them as a reference for individual directors' remuneration and a nomination for renewal?	✓		The Board of Directors of the Company passed the amendments to the "Performance Evaluation Measures for the Board of Directors," on Aug. 13, 2019, stipulating that the Board of Directors should conduct at least one performance evaluation for the Board, the Board of Directors' members, and the Functional Committee every year. The internal evaluation results of 2021 have been submitted and reported to the Company's Board of Directors on March 22, 2022.	None
(IV) Does the Company regularly evaluate the independence of the CPAs?	✓		(IV) The Company evaluates the independence of CPAs at the Audit Committee's and the Board of Directors' meetings of each year in accordance with the Professional Ethics for Accountants No. 10 and Article 47 of the Accounting Act, and CPAs are not the related persons of the Company and its directors, and no matter which may impact their independence is found.	None
IV. Does the Company deploy the competent and appropriate number of corporate governance personnel and designate a	✓		The Company approved establishment of corporate governance officer, as resolved at the Board of Directors meeting on November 11, 2022, to be responsible for the overall planning for and the	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
corporate governance officer responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors to comply with laws and regulations, handling matters related to Board of Directors' meetings and shareholders' meetings according to the law, and producing minutes of the Board of Directors' meetings and shareholders' meetings)?			implementation of various corporate governance-related affairs, including but not limited to dealing with the matters related to the Board of Directors and Shareholders' Meetings in accordance with laws, supervising the preparation of the Board of Directors' meeting minutes, regularly reviewing and revising the Company's Corporate Governance Best Practice Principles and related measures, providing the information required for directors and Audit Committee to perform business, regularly arranging training courses for directors, etc., and regularly reporting to the Board of Directors on the operation status of corporate governance every year.	
V. Does the Company establish communication channels and build a dedicated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		The Company has designated a spokesperson and a deputy spokesperson and has set up a stakeholder relations mailbox on the Company's website as a communication channel. The Company not only responds to material corporate social responsibility issues properly but also regularly discloses financial and business information on the Market Observation Post System (MOPS) and the Company's website. In response to events that may have an impact on interested parties, the Company will also release important information on time.	None
VI. Does the Company appoint a professional stock affairs	✓		The Company has appointed the stock affairs agency department of Grand Fortune	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
agency to deal with shareholder affairs?			Securities Co., Ltd. to handle various stock affairs of the Company on its behalf.	
VII. Information disclosure				
(I) Does the Company have a corporate website to disclose both the Company's financial standing and corporate governance status?	✓		(I) The Company has set up a corporate website and disclosed the Company profile, basic information, and other information on the website. The Company's financial standing and corporate governance status can also be queried through the Market Observation Post System (MOPS). Company website: ( <a href="https://www2.ennocn.com/">https://www2.ennocn.com/</a> )	None
(II) Does the Company have other information disclosure channels (e.g., setting up an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)?	✓		(II) The Company has established its website in both of Chinese and English to provide relevant information to shareholders and stakeholders for reference, which can timely and fully disclose significant information that may affect shareholders and stakeholders, and it has established a spokesperson system to provide shareholders and stakeholders with necessary consulting.	None
(III) Does the Company publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?		✓	(III) The Company announces and reports financial statements within the time period stipulated by laws and regulations.	(III) It takes a long time to prepare Consolidated Financial Statements due to the large number of subsidiaries both at home and abroad.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by directors and supervisors)?	✓		<p>1. Employee rights: Adhering to the concept of "labor and management as one," the Company focuses on rational and humane management to build smooth communication channels, maintain good labor-management relationships, jointly create productivity, share profits, and protect the employees' legal rights under the Labor Standards Act.</p> <p>2. Employee wellness: The Company has established the Employee Welfare Committee, which handles various employee welfare matters, and is committed to talent training by actively encouraging employees to participate in various training courses, conducts labor-management meetings from time to time, and sets up suggestion boxes to learn about the thoughts of both parties, and creates a win-win situation for both parties.</p> <p>3. Investor relations: The Company convenes shareholders' meetings every year in accordance with the Company Act and the relevant regulations, and provides shareholders with the opportunity to raise questions or submit proposals. Besides, the Company has set up a spokesperson system to deal with matters related to shareholder suggestions, doubts and disputes. The Company also handles matters related to the information announcement declaration according to the regulations of the competent authority to promptly</p>	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			<p>provide information that may affect shareholders' decision-making.</p> <p>4. Supplier relations: The Company maintains smooth communication channels with banks, employees, consumers, and suppliers to maintain good relationships.</p> <p>5. Stakeholder rights: The Company has designated a spokesperson and a deputy spokesperson to communicate directly with stakeholders, thus respecting and maintaining the stakeholders' legal rights.</p> <p>6. Directors' and supervisors' training record: Directors of the Company all possess industry professional background and practical experience in business management. The Company also provides the directors with corporate governance-related courses from time to time.</p> <p>7. Implementation of risk management policies and risk evaluation measures: The Company establishes various internal regulations and systems by the law and conducts various risk management and evaluation.</p> <p>8. Implementation of customer policies: The Company maintains smooth communication channels with customers and maintains a good relationship.</p> <p>9. The Company has purchased liability insurance for directors and independent directors to enhance the protection of shareholder rights and interests.</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof	
	Yes	No	Description		
IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation Results released by the TWSE’s Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved.					
Improvement Made Based on the 8th Corporate Governance Evaluation Policy					
Code	Indicator item		Improvement		
2.21	Has the Company established a corporate governance officer to be responsible for corporate governance-related affairs, and specified the scope of his/her power and training status on the Company's website and in its annual report?		The Company has approved establishment of corporate governance officer as resolved at its Board of Directors meeting on November 11, 2021, and specified the scope of his/her power and training status on the Company's website and in its annual report.		
2.25	Have the Company's independent directors completed training based on the number of hours specified in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies?		The Company's directors and independent directors have completed training in 2021 based on the number of hours specified in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.		
Improvement Not Made Based on the 8th Corporate Governance Evaluation Policy Which Shall be Strengthened With Priority					
4.4	Does the Company refer to the internationally accepted guidelines for report preparation to compile corporate social responsibility (CSR) reports and other reports that disclose the Company's non-financial information?		The Company plans to invite professional institutions to guide the Company to compile a corporate social responsibility report.		
4.5	Has the CSR report prepared by the Company that discloses the Company's non-financial information verified by a third party?		The Company plans to send the CSR report to the third party for verification after it is completed.		

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

## 1. Information of the Remuneration Committee Member

Title	Qualification	Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of other public companies where the individual concurrently serves as a remuneration committee member	Remarks
	Name				
Independent Director or	Wen-Chang Fang	Independent Director Wen-Chang Fang graduated from Northwestern University with a Ph.D. degree in Computer Science. He served as the Dean of College of Business, NTPU. He has crisis management capabilities and knowledge in the industry.	Independent Director Wen-Chang Fang, his spouse, or his any relative within the second degree of kinship holds (or holds, by any nominees,) 0 share in the Company, and he does not serve as the director, supervisor or employee of the Company, any companies having specific relation with the Company or the Company's any related companies, and he has not received any remuneration for provision of any business, legal, financial, accounting or any other services to the Company or its any related companies in the most recent 2 years.	1	Conversion

Independent Director	Yu-Hui Su	Independent Director Yu-Hui Su graduated from National Taiwan University with a Ph.D. degree in Business. She served as the Chairperson of the Department of Accounting, Soochow University. She has accounting and financial analysis and crisis management capabilities, and international market perspective, and there is no situation specified in Article 30 of the Company Act occurred to her.	Independent Director Yu-Hui Su, her spouse, or her any relative within the second degree of kinship holds (or holds, by any nominees,) 0 share in the Company, and she does not serve as the director, supervisor or employee of the Company, any companies having specific relation with the Company or the Company's any related companies, and she has not received any remuneration for provision of any business, legal, financial, accounting or any other services to the Company or its any related companies in the most recent 2 years.	3	None
Independent Director	Chien-Min Wang	Independent Director Chien-Min Wang graduated from the University of California, Los Angeles with a master's degree in business administration. He served as the President of I-Ching Semiconductor Ltd. Asia Pacific Region. He has business management capabilities, knowledge in the industry and international market perspective.	Independent Director Chien-Min Wang, his spouse, or his any relative within the second degree of kinship holds (or holds, by any nominees,) 0 share in the Company, and he does not serve as the director, supervisor or employee of the Company, any companies having specific relation with the Company or the Company's any related companies, and he has not received any remuneration for provision of any business, legal, financial, accounting or any other services to the Company or its any related companies in the most recent 2 years.	0	None

Note 1: The relevant working years, professional qualifications and experience and independence of each member of the Remuneration Committee shall be specified in the form. Independent director or other shall be filled out in the "Title" column respectively (if he/she is a convener, please add a note) .

Note 2: Professional qualifications and experience: The professional qualifications and experience of individual member of Remuneration Committee shall be specified.

Note 3: Independence: The independence of Remuneration Committee's member shall be specified, including but not limited to that if he/she, his/her spouse, or his/her any relative within the second degree of kinship serves as the director, supervisor or employee of the Company or the Company's any related companies; number of shares in the Company held by him/her, his/her spouse, or his/her any relative within the second degree of kinship (or by his/her any nominees,) and his/her shareholding ratio; that if he/she serves as the director, supervisor or employee of any companies having specific relation with the Company (please refer to item 5-8 Article 6-1 of the Regulations Governing Establishment of Remuneration Committee and Exercise of Their Powers for the Companies with Listed Shares or Trading Shares in Securities Firm's Business Place); amount of any remuneration received by him/her for provision of any business, legal, financial, accounting or any other services to the Company or its any related companies in the most recent 2 years.



## 2. Operational Status of the Remuneration Committee:

- (1) The Company's Compensation Committee consists of three members.
- (2) Term of office of current members: From June 28, 2019 to June 27, 2022.
- Remuneration Committee held 3 meetings (A) in 2021, with the qualifications of and attendance by its members as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Actual attendance rate (B/A)	Remarks
Convener	Wen-Chang Fang	3	0	100%	None
Member	Yu-Hui Su	3	0	100%	None
Member	Chien-Min Wang	3	0	100%	None
Other matters:					
I. If the Board of Directors refuses to adopt or amends a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.					
II. If there are resolutions of the Remuneration Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.					

## 3. Responsibilities of the Compensation Committee:

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

- (1) Establish and regularly review directors' and managers' performance evaluation and the policies, systems, standards, and structure of remuneration.
- (2) Regularly evaluate the achievement of performance objectives of the Company's directors and managerial officers, and determine the contents and amounts of their individual salaries.

4. Review and evaluation by Remuneration Committee on the Company's salaries and remuneration in 2021:

<b>Remuneration Committee's meeting</b>	<b>Contents of proposal</b>	<b>Resolution results</b>	<b>The Company's response to the Remuneration Committee's opinions</b>
The 6th session of the 4th meeting on 03.29.2021	Review on the total amount of directors' compensation and employee compensation paid by the Company in 2020.	Unanimously approved by the Remuneration Committee's all members.	Submitted to the Board of Directors and unanimously approved by all members present.
The 7th session of the 4th meeting on 08.11.2021	<ol style="list-style-type: none"> <li>1. Review on the Company's detailed distribution of directors' compensation in 2020.</li> <li>2. Review on the Company's distribution of compensation to managerial officers in 2020.</li> <li>3. Review on the subscription for shares by managerial officers for the Company's capital increase in cash.</li> <li>4. Adjustment to the salary of the Company's managerial officers in 2021.</li> </ol>	Unanimously approved by the Remuneration Committee's all members.	Submitted to the Board of Directors and unanimously approved by all members present.
The 8th session of the 4th meeting on 11.10.2021	Review on the subscription for shares by managerial officers for the Company's capital increase in cash.	Unanimously approved by the Remuneration Committee's all members.	Submitted to the Board of Directors and unanimously approved by all members present.

(V) Implementation and promotion of sustainable development, and deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons:

Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Description	
I. Have the company established the governance structure for promoting sustainable development, and established a full-time (or part-time) dedicated unit for promoting sustainable development, is any senior management authorized by the Board of Directors to deal with it, and does the Board of Directors supervise it?	V		The Company has been investing resources in corporate social responsibility and implemented the concepts of social feedback and sustainable management for a long time, and it has established a Corporate Sustainability Management Unit which manages six functional units: employee care, risk management, customer relations, supply chain management, human rights & social responsibility, and environmental committee. With the systematic strategic organization, the Company improves corporate governance efficiency and strengthens the implementation of corporate philosophy, and reports to the Board of Directors at least once every year. The Board of Directors' responsibilities include evaluating the Company's performance on sustainable development, such as economic, environmental and social related issues. Senior management also must report the Company's operating status and other important issues to the Board of Directors to maintain a good interaction and communication.	No significant deviation.

Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Description	
II. Has the company evaluated the environmental, social, and corporate governance risks related to its operating based on the principle of materiality and established related risk management policies or strategies?	V		To effectively manage and implement operations such as corporate governance, ethical corporate management, and corporate social responsibility (CSR), the Company has continuously formulated management measures, such as "Corporate Social Responsibility Best Practice Principles," "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," and "Code of Ethical Conduct," which have been approved by the Board of Directors. Also, each functional unit shall carry out relevant measures under the division of responsibilities and the Company's policies and regularly review the implementation performance of each operation every six months. Each functional unit will also pay close attention to the relevant international initiatives and regulations and reviews at all times whether it is necessary to update the relevant management regulations and operating procedures.	No significant deviation.
III. Environmental issues				
(I) Does the Company establish environmental management systems proper to its industry's characteristics?	V		(I) The Company is committed to the management of environment, gradually complies with ESG requirements and related laws and regulations, and adjusts its operating	No significant deviation.
(II) Is the company committed	V		timely based on the characteristics	No significant deviation.

Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Description	
to improving the efficiency in using energy and does it use recycled materials with low impact on the environment?			of the industry.	
(III) Does the Company evaluate the potential risks and opportunities of climate change for companies now and in the future, and adopt countermeasures related to climate issues?	V		(II) The Company has been taking measures for recycling and reuse of resources and classification of wastes for many years, and hands over scrapped items to qualified recycling parties for disposal. In terms of packaging materials, the Company also uses recycled materials as much as possible to reduce the impact on the environmental load and advocates energy conservation in daily operations to improve energy efficiency. The Company promotes green general affairs in daily life to reduce the impact of disposable waste on the earth's environment.	No significant deviation.
(IV) Has the Company collected statistics of emissions of greenhouse gas (GHG), the usage of water, and the total weight of waste in the most recent two years, and formulated GHG reduction, water saving, and other waste management policies?	V		(III) Please refer to point 8 of “VII. Any other important information which facilitates the understanding of promotion of sustainability development implementation” at the bottom of this table.  (IV) Please refer to point 9 of “VII. Any other important information which facilitates the understanding of promotion of sustainability development implementation” at the bottom of this table.	No significant deviation.

Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Description	
IV. Social issues				
(I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(I) The Company truly abides by Labor Standards Act and relevant labor laws and regulations and has indeed transformed them into the Company's labor-management measures for compliance by management and staff to safeguard the legitimate rights and interests of employees.	No significant deviation.
	V		To fulfill its corporate social responsibilities and implement human rights protection, Ennoconn Corporation respects and supports internationally recognized human rights norms and principles, including the "Universal Declaration of Human Rights." "The United Nations Global Compact," and the "Declaration on Fundamental Principles and Rights at Work" of International Labor Organization, abide by local laws and regulations, and formulate human rights policies under the "United Nations Guiding Principles on Business and Human Rights" to prevent violations of human rights, and provide reasonable and dignified treatment to the employees of the Company.	No significant deviation.
(II) Does the Company formulate and implement reasonable employee welfare measures (including salary, leave, and other benefits) and properly reflect the operating performance or	V			No significant deviation.

Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Description	
<p>results in employee compensation?</p> <p>(III) Does the company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?</p>	V		<p>This policy applies to all staff of Ennoconn Corporation.</p> <p>(II) The Company has formulated welfare measures following relevant laws and regulations and regularly evaluates performance and remuneration.</p>	No significant deviation.
			<p>(III)The Company cares about every working partner and formulates the "Code of Occupational Health and Safety Practice" to maintain the safety and health of Ennoconn Corporation's workplace and ensure the employees' safety and property and environmental safety.</p>	No significant deviation.
			<p>Furthermore, the Company will continue to enhance the staff's ability of hazard awareness in the office and the factory area, and promote a safe workplace culture, so that every colleague can work safely in a safe workplace. In cooperation with the health examination center, employees may schedule time for a physical health check on a regular basis each year.</p> <p>In addition, employees are the assets for sustainable development. Ennoconn</p>	No significant deviation.

Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Description	
(IV) Does the Company establish effective career development and training plans for its employees?	V		attaches importance to staff health, and invites special medical care persons to provide employees with health management consulting.	
(V) Does the Company comply with relevant laws, regulations and international guidelines regarding customer's health and safety, customer's privacy, and marketing and labeling of its products and services and has it established related consumer protection or customer interests policies and complaint procedures?	V		During the period when the epidemic was serious, the Company and its staff cooperated together to fight against and prevent the epidemic, with the epidemic prevention measures as follows: work in turn - for prevention of COVID-19 epidemic, Ennoconn implemented work-in-turn during the period from May to July 2021, i.e. staff were divided into two groups, one group work from home, and the other group work in the Company's office by seating and keeping space with each other to reduce risks. Epidemic prevention rules - The Company requires its employees to clean their hands before entering office and wear masks. Report on temperature - The Company requires its employees to pro-actively measure their body temperature once in the morning and in the afternoon respectively, and report their health and temperature to the persons in charge of their departments and enter the same in body temperature reporting system. Self-inspection -	
(VI) Does the company formulate and implement supplier management policies that require suppliers to comply with				



Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Description	
relevant regulations on environmental protection, occupational safety, and health or labor human rights?			<p>The Company provides rapid inspection reagents to employees for free for them to conduct self-inspection on the day immediately before returning to the Company from consecutive days off, and the inspection results were uploaded to reporting system, and only the employees with negative inspection results may enter the Company for work. And the Company provides staff with masks, protective face shields, rapid inspection agents and other related epidemic prevention supplies.</p> <p>(IV) In order to enhance employees' job skills, integrate employees into the working environment swiftly, improve the quality of products and services, and enhance the overall competitiveness of the organization, the Company has launched the education and training program through a systematic training blueprint so that employees can grow together with the Company, as well as strengthen employees' self-skills and diversify their career development.</p> <p>(V) In terms of consumer rights, the Company offers product liability insurance for products sold to</p>	

Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Description	
			<p>safeguard consumer rights and has set up communication channels on Company's website to establish direct contact and communication with stakeholders.</p> <p>(VI) When establishing a new supplier, we will pay attention to whether there is any record of a supplier's impact on the environment and society. Also, all suppliers are required to jointly meet the requirements of green environmental protection according to the Company's policies and be committed to comply with the product environmental protection specifications to enhance corporate social responsibility.</p>	
V. Has the company, by referring to internationally recognized rules or guidelines, prepared reports such as Sustainability Report to disclose its non-financial information ? Has the aforementioned report obtained the assurance or guarantee opinion of the third-party verification unit?		V	The company is not subject to regulations and needs to compile a CSR report compulsorily.	The Company has planned to invite a professional institute to guide the Company to compile a corporate social responsibility

Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Description	
				report under the internationally accepted guidelines for report preparation. Upon completion, it will be sent to the third party for verification.
VI. If the Company has established its own Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please specify any difference between the said best practices and the actual activities taken by the Company: No significant difference .				
VII. Any other important information which facilitates the understanding of promotion of sustainability development implementation: <ol style="list-style-type: none"> <li>(1) The Company has been taking measures for recycling and reuse of resources and classification of wastes for many years, and it, in daily operations, advocates energy conservation, carbon reduction, use of renewable paper, water conservation measures, turning off lights and control over air-conditioning temperature, etc. to reduce waste of energies.</li> <li>(2) The Company has appointed a fire safety manager; the office regularly carries out a fire security check and building public safety inspection. The Company has appointed a labor safety supervisor who is responsible for planning, execution, and verification of safety and health management to implement and achieve the goal of safety and health management.</li> <li>(3) The Company promotes public welfare and charity internally, makes donations to disadvantaged families irregularly, and cares for homeless animals.</li> <li>(4) The Company has established a spokesperson system to accept investors' suggestions and deal with doubts and disputes. The Company also maintains smooth communication channels with various stakeholders, including banks, employees, consumers, and suppliers,</li> </ol>				

Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Description	
<p>to maintain good relationships while respecting and safeguarding their legitimate rights and interests.</p> <p>(5) Take a new (intention-based) way bravely _ The Company made donations for support in response to the epidemic and the factors in the general environment at the end of the year. Ennoconn made donations to the foundation at the end of the year, due to less funds raised from disadvantaged groups, in order to help the foundation to operate normally.</p> <p>(6) The Company contacted New Taipei City Family Support Center and provided NT\$50,000 of scholarships to the students from remote areas, and 20 students from elementary and middle schools in total received the fund. The Company encouraged the students received the scholarship to give into play the spirit of service and learning to enable the energy of love to be circulated and allow the students from poor families to study harder due to recognition of them, so that they can successfully complete their study; and the Company irregularly promotes various social welfare and care activities, for example the company held “Good Blood with You” activity to encourage employees to donate blood, donate love with blood, and donate materials to disadvantaged groups in the spirit of giving back to the disadvantaged groups in the society, etc. (Double Bliss Welfare And Charity Foundation (Care for the Elderly), New Taipei City Family Resource Center for the Disabled (Family of the Disabled), Feixiang Mijing - Taiwan Lifeng Huimin Animal Care Association (Protection of Amimals)).</p> <p>(7) Current and future potential risks and opportunities brought by climate change to the Company and countermeasures</p> <p>In the 2020 Global Risk Report published by the World Economic Forum, WEF, the top risk list is "extreme climate." In response to the impact of climate change on the business operation and to reveal information related to the specific greenhouse effect, the Company's Corporate Sustainable Management Committee regularly reports to the Board of Directors to let the directors and senior management understand the impact of climate change on the Company. Since 2020, all departments of the Company have also begun to conduct business check and risk identification for climate change, including direct or indirect impacts caused by extreme climate, industry impact caused by changes in relevant laws and regulations, technology or market demand as well as analysis of risks and opportunities caused by other cultural and social aspects to the Company’s operating activities. Based on the analysis results, a risk management plan is set up as a policy of action in response to climate change and further estimates the impact of extreme climate</p>				

Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and its reasons																																																				
	Yes	No	Description																																																					
on management costs and corporate finance.																																																								
<p>The Company not only publishes the carbon emission data on its website regularly but also provides customers and stakeholders with convenient and timely access to the required information. Through the Corporate Sustainability Management Committee, a series of "energy saving, carbon reduction, love the earth" activities have been carried out internally to strengthen awareness of all employees on energy conservation and environmental protection, improve energy efficiency, integrate internal environmental safety and health policies, and list energy cost reduction as one of annual audit item.</p> <p>Climate change is one of the most important issues in global society at present. As a member of the global community, the Company should take the responsibility of protecting the global environment and care for climate issues in response to global environmental protection and energy-saving actions, continuously improving the supply chain and moving towards green manufacturing.</p> <p>In our core business development, we work with our strategic partners to innovate and practice IoT solutions, actively introduce smart applications for various public construction and large-scale projects, and provide a more convenient, fast, and user-friendly operation platform, and create an efficient energy control environment for customers and strategic partners to control energy.</p>																																																								
(8) Future quantitative management of carbon emission and water resources																																																								
<div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div> <table><tr><th></th><th>一月</th><th>二月</th><th>三月</th><th>四月</th><th>五月</th><th>六月</th><th>七月</th><th>八月</th><th>九月</th><th>十月</th><th>十一月</th><th>十二月</th></tr><tr><td>2019</td><td>31553.6</td><td>26308.8</td><td>30615.5</td><td>27694.6</td><td>36137.4</td><td>33152.6</td><td>35647.0</td><td>39271.4</td><td>38503.9</td><td>33323.1</td><td>33323.1</td><td>28845</td></tr><tr><td>2020</td><td>25183.3</td><td>25802.8</td><td>23616.4</td><td>28854.9</td><td>27555.9</td><td>30983.4</td><td>36359.1</td><td>33533.6</td><td>37110.1</td><td>32328.8</td><td>29361.4</td><td>29577</td></tr><tr><td>2021</td><td>28927.0</td><td>26686.3</td><td>30488.3</td><td>27871.0</td><td>28393.2</td><td>26987.5</td><td>28935.6</td><td>33292.6</td><td>34226.1</td><td>31646.0</td><td>30889.5</td><td>29658</td></tr></table>						一月	二月	三月	四月	五月	六月	七月	八月	九月	十月	十一月	十二月	2019	31553.6	26308.8	30615.5	27694.6	36137.4	33152.6	35647.0	39271.4	38503.9	33323.1	33323.1	28845	2020	25183.3	25802.8	23616.4	28854.9	27555.9	30983.4	36359.1	33533.6	37110.1	32328.8	29361.4	29577	2021	28927.0	26686.3	30488.3	27871.0	28393.2	26987.5	28935.6	33292.6	34226.1	31646.0	30889.5	29658
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Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Description	
<p>a. Carbon emission and quantitative management objectives of water resources</p> <p>The Company's future quantitative management objective for carbon emission: at least 0.5% of reduction should be achieved every year as compared with previous year since 2019.</p> <p>The Company's future quantitative management objective for water consumption: at least 0.5% of reduction should be achieved every year as compared with previous year since 2019.</p> <p>b. Measures for achievement of objectives</p> <p>Measures for carbon emission reduction: The Company implements power saving plans through three major aspects, i.e. air conditioning system, electric lighting and other electricity consumption, and regularly inspects and changes equipment to avoid excessive energy consumption by old equipment.</p> <p>Measures for water conservation: The Company implements internal water conservation, and regularly checks that whether there is any water leakage in faucets and water pipes.</p> <p>c. The Company's current achievement</p> <p>(a) The Company’s total carbon emission in 2021 was 358,001 kg, a decrease of 0.63% as compared with 360,267 kg in 2020, and its total carbon emission in 2020 was 360,267 kg, a decrease of 8.6% as compared with 394,377 kg in 2019.</p> <p>(b) The Company’s total water consumption was 3,272 tons in 2021, 3,122 tons in 2020, and 3,104 tons in 2019.</p> <p>(c) The Company’s total electricity consumption was 712,160 kWh in 2021, 716,720 kWh in 2020, and 739,920 kWh in 2019.</p> <p>(d) The Company’s total waste was 2,436.13 kg in 2021, 2,518.45kg in 2020, and 2,801.75kg in 2019.</p> <p>The Company devotes itself to environmental protection, and it has formulated waste management measures, and has been taking measures for recycling and reuse of resources and classification of wastes for many years, and it hands over scrapped items to qualified recycling parties for disposal. In terms of packaging materials, the Company also uses recycled materials as much as possible to reduce the impact on the environmental load and advocates energy conservation in daily operations to improve</p>				

Item of promotion	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Description	
energy efficiency.				
(9) Corporate social responsibility risk assessment				
Based on the materiality principle of corporate social responsibility (CSR), the Company conducts risk assessment on relevant environmental, social, or corporate governance issues and formulates relevant risk management policies or strategies for the assessed risks as follows				
Material issue	Risk assessment item		Risk management policies and strategies	
Environment	Environmental protection and ecological conservation		The Company has devoted itself to environmental protection, formulated waste management measures, and effectively reduces the impact of the Company's daily operations on the environment through PDCA's management cycle control. The Company strictly carries out energy-saving and carbon reduction measures and promotes green general affairs to reduce the impact of disposable waste on the earth's environment through recycling.	
Society	Labor and occupational safety		The Company cares about every working partner and formulates the "Code of Occupational Health and Safety Practice" to maintain the safety and health of Ennoconn Corporation's workplace and ensure the employees' safety and property and environmental safety. Furthermore, the Company will continue to enhance the staff's ability of hazard awareness in the office and the factory area, and promote a safe workplace culture, so that every colleague can work safely in a safe workplace. In cooperation with the health examination center, employees may schedule time for a physical health check on a regular basis each year.	
	Consumer rights and product		In terms of consumer rights, the Company offers product liability insurance for products sold to safeguard consumer	

Item of promotion		Implementation status		Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons
		Yes	No	
		safety		rights and has set up communication channels on Company's website to establish direct contact and communication with stakeholders.
	Corporate governance	Legal compliance		The Company has set up a dedicated corporate governance unit to regularly review and amend the Company's Corporate Governance Best Practice Principles and related measures and established the "Management Procedures of the Prevention of Insider Trading" to regulate the operating procedures for confidentiality of major internal information and strengthen the promotion of not using undisclosed information to trade the Company's securities. Relevant measures are implemented by the Company's internal control system.



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

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons thereof
	Yes	No	Description	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the Company establish ethical corporate management policies, declare its ethical corporate management policies and procedures in its guidelines and external documents, and do the Board of Directors and management work proactively to implement their commitment to those management policies?</p> <p>(II) Does the Company establish an assessment mechanism for the risk of unethical conduct, regularly analyze and evaluate the business activities with high-potential unethical conduct within its business scope, and formulate a scheme to prevent unethical conduct, and at least cover the precautionary measures for</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) The Company has formulated the Code of Ethical Conduct and the Ethical Corporate Management Best Practice Principles, as approved by the Board of Directors, specifying the matters that the Company's personnel should pay attention to upon performance of businesses.</p> <p>(II) The Company strictly complies with corporate ethics and adheres to the corporate culture of integrity and honesty to create a sustainable business environment.</p> <p>(III) The Company regularly organizes corporate ethics education training and promotion for all employees. New employees are given a</p>	No significant deviation

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons thereof
	Yes	No	Description	
<p>the acts in “Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies? ”</p> <p>(III) Does the Company specify operation procedures, conduct guidelines, punishments for violation, and rules for appeal in the scheme for preventing unethical conduct and implement them accordingly?</p>			code of conduct on the day of taking office, which conveys the rights and obligations of employees. Moreover, the Company incorporates ethical corporate management into performance evaluation of employees and human resource policies and has established a clear and effective reward, punishment, and appeal system.	
<p>II. Fulfillment of Ethical Corporate Management</p> <p>(I) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in the business contracts signed with the counterparties?</p>	V		(I) Before establishing business relationship with others, the Company first assesses the legality and ethical corporate management policy of agents, suppliers, customers, and other business counterparties, and evaluates whether they have any records of unethical conduct in the past to ensure that their business practices are fair, transparent and will not ask for, offer or accept bribes.	No

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(II) Does the Company establish an exclusively dedicated unit under the Board to implement ethical corporate management, and report to the Board regularly (at least once a year) regarding its ethical corporate management policy, the scheme for preventing unethical conduct, and supervision of its implementation?	V		(II) The Company has established Corporate Sustainability Committee to act as a dedicated unit to implement and supervise the amendment to and performance and interpretation of these procedures and conduct guidelines, as well as consulting service, notification contents and registration documents, and regularly report the implementation status to the Board of Directors each year, and the latest reporting date is March 22, 2022.	significant deviation
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V		(III) In the event of a conflict of interest, employees can report to the head of the department or the president.	
(IV) Does the Company establish effective systems for both accounting and internal control to implement ethical corporate management, and does the internal audit unit draw up relevant audit plans based on evaluation results of the risk of			(IV) The Company has established effective accounting and internal control systems and constantly reviews and revises them from time to time according to changes of laws and regulations and practical needs. Also, internal auditors	No significant deviation

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons thereof
	Yes	No	Description	
<p>unethical conduct, and check the compliance of the scheme for preventing unethical conduct, or entrust CPAs to carry out the audit?</p> <p>(V) Does the company regularly hold internal and external educational training on ethical corporate management?</p>			<p>regularly examine it to ensure that the design and implementation of the system remain effective, achieve corporate governance and risk control, and implement ethical corporate management. The Corporate Sustainability Committee is a dedicated unit to implement and supervise ethical corporate management-related operations and regularly reports such matters to the Board of Directors.</p> <p>(V) The Company promotes the principle of ethical corporate management in various meetings from time to time so that its colleagues implement ethical corporate management-related norms internally and externally. The Company provides ethical corporate management and insider trading prevention” course for its all directors and managerial officers at least once each year,</p>	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			and it provided 1 hour of such course on March 16, 2021, and 11 persons taken the said course in total. The Company includes “Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct” advocacy course in the new employees’ training each year, and it provided 2 hours of such course on May 11 and October 19, 2021, and 32 persons taken the said course in total. This course is provided for new employees to understand the importance of ethical corporate management and conduct, and emphasizes the evaluation on ethical management before establishing business relation with customers and suppliers and avoidance of transaction with unethical operators.	
III. Operation of the Company's Whistle-blowing System	V		When the Company discovers or	No significant

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons thereof
	Yes	No	Description	
<p>(I) Does the Company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party?</p> <p>(II) Does the Company establish standard operating procedures for the reported matters and the relevant confidential mechanism?</p> <p>(III) Does the Company provide protection to whistleblowers against receiving improper treatment?</p>	V	V	<p>receives a report regarding an employee's involvement in unethical conduct, the Company will immediately request the perpetrator to stop the relevant conduct if it is confirmed that the reported employee has violated the relevant laws and regulations or the Company's ethical corporate management policies and regulations, and will appropriately deal with the case. If necessary, the Company shall seek compensation for damages through legal proceedings to maintain the reputation and interests of the Company.</p> <p>Additionally, the Company will pay special attention to the confidentiality of whistleblowers to avoid improper treatment when dealing with related matters.</p> <p>Please refer to item (IV) of clause VI "The Company's whistle-blowing system" in this table for other information about the whistle-blowing system.</p>	deviation

Evaluation item	Implementation status		Description	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons thereof
	Yes	No		
<p>IV. Enhancing Disclosure of Information</p> <p>Does the Company disclose its ethical corporate management principles and the results of its implementation on the Company website and Market Observation Post System (MOPS)?</p>	V		The Company has disclosed the contents of its Ethical Corporate Management Principles and the results of its implementation on its website and Market Observation Post System (MOPS).	No significant deviation
<p>V. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies, please describe the implementation and any deviations from the Principles: The Company has established the "Procedures for Ethical Corporate Management and Guidelines for Conduct." There was no material discrepancy between its implementation and "Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies."</p>				
<p>VI. Other important information to facilitate a better understanding of the Company's ethical corporate management:</p> <p>(I) The Company's website, annual report, and prospectus all disclose compliance with the ethical corporate management principles.</p> <p>(II) The Company's Board of Directors closely implements the system of recusal due to conflicts of interest.</p> <p>(III) The Company always pays attention to the development of relevant norms of ethical corporate management at home and abroad and formulates the Company's relevant management measures.</p> <p>(IV) The Company's whistle-blowing system</p>				

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons thereof
	Yes	No	Description	
<p>1. Whistle-blowing channels: The Company encourages internal and external personnel to report unethical conduct or misconduct. In September 2015, the Company announced and provided information on the whistle-blowing channels for internal and external personnel and stakeholders at the stakeholder area of the Company's website.</p> <p>2. Whistle-blowing system: The Company's whistle-blowing system is stipulated in Article 21 of the "Ethical Corporate Management Best Practice Principles." The content is as follows: "The company encourages internal and external personnel to report unethical conduct or misconduct. The Company has established a whistle-blowing system on the Company's website for internal and external personnel to use." The whistleblower should provide at least the following information:</p> <p>(1) The whistleblower's name, ID number, address, telephone number, and e-mail where it can be reached.</p> <p>(2) The name of the accused or other information sufficient to identify the identity of the accused.</p> <p>(3) Specific evidence available for investigation.</p> <p>The Company's relevant personnel handling the report shall make a written statement that the whistleblower's identity and the content of the report shall be kept confidential, and the Company promises to protect the whistleblower from being improperly treated due to the whistle-blowing. The Company's dedicated unit will handle it according to the following procedures:</p> <p>(1) Whistle-blowing matters involving general employees should be reported to the president. Whistle-blowing matters involving directors or senior executives should be reported to independent directors.</p>				



Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			<p>(2) The Company's dedicated unit and supervisor or personnel to whom the cases are reported as mentioned in the preceding subparagraph shall immediately ascertain the relevant facts. When necessary, legal compliance or other relevant departments will provide assistance.</p> <p>(3) If it is confirmed that the reported employee has violated the relevant laws and regulations or the Company's ethical corporate management policies and regulations, the Company will immediately request the employee to stop the relevant conduct and will appropriately deal with the situation. If necessary, the Company shall seek compensation for damages through legal proceedings to maintain the reputation and interests of the Company.</p> <p>(4) Written documents shall be retained for the acceptance of whistleblowing, investigation process, and investigation results, and shall be kept for five years, and their preservation may be done electronically. Before the expiration of the retention period, in the event of a lawsuit related to the whistleblowing content, the relevant information shall be retained until the conclusion of the litigation.</p> <p>(5) If whistleblowing matters are verified to be true, the Company's relevant units shall be responsible for reviewing the relevant internal control system and operating procedures, and proposing improvement measures to prevent the same conduct from happening again.</p> <p>(6) The Company's dedicated unit shall report the whistleblowing matters, its handling method, and subsequent review and improvement measures to the Board of Directors.</p>	

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

The Company has established the Corporate Governance Best Practice Principles.

For the Company's corporate governance implementation, please refer to Chapter 3 Corporate Governance Report of this Annual Report. The Company has established the Rules of Procedures of the Shareholders' Meeting, Regulations Governing Procedure for Board of Directors' Meetings, Audit committee Organization Rules, Remuneration Committee Organization Rules, Corporate Governance Best Practice Principles, Corporate Social Responsibility Principles, Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, Rules for the Director Elections, Operation Procedures of Capital Loan to Others, Operating Procedures of Endorsement and Guaranty, Procedures for Acquisition or Disposal of Assets, Procedures for the Trading of Financial Derivatives, Financial and Non-financial Information Management, Measures for Subsidiary Management and Control Operations, Management Procedures of the Prevention of Insider Trading, etc. For related bylaws, please visit the Company's website for inquiries.

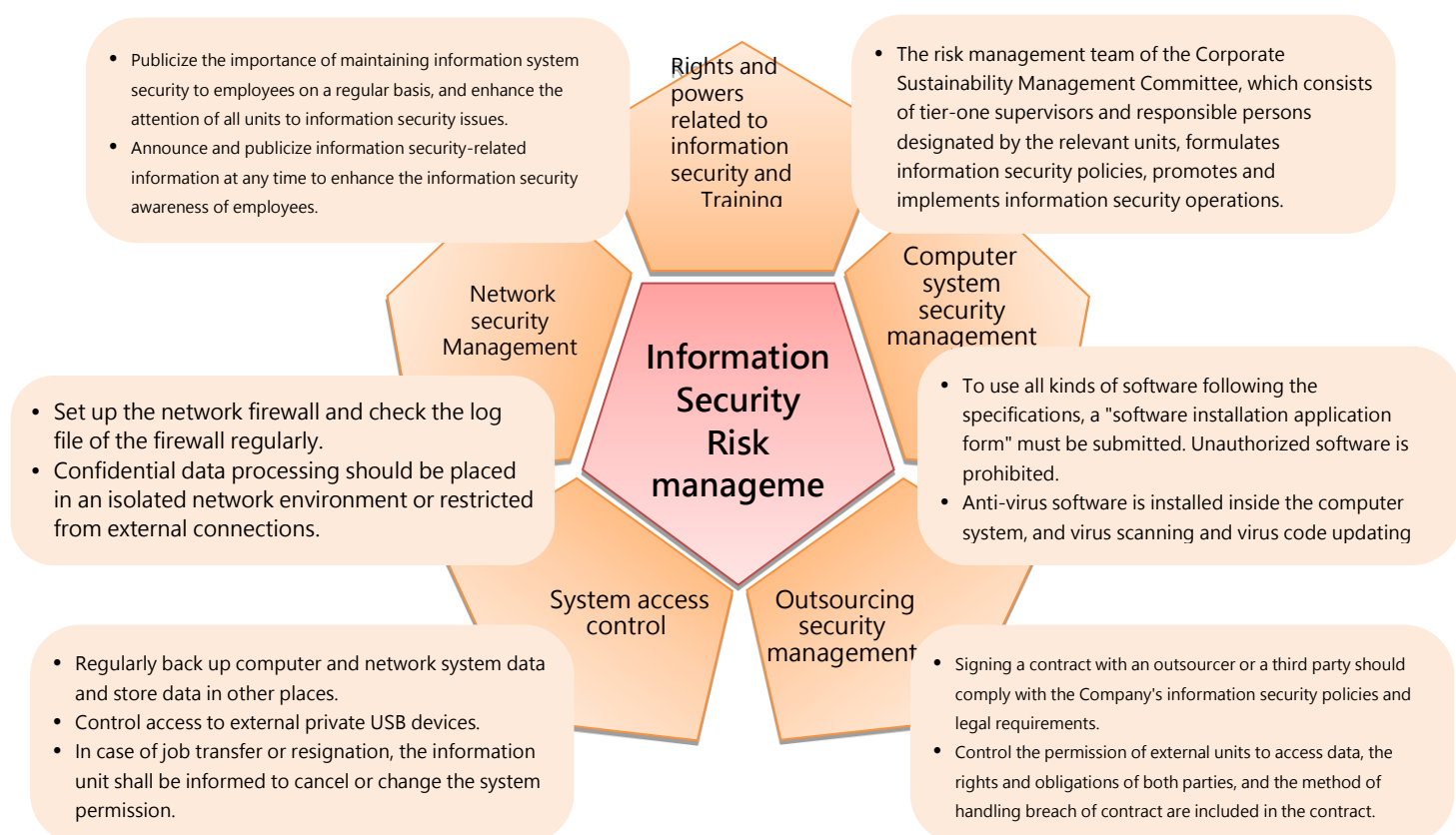
#### (VIII) Other Important Information Regarding Corporate Governance

1. The Company has established the "Management Procedures for Prevention of Insider Trading" and announced the procedures to its managers and employees.
2. The Company's newly elected directors will be given the director's brochure when they take the office, which contains various laws and regulations (including the Management Procedures for Prevention of Insider Trading as mentioned in the preceding paragraph) and precautions to be taken to facilitate the new directors to comply.
3. The Company approved formulation of an intellectual property management plan associated with its operating goals at its Board of Directors' meeting on November 11, 2021. The implementation status of the Company's 2021 intellectual property management plan was reported and submitted to the Board of Directors on November 11, 2021, for reporting to the Board of Directors from five major aspects, i.e. patent management, trademark management, copyright management, business secret protection, and management resources and division of manpower.
4. The Company's information security and risks management policy  
To strengthen information security management to maintain the confidentiality, integrity, and availability of the Company's important information system, the Company has formulated a number of internal information security regulations and systems to regulate the information security behavior of the Company's personnel. Regularly review whether the relevant systems are in line with the changes of the operating environment every year, and timely adjust them according to the needs to establish a safe and reliable technology industry.

Information security policy related management specifications

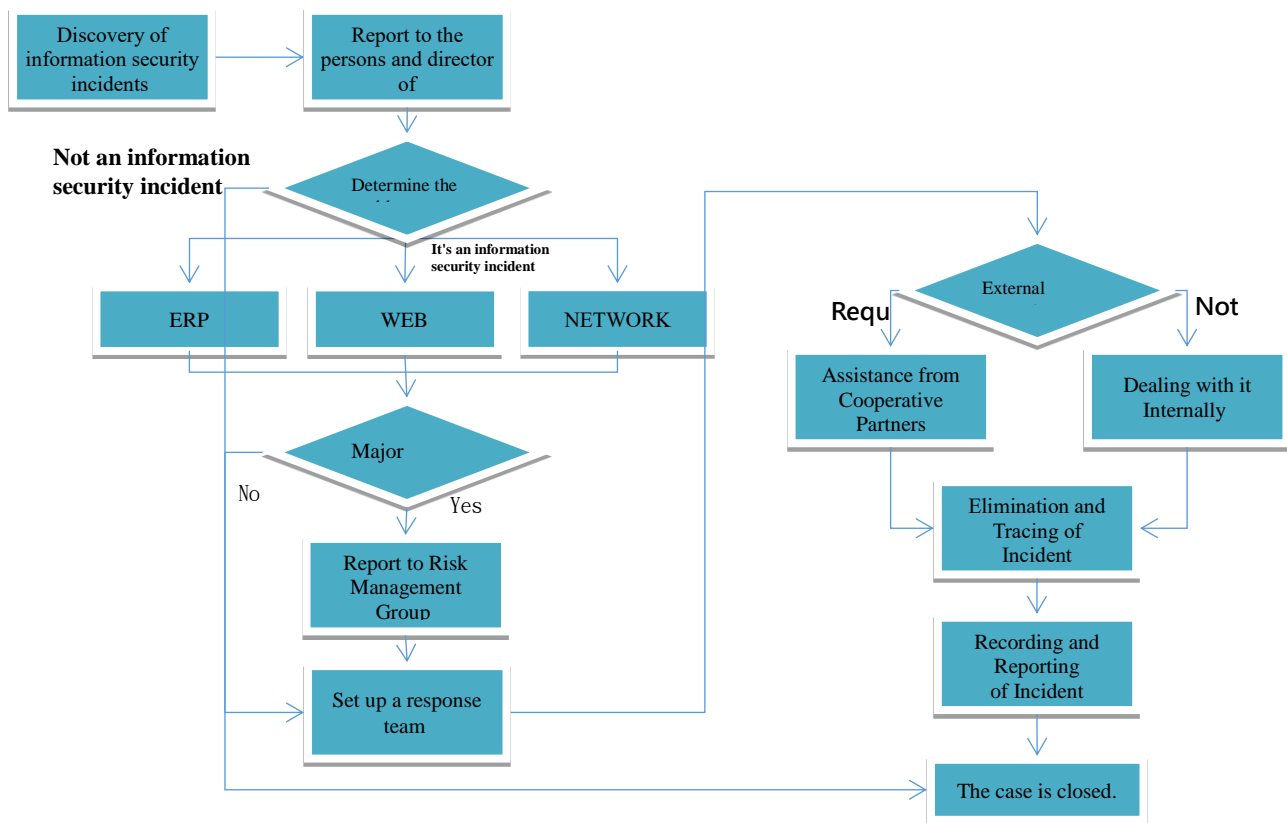
Access control of programs and data	Control operation of data output and input	Control operation of data processing	Safety control of archives and equipment
Purchase, use, and maintenance control of hardware and system software	System recovery plan and test program control operation	Control operation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

### Information security and risk management structure



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### Information Security and Risk Management Flowchart



## (IX) Status of Internal Control System

### 1. Statement of internal control system

#### Ennoconn Corporation

#### Statement of Internal Control System

Date: March 31, 2022

The Company's 2021 internal control system is stated as follows based on self-evaluation result:

- I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and managers, and the Company has established an internal control system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance, and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. The internal control system has innate limitations. No matter how robust and effective the internal control system, it can only provide reasonable assurance of the achievement of the foregoing three goals. In addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the internal control system of the Company has self-monitoring mechanisms in place, and the Company will take corrective action against any defects identified.
- III. The Company uses the assessment items specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. Based on the process of control, the assessment items specified in the "Regulations" divide the internal control system into five constituent elements: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communications; and 5. monitoring activities. Each constituent element includes a certain number of items. For more information on such items, please refer to the "Regulations."
- IV. The Company has adopted the aforesaid assessment items for the internal control system to determine whether the design and implementation of the internal control system are effective.
- V. The following major deficiencies were found in the internal control system of the Company in 2021:

The company took the initiative to discover that an employee was suspected of forging documents and misappropriating company assets. After investigation, it was found that the custody and use of the seal was not fully confirmed, which was a lack of internal control system design and implementation. The case has now entered into judicial investigation, and the actual amount of losses listed in the 20110 consolidated financial report of the company is NT\$37,723 thousand dollars.
- VI. This statement will constitute the main content of the Company's annual report and the prospectus and will be disclosed to the public. Any falsehood or concealment with regard to the above contents will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. It is hereby stated that this Statement has been approved at the Board of Directors'

meeting of the Company held on March 31, 2022. Among the 7 directors present, no director had any dissenting opinion, instead, all of them agreed the contents of this Statement.

Ennoconn Corporation

Chairman: Fu-Chuan Chu



President: Neng-Chi Tsai



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

(X) Penalties Imposed upon the Company and its Employees in accordance with the law, Penalties Imposed by the Company upon its Employees for the Violation of the Internal Control System Policy, Principal Deficiencies, and Improvement Status during the most recent Fiscal Year up to the Publication Date of the Annual Report:

In accordance with the company's regulations and relevant regulations, the company has committed forgery of documents and misappropriation of company assets.

The employee who was born has completed his resignation and has been falsely detained. The case has now entered judicial proceedings.

(XI) Major Resolutions of Shareholders' Meeting and Board of Directors' meetings During the Most Recent Year up to the Publication Date of

## the Annual Report:

Type of meeting	Date of meeting	Major resolution
Board of Directors' meeting	2021.03.29 The 11th session of the 9th Board of Directors' meeting	<ul style="list-style-type: none"> <li>(1) Approved the Company's 2020 business report.</li> <li>(2) Approved the Company's 2020 Consolidated and Individual Financial Statements.</li> <li>(3) Approved the total amount of directors' compensation and employee compensation paid by the Company in 2020.</li> <li>(4) Approved the Company's 2020 earnings distribution plan.</li> <li>(5) Approved the Company's 2021 business plan.</li> <li>(6) Approved the amendment to the Company's Rules of Procedures of the Shareholders' Meeting.</li> <li>(7) Approved the proposal for holding the Company's 2021 annual Shareholders' Meeting.</li> <li>(8) Approved the proposal for evaluation by the Company on the overdue payment without the nature of loan as of the fourth quarter of 2020.</li> <li>(9) Approved the proposal for submission and report of the Company's 2020 Internal Control System Effectiveness Evaluation and Statement of Internal Control.</li> <li>(10) Approved the amendment to the Company's Production Cycle.</li> <li>(11) Approved releasing president from non-competition restriction.</li> <li>(12) Approved the proposal for applying for issuance of short-term loan from eight financial institutions.</li> <li>(13) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary THECUS TECHNOLOGY CORP.</li> <li>(14) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary Poslab Technology Corporation.</li> <li>(15) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from three banks through its subsidiary Kunshan Limeng Machinery Industry Co., Ltd.</li> <li>(16) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary HIGHAIM TECHNOLOGY INC.</li> </ul>

Type of meeting	Date of meeting	Major resolution
Board of Directors' meeting	2021.05.13 The 12th session of the 9th Board of Directors' meeting	<ol style="list-style-type: none"> <li>(1) Reported the Company's 2021 Q1 Consolidated Financial Statements.</li> <li>(2) Reported 2020 Audit Plan.</li> <li>(3) Approved the proposal for transfer of the Company's shares to employees at a price lower than the actual average buyback price of such shares.</li> <li>(4) Approved the proposal for issuance of the Company's new shares with restricted employee's rights.</li> <li>(5) Approved the proposal for issuance of the Company's new shares for capital increase in cash.</li> <li>(6) Approved the proposal for issuance of the Company's fourth unsecured convertible corporate bonds in domestic.</li> <li>(7) Approved the proposal for issuance of the Company's first privately placed unsecured convertible corporate bonds in domestic.</li> <li>(8) Approved the Company's proposed investment to establish a subsidiary in Hungary.</li> <li>(9) Approved the proposal for disposal of the privately placed common shares in DIVA Laboratories. Ltd. through its subsidiary Ennoconn International Investment Co., Ltd.</li> <li>(10) Approved the updating of the Company's agenda for its 2021 annual Shareholders' Meeting.</li> </ol>
Board of Directors' meeting	2021.07.15 The 13th session of the 9th Board of Directors' meeting	<ol style="list-style-type: none"> <li>(1) Approved the proposal for re-determining the date for the Company to hold 2021 annual Shareholders' Meeting.</li> </ol>
Board of Directors' meeting	2021.08.11 The 14th session of the 9th Board of Directors' meeting	<ol style="list-style-type: none"> <li>(1) Reported the Company's 2021 Q2 Consolidated Financial Statements.</li> <li>(2) Approved the proposal for the Company's detailed distribution of directors' compensation in 2020.</li> <li>(3) Approved the proposal for the Company's distribution of compensation to managerial officers in 2020.</li> <li>(4) Approved the proposal for subscription for shares by managerial officers for the Company's capital increase in cash.</li> <li>(5) Approved the proposal for adjustment to the salary of the Company's managerial officers in 2021.</li> <li>(6) Approved the proposal for the Company to apply for issuance of short-term loan from two financial institutions.</li> <li>(7) Approved the proposal for issuance of the Company's first privately placed unsecured convertible corporate bonds in domestic and pricing-related matters.</li> </ol>
Board of Directors' meeting	2021.11.11 The 15th session of the 9th Board of Directors' meeting	<ol style="list-style-type: none"> <li>(1) Reported the Company's 2021 Q3 Consolidated Financial Statements.</li> <li>(2) Approved the proposal for change in CPA Firm and CPAs for the Company from the fourth quarter of 2021.</li> <li>(3) Approved the proposal for determining the professional fees for entrusting KPMG in Taiwan to provide CPA professional services.</li> <li>(4) Approved the proposal for establishment of corporate governance officer.</li> </ol>



Type of meeting	Date of meeting	Major resolution
		<p>(5) Approved the proposal for submission and report of the Company's 2022 audit plan.</p> <p>(6) Approved the proposal for formulation of Intellectual Property Management Plan and its implementation report for the Company.</p> <p>(7) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary DEXATEK TECHNOLOGY LTD.</p> <p>(8) Approved the Company's proposal for capital increase in its subsidiary in Hungary through its subsidiary Ennoconn Investment Holdings Co., Ltd.</p> <p>(9) Approved the Company's proposal for capital increase in its subsidiary Ennoconn Investment Holdings Co., Ltd.</p> <p>(10) Approved the proposal for subscription for shares by managerial officers for the Company's capital increase in cash.</p> <p>(11) Approved the proposal for issuance of the Company's privately offered common shares.</p> <p>(12) Approved the proposal 2 for holding the Company's 2022 extraordinary Shareholders' Meeting.</p>
Board of Directors' meeting	2022.01.04 The 16th session of the 9th Board of Directors' meeting	(1) The proposal for pricing the Company's common shares to be issued and privately offered and purchaser-related matters.
Board of Directors' meeting	2022.02.24 The 17th session of the 9th Board of Directors' meeting	(1) Approved the proposal for the Company to participate, through its subsidiary Ennoconn International Investment Co., Ltd., in the subscription for the new shares issued and privately offered by ARBOR Technology Corp.

Type of meeting	Date of meeting	Major resolution
Board of Directors' meeting	2022.03.22 The 18th session of the 9th Board of Directors' meeting	<ul style="list-style-type: none"> <li>(1) Approved the Company's 2021 business report.</li> <li>(2) Approved the Company's 2021 Consolidated and Individual Financial Statements.</li> <li>(3) Approved the total amount of directors' compensation and employee compensation paid by the Company in 2021.</li> <li>(4) Approved the Company's 2021 earnings distribution plan.</li> <li>(5) Approved the Company's 2022 business plan.</li> <li>(6) Approved the amendment to the Company's Articles of Incorporation.</li> <li>(7) Approved the amendment to the Company's Procedures for Acquisition or Disposal of Assets.</li> <li>(8) Approved the proposal for change in the members (including independent directors) of the Company's 10th Board of Directors.</li> <li>(9) Approved the proposal for holding the Company's 2022 annual Shareholders' Meeting.</li> <li>(10) Approved the proposal for capital increase for the Company and de-registration of the first shares bought back by the Company.</li> <li>(11) Approved the proposal for capital increase in its subsidiary Ennoconn International Investment Co., Ltd.</li> <li>(12) Approved the proposal for submission and report of the Company's 2021 Internal Control System Effectiveness Evaluation and Statement of Internal Control.</li> <li>(13) Approved the proposal for applying for issuance of short-term loan from nine financial institutions.</li> <li>(14) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary THECUS TECHNOLOGY CORP.</li> <li>(15) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary Poslab Technology Corporation.</li> <li>(16) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from three banks through its subsidiary Kunshan Limeng Machinery Industry Co., Ltd.</li> <li>(17) Approved the proposal for assumption of joint and several guarantee liability by the Company for applying for financing from banks through its subsidiary HIGHAIM TECHNOLOGY INC.</li> </ul>
Annual Shareholders' Meeting	2021.08.03	<ul style="list-style-type: none"> <li>(1) Recognized the Company's 2020 Financial Statements and business plan. Implementation status: The resolution was approved, and the relevant contents were recorded in the minutes of the Shareholders' Meeting.</li> <li>(2) Recognized the Company's 2020 earnings distribution plan. Implementation status: NT\$5 was allotted as cash dividend per share, and NT\$484,060,095 was issued in total on October 29, 2021.</li> <li>(3) Approved the amendment to the Company's Rules of Procedures of the Shareholders' Meeting.</li> </ul>

Type of meeting	Date of meeting	Major resolution
		<p>Implementation status: Resolutions were approved.</p> <p>(4) Approved the amendment to the Company's "Regulations Governing the Election of Directors". Implementation status: Resolutions were approved.</p> <p>(5) Approved the proposal for the amendment to the Company's Procedures for Endorsements/Guarantees. Implementation status: The resolution was approved, and the Company made announcement on Market Observation Post System (MOPS).</p> <p>(6) Approved the proposal for issuance of the first privately placed unsecured convertible corporate bonds in domestic. Implementation status: The resolution was approved, and the Company completed issuance of NT\$1.5 billion only of its first privately placed unsecured convertible corporate bonds in domestic on September 2, 2021.</p> <p>(7) Approved the proposal for transfer of the Company's shares to employees at a price lower than the actual average buyback price of such shares. Implementation status: The resolution was approved, but the Company's share price was generally lower than the price resolved by the Shareholders' Meeting since the meeting held in last year, therefore, in May 2011, the Company made decrease in its capital and de-registered its first remaining shares bought back by it.</p> <p>(8) Approved the proposal for issuance of the new shares with restricted employee's rights. Implementation status: The resolution was approved, and it was handled depending on situation according to the Company's rules for issuance of new shares with restricted employee's rights.</p>
Extraordinary Shareholders' Meeting	111.01.04	<p>(1) Approved the proposal for issuance and private offering of common shares. Implementation status: The resolution was approved, and the Company completed issuance of NT\$1,107,369,600 only of its privately placed common shares to Google International LLC on January 26, 2022.</p>

(XII) Major contents of any recorded or written significant resolutions approved by the Board of Directors to which directors or supervisors have different opinions in the most recent year up to the publication date of the Annual Report: None.

(XIII) Summary of resignation and dismissal of the Company's chairman, president, accounting supervisor, financial supervisor, chief internal auditor, corporate governance officer or R&D officer in the most

recent year and up to the publication date of the Annual Report: None.

## IV. Information on CPA Professional Fees:

### (I) Range of CPA Professional Fees:

Name of CPA firm	Name of CPA		Auditing Period	Audit fee	Non-audit fee	Total	Remarks
Deloitte & Touche	Ching-Ting Yang	Shui-En Liu	2021.01.01~2021.09.30	NT\$1,200 thousand dollars	NT\$1,240 thousand dollars	NT\$2,440 thousand dollars	None
KPMG	KOU, HUI-ZHI	GUO, XIN-YI	2021.10.01~2021.12.31	NT\$1,350 thousand dollars	0	NT\$1,350 thousand dollars	None

Note: If the Company changed any CPA or CPA firm in current year, audit periods shall be specified separately, the reason for the change shall be specified in the remarks column, and the audit and non-audit fees paid shall be disclosed. There should be remark to explain the content of the non-audit fees.

### Details of non-audit fees: (e.g. tax visa, assurance or other financial advisory services)

The contents of non-audit public expenses paid to Deloitte & Touche are: NT\$450,000 for country-by-country report, NT\$250,000 for transfer pricing report, NT\$440,000 for administrative relief, and NT\$100,000 for other expenses.

### (II) When non-audit fees paid to the CPAs, to the accounting firm of the CPA, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees, as well as details of non-audit services, shall be disclosed:

Audit fee NT\$2,550 thousand dollars.

Non-audit fee NT\$1,240 thousand dollars. Included transfer pricing reports, other professional services reports, administrative remedies

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

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

## V. Information on Change to CPA:

Based on the overall consideration of the company's operation and management, and in order to improve the efficiency of external audits.  
Therefore, it is planned to integrate the certified accounting firm of Uni-President Group. The company changed the CPA to KPMG on November 11, 2021.

**VI. The Company's Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters Held a Position in the Accounting Firm of its CPA or in an Affiliates in the Most Recent Year: None.**

**VII. Transfer & Pledge of Equity by Directors, Managerial Officers and Shareholders Holding More than 10% of the Company's Shares in the Most Recent Year and up to the Publication Date of this Annual Report:**

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

Title	Name	2021		2022 as of April 30	
		Number of shares held Increase (Decrease)	Number of shares pledged Increase (Decrease)	Number of shares held Increase (Decrease)	Number of shares pledged Increase (Decrease)
Chairman and CEO	Fu-Chuan Chu	147,196	0	0	0
Director	Cheng-Ching Chu	0	0	0	0
Corporate directors and the major shareholder	Baoxin International Investments Ltd.	1,245,362	0	0	0
Director	Representative of Baoxin International Investments Ltd.: Chao- Tsung Lou	220,914	0	0	0
Director	Representative of Baoxin International Investments Ltd.: Chia- Lin Teng	0	0	0	0
Independent director's	Wen-Chang Fang	0	0	0	0
Independent director's	Yu-Hui Su	0	0	0	0

Independent director's	Chien-Min Wang	0	0	0	0
President	Neng-Chi Tsai	35,000	0	0	0
President for mainland China	Chao-Tsung Lou	220,914	0	0	0
Associate Manager of R&D Center	Sheng-Hsiung Chang	12,000	0	0	0
Chief Financial Officer	You-Mei Wu	128	0	0	0
Associate Manager of Information Department	Wen-Ta Chang	10,000	0	0	0

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

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

## VIII. Information on Top Ten Shareholders and Their Relationships:

As of Apr. 25, 2021 Unit: shares; %

NAME (NOTE 1)	SHARES HELD BY THE PERSON SHAREHOLDING		SPOUSE & MINOR SHAREHOLDING		TOTAL SHAREHOLDING BY NOMINEES		Name or relationship between or among the top 10 shareholders who are related parties or spouses and relatives within the second degree of kinship		REMARKS
	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Name (OR NAME)	Relation	
Baoxin International Investments Ltd.	33,178,779	31.10%	0	0	0	0	Hyield Venture Capital Co., Ltd.	Same ultimate parent company	None
Baoxin International Investments Ltd. Representative: De-Cai Huang	0	0.00%	0	0	0	0	None	None	None
Dedicated investment account of Google Inc. kept by Citibank Taiwan on a entrusted basis	4,880,000	4.57%	0	0	0	0	None	None	None
Fubon Life Insurance Co., Ltd.	4,457,070	4.18%	0	0	0	0	None	None	None
Representative of Fubon Life Insurance Co., Ltd.: Tsai, Ming-Hsing	0	0.00%	0	0	0	0	None	None	None
Hyield Venture Capital Co., Ltd.	2,063,433	1.93%	0	0	0	0	Baoxin International Investments Ltd.	Same ultimate parent company	None
Representative of Hyield Venture Capital Co., Ltd.: Huang, De-Cai	0	0.00%	0	0	0	0	None	None	None
TransGlobe Life Insurance Inc.	1,289,444	1.21%	0	0	0	0	None	None	None
TransGlobe Life Insurance Inc. Representative: Teng-Te Peng	0	0%	0	0	0	0	None	None	None
Fu-Chuan Chu	1,026,726	0.96%	0	0	0	0	None	None	None
HSBC Managed Cardensa Master Fund	875,366	0.82%	0	0	0	0	None	None	None
Dedicated investment account of the manager of The Vanguard Group, Inc. for Vanguard Emerging Markets Stock Index Fund managed by JPMorgan Chase Bank N.A., Taipei Branch on trust basis	831,758	0.82%	0	0	0	0	None	None	None
Ling-Shiau You	819,682	0.77%	0	0	0	0	None	None	None
PGAI Progressive International Stock Index Fund managed by JPMorgan on a trust basis	793,996	0.74%	0	0	0	0	None	None	None



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

# IX. Number of Shares in the Same Investee and Total Shareholding Ratio Held by the Company, its Directors, Supervisors and Managerial Officers, and Any Companies Controlled either Directly or Indirectly by the Company:

As of December 31, 2021

Unit: shares; %

Investee	Investment by the Company		Investment by the Company's directors, supervisors or managerial officers or any companies directly or indirectly controlled by the Company		Total investment	
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)
The Innovation System Integration Limited	518,216,530	100.00%	-	-	518,216,530	100.00%
Ennoconn International Investment Co., Ltd.	720,635,000	100.00%	-	-	720,635,000	100.00%
Caswell Inc.	20,000,000	27.37%	3,250,000	4.45%	23,250,000	31.82%
Ennoconn Investment Holdings Co.,Ltd	239,360,000	100.00%	-	-	239,360,000	100.00%

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

## Chapter 4 Fund Raising

### I. Capital and Shares:

#### (I) Capital Formation:

Unit: shares; NT\$

Month/Year	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Capital increase by assets other than cash	Other
07.12.1999 (Note 1)	10	4,000,000	40,000,000	1,000,000	10,000,000	Share capital upon establishment	-	-
10.25.1999 (Note 2)	10	4,000,000	40,000,000	4,000,000	40,000,000	Cash capital increase of 30,000,000	-	-
01.15.2001 (Note 3)	10	10,000,000	100,000,000	10,000,000	100,000,000	Cash capital increase of 60,000,000	-	-
05.25.2005 (Note 4)	20 10	10,000,000	100,000,000	4,000,000	40,000,000	Capital contributions by claims of 20,000,000 Capital decrease of 80,000,000	-	-
06.24.2005 (Note 5)	20	10,000,000	100,000,000	5,000,000	50,000,000	Cash capital increase of 10,000,000	-	-
05.11.2006 (Note 6)	10 10 10	60,000,000	600,000,000	14,000,000	140,000,000	Cash capital increase of 70,000,000 Capital increase from earnings 18,489,850 Capital increase from employee bonus 1,510,150	-	-
10.04.2006 (Note 7)	10	60,000,000	600,000,000	16,800,000	168,000,000	Cash capital increase of 28,000,000	-	-
03.06.2007 (Note 8)	12.5	60,000,000	600,000,000	36,800,000	368,000,000	Cash capital increase of 200,000,000	-	-
06.22.2007 (Note 9)	10	60,000,000	600,000,000	37,793,600	377,936,000	Capital increase from earnings 9,936,000	-	-
08.21.2008 (Note 10)	10 10	60,000,000	600,000,000	40,040,000	400,400,000	Capital increase of 19,136,000 from earnings Capital increase from employee bonus	-	-

Month/Year	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Capital increase by assets other than cash	Other
						3,328,000		
08.25.2009 (Note 11)	10 12.26	60,000,000	600,000,000	41,675,111	416,751,110	Capital increase of 14,014,000 from earnings Capital increase from employee bonus 2,337,110	-	-
08.13.2010 (Note 12)	10 13.58	60,000,000	600,000,000	46,185,340	461,853,400	Capital increase of 38,757,860 from earnings Capital increase from employee bonus 6,344,430	-	-
09.26.2011 (Note 13)	10 14.24	60,000,000	600,000,000	47,409,788	474,097,880	Capital increase of 11,084,480 from earnings Capital increase from employee bonus 1,160,000	-	-
09.17.2012 (Note 14)	25 10 13.96	60,000,000	600,000,000	53,945,984	539,459,840	Cash capital increase of 50,000,000 Capital increase from earnings 9,481,960 Capital increase from employee bonus 5,880,000	-	-
07.17.2013 (Note 15)	10 42.42	100,000,000	1,000,000,000	60,450,341	604,503,410	Capital increase from earnings 60,635,280 Capital increase from employee bonus 4,408,290	-	-
04.16.2014 (Note 16)	128	100,000,000	1,000,000,000	66,530,341	665,303,410	Cash capital increase of 60,800,000	-	-
01.21.2015 (Note 17)	236	100,000,000	1,000,000,000	68,680,341	686,803,410	Share swap 21,500,000	Share swap for Caswell Inc. 8,600 thousand shares	-
11.30.2015 (Note 18)	10	100,000,000	1,000,000,000	68,875,760	688,757,600	1,954,190 converted from the first domestic convertible corporate bonds	-	-

Month/Year	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Capital increase by assets other than cash	Other
02.15.2016 (Note 19)	10	100,000,000	1,000,000,000	69,728,698	697,286,980	8,529,380 converted from the first domestic convertible corporate bonds	-	-
05.19.2016 (Note 20)	10	100,000,000	1,000,000,000	70,495,867	704,958,670	7,671,690 converted from the first domestic convertible corporate bonds	-	-
08.11.2016 (Note 21)	388	100,000,000	1,000,000,000	74,995,867	749,958,670	Cash capital increase of 45,000,000	-	-
08.29.2016 (Note 22)	10	100,000,000	1,000,000,000	75,618,210	756,182,100	6,223,430 converted from the first domestic convertible corporate bonds	-	-
11.22.2016 (Note 23)	10	100,000,000	1,000,000,000	76,152,738	761,527,380	converted from the first and second domestic convertible corporate bonds 5,345,280	-	-
02.06.2017 (Note 24)	10	100,000,000	1,000,000,000	76,300,802	763,008,020	converted from the first and second domestic convertible corporate bonds 1,480,640	-	-
05.31.2017 (Note 25)	10	100,000,000	1,000,000,000	76,388,434	763,884,340	converted from the first and second domestic convertible corporate bonds 87,632	-	-
08.07.2017 (Note 26)	10	100,000,000	1,000,000,000	76,398,052	763,980,520	converted from the first and second domestic convertible corporate bonds 9,618	-	-
12.07.2017 (Note 27)	10	100,000,000	1,000,000,000	76,527,598	765,275,980	converted from the first and second domestic convertible corporate bonds 139,546	-	-
02.01.2018 (Note 28)	10	100,000,000	1,000,000,000	76,528,811	765,288,110	converted from the second domestic convertible corporate bonds 1,213	-	-
05.24.2018	10	100,000,000	1,000,000,000	77,365,249	773,652,490	converted from the second domestic	-	-

Month/Year	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Capital increase by assets other than cash	Other
(Note 29)						convertible corporate bonds and the first overseas convertible corporate bonds 836,438		
03.13.2019 (Note 30)	10	100,000,000	1,000,000,000	83,574,472	835,744,720	Cash capital increase of 60,000,000	-	-
09.21.2020 (Note 31)	10	250,000,000	2,500,000,000	91,866,420	918,664,200	Capital increase of 8,291,948 from earnings	-	-
12.02.2020 (Note 32)	10	250,000,000	2,500,000,000	93,272,019	932,720,190	1,405,599 converted from the third domestic convertible corporate bonds	-	-
02.13.2021 (Note 33)	10	250,000,000	2,500,000,000	96,812,019	968,120,190	The Company increased its capital through the issuance of 3,540,000 new shares and made a share swap with its subsidiary AIS (Cayman).		
01.07.2022 (Note 34)	10	250,000,000	2,500,000,000	101,812,019	1,018,120,190	Issuance of 5,000,000 new shares for the Company's capital increase in cash		
01.19.2022 (Note 35)	10	250,000,000	2,500,000,000	106,692,019	1,066,920,190	Issuance of 4,880,000 privately-placed common shares for the Company's capital increase in cash		

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

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

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

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

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

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

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

Note 8: Jing Shou Zhong Zi No. 09631769360 Approval Letter issued by The Ministry of Economic Affairs on

Mar. 06, 2007

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

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

Note 11: Jing Shou Zhong Zi No. 09832930520 Document issued by The Ministry of Economic Affairs on Aug. 25, 2009

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

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

Note 14: Jing Shou Shang Zi No. 10101192660 Document issued by The Ministry of Economic Affairs on Sep. 17, 2012

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 34: Jing Shou Shang Zi No. 11101001020 Document issued by The Ministry of Economic Affairs on Jan. 07, 2022

Note 35: Jing Shou Shang Zi No. 11101007710 Document issued by The Ministry of Economic Affairs on Jan. 19, 2022

**(II) Type of Shares Issued:**

Apr. 25, 2022; Unit: shares

Type of shares	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common shares	106,692,019	143,307,981	250,000,000	Listed stocks (outstanding shares including 655,000 treasury shares)

**II. Shareholder Structure:**

Apr. 25, 2022; Unit: shares

Shareholder structure Quantity	Government agencies	Financial institutions	Other institutional shareholders	Foreign institutions & natural persons	Individuals	Treasury shares	Total
Numbers of persons	4	15	89	149	15,269	1	15,527
Number of shares held	386,000	6,789,159	39,388,100	16,999,839	42,473,921	655,000	106,692,019
Shareholding ratio	0.36%	6.36%	36.92%	15.93%	39.81%	0.61%	100.00%

**III. Distribution of Shareholding:**

Apr. 25, 2022; Unit: shares

Range of shareholding	Number of shareholders	Number of shares held	Shareholding ratio
1-999	4,346	654,208	0.61%
1,000-5,000	9,563	16,608,625	15.57%
5,001-10,000	870	6,387,157	5.99%
10,001-15,000	278	3,388,352	3.18%
15,001-20,000	139	2,487,883	2.33%
20,001-30,000	96	2,370,833	2.22%
30,001-40,000	52	1,817,639	1.70%
40,001-50,000	29	1,319,987	1.24%
50,001-100,000	74	4,963,218	4.65%
100,001-200,000	39	5,606,885	5.26%
200,001-400,000	22	5,987,630	5.61%



400,001-600,000	6	2,904,430	2.72%
600,001-800,000	4	2,772,914	2.60%
800,001-1,000,000	3	2,526,806	2.37%
Over 1,000,001	6	46,895,452	43.95%
Total	15,527	106,692,019	100.00%

Preferred shares: None.

#### IV. List of Major Shareholders:

Apr. 25, 2022; Unit: shares

Name of major shareholder	Shares	Number of shares held	Shareholding ratio
Bon Shin International Investment Co., Ltd.		33,178,779	31.10%
Dedicated investment account of Google Inc. kept by Citibank Taiwan on a entrusted basis		4,880,000	4.57%
Fubon Life Insurance Co., Ltd.		4,457,070	4.18%
Hyield Venture Capital Co., Ltd.		2,063,433	1.93%
TransGlobe Life Insurance Inc.		1,289,444	1.21%
Fu-Chuan Chu		1,026,726	0.96%
Cardenza Master Fund managed by HSBC on a trust basis		875,366	0.82%
Dedicated investment account of the manager of The Vanguard Group, Inc. for Vanguard Emerging Markets Stock Index Fund managed by JPMorgan Chase Bank N.A., Taipei Branch on trust basis		831,758	0.78%
Ling-Shiau You		819,682	0.77%
PGAI Progressive International Stock Index Fund managed by JPMorgan on a trust basis		793,996	0.74%

#### V. Market Price, Net Value and Earnings Per Share, Dividends and Related Information in the Most Recent Two Years:

Unit: NT\$; thousand shares

Item \ Year		2020	2021	As of April 30, 2022
Market price per share	The maximum	327.00	284.50	276.00
	The minimum	119.50	176.00	189.00
	Average	232.20	221.50	
Net value per share	Before distribution	99.17	106.12	Note 2
	After distribution	-	-	
Earnings	Weighted average shares	91,643	95,990	

Item \ Year		2020	2021	As of April 30, 2022
per share	Earnings per share	12.13	13.91	
Dividends per share	Cash dividends	5.00	7.00	
	Stock dividends	Dividends from earnings	0	
		Dividends from capital surplus	0	
	Accumulated undistributed dividends		0	
Investment return analysis	Price/earnings ratio		19.14	
	Price/dividend ratio		46.44	
	Cash dividend yield rate		2.15%	

Note 1: Distribution of earnings for 2021 has been approved by the Board of Directors but not approved by the Shareholders' Meeting yet.

Note 2: Disclosure of relevant financial information is not required.

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

### (I) The Company's Dividend Policy

Article 20 of the Company's Articles of Incorporation:

If the Company has profits in a year, it shall withdraw no less than 2% of the profits as employee compensation, which shall be issued in the form of shares or in cash by the resolution of the Board of Directors, and the issuance objects include the employees of the companies subordinated to the Company who meet certain conditions, and the Board of Directors is authorized to formulate relevant rules; The Company may withdraw no more than 2% of the said profits as directors' compensation as resolved by the Board of Directors. Employee compensation and directors' remuneration distribution proposal shall be submitted and reported to Shareholders' Meeting.

However, in case of any accumulated losses to the Company, it shall reserve certain amount for recovery of the losses, and then allocate employee compensation and directors' compensation according to the said ratio.

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

If there are current net profits after tax specified in the Company's annual final accounts, they shall be distributed in the following order:

- (1) Recovery of losses.
- (2) 10% of such profits shall be withdrawn as statutory surplus reserve in

accordance with laws, but if accumulated statutory surplus reserve reaches the Company's total capital, this provision shall not apply.

- (3) Others profits shall be withdrawn or reversed as special surplus reserve in accordance with laws and regulations.
- (4) After the amounts specified in the above-mentioned (I) to (III) are deducted from the "current net profits" set forth in the final accounts, the Board of Directors shall make a specific distribution plan for distributable earnings regarding the accumulated opening undistributed earnings and adjustment to current undistributed earnings, and submit it to the Shareholders' Meeting for resolution and distribution.

The Company is in a growth stage at present, and distribution plan shall be made by its Board of Directors for distribution of earnings based on development and expansion of its business in the future by considering the Company's future demands for capital expenditures, budgets and funds, and such distribution may be conducted after it is resolved by Shareholders' Meeting. However, in terms of distribution of dividends, no less than 10% of the dividends to be distributed in the then current year shall be distributed in cash.

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

## (II) The dividend distribution proposed at this Shareholders' Meeting

The 2021 earnings distribution proposal was approved by the Company's Board of Directors on Mar. 31, 2022 (not yet not resolved by the Shareholders' Meeting)

- (1) Cash dividends distributed from earnings: 7 (NT\$/share).
- (2) Stock dividends distributed from earnings: 0 (NT\$/share).
- (3) Cash distributed from statutory surplus reserve and capital reserve: 0 (NT\$/share).
- (4) The total amount of cash (dividends) distributed to shareholders: NT\$742,259,133.
- (5) The total amount of stocks (dividends) distributed to shareholders: NT\$0.

## (III) If it is expected that there will be material changes in the dividend policy, it shall be explained:

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

## **VII. Effect on the Company's Business Performance and Earnings per Share of any Stock Dividend Distribution Proposed or**

**Adopted at This Shareholders' Meeting: N/A.**

**VIII. Employee Bonus and Director Compensation:**

- (I) The percentages or ranges with respect to an employee, director, and supervisor compensation, as set forth in the Company's Articles of Incorporation: Please refer to VI-(I) for details.
- (II) The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
  - (1) The basis for estimating the amount of compensation to employees and directors in the current period: Please refer to the said VI-(I) Description about Dividend Policy.
  - (2) The basis for calculating the number of shares of employees' compensation distributed by stocks in the current period: None.
  - (3) Accounting treatment in case of any discrepancy between the actual amount of distribution and the estimated figures: It shall be deemed as changes in accounting estimation, and recorded into the profits and losses of the actual distribution year.
- (III) Information on distribution of compensation approved by the Board of Directors:
  - (1) The amount of compensation distributed for employees and directors in cash or stock. If there is any discrepancy between that recognized expenses and the estimated figure for the fiscal year, the discrepancy, cause, and the status of treatment shall be disclosed:

The Company's 2021 compensation to employees and directors was resolved by the Board of Directors on Mar. 22, 2022. The Company's cash compensation distributed to employees in 2021 totaled NT\$36,000,000, accounting for 2.70% of the 2021 final accounts profit; the compensation to directors totaled NT\$3,060,000, accounting for 0.23% of the 2021 final accounts profit. The estimated cash employee compensation was NT\$36,000,000, and director compensation was NT\$3,060,000 in 2021, which were respectively estimated at 2.70% and 0.23% of the pre-tax profits as stated in VI-(I) Dividend Policy and there is no discrepancy from the annual estimated amount.
  - (2) Ratio of the amount of employee compensation distributed by stocks in the sum of net profits after tax of current period and total employee compensation: The Company distributed cash dividends to employees, and did not distribute

employee compensation by stocks, in 2021.

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

In the Company's 2020 earnings distribution, the compensation distribution for employees and directors is as follows.

Unit: NT\$

2020	Amount recognized in the Financial Statements	Actual distribution amount approved by the Board of Directors	Difference	Cause for difference
Cash dividends to employees	24,000,000	24,000,000	0	None
Director compensation	3,060,000	3,060,000	0	
Total	27,060,000	27,060,000	0	

## IX. The Company's Shares Bought Back by the Company (Executed and Completed):

Purpose of buyback	Shares transferred to employees
Period for buyback	Mar. 30, 2017 to May 8, 2017
Range of buyback price	NT\$388 to 500
Type and number of bought-back shares	1,000,000 common shares
Amount of bought-back shares	NT\$356,652,934
The ratio of bought-back shares in the shares planned to be bought back(%)	66.67%
Number of shares canceled and transferred	345,000 shares
Cumulative number of the Company's shares held	655,000 shares
The ratio of the cumulative number of the Company's shares held in the total number of shares issued (%)	0.61%

## X. Issuance of Corporate Bonds:

### (I) Domestic and overseas corporate bonds:

Type of corporate bonds	The third domestic unsecured convertible corporate bonds	The fourth domestic unsecured convertible corporate bonds	The first domestic privately-placed unsecured convertible corporate bonds
Issuance Date	February 26, 2019	November 16, 2021	September 2, 2021
Par Value	NT\$100,000 each	NT\$100,000 each	NT\$100,000 each
Issuance and trading place	Taipei Exchange	Taipei Exchange	N/A
Issuance price	Issued at 100.2% of par value	Issued at 100.5% of par value	Issued at par value in full
Total	NT\$6 billion	NT\$1.005 billion	NT\$1.5 billion
Interest rate	Coupon rate 0%	Coupon rate 0%	Coupon rate 0%
Term	The issuance period is five years, they were issued on February 26, 2019, and will be matured on February 26, 2024.	The issuance period is five years, they were issued on November 16, 2021, and will be matured on November 16, 2026	The issuance period is five years, they were issued on September 2, 2021, and will be matured on September 2, 2026
Guarantor institution	N/A	N/A	N/A
Trustee	Bank SinoPac Co., Ltd.	Bank SinoPac Co., Ltd.	None
Underwriter	Yuanta Securities Co., Ltd.	IBF Securities Co., Ltd.	None
Certified attorney	Ya-Wen Chiu from Handsome Attorneys-at-law	Ya-Wen Chiu from Handsome Attorneys-at-law	None
CPA	Deloitte & Touche CPA Shui-En Liu and Ching-Chen Yang	Deloitte & Touche Shui-En Liu, Ching-Ting Yang	None
Repayment method	The Company will make repayment by lump sum in cash for the bonds held by the bonds holders based on the denomination upon maturity of such bonds, unless the convertible corporate bonds are converted into the Company's common shares by their holders according to Article 10 of these Rules, or redeemed by the Company ahead	The Company will make repayment by lump sum in cash for the bonds held by the bonds holders based on the denomination upon maturity of such bonds, unless the convertible corporate bonds are converted into the Company's common shares by their holders according to Article 10 of these Rules, or redeemed by the Company ahead	The Company will make repayment by lump sum in cash for the bonds held by the bonds holders based on the denomination upon maturity of such bonds, unless the convertible corporate bonds are converted into the Company's common shares by their holders according to Article 10 of these Rules, or redeemed by the Company ahead

Type of corporate bonds	The third domestic unsecured convertible corporate bonds	The fourth domestic unsecured convertible corporate bonds	The first domestic privately-placed unsecured convertible corporate bonds
	of schedule according to Article 17 of these rules, or bought back from the business place of securities firm and canceled, or their holders exercise their rights to sell them back according to Article 18.	of schedule according to Article 17 of these rules, or bought back from the business place of securities firm and canceled, or their holders exercise their rights to sell them back according to Article 18.	of schedule according to Article 17 of these rules, or bought back from the business place of securities firm and canceled, or their holders exercise their rights to sell them back according to Article 18.
Outstanding amount	NT\$5,635,100,000	NT\$1,005,000,000	NT\$1,500,000,000
Terms for redemption or early repayment	1. If, during the period from the date (May 27, 2019) immediately after it reaches three months from the issuance date of the bonds to the fortieth day (January 17, 2024) before expiration of their issuance period, the closing price of the Company's common shares at TWSE exceeds more than 30% (inclusive) of the then current conversion price of the convertible corporate bonds for consecutive 30 business days, the Company may, within 30 business days thereafter, send a "Bonds Redemption Notice" with a 30-day maturity period (the said period shall be calculated from the date when the Company sends the Notice, and the expiration date of such period shall be the base date for redemption of the bonds, and the said period shall not be the stopped conversion period specified in Article 9 of these Rules) to bonds holders (who shall subject to those specified in the Register of	1. If, during the period from the date (February 17, 2022) immediately after it reaches three months since the convertible corporate bonds have been issued to the fortieth day (October 7, 2026) before the issuance period expires, the closing price of the Company's common shares at the business place of securities firm exceeds more than 30% (inclusive) of the then current conversion price for consecutive 30 days, the Company shall, within 30 business days thereafter, send a "Bonds Redemption Notice" with a 30-day maturity period (the said period shall be calculated from the date when the Company sends the Notice, and the expiration date of such period shall be the base date for redemption of the bonds, and the said period shall not be the stopped conversion period specified in Article 9 of these Rules) to bonds holders (who shall subject to those specified in the Register of	1. If, during the period from the date (September 3, 2024) immediately after it reaches three years from the issuance date of the privately-placed convertible corporate bonds to the fortieth day (July 24, 2026) before expiration of their issuance period, the closing price of the Company's common shares exceeds more than 30% (inclusive) of the then current conversion price for consecutive 30 business days, the Company may, within 30 business days thereafter, send a "Bonds Redemption Notice" with a 30-day maturity period (the said period shall be calculated from the date when the Company sends the Notice, and the expiration date of such period shall be the base date for redemption of the bonds, and the said period shall not be the stopped conversion period specified in Article 9 of these Rules) to bonds holders by registered mail, and shall redeem all the outstanding

Type of corporate bonds	The third domestic unsecured convertible corporate bonds	The fourth domestic unsecured convertible corporate bonds	The first domestic privately-placed unsecured convertible corporate bonds
	<p>Bonds-holders on the fifth business day before the Notice is sent. The investors who acquire the Company's convertible corporate bonds thereafter due to trading or other reason will be announced) by registered mail, and shall make request to TPEx for announcing exercise of redemption right by the Company, and shall redeem the convertible corporate bonds held by the bonds holders, in cash, at the par value of the bonds, within five business days after the base date for redemption of the bonds.</p> <p>2. If, during the period from the date (May 27, 2019) immediately after it reaches three months from the issuance date of the bonds to the fortieth day (January 17, 2024) before expiration of their issuance period, the remaining amount of the outstanding convertible corporate bonds is less than 10% of the originally issued total amount, the Company may, at any time thereafter, send a "Bonds Redemption Notice" with a 30-day maturity period (the said period shall be calculated from the date when the Company sends the Notice, and the expiration date of such period shall be the base date for redemption of the bonds, and the said period shall not be the stopped conversion period specified in</p>	<p>Bonds-holders on the fifth business day before the "Bonds Redemption Notice" is sent. The investors who acquire the Company's convertible corporate bonds thereafter due to trading or other reason will be announced) by registered mail, and shall make request to TPEx for announcing exercise of redemption right by the Company. For execution of the redemption request, the Company shall redeem its all outstanding convertible corporate bonds in cash at the par value of the bonds within five business days after the base date for redemption of the bonds.</p> <p>2. If, during the period from the date (February 17, 2022) immediately after it reaches three months from the issuance date of the convertible corporate bonds to the fortieth day (October 7, 2026) before expiration of their issuance period, the remaining amount of the outstanding convertible corporate bonds is less than 10% of the originally issued total amount, the Company may, at any time thereafter, send a "Bonds Redemption Notice" with a 30-day maturity period (the said period shall be calculated from the date when the Company sends the Notice, and the expiration date of such period shall be the base date for redemption of the bonds, and</p>	<p>privately-placed convertible corporate bonds in cash at the par value of the bonds within five business days after the base date for redemption of the bonds.</p> <p>2. If, during the period from the date (September 3, 2024) immediately after it reaches three years from the issuance date of the privately-placed convertible corporate bonds to the fortieth day (July 24, 2026) before expiration of their issuance period, the remaining amount of the outstanding privately-placed convertible corporate bonds is less than 10% of the originally issued total amount, the Company may, at any time thereafter, send a "Bonds Redemption Notice" with a 30-day maturity period (the said period shall be calculated from the date when the Company sends the Notice, and the expiration date of such period shall be the base date for redemption of the bonds, and the said period shall not be the stopped conversion period specified in Article 9 of these Rules) to bonds holders by registered mail, and shall redeem all the outstanding privately-placed convertible corporate bonds in cash at the par value of the bonds within five business days after the base date for redemption of the bonds.</p>



Type of corporate bonds	The third domestic unsecured convertible corporate bonds	The fourth domestic unsecured convertible corporate bonds	The first domestic privately-placed unsecured convertible corporate bonds
	<p>Article 9 of these Rules) to bonds holders (who shall subject to those specified in the Register of Bonds-holders on the fifth business day before the "Bonds Redemption Notice" is sent. The investors who acquire the Company's convertible corporate bonds thereafter due to trading or other reason will be announced) by registered mail, and shall make request to TPEx for announcement, and shall redeem the convertible corporate bonds held by the bonds holders, in cash, at the par value of the bonds, within five business days after the base date for redemption of the bonds.</p> <p>3. If any bonds holder fails to respond to the Company's stock affairs agency in writing before the base date specified in the "Bond Redemption Notice", the Company will redeem the convertible corporate bonds held by the bonds holder, in cash, at the par value, within five business days after the base date for redemption of the bonds.</p>	<p>the said period shall not be the stopped conversion period specified in Article 9 of these Rules) to bonds holders (who shall subject to those specified in the Register of Bonds-holders on the fifth business day before the "Bonds Redemption Notice" is sent. The investors who acquire the Company's convertible corporate bonds thereafter due to trading or other reason will be announced) by registered mail, and shall make request to TPEx for announcing exercise of redemption right by the Company, and shall redeem the Company's all outstanding convertible corporate bonds in cash at the par value of the bonds within five business days after the base date for redemption of the bonds.</p> <p>3. If any bonds holder fails to respond to the Company's stock affairs agency in writing before the based date for redemption of bonds specified in the "Bond Redemption Notice" (which shall become effective immediately upon service, and shall subject the date specified in postmark if it is sent by mail), the Company will redeem all the outstanding convertible corporate bonds in cash at the par value within five business days after the base date for redemption of the bonds.</p>	<p>3. If any bonds holder fails to respond to the Company's stock affairs agency in writing before the based date for redemption of bonds specified in the Bond Redemption Notice (which shall become effective immediately upon service, and shall subject the date specified in postmark if it is sent by mail), the Company will redeem all the outstanding privately-placed convertible corporate bonds in cash at the par value within five business days after the base date for redemption of the bonds.</p>

Type of corporate bonds		The third domestic unsecured convertible corporate bonds	The fourth domestic unsecured convertible corporate bonds	The first domestic privately-placed unsecured convertible corporate bonds
			4. If the Company executes redemption request, the deadline for bonds holders to request for conversion shall be the second business day after the date when the over-the-counter trading of the convertible corporate bonds is terminated.	
Restrictions		None	None	None
Name of credit rating institution, date of rating, and rating grade of corporate bonds		N/A	N/A	N/A
Other rights	Amount of converted (exchanged or subscribed) common shares, global depositary receipts, or other securities as of the publication date of this Annual Report	As of April 30, 2022, 3,649 bonds have been converted with the par value of NT\$100,000 each bond, including the amount of NT\$364,900,000 converted from the bonds and 1,405,599 common shares converted from the bonds accumulatively.	As of April 30, 2022, 0 bonds have been converted with the par value of NT\$100,000 each bond, including the amount of NT\$0 converted from the bonds and 0 common shares converted from the bonds accumulatively.	As of April 30, 2022, 0 bonds have been converted with the par value of NT\$100,000 each bond, including the amount of NT\$0 converted from the bonds and 0 common shares converted from the bonds accumulatively.
	Rules for issuance and conversion (exchange or	Refer to Appendix II below	Refer to Appendix III below	Refer to Appendix IV below

Type of corporate bonds	The third domestic unsecured convertible corporate bonds	The fourth domestic unsecured convertible corporate bonds	The first domestic privately-placed unsecured convertible corporate bonds
subscription)			
Possible dilution of equity and effect on existing shareholders' equity	Where it is calculated based on the current conversion price, if all the remaining corporate bonds are converted into common shares, the Company will need to issue 25,475,135 common shares separately, with an equity dilution rate of 19.27%, which has a limited impact on shareholders' equity.	Where it is calculated based on the current conversion price, if all the remaining corporate bonds are converted into common shares, the Company will need to issue 4,564,126 common shares separately, with an equity dilution rate of 4.10%, which has a limited impact on shareholders' equity.	Where it is calculated based on the current conversion price, if all the remaining corporate bonds are converted into common shares, the Company will need to issue 7,045,561 common shares separately, with an equity dilution rate of 6.19%, which has a limited impact on shareholders' equity.
Name of the custodian of the exchange objects	N/A	N/A	N/A

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

Type of corporate bonds		The third domestic unsecured convertible corporate bonds			The fourth domestic unsecured convertible corporate bonds			The first domestic privately-placed unsecured convertible corporate bonds		
Year		2020	2021	As of March 31, 2022	2020	2021	As of March 31, 2022	2020	2021	As of March 31, 2022
Market price of convertible corporate bonds (NT\$)	The maximum	121.00	120.00	127.45	N/A	124.40	132.00	N/A		
	The minimum	93.00	104.10	111.50	N/A	110.55	118.95			
	Average	109.43	112.28	114.84	N/A	120.50	122.03			
	Conversion price	236.4	221.2	221.2	N/A	219.1	219.1			
Issuance date and conversion price at the time of issuance		They were issued on February 26, 2019, and the conversion price at the issuance time was NT272.8.			They were issued on November 16, 2021, and the conversion price at the issuance time was NT221.1.			They were issued on September 12, 2021, and the conversion price at the issuance time was NT220.7.		
Method for performing conversion obligations		Issuance of new shares			Issuance of new shares			Issuance of new shares		

**XI. Issuance of Preferred Shares: None.**

**XII. Participation in Issuance of Global Depository Receipts: None.**

**XIII. Issuance of Employee Warrants: None.**

**XIV. Name of Managerial Officer Holding Employee Warrants and Top Ten Employees in terms of Subscription of Warrants, and the Obtaining Status As of the Publication Date of this Annual Report: None.**

**XV. Issuance of New Shares with Restricted Employee's Rights: None.**

**XVI. Name of Managerial Officer Holding the New Shares with Restricted Employee's Rights and Top Ten Employees in terms of Subscription of Such New Share, and the Acquisition Status As of the Publication Date of this Annual Report: None.**

**XVII. Issuance of New Shares due to Acquisition or Acceptance of Transfer of Shares in Other Company: None.**

**XVIII. Implementation of Fund Usage Plan:**

(I) Issuance of the third domestic unsecured convertible corporate bonds in February 2019:

The Company's third domestic unsecured convertible corporate bonds were completed in February 2019, and the funds raised were NT\$6,012,000 thousand. As of the first quarter of 2019, the funds were used to repay principal and interest compensation derived from the exercise of sell-back rights by the holders of the first overseas unsecured convertible corporate bonds, which was completed as planned. As the bonds holders of the first overseas unsecured convertible corporate bonds did not fully exercise the sell-back right, the Company's repayment of the principal and interest where the bonds holders exercised sell-back rights were reduced. After deducting the repayment of the principal and interest generated from exercising the sell-back right by the holders of the second domestic unsecured convertible corporate bonds holders in the second quarter of 2019, a revised fund utilization plan had been approved by the Board of Directors on May 13, 2019, and use the remaining funds to repay the bank loan to improve the financial structure and save the interest expense.

(II) Issuance of the fourth domestic unsecured convertible corporate bonds in November 2021:

Issuance of the Company's fourth domestic unsecured convertible corporate bonds has been completed in November 2021, and NT\$1,005,000 thousand has been raised from such issuance, and such amount has been used in full for repayment of bank loan in the 4th quarter of 2021 as planned, which can save interest expenses and reduce the Company's dependence on financial institutions to improve the

Company's financial structure and debt solvency.

(III) Issuance of the first domestic privately-placed unsecured convertible corporate bonds issued in September 2021:

Issuance of the Company's first domestic privately-placed unsecured convertible corporate bonds has been completed in September 2021, and NT\$1,500,000 thousand has been raised from such issuance, and such amount has been used in full for making increase in working capital in the 4th quarter of 2021 as planned to improve the Company's financial structure and debt solvency.

(IV) Issuance of common shares for cash capital increase in December 2021:

Issuance of the Company's common shares for cash capital increase in 2021 has been completed in December 2021, and NT\$975,000 thousand has been raised from such issuance, and such amount has been used in full for repayment of bank loan and making increase in working capital in the 1st quarter of 2022 as planned, including NT\$715,000 thousand used for repayment of bank loan and NT\$260,000 thousand used for making increase in working capital, which can save interest expenses and reduce the Company's dependence on financial institutions to improve the Company's financial structure and debt solvency.

(V) Issuance of privately-placed common shares for cash capital increase in January 2022:

Issuance of the Company's privately-placed common shares for cash capital increase in 2022 has been completed in January 2022, and NT\$1,107,369,600 has been raised from such issuance, and such amount has been used in full for repayment for the Company's first overseas unsecured convertible corporate bonds in the 1st quarter of 2022 as planned to improve the Company's financial structure and debt solvency.

**Appendix I**

**Ennoconn Corporation**  
**Rules for Issuance and Conversion of the Third Domestic Unsecured Convertible**  
**Corporate Bonds**

**I. Name of Bonds**

The third domestic unsecured convertible corporate bonds (hereinafter referred to as “the convertible corporate bonds”) of Ennoconn Corporation (hereinafter referred to as “the Company”).

**II. Issuance Date**

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

**III. Total Issue Amount and Par Value**

The par value of each bond is NT\$100,000, and 60,000 bonds were issued in total, and total issued par value was NT\$6,000,000 thousand only, and the bonds were issued at 100.2% of the par value.

**IV. Issuance Period**

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

**VI. Coupon Rate of the Bonds**

The coupon rate per annum is 0%.

**VI. Date and Methods of Repayment**

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

**VII. Guarantee Status**

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

## VIII. Conversion Objects

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

## IX. Conversion Period

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

## X. Procedures for Requesting a Conversion

(I) Bonds holders shall conduct conversion via book-entry operations through TDCC.

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

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

## XI. Conversion Price and Its Adjustment

(I) Method for determination of conversion price

With February 18, 2019, as the base date of determining the conversion price, the benchmark price shall be the simple arithmetic average of the closing price of the Company's common shares on the business day (excluding) before the base date, the three business days before, and the five business days before. Then multiply the benchmark price by the conversion premium rate of 110%, which is the basis for calculating the conversion price (rounding the number to NT dollar one decimal point) of the convertible corporate bonds. Where there is an event of ex-rights or ex-dividend before the base date of determining the conversion price, the closing price at which the conversion price is calculated after sampling shall be set as the price after ex-rights or ex-dividend. In the case of ex-rights or ex-dividend, the conversion price shall be adjusted according to the conversion price adjustment formula from the date of determination to the actual issuance date. According to the method above, the conversion price of the convertible corporate bonds is set at NT\$272.8 per share.

## (II) Adjustment to conversion price

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

$$\begin{array}{rclcl} \text{After} & & & & \text{Payment per share (Note 3) x number} \\ \text{adjustment} & = & \text{Conversion price} & \text{Number of} & \text{of newly issued or privately offered} \\ \text{Conversion} & & \text{before} & \text{issued shares} & \text{shares} \\ \text{price} & & \text{adjustment} \times & \text{(Note 2) +} & \hline & & & & \text{Real-time price per share (Note 4)} \end{array}$$



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$$\frac{\text{Number of issued shares} + \text{number of newly issued or privately offered shares}}{\text{Number of issued shares} + \text{number of newly issued or privately offered shares}}$$

- Note 1: In the case of the stock split, it will be adjusted on the base date of the stock split; in the case of a capital increase through mergers or acquisitions, it shall be adjusted on the record date of mergers or acquisitions; in the case of a capital increase through book building or cash capital increase for the issuance of overseas depositary receipts, without the base date of ex-rights, it shall be adjusted after the full payment are collected; in the case of cash capital increase through private placement, it shall be adjusted upon the delivery of privately offered securities. Where the issue price of new shares is changed after the base date of the ex-rights for the cash capital increase through the issuance of new shares, it shall be re-adjusted according to the updated issue price of new shares. Where the adjusted conversion price is lower than the original adjusted conversion price announced before the base date of the ex-rights, an official letter shall be sent to TPEx for making a public announcement for such an adjustment.
- Note 2: The number of issued shares refers to the total number of issued shares of common shares (including public offering and private placement) minus the number of treasury shares that have been repurchased by the Company but have not been canceled or transferred.
- Note 3: If the payment per share is stock dividends or stock split, the amount of payment is zero. In the issuance of new shares to increase capital in connection with a merger, the payment per share is the net value per share multiplied by the share swap ratio based on the dissolved company's most recent financial statements certified or verified by the CPA before the base date of mergers. In the issuance of new shares through acquisitions of shares of other companies, the payment per share is the net value per share multiplied by the share swap ratio based on the acquired company's most recent financial statements certified or verified by the CPA.
- Note 4: The real-time price per share shall be determined based on a simple arithmetic average of the closing prices of the Company's common shares on the business day one day, three days, and five days, respectively, before the base date of ex-rights, price determination, stock split, or private placement of securities.
2. After the issuance of the convertible corporate bonds, where the Company

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

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

Note 1: The real-time price per share is calculated based on the simple arithmetic average of the closing prices of the Company's common shares one, three, and five business days before the base date of price determination of public re-offering and re-issuance or private placement of various securities with common shares conversion rights or stock options or the date of delivery of privately offered securities. If there is an event of ex-rights or ex-dividend before the base date of determining the conversion price, the closing price at which the conversion price is calculated after sampling shall be set as the price after ex-rights or ex-dividend.

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

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

(1) In case of recovery of losses by capital decrease:

Conversion price after adjustment =

Conversion price before adjustment (number of common shares issued before capital decrease (Note) / number of common shares issued after capital decrease)

(2) In case of capital decrease in cash:

Conversion price after adjustment =

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

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

### (III) Adjustment to conversion price at ex-dividends

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

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

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

## XII. Listing and Termination of Listing of the Company's convertible corporate bonds

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

## XIII. Listing of New Shares after Conversion

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

## XIV. Registration of Changes in Share Capital

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

## XV. Handling of the Insufficient Amount for One Share upon Conversion

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

## XVI. Rights and Obligations after Conversion

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

## XVII. The Company's Early Redemption Right to the Convertible Corporate Bonds

(I) If, during the period from the date (May 27, 2019)) immediately after it reaches three months from the issuance date of the convertible corporate bonds to the fortieth day (January 17, 2024) before expiration of their issuance period, the closing price of the Company's common shares at TWSE exceeds more than 30%

(inclusive) of the then current conversion price of the convertible corporate bonds for consecutive 30 business days, the Company may, within 30 business days thereafter, send a "Bonds Redemption Notice" with a 30-day maturity period (the said period shall be calculated from the date when the Company sends the Notice, and the expiration date of such period shall be the base date for redemption of the bonds, and the said period shall not be the stopped conversion period specified in Article 9 of these Rules) to bonds holders (who shall subject to those specified in the Register of Bonds-holders on the fifth business day before the Notice is sent. The investors who acquire the Company's convertible corporate bonds thereafter due to trading or other reason will be announced) by registered mail, and shall make request to TPEx for announcement, and shall redeem the convertible corporate bonds held by the bonds holders, in cash, at the par value of the bonds, within five business days after the base date for redemption of the bonds.

- (II) If, during the period from the date (May 27, 2019)) immediately after it reaches three months from the issuance date of the convertible corporate bonds to the fortieth day (January 17, 2024) before expiration of their issuance period, the remaining amount of the outstanding convertible corporate bonds is less than 10% of the originally issued total amount, the Company may, at any time thereafter, send a "Bonds Redemption Notice" with a 30-day maturity period (the said period shall be calculated from the date when the Company sends the Notice, and the expiration date of such period shall be the base date for redemption of the bonds, and the said period shall not be the stopped conversion period specified in Article 9 of these Rules) to bonds holders (who shall subject to those specified in the Register of Bonds-holders on the fifth business day before the "Bonds Redemption Notice" is sent. The investors who acquire the Company's convertible corporate bonds thereafter due to trading or other reason will be announced) by registered mail, and shall make request to TPEx for announcement, and shall redeem the convertible corporate bonds held by the bonds holders, in cash, at the par value of the bonds, within five business days after the base date for redemption of the bonds.
- (III) If any bonds holder fails to respond to the Company's stock affairs agency in writing before the base date specified in the Bond Redemption Notice, the Company will redeem the convertible corporate bonds held by the bonds holder, in cash, at the par value, within five business days after the base date for redemption of the bonds.

#### XVIII. Bonds holder's Sell-back Right

The date (February 26, 2022) when the time period from the issuance date of the convertible corporate bonds reaches three years shall be the sell-back base date for the bonds holders to sell back these bonds in an early time, and they shall be sold back according to the following principles:

The Company shall send the Notice for Exercise of Bonds Holder's Sell-back Rights to bonds holders (who shall subject to those specified in the Register of Bonds-holder on the fifth business day before the Notice for Exercise of Bonds Holder's Sell-back Rights is sent. The bonds holders who acquire the convertible corporate bonds thereafter due to trading or other reason will be announced) by registered mail at least 30 days (January 27, 2022) before the sell-back base date of the convertible corporate bonds, and shall make request to TPEx for announcing exercise of sell-back right by the bonds holders, and the bonds holders shall notify the Company's stock affairs agency in writing within 30 days after the announcement (the notice shall become effective immediately upon service, and shall subject the date specified in postmark if it is sent by mail, and shall not be canceled; and the expiration date of the period shall be the sell-back base date) to require the Company to redeem the convertible corporate bonds held by them at the par value of the bonds plus interest compensation (interest compensation shall be 1.5075% of the par value of the bonds, with an annual return rate of 0.5%, if the bonds have been held for more than three years). After the Company accepts a sell-back request, it shall redeem the convertible corporate bonds in cash within five business days after the sell-back base date. The date above may be postponed to the next business day if the TWSE is closed on the date.

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

**(I) Cash dividends**

1. Where a bonds holder of the convertible corporate bonds files a request for conversion between January 1 of the current year and fifteen business days (exclusive) before the Company suspends the transfer of ownership of cash dividends in the current year, the converted common shares may participate in the resolution of the annual Shareholders' Meeting in the current year regarding the cash dividend distribution for the previous year.
2. From fifteen business days (inclusive) before the Company suspends the transfer of ownership of cash dividends in the current year to the base date of ex-dividends (inclusive) for cash dividends, the convertible corporate bonds shall stop converting.
3. Where a bonds holder files a request for conversion between the base date of ex-

dividends for cash dividends for the current year and December 31 of the current year (inclusive), the bonds holder shall not participate in the resolution of the annual Shareholders' Meeting in the current year regarding the annual cash dividend distribution for the previous year but may participate in the annual Shareholders' Meeting in the following year regarding the annual cash dividend distribution for the current year.

(II) Stock dividends

1. Where a bonds holder files a request for conversion during the period from January 1 of the current year and fifteen business days (exclusive) before the Company suspends the transfer of ownership of stock dividends in the current year, the bonds holder may participate in the resolution of the annual Shareholders' Meeting in the current year regarding the stock dividend distribution for the previous year.
2. From fifteen business days (inclusive) before the Company suspends the transfer of ownership of stock dividends in the current year to the base date of ex-rights (inclusive) for stock dividends, the convertible corporate bonds shall stop converting.
3. Where a bonds holder files a request for conversion between the base date of ex-dividends for stock dividends for the current year and December 31 of the current year (inclusive), the bonds holder shall not participate in the resolution of the annual Shareholders' Meeting in the current year regarding the annual stock dividend distribution for the previous year but may participate in the annual Shareholders' Meeting in the following year regarding the stock dividend distribution for the current year.

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

XXI. The convertible corporate bonds and common shares converted from such bonds are all registered, and their transfer, registration of changes, pledge or loss shall subject to the "Regulations Governing the Administration of Shareholder Services of Public Companies" and the Company Act, and taxation matters shall be dealt with under the tax regulations at that time.

XXII. Bank SinoPac is the Creditors' Trustee of the convertible corporate bonds and Exercises the Power of Auditing and Supervises the Matters Related to the Company's Issuance

of the convertible corporate bonds on Behalf of the Creditors' Interests. Where the bonds holder of the convertible corporate bonds, regardless of subscription at the time of issuance or purchase later, agree on the terms of the trust contract between the Company and the trustee, the trustee's rights and obligations, the issuance and the conversion method, and grant the trustee full authority of the trustee matters, the said authorization shall not be revoked halfway. As for the content of the trust contract, the bonds holder may make inquiries at the Company or the trustee's business premises at any time during business hours.

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

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

XXV. Any Matters Not Specified in the Rules for Issuance and Conversion of the Placed Convertible Corporate Bonds Shall Subject to Relevant Laws and Regulations. **Appendix II**



**Ennoconn Corporation**  
**Rules for Issuance and Conversion of the Fourth Domestic Unsecured Convertible**  
**Corporate Bonds**

**I. Name of Bonds**

The fourth domestic unsecured convertible corporate bonds (hereinafter referred to as “the convertible corporate bonds”) of Ennoconn Corporation (hereinafter referred to as “the Company”).

**II. Issuance Date**

November 16, 2021 (hereinafter referred to as the “issuance date”).

**III. Issuance Period**

The issuance period is five years, and they were issued on November 16, 2021, and will be matured on November 16, 2026 (hereinafter referred to as the “maturity date”).

**IV. Total Issuance Amount, Par Value and Issuance Price**

The par value of each convertible corporate bond is NT\$100,000, and 10,000 convertible corporate bonds were issued in total, and total issued par value was NT\$1 billion only, and the bonds were issued at 100.5% of the par value, and the total amount actually issued was NT\$1,005,000 thousand only.

**V. Coupon Rate of the Bonds**

The coupon rate per annum is 0%.

**VI. Date and Methods of Repayment**

Subject to Article 5 of these Rules, coupon rate of the convertible corporate bonds is 0%, therefore, interest payment date and method are not required to be established. The Company will make repayment by lump sum in cash for the convertible corporate bonds held by the bonds holders at their par value within 10 business days immediately after maturity of such bonds, unless the convertible corporate bonds are converted into the Company’s common shares by their holders (hereinafter referred to as “bonds holders”) according to Article 10 of these Rules, or redeemed by the Company ahead of schedule according to Article 17 of these Rules, or bought back from the business place of securities firm and canceled by the Company, or the bonds holders exercise their sell-back rights according to Article 18 of these Rules. The said date may be postponed to the next business day accordingly if such date falls in any date when trading is stopped in TWSE.

**VII. Guarantee Status**

Convertible corporate bonds are unsecured bonds. However, where after the convertible corporate bonds are issued, the Company issues or privately offers other

secured corporate bonds with equity warrants or secured convertible corporate bonds, the convertible corporate bonds shall also be set at the creditor's rights of the same grade or security property rights of the same order as the secured corporate bonds with equity warrants or secured convertible corporate bonds.

VIII. Conversion objects

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

IX. Conversion Period

A bonds holder may make request to the Company's stock affairs agency through trading brokerage firms for converting the convertible corporate bonds held by it into the Company's common shares under Article 10, 11, 13, and 14 of these Rules, while informing Taiwan Depository & Clearing Corporation (hereinafter referred to as "TDCC"), at any time during the period from the date (February 17, 2022) immediately after it reaches three months from the issuance date of the convertible corporate bonds to their maturity date (November 16, 2026), unless no request may be made for conversion (subscription) (I) during the period in which transfer of common shares is suspended legally, or (II) during the period from the fifteenth business day before the suspension date of transfer of the Company's stock dividends, cash dividends or subscription of shares for cash capital increase to the base date for right distribution, or (III) (for conversion) during the period from the base date for the capital decrease to the day immediately before the start of the trading day for exchange of stocks for capital decrease, or (IV) during the period from the conversion suspension date for change in the par value of stocks to the date immediately before start of trading for issuance of new shares.

X. Procedures for Requesting a Conversion

- (I) If a bonds holder needs to convert bonds by book-entry through TDCC, it shall fill in the "Application Form for Conversion/Redemption/Sell-back of Convertible Corporate Bonds via Book-entry Operations" (indicating conversion) at the original trading brokerage firm's place, and such trading brokerage firm shall submit the application to TDCC. After accepting the application, TDCC will notify the Company's stock affairs agency electronically, and the conversion will take effect upon service, and no application may be made for cancellation of the conversion. Conversion procedures will be completed within five business days after the service, and then the Company's common shares will be directly transferred into the bonds holder's TDCC account.
- (II) Where overseas ethnic Chinese and foreigners apply for conversion of the convertible

corporate bonds into the Company's common shares, it shall all be handled through book-entry operations by TDCC.

#### XI. Conversion Price and Its Adjustment:

##### (I) Method for determination of conversion price

August 11, 2021 is used as the base date for determining the conversion price, the simple arithmetic average of the closing prices of the Company's common shares on the one, three or five business days before the base date shall be used as benchmark price, and the conversion price of the convertible corporate bonds shall be calculated as follows: the benchmark price is multiplied by the conversion premium rate of 107% (rounding the result to one NT\$ number immediately after decimal point). Where there is an event of ex-rights or ex-dividend before the base date of determining the conversion price, the closing price at which the conversion price is calculated after sampling shall be set as the price after ex-rights or ex-dividend. In the case of ex-rights or ex-dividend, the conversion price shall be adjusted according to the conversion price adjustment formula specified in clause (II) of this Article from the date of determination to the actual issuance date. According to the method above, the conversion price of the convertible corporate bonds upon issuance is determined at NT\$221.1 per share.

##### (II) Adjustment to conversion price

1. After the issuance of the convertible corporate bonds, except for various securities issued by the Company or private placement with common shares conversion rights or stock options in exchange for common shares, or the issuance of new shares due to employee bonus, in the event of an increase in the Company's issued or privately placed common shares, (including but not limited to cash capital increase through public offering or private placement, capital increase from earnings, capital increase from capital reserve, the issuance of new shares in connection with a company merger or the acquisition of any other companies', stock split, cash capital increase to participate in the issuance of overseas depositary receipts, etc.), the Company shall adjust the conversion price (rounding the result to one NT\$ number immediately after decimal point; the figure before the number immediately after decimal point will not be adjusted) according to the following formula, and send an official letter to the Taipei Exchange of R.O.C. (hereinafter referred to as "TPEX") to make a public announcement. It will be adjusted on the base date of the ex-rights for issuance of new shares (Note 1), however, if there's increase in issued common shares due to any changes in the par value of stocks, adjustment shall be made on the base date for issuance of new

shares, but if any payment is made actually, it shall be adjusted on the full payment date. If any issuance price of new shares is changed after the XR base date for issuance of new shares for cash capital increase, it shall be adjusted according to the following formula based on the updated issuance price of the new shares and the real-time price per share (the base date for the Company to determine the updated issuance price of the new shares shall be adopted as the base date for defining real-time price per share after the updating). Where the adjusted conversion price is lower than the original adjusted conversion price announced before the base date of the ex-rights, an official letter shall be sent to TPEx for making a public announcement for such an adjustment.

(1) Upon issuance of new shares:

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

Note 1: In case of the stock split, it shall be the base date of the split; in case of cash capital increase through book building or cash capital increase for issuance of global depositary receipts, it shall be adjusted on the full stock payment day since there's no XR base date; in case of a capital increase through a merger or acquisitions, it shall be adjusted on the base date of the merger or acquisition; in case of cash capital increase through private placement, it shall be adjusted upon the delivery of the privately-placed securities. Where the issue price of new shares is changed after the base date of the ex-rights for the cash capital increase through the issuance of new shares, it shall be re-adjusted according to the updated issue price of new shares. Where the adjusted conversion price is lower than the original adjusted conversion price announced before the base date of the ex-rights, an official letter shall be sent to TPEx for making a public announcement for such an adjustment.

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

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

ratio based on the acquired company's most recent financial statements certified or verified by the CPA.

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

(2) Upon change in the par value of stocks:

Conversion price after adjustment = conversion price before adjustment  $\times$  (number of common shares issued before change in the par value of stocks (Note 5) / number of common shares issued after change in the par value of stocks)

Note 5: The number of issued shares refers to the total number of issued common shares (including public-offered and privately-placed shares) minus the number of treasury shares bought back by the Company but not been canceled or transferred.

2. If the Company distributes cash dividends on common shares after issuance of the convertible corporate bonds, the Company shall adjust and reduce conversion price on XR base date according to the following formula (rounding the result to one NT\$ number immediately after decimal point; the figure before the number immediately after decimal point will not be adjusted), and shall make request to TPEx by sending a letter for announcing the adjusted conversion price. The provision for the conversion price reduction does not apply to the requests for conversion filed before the base date (exclusive) of ex-dividends. The adjustment formula is as follows:

Conversion price after reduction = the conversion price before reduction  $\times$  (1 - the ratio of cash dividends of common shares to the real-time price (Note 6) per share)

Note 6: The real-time price per share shall be calculated at the simple arithmetic average of the closing prices of the Company's common shares on one, three or five business days before the date of the ex-dividend announcement and the suspension of the transfer of cash dividends.

3. After the issuance of the convertible corporate bonds, where the Company publicly re-offers and re-issues (or privately offers) various securities with common shares conversion rights or stock options at a conversion or subscription price lower than the real-time price per share (Note 7), the Company shall adjust the conversion price (rounding the result to one NT\$ number immediately after decimal point; the figure before the number immediately after decimal point will not be adjusted) of the convertible corporate bonds according to the formula below. An official letter shall be sent to TPEx for making a public announcement for such an adjustment. It shall be adjusted upon the date of the issuance of the

aforementioned securities or stock options or upon the delivery of the privately offered securities:

$$\begin{aligned}
 & \text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \left[ \begin{array}{l} \text{the number of} \\ \text{common shares} \\ \text{the conversion or} \\ \text{subscription price} \\ \text{of newly issued or} \\ \text{privately-placed} \\ \text{securities with} \\ \text{common shares} \\ \text{conversion rights} \\ \text{or stock options} \end{array} + \begin{array}{l} \text{the number of} \\ \text{common shares} \\ \text{that may be} \\ \text{converted or} \\ \text{subscribed from} \\ \text{newly issued or} \\ \text{privately-placed} \\ \text{securities with} \\ \text{common} \\ \text{shares conversion} \\ \text{rights or stock} \\ \text{options} \end{array} \right]}{\text{Real-time price per share (Note 7)}} \\
 & = \frac{\text{Number of issued shares (Note 8) + the number of common shares that may be converted or subscribed from newly issued or privately-placed securities with common shares conversion rights or stock options}}{\text{Real-time price per share (Note 7)}}
 \end{aligned}$$

Note 7: The real-time price per share is calculated based on the simple arithmetic average of the closing prices of the Company's common shares in the one, three, and five business days before the price determination base date for public re-offering (or private placement) of various securities with common shares conversion rights or stock options. If there is an event of ex-rights or ex-dividend before the base date of determining the conversion price, the closing price at which the conversion price is calculated after sampling shall be set as the price after ex-rights or ex-dividend.

Note 8: The number of issued shares refers to the number of issued common shares through public offering and private placement minus the number of treasury shares that have been repurchased by the Company but have not been canceled or transferred. Where the public re-offering and re-issuance (or private offering) of various securities with common shares conversion rights or stock options are supported by treasury shares, the formula shall be adjusted as the number of issued shares minus the number of newly issued (or privately offered) securities that can be converted or subscribed for.

4. If the number of common shares is reduced due to the capital decrease conducted through means other than the Company's cancellation of treasury shares after the issuance of the convertible corporate bonds, the conversion price (rounding the result to one NT\$ number immediately after decimal point) shall be calculated based on the formula below and adjusted on the base date of capital decrease, while an official letter shall be sent to TPEx for making a public announcement

for such an adjustment. In case of decrease in common shares due to change in the par value of stocks, it shall be adjusted on the base date for issuance and exchange of new shares:

(1) In case of recovery of losses by capital decrease:

Conversion price after adjustment = conversion price before adjustment (number of common shares issued before capital decrease (Note 9) / number of common shares issued after capital decrease)

(2) In case of capital decrease in cash:

Conversion price after adjustment = (conversion price before adjustment – cash amount repaid for each share) × (number of common shares issued before capital decrease (Note 9) / number of common shares issued after capital decrease)

(3) Upon change in the par value of stocks:

Conversion price after adjustment = conversion price before adjustment × (number of common shares issued before change in the par value of stocks (Note 9) / number of common shares issued after change in the par value of stocks)

Note 9: The number of issued shares refers to the total number of issued shares of common shares (including public offering and private placement) minus the number of treasury shares that have been repurchased by the Company but have not been canceled or transferred.

## XII. Listing and Termination of Listing of the convertible corporate bonds

Application shall be made to TPEX for listing and trading of the convertible corporate bonds before their issuance date, and the listing shall be terminated when all the convertible corporate bonds are converted into common shares, or bought back or repaid by the Company. The said matters shall be announced by the Company with the approval of TPEX.

## XIII. Methods for dealing with any amount less than one share

Upon conversion into the Company's common shares, if there are odd lots less than one share, the Company will make repayment for them in cash (rounding the result to one NT\$ number immediately after decimal point), except for the amount to be used for offsetting the transfer service fee to be charged by TDCC.

## XIV. Listing of New Shares after Conversion

The common shares issued through conversion from the convertible corporate bonds shall be listed and traded on Taiwan Stock Exchange Corporation (hereinafter referred to as "TWSE") from their delivery date, and the said matter shall be announced by the Company with the approval of TWSE.

## XV. Rights and Obligations after Conversion

The rights and obligations to and in common shares obtained by a bonds holder after the conversion applied for by it becomes effective shall be the same as that to and in the common shares originally issued by the Company.

XVI. Registration of Changes in Share Capital

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

XVII. The Company's Redemption Right to the convertible corporate bonds

(I) If, during the period from the date (February 17, 2022) immediately after it reaches three months from the issuance date of the convertible corporate bonds to the fortieth day (October 7, 2026) before expiration of their issuance period, the closing price of the Company's common shares at the business office of securities firm exceeds more than 30% (inclusive) of the then current conversion price for consecutive 30 business days, the Company may, within 30 business days thereafter, send a "Bonds Redemption Notice" with a 30-day maturity period (the said period shall be calculated from the date when the Company sends the Notice, and the expiration date of such period shall be the base date for redemption of the bonds, and the said period shall not be the stopped conversion period specified in Article 9 of these Rules) to bonds holders (who shall subject to those specified in the Register of Bonds-holders on the fifth business day before the "Bonds Redemption Notice" is sent. The investors who acquire the Company's convertible corporate bonds thereafter due to trading or other reason will be announced) by registered mail, and shall make request to TPEx for announcing exercise of redemption right by the Company. For execution of the redemption request, the Company shall redeem its all outstanding convertible corporate bonds in cash at the par value of the bonds within five business days after the base date for redemption of the bonds.

(II) If, during the period from the date (February 17, 2022) immediately after it reaches three months from the issuance date of the convertible corporate bonds to the fortieth day (October 7, 2026) before expiration of their issuance period, the remaining amount of the outstanding convertible corporate bonds is less than 10% of the originally issued total amount, the Company may, at any time thereafter, send a "Bonds Redemption Notice" with a 30-day maturity period (the said period shall be calculated from the date when the Company sends the Notice, and the expiration date of such period shall be the base date for redemption of the bonds, and the said period shall not be the stopped conversion period specified in Article



9 of these Rules) to bonds holders (who shall subject to those specified in the Register of Bonds-holders on the fifth business day before the "Bonds Redemption Notice" is sent. The investors who acquire the Company's convertible corporate bonds thereafter due to trading or other reason will be announced) by registered mail, and shall make request to TPEx for announcing exercise of redemption right by the Company, and shall redeem all the outstanding convertible corporate bonds in cash at the par value of the bonds within five business days after the base date for redemption of the bonds.

(III) If any bonds holder fails to respond to the Company's stock affairs agency in writing before the based date for redemption of bonds specified in the Bond Redemption Notice (which shall become effective immediately upon service, and shall subject the date specified in postmark if it is sent by mail), the Company will redeem all the outstanding convertible corporate bonds in cash at the par value within five business days after the base date for redemption of the bonds.

(IV) If the Company executes redemption request, the deadline for bonds holders to request for conversion shall be the second business day after the date when the over-the-counter trading of the convertible corporate bonds is terminated.

#### XVIII. The bonds holder's sell-back right

The Company shall adopt the date (November 16, 2024) when the time period from the issuance date of the convertible corporate bonds reaches three years as the sell-back base date for the bonds holders to sell back these bonds in an early time. The Company shall send the Notice for Exercise of Sell-back Rights to the convertible corporate bonds holders (who shall subject to those specified in the Register of Bonds-holder on the fifth business day before the Notice for Exercise of Sell-back Rights is sent. The bonds holders who acquire the convertible corporate bonds thereafter due to trading or other reason will be announced) by registered mail 30 days (October 17, 2024) before the sell-back base date, and shall make request to TPEx for announcing exercise of sell-back rights by the convertible corporate bonds holders, and the bonds holders shall notify the Company's stock affairs agency in writing within 30 days before the sell-back base date (the notice shall become effective immediately upon service, and shall subject the date specified in postmark if it is sent by mail, and shall not be canceled) to require the Company to redeem the convertible corporate bonds held by them, at the par value of the bonds. After the Company accepts a sell-back request, it shall redeem the convertible corporate bonds in cash within five business days after the sell-back base date.

The said date may be postponed to the next business day accordingly if such date falls in any date when trading is stopped in TWSE.

XIX. Early buy-back due to terminated listing of the Company's shares

If the Company's common shares stop to be listed with the approval of TWSE, the bonds holders may require the Company to redeem the convertible corporate bonds held by them, at the par value of the bonds.

XX. Vesting of dividends during conversion year

(I) Cash dividends

1. Where a bonds holder of the convertible corporate bonds files a request for conversion between January 1 of the current year and fifteen business days (exclusive) before the Company suspends the transfer of ownership of cash dividends in the current year, the converted common shares may participate in the resolution of the annual Shareholders' Meeting in the current year regarding the cash dividend distribution for the previous year.
2. The convertible corporate bonds shall stop for conversion during the period from the fifteenth business day (inclusive) before the Company suspends transfer of ownership of cash dividends in the current year to the XD base date of cash dividends (inclusive).
3. Where a bonds holder files a request for conversion between the base date of ex-dividends for cash dividends for the current year and Dec. 31 of the current year (inclusive), the bonds holder shall not participate in the resolution of the annual Shareholders' Meeting in the current year regarding the annual cash dividend distribution for the previous year but may participate in the annual Shareholders' Meeting in the following year regarding the annual cash dividend distribution for the current year.

(II) Stock dividends

1. Where a bonds holder files a request for conversion between the beginning of the current year and fifteen business days (exclusive) before the Company suspends the transfer of ownership of stock dividends in the current year, the bonds holder may participate in the resolution of the annual Shareholders' Meeting in the current year regarding the stock dividend distribution for the previous year.
2. From fifteen business days (inclusive) before the Company suspends the transfer of ownership of stock dividends in the current year to the base date of ex-rights (inclusive) for stock dividends, the convertible corporate bonds shall stop conversion.
3. Where a bonds holder files a request for conversion between the base date of ex-dividends for stock dividends for the current year and December 31 of the current year (inclusive), the bonds holder shall not participate in the resolution

of the annual Shareholders' Meeting in the current year regarding the annual stock dividend distribution for the previous year but may participate in the annual Shareholders' Meeting in the following year regarding the stock dividend distribution for the current year.

- XXI. All the convertible corporate bonds Recalled (including those Purchased at the brokerage firms) Redeemed or Converted by the Company will be Canceled and may not be Sold or Issued, and the Conversion Rights Attached thereto will be Eliminated.
- XXII. The convertible corporate bonds and common shares converted from such bonds are all registered, and their transfer, registration of changes, pledge or loss shall subject to the "Regulations Governing the Administration of Shareholder Services of Public Companies" and the Company Act, and taxation matters shall be dealt with under the tax regulations at that time.
- XXIII. Bank SinoPac is the Creditors' Trustee of the convertible corporate bonds and Exercises the Power of Auditing and Supervises the Matters Related to the Company's Issuance of the convertible corporate bonds on Behalf of the Creditors' Interests. Where the bonds holder of the convertible corporate bonds, regardless of subscription at the time of issuance or purchase later, agree on the terms of the trust contract between the Company and the trustee, the trustee's rights and obligations, the issuance and the conversion method, and grant the trustee full authority of the trustee matters, the said authorization shall not be revoked halfway. As for the content of the trust contract, the bonds holder may make inquiries at the Company or the trustee's business premises at any time during business hours.
- XXIV. The repayment of the principal of the convertible corporate bonds and payment of the interest accrued thereon and conversion of such bonds shall be handled by the Company's stock affairs agency.
- XXV. The Convertible Corporate Bonds are Issued by book-entry in accordance with Article 8 of the Securities and Exchange Act. and no Physical Bonds are Printed.
- XXVI. Any matters not specified in the Rules for Issuance and Conversion of the Privately-placed Convertible Corporate Bonds shall subject to relevant laws and regulations.

### Appendix III

**Ennoconn Corporation**  
**Rules for Issuance and Conversion of the First Domestic Privately-placed Unsecured**  
**Convertible Corporate Bonds**

I. Name of Bonds

The first domestic privately-placed unsecured convertible corporate bonds (hereinafter referred to as "the privately-placed convertible corporate bonds") of Ennoconn Corporation (hereinafter referred to as "the Company").

II. Issuance Date

September 2, 2021 (hereinafter referred to as the "issuance date").

III. Issuance Period

Issuance period is five years, and they were issued on September 2, 2021, and will be matured on September 2, 2026 (hereinafter referred to as the "maturity date").

IV. Total Issuance Amount, Par Value and Issuance Price

The par value of each privately-placed convertible corporate bond is NT\$100,000, and 15,000 convertible corporate bonds were issued in total, and total issued par value was NT\$1.5 billion only, and the bonds were issued at 100% of the par value, and the total amount issued was NT\$1.5 billion only.

V. Coupon Rate of the Bonds

The coupon rate per annum is 0%.

VI. Date and Methods of Repayment

Subject to Article 5 of these Rules, coupon rate of the privately-placed convertible corporate bonds is 0%, therefore, interest payment date and method are not required to be established. The Company will make repayment by lump sum in cash for the privately-placed convertible corporate bonds held by the bonds holders at their par value plus interest compensation (102.2703% of their par value, with real return rate of return 0.45%) upon maturity of such bonds, unless the privately-placed convertible corporate bonds are converted into the Company's common shares by their holders (hereinafter referred to as "bonds holders") according to Article 10 of these Rules, or redeemed by the Company ahead of schedule according to Article 17 of these Rules, or the bonds holders exercise their sell-back rights according to Article 18 of these Rules.

VII. Guarantee Status

The privately-placed convertible corporate bonds are unsecured.

VIII. Conversion objects

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

## IX. Conversion Period

A bonds holder may make request to the Company's stock affairs agency for converting the privately-placed convertible corporate bonds held by it into the Company's common shares under Article 10, 11, 13, and 14 of these Rules at any time during the period from the date (December 3, 2021) immediately after it reaches three months from the issuance date of the convertible corporate bonds to their maturity date (September 2, 2026), unless no request may be made for conversion (subscription) (I) during the period in which transfer of common shares is suspended legally, or (II) during the period from the fifteenth business day before the suspension date of transfer of the Company's stock dividends, cash dividends or subscription of shares for cash capital increase to the base date for right distribution, or (III) (for conversion) during the period from the base date for the capital decrease to the day immediately before the start of the trading day for exchange of stocks for capital decrease, or (IV) during the period from the conversion suspension date for change in the par value of stocks to the date immediately before start of trading for issuance of new shares.

## X. Procedures for Requesting a Conversion

- (I) Bonds holders shall provide the Company's stock affairs agency with Conversion Application and related information upon request for conversion. Conversion Application will become effective upon service and shall not be canceled. Conversion procedures will be completed within five business days after the Conversion Application is served by the bonds holder exercising conversion rights, and then the Company's common shares will be directly transferred into the bonds holder's TDCC account.
- (II) Where overseas ethnic Chinese and foreigners apply for conversion of the convertible corporate bonds into the Company's common shares, it shall all be handled through book-entry operations by TDCC.

## XI. Conversion Price and Its Adjustment:

### (I) Method for determination of conversion price

August 11, 2021 is used as the base date for determining the conversion price (hereinafter referred to as "price determination date"), and the conversion price of these privately-placed convertible corporate bonds is determined by multiplying 98% by the benchmark calculation price calculated as follows, whichever is the higher: (I) the simple arithmetic average of the closing prices of the Company's common shares in the one, three or five business days before the price determination date, minus share XR price and dividends, plus capital decrease-based subscription price, or (II) the simple arithmetic average of the closing prices

of the Company's common shares in the 30 business days before the price determination date, minus share XR price and dividends, plus capital decrease-based subscription price (the conversion price shall be calculated to one figure after decimal point, and two or more figures after decimal point shall be rounded up). If there is any XR or XD before the price determination date, the closing price to be used for calculation of conversion price shall be calculated into post-XR or -XD price.

According to the above-mentioned method, the conversion price of the privately-placed convertible corporate bonds is NT\$220.7 per share.

(II) Adjustment to conversion price

1. After the issuance of the convertible corporate bonds, except for various securities issued by the Company with common shares conversion rights or stock options in exchange for common shares, or the issuance of new shares due to employee bonus, in the event of an increase in the Company's issued common shares, (including but not limited to cash capital increase through public offering or private placement, capital increase from earnings, capital increase from capital reserve, the issuance of new shares in connection with a company merger or the acquisition of any other companies', stock split, cash capital increase to participate in the issuance of overseas depositary receipts, etc.), the Company shall adjust the conversion price (rounding the result to one NT\$ number immediately after decimal point; the figure before the number immediately after decimal point will not be adjusted) according to the following formula, and it shall be adjusted on the base date of the ex-rights for issuance of new shares (Note 1). However, if there's increase in issued common shares due to any changes in the par value of stocks, adjustment shall be made on the base date for issuance of new shares, but if any payment is made actually, it shall be adjusted on the full payment date. If any issuance price of new shares is changed after the XR base date for issuance of new shares for cash capital increase, it shall be adjusted according to the following formula based on the updated issuance price of the new shares and the real-time price per share (the base date for the Company to determine the updated issuance price of the new shares shall be adopted as the base date for defining real-time price per share after the updating). Where the adjusted conversion price is lower than the original conversion price to be adjusted as announced before the XR base date, the adjusted conversion price shall be disclosed on MOPS.

- (1) Upon issuance of new shares:

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

Note 1: In case of the stock split, it shall be the base date of the split; in case of cash capital increase through book building or cash capital increase for issuance of global depositary receipts, it shall be adjusted on the full stock payment day since there's no XR base date; in case of a capital increase through a merger or acquisitions, it shall be adjusted on the base date of the merger or acquisition; in case of cash capital increase through private placement, it shall be adjusted upon the delivery of the privately-placed securities. If the issuance price of new shares is changed after the XR base date for issuance of new shares for cash capital increase, the updated issuance price of the new shares shall be re-adjusted. If, as calculated, the adjusted conversion price is lower than the original conversion price to be adjusted as announced before the XR base date, such adjustment shall be disclosed on MOPS.

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

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

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

(2) Upon change in the par value of stocks:

Conversion price after adjustment = conversion price before adjustment × (number of common shares issued before change in the par value of stocks (Note 5) / number of common shares issued after change in the par value of stocks)

Note 5: The number of issued shares refers to the total number of issued common shares (including public-offered and privately-placed shares) minus the number of treasury shares bought back by the Company but not been canceled or transferred.

2. If the Company distributes cash dividends on common shares after issuance of the convertible corporate bonds, the Company shall adjust and reduce conversion price on XR base date according to the following formula (rounding the result to one NT\$ number immediately after decimal point; the figure before the number immediately after decimal point will not be adjusted)), and the adjusted conversion price shall be disclosed on MOPS. The provision for the conversion price reduction does not apply to the requests for conversion filed before the base date (exclusive) of ex-dividends. The adjustment formula is as follows:

Conversion price after reduction = the conversion price before reduction x (1 - the ratio of cash dividends of common shares to the real-time price (Note 6) per share)

Note 6: The real-time price per share shall be calculated at the simple arithmetic average of the closing prices of the Company's common shares on one, three or five business days before the date of the ex-dividend announcement and the suspension of the transfer of cash dividends.

3. After the issuance of the privately-placed convertible corporate bonds, where the Company publicly re-offers and re-issues (or privately offers) various securities with common shares conversion rights or stock options at a conversion or subscription price lower than the real-time price per share (Note 7), the Company shall adjust the conversion price (rounding the result to one NT\$ number immediately after decimal point; the figure before the number immediately after decimal point will not be adjusted) of the privately-placed convertible corporate bonds according to the formula below. It shall be adjusted upon the date of the issuance of the aforementioned securities or stock options or upon the delivery of the privately offered securities, and the adjusted conversion price shall be disclosed on MOPS:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment}}{\frac{\text{number of issued shares (Note 8)}}{\text{the number of common shares that may be converted or subscribed from newly issued or}} + \left( \frac{\text{the number of common shares that may be converted or subscribed from newly issued or}}{\text{the number of common shares that may be converted or subscribed from newly issued or}} \right)}$$



nt

privately-placed securities	privately-placed securities
Conversion or redemption price	with common shares conversion rights or stock options

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Real-time price per share (Note 7)

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Number of shares issued (Note 8) + the number of common shares that may be converted or subscribed from newly issued or privately-placed securities with common shares conversion rights or stock options

Note 7: The real-time price per share is calculated based on the simple arithmetic average of the closing prices of the Company's common shares in the one, three, and five business days before the price determination base date for public re-offering (or private placement) of various securities with common shares conversion rights or stock options. If there is an event of ex-rights or ex-dividend before the base date of determining the conversion price, the closing price at which the conversion price is calculated after sampling shall be set as the price after ex-rights or ex-dividend.

Note 8: The number of issued shares refers to the number of issued common shares through public offering and private placement minus the number of treasury shares that have been repurchased by the Company but have not been canceled or transferred. Where the public re-offering and re-issuance (or private offering) of various securities with common shares conversion rights or stock options are supported by treasury shares, the formula shall be adjusted as the number of issued shares minus the number of newly issued (or privately offered) securities that can be converted or subscribed for.

4. If the number of common shares is reduced due to the capital decrease conducted through means other than the Company's cancellation of treasury shares after the issuance of the privately-placed convertible corporate bonds, the conversion price (rounding the result to one NT\$ number immediately after decimal point) shall be calculated based on the formula below and adjusted on the base date of capital decrease. In case of decrease in common shares due to change in the par value of stocks, it shall be adjusted on the base date for issuance and exchange of new shares, and the adjusted conversion price shall be disclosed on MOPS:

(1) In case of recovery of losses by capital decrease:

Conversion price after adjustment = conversion price before adjustment (number of common shares issued before capital decrease (Note 9) / number of common shares issued after capital decrease)

(2) In case of capital decrease in cash:

Conversion price after adjustment = (conversion price before adjustment – cash

amount repaid for each share)  $\times$  (number of common shares issued before capital decrease / number of common shares issued after capital decrease)

(3) Upon change in the par value of stocks:

Conversion price after adjustment = conversion price before adjustment  $\times$  (number of common shares issued before change in the par value of stocks (Note 9) / number of common shares issued after change in the par value of stocks)

Note 9: The number of issued shares refers to the total number of issued shares of common shares (including public offering and private placement) minus the number of treasury shares that have been repurchased by the Company but have not been canceled or transferred.

## XII. Listing of the privately-placed convertible corporate bonds

The privately-placed convertible corporate bonds are privately-placed securities, and shall not be traded, except for the conditions specified in Article 43-8 of the Securities and Exchange Act. However, when the time period from the issuance date of the privately-placed convertible corporate bonds reaches three years, the Company shall apply to TWSE for approval on listing of such bonds in accordance with relevant laws and regulations, and apply to competent authority for public listing, and such bonds may be listed and traded in TPEX.

## XIII. Listing of New Shares after Conversion

The Company's common shares (including the common shares to be issued subsequently) converted from the privately-placed convertible corporate bonds are still privately-placed securities, and shall subject to the restrictions related to transfer specified in the Securities and Exchange Act and other relevant laws and regulations. After the time period from the delivery or issuance date of the privately-placed convertible corporate bonds reaches three years, the Company shall apply to TWSE for approval on listing of such bonds in accordance with relevant laws and regulations, and apply to competent authority for public listing, and the common shares (including the common shares to be issued subsequently) converted from such bonds may be listed and traded in TWSE.

## XIV. Methods for dealing with any amount less than one share

Upon conversion into the Company's common shares, if there are odd lots less than one share, the Company will make repayment for them in cash (rounding the result to one NT\$ number immediately after decimal point), except for the amount to be used for offsetting the transfer service fee to be charged by TDCC.

## XV. Rights and Obligations after Conversion

The rights and obligations to and in new shares obtained by a bonds holder after

it requests for conversion shall be the same as that to and in the common shares originally issued by the Company, provided that the conversion-related common shares must meet Article 13 of these Rules.

#### XVI. Registration of Changes in Share Capital

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

#### XVII. The Company's right to buy back the privately-placed convertible corporate bonds

- (I) If, during the period from the date (September 3, 2024) immediately after it reaches three years from the issuance date of the privately-placed convertible corporate bonds to the fortieth day (July 24, 2026) before expiration of their issuance period, the closing price of the Company's common shares exceeds more than 30% (inclusive) of the then current conversion price for consecutive 30 business days, the Company may, within 30 business days thereafter, send a "Bonds Redemption Notice" with a 30-day maturity period (the said period shall be calculated from the date when the Company sends the Notice, and the expiration date of such period shall be the base date for redemption of the bonds, and the said period shall not be the stopped conversion period specified in Article 9 of these Rules) to bonds holders by registered mail, and shall redeem all the outstanding privately-placed convertible corporate bonds in cash at the par value of the bonds within five business days after the base date for redemption of the bonds.
- (II) If, during the period from the date (September 3, 2024) immediately after it reaches three years from the issuance date of the privately-placed convertible corporate bonds to the fortieth day (July 24, 2026) before expiration of their issuance period, the remaining amount of the outstanding privately-placed convertible corporate bonds is less than 10% of the originally issued total amount, the Company may, at any time thereafter, send a "Bonds Redemption Notice" with a 30-day maturity period (the said period shall be calculated from the date when the Company sends the Notice, and the expiration date of such period shall be the base date for redemption of the bonds, and the said period shall not be the stopped conversion period specified in Article 9 of these Rules) to bonds holders by registered mail, and shall redeem all the outstanding privately-placed convertible corporate bonds in cash at the par value of the bonds within five business days after the base date for redemption of the bonds.
- (III) If any bonds holder fails to respond to the Company's stock affairs agency in writing before the based date for redemption of bonds specified in the "Bonds

Redemption Notice” (which shall become effective immediately upon service, and shall subject the date specified in postmark if it is sent by mail), the Company will redeem all the outstanding privately-placed convertible corporate bonds in cash at the par value within five business days after the base date for redemption of the bonds.

XVIII. The bonds holder's sell-back right

The Company shall adopt the date (September 2, 2024) when the time period from the issuance date of the privately-placed convertible corporate bonds reaches three years as the sell-back base date for the bonds holders to sell back these bonds in an early time. The Company shall send the Notice for Exercise of Sell-back Rights to the privately-placed convertible corporate bonds holders by registered mail 30 days (August 3, 2024) before the sell-back base date, and the bonds holders shall notify the Company's stock affairs agency in writing within 30 days before the sell-back base date (the notice shall become effective immediately upon service, and shall subject the date specified in postmark if it is sent by mail, and shall not be canceled) to require the Company to redeem the privately-placed convertible corporate bonds held by them, in cash at the par value of the bonds. After the Company accepts a sell-back request, it shall redeem the privately-placed convertible corporate bonds in cash within five business days after the sell-back base date. The said date may be postponed to the next business day accordingly if such date falls in any date when trading is stopped in TWSE.

XIX. Early buy-back due to terminated listing of the Company's shares

If the Company's common shares stop to be listed with the approval of TWSE, the bonds holders may require the Company to redeem the privately-placed convertible corporate bonds held by them, at the par value of the bonds.

XX. Vesting of dividends during conversion year

(I) Cash dividends

1. Where a bonds holder of the convertible corporate bonds files a request for conversion between January 1 of the current year and fifteen business days (exclusive) before the Company suspends the transfer of ownership of cash dividends in the current year, the converted common shares may participate in the resolution of the annual Shareholders' Meeting in the current year regarding the cash dividend distribution for the previous year.
2. The privately-placed convertible corporate bonds shall stop for conversion during the period from the fifteenth business day (inclusive) before the Company suspends transfer of ownership of cash dividends in the current year to the XD base date of cash dividends (inclusive).

3. Where a bonds holder files a request for conversion between the base date of ex-dividends for cash dividends for the current year and Dec. 31 of the current year (inclusive), the bonds holder shall not participate in the resolution of the annual Shareholders' Meeting in the current year regarding the annual cash dividend distribution for the previous year but may participate in the annual Shareholders' Meeting in the following year regarding the annual cash dividend distribution for the current year.

(II) Stock dividends

1. Where a bonds holder files a request for conversion between the beginning of the current year and fifteen business days (exclusive) before the Company suspends the transfer of ownership of stock dividends in the current year, the bonds holder may participate in the resolution of the annual Shareholders' Meeting in the current year regarding the stock dividend distribution for the previous year.
2. The privately-placed convertible corporate bonds shall stop for conversion during the period from the fifteenth business day (inclusive) before the Company suspends transfer of the right to stock dividends in the current year to share XR base date (inclusive).
3. Where a bonds holder files a request for conversion between the base date of ex-dividends for stock dividends for the current year and December 31 of the current year (inclusive), the bonds holder shall not participate in the resolution of the annual Shareholders' Meeting in the current year regarding the annual stock dividend distribution for the previous year but may participate in the annual Shareholders' Meeting in the following year regarding the stock dividend distribution for the current year.

- XXI. All the privately-placed convertible corporate bonds redeemed, repaid or converted by the Company will be de-registered, and will no longer be sold or issued, and the conversion rights thereto will be eliminated.
- XXII. The privately-placed convertible corporate bonds and common shares converted from such bonds are all registered, and their transfer, registration of changes, pledge or loss shall subject to the "Regulations Governing the Administration of Shareholder Services of Public Companies" and the Company Act, and taxation matters shall be dealt with under the tax regulations at that time.
- XXIII. The repayment of the principal of the privately-placed convertible corporate bonds and payment of the interest accrued thereon and conversion of such bonds shall be handled by the Company's stock affairs agency.
- XXIV. The privately-placed convertible corporate bonds are issued and delivered in

accordance with Article 8 of the Securities and Exchange Act, and no physical bonds are printed.

- XXV. Any matters not specified in the Rules for Issuance and Conversion of the Privately-placed Convertible Corporate Bonds shall subject to relevant laws and regulations.

## Chapter 5 Operating Overview

### I. Business Activities

#### (I) Business Activities

##### 1. Business Scope

##### (1) Major Contents of the Company's Business

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

##### (2) Operating proportion of main products:

Unit: NT\$ thousand

Year Product item	2020		2021	
	Net operating revenue	Proportion (%)	Net operating revenue	Proportion (%)
Industrial computer Sales of hardware and software	84,090,614	99.99%	96,555,986	99.99%
After-sales service	871	0.01%	660	0.01%
Total	84,091,485	100%	96,556,646	100%

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

##### A. Smart industrial control

- B. Smart retail
  - C. Smart gaming
  - D. Smart IoT
  - E. Edge IoT
  - F. Smart home
  - G. Smart City
  - H. Smart transportation
  - I. Smart medical
  - J. Smart grid
  - K. Industrial network security
  - L. Machine vision
  - M. Industrial computer
  - N. Embedded computer
  - O. Edge computing system
  - P. Original equipment manufacturer (OEM)
  - Q. Original design manufacturer (ODM)
  - R. Joint design manufacturer (JDM)
  - S. Global supply chain services
- (4) New products (services) planned to be developed:
- A. Industrial embedded motherboards and modules
  - B. Industrial embedded computer system
  - C. Industrial embedded box computer
  - D. Industrial 5G computing platform
  - E. Industrial 4K/8K display
  - F. Industrial tablet PC
  - G. Artificial intelligence (AI) computer
  - H. Edge computer
  - I. Telecommunication system
  - J. Medical computer
  - K. Industrial ethernet computer
  - L. Industrial network security computer
  - M. Embedded software development tools



- N. Optical imaging system
- O. Electric vehicle computing system
- P. Self-driving car computing system
- Q. EV charging pile HMI system
- R. Niche telecom market

## 2. Industry Overview:

### (1) Current status and development of the industry:

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

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

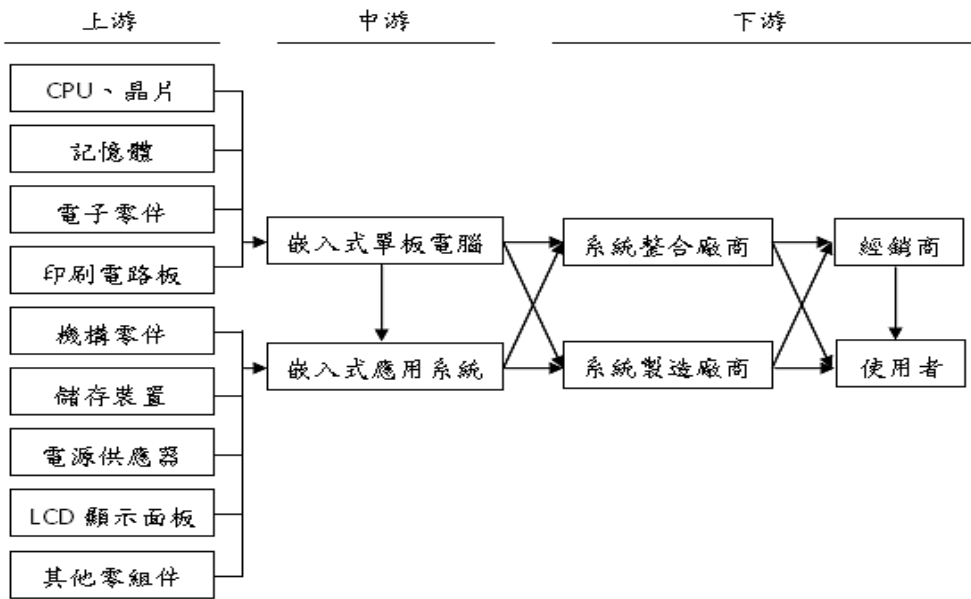
After a long development period, the industrial computer industry has reached a certain maturity, with a complete industrial structure, abundant module supply chain, mass production management experience, and a small number of diverse capabilities. At present, industrial computer manufacturers are moving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

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

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

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

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

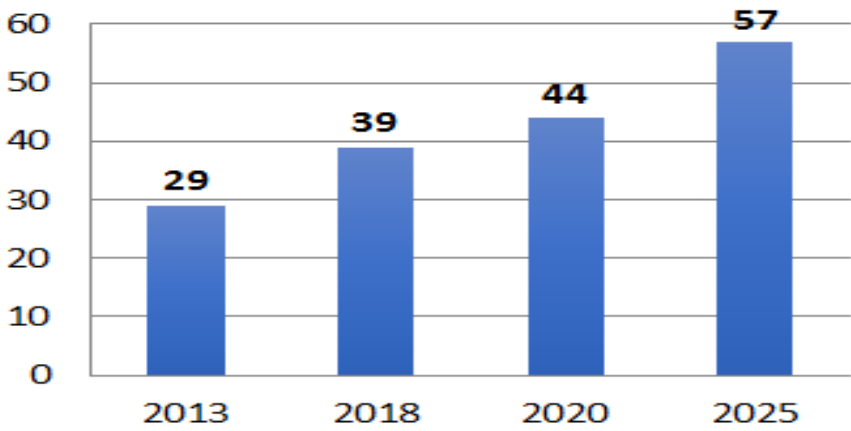


(3) Various development trends of products

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

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

Global Industrial Computer Market Scale in 2013 to 2025



Source: IHS; Research Office of SinoPac Securities Investment Service

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

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

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

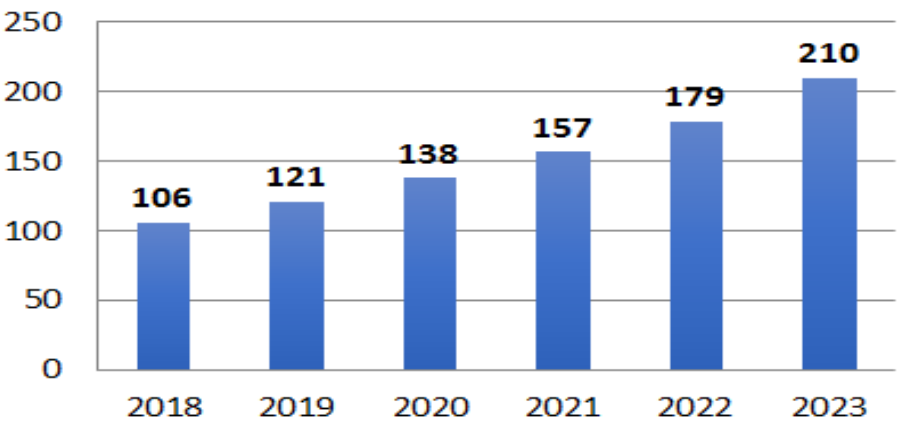
#### B. The demand for the edge computing field use has increased significantly

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

With the recent development of key technologies such as the most popular AI and 5G, under the tide of this era, the edge computing of this related application product has attracted more attention, and the demand for actual field

use has increased greatly. The cloud service giants AWS, Microsoft, Google, and major firms in servers, network equipment, and the mainframe have invested in this product application. According to the statistics of bcc Research, the global market scale for edge computing computers was US\$10.6 billion in 2018, and it will reach US\$21 billion in 2023, with an annual average compound growth of 14.2% and long-term stable growth. In response to this market growth, Ennoconn Corp. will develop series of high, medium, and low edge computing products to meet the demand of various fields.

**Global Edge Computing Computer Market Scale in 2018 to 2023**

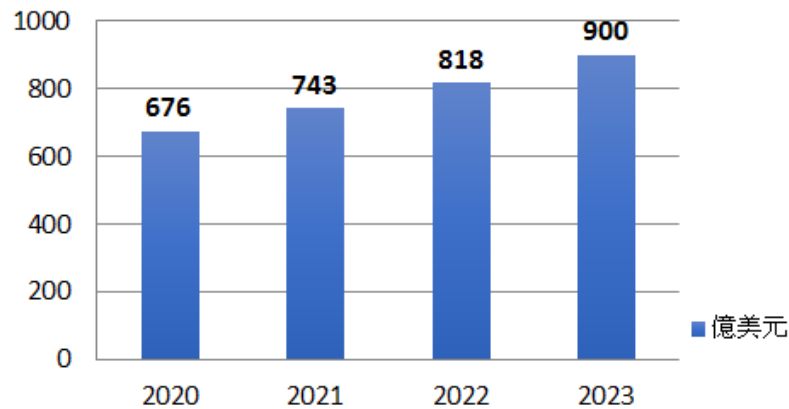


**Source: bcc Research**

C. Increasing demand in the gaming market

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

**Global Gaming Market Scale in 2020 to 2023**



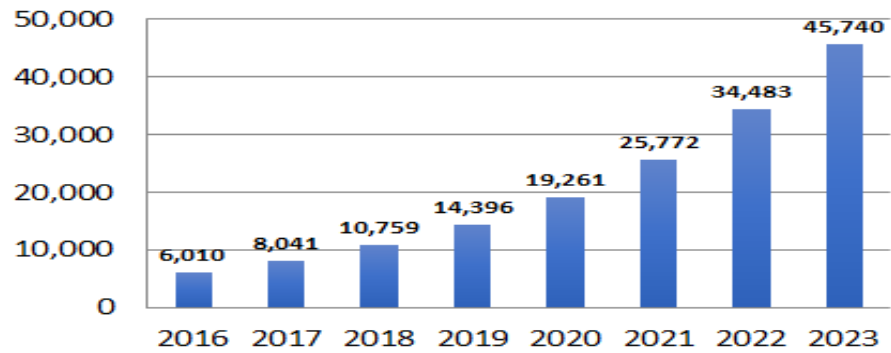
**Source: MarketWatch**

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

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

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

**Global Mobile Payment Market Scale in 2016 to 2023**



**Source: Allied Market Research**

The well-known mobile payment services Apple Pay, Samsung Pay,

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

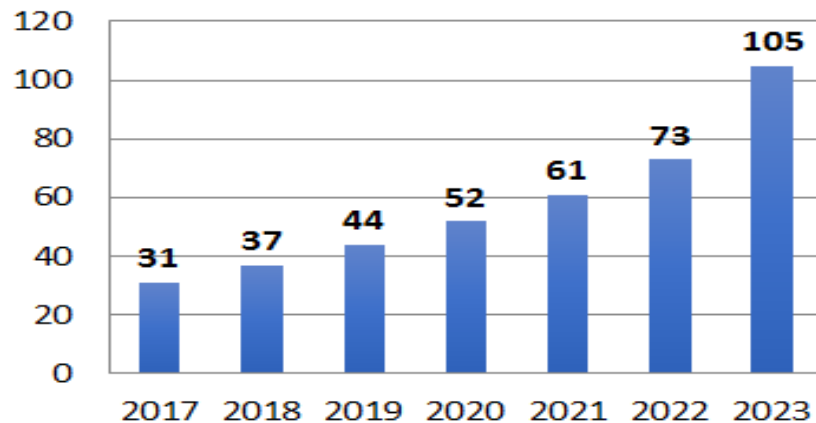
Mobile POS machines (MPOS) have the advantage of portability, allowing store personnel to check out customers anytime and anywhere. It is convenient for customers to spend on special occasions such as airplanes or trains. This advantage is expected to bring obvious business opportunities for MPOS-related industries. Greg Buzek, President of IHL Group, a global research consultancy, said that the use of MPOS in some areas is rapidly changing the face of retail and hospitality, particularly for mall retailers. It is estimated that the number of MPOS used in department stores, clothing stores, and shoe stores will grow rapidly every year. In response to the rapidly changing consumer service landscape, the products have developed from PC-based POS machines to handheld POS with integrated wireless transmission, multifunctional all-in-one Touch POS with integrated host and touch screen, Mobile POS (mobile point-of-sale management system), and information service system (Kiosk).

#### E. Laser Projector has become an important display application

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

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

#### **Global Laser Projector Market Scale in 2017 to 2023**



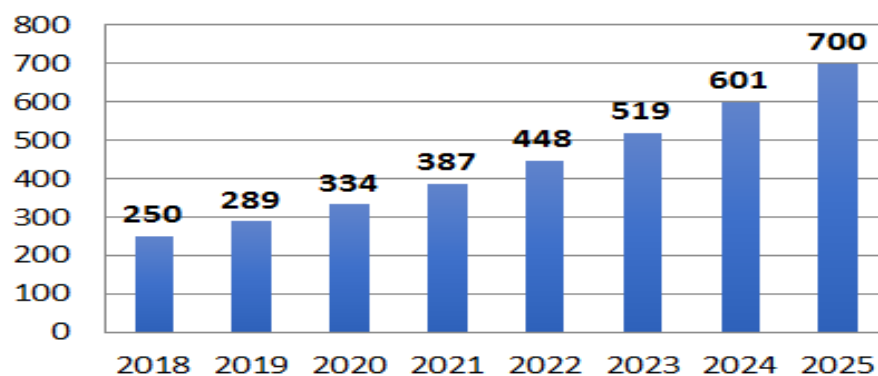
**Source: Marketandmarkets**

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

#### F. Industrial ethernet is developing rapidly with IoT applications

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

**Global Industrial Ethernet Market Scale in 2018 to 2025**



**Source: Global Market Insight**

Industrial Ethernet (IE) is the ethernet network used in an industrial environment, and its protocol provides deterministic and real-time control.



Industrial Ethernet protocols include EtherCAT, EtherNet / IP, PROFINET, POWERLINK, SERCOS III, CC-Link IE, and Modbus TCP used in conjunction with rugged connectors and extended temperature switches to implement work automation or process control in harsh environments with extreme temperature, humidity, and vibration.

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

#### (4) Competition Situation:

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

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

The Company and its subsidiaries focus on resource integration, the expansion of the overall manufacturing services in the customer area, the acquisition of product design and manufacturing turnkey contracts for major customers, and providing one-stop overall product service for customers. At the same time, we also develop high growth, high value, high margin products, and

solutions, integrates the existing product lines, expands the diversity of industrial computer products, actively deploys IoT platforms from the cloud, systems to end devices, and improves the competitiveness in existing fields. Its growth potential is better than that of TWSE/TPEX listed companies.

### 3. Technology and R&D overview

#### (1) Technical level of the business:

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

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

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

products more quickly.

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

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

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

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

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

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

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

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

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

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

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

Unit: person

Education \ Year	2019	2020	2021
PhD	5	8	35
Master degree	1,318	1,332	1,343
College degree	1,240	1,600	1,501
Senior high school (inclusive) or below	618	765	878

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

A. R&D expenses invested:

Unit: NT\$ thousands; %

Year	2020	2021
R&D Expenses (A)	7,886,545	9,084,329
Operating revenue (B)	84,091,485	96,556,646
Ratio of R&D Expenses in operating revenue (A)/(B)	9.38%	9.40%

B. Successfully developed technologies or products:

Year	Name item of product and technology
2011 to 2018	Omitted, please refer to the Company's previous annual reports.
2019	<ol style="list-style-type: none"> <li>1. Introduced AMD 4-display integrated single SOC chip standard motherboard, successfully cut into the gaming entertainment machine manufacturers, showing high-performance video dynamic display effect.</li> <li>2. Kept on expanding the application of the Coffee Lake platform in gaming entertainment machines with Intel, and improved the application of USB device management and MCU device control, provided more different types of system integration applications, and successfully cut into the dart machines and other game machine console manufacturers.</li> <li>3. Persisted in strengthening cooperation with gaming customers and developed firmware functions in Boot Security and different core modules to meet the different needs of customers.</li> <li>4. Collaborated with medical equipment manufacturers to develop the handheld ultrasonic tablets that complied with the medical EN60601 specifications and developed various firmware to</li> </ol>

Year	Name item of product and technology
	<p>assist clients in integrating various needs.</p> <ol style="list-style-type: none"> <li>5. Launched the marine rugged host on Intel Coffee Lake platform, and deepened the research and development capabilities of the stringent maritime EMI/EMC, Safety and power supply requirements, solved voltage fluctuations and related insulation issues to comply with relevant DNV and various test specifications and certification requirements, etc., to provide customers with diversified product selection.</li> <li>6. Developed the ECDIS color correction software to meet the certification specifications for the panel in industrial applications, provided the sea chart and information could be accurately displayed on the LCD screen under different brightness conditions, at the same time, integrating the communication protocols used for the control of marine devices.</li> <li>7. Developed Intel Apollo Lake entry-level POS to provide customers with a more complete product line.</li> <li>8. Developed USB SR Pro package software tools, combined with hardware design to be used on industrial computers to provide device detection and reset functions, and to reduce the probability of personnel visiting the site for maintenance.</li> <li>9. Developed integrated Intel SOC single chip, combined with customer's robot products integrating machine vision to provide AOI inspection applications, and designed industrial-grade insulation PSE module system, providing four sets of POE interfaces for camera use, and developed light source control firmware at the same time, providing various parameters with high wattage light source control module to offer better-LED dimming function,</li> </ol>
2020	<ol style="list-style-type: none"> <li>1. Developed low-end POS machines on the Intel Whiskey Lake platform to provide customers with a diverse product layout.</li> <li>2. Developed the BOX PC on the Intel Elkhart Lake platform to provide the product layout of the customer's Kitchen controller.</li> <li>3. Combining video chip manufacturers with MediaTek's chips developed and designed products for 4K image-stitching and AI smart recognition of video conference applications.</li> <li>4. Developed the BOX PC on the Intel Tiger Lake platform, introduced an interface that complies with the NMEA isolation design, enhanced the ECDIS color correction technology, and introduced the products of the sea chart system to provide customers with a new generation of product layout.</li> <li>5. Developed the BOX PC for rail transit applications on the Intel Elkhart Lake platform, introduced a design that conforms to the onboard ignition, complied with voltage fluctuation and power isolation requirements while integrating 4G/5G modules in the</li> </ol>

Year	Name item of product and technology
	<p>same system, and increased more diverse applications to provide customers with more complete system products.</p> <ol style="list-style-type: none"> <li>6. Developed industrial-grade Ethernet Switch products, where serial port supported real-time data transmission and receiving communication. Once the network interface expansion box was connected, the serial port immediately restored the communication status, plug and play, no complex IP settings, and easy installation and maintenance.</li> <li>7. Developed Rockchip's ARM architecture CPU module board to provide more choices of SMARC Embedded architecture products.</li> <li>8. Continued to strengthen the overall system capabilities of gaming products, provided system design support for hardware and software, optimized lottery machines and other mass-produced products, and launched new platform designs in conjunction with chip manufacturers to provide customers with higher cost-performance.</li> <li>9. Developed software for Microsoft Azure Cloud applications, built Remote monitoring and Recovery mechanisms and provided customers with more options for additional product features.</li> <li>10. Developed encrypted data storage technology and ECDSA digital signature technology and provided customers with encryption technology integrating hardware and software.</li> </ol>
2021	<ol style="list-style-type: none"> <li>1. Developed All in One POS machine for Intel Whiskey Lake platform to provide customers with a diverse product layout.</li> <li>2. Developed the BOX PC for Intel Elkhart Lake platform to provide customers with controller solutions in Kitchen application field.</li> <li>3. Developed the BOX PC on the Intel Tiger Lake platform, introduced an interface that complies with the NMEA isolation design, enhanced the ECDIS color correction technology, and introduced the products of the sea chart system to provide customers with a new generation of product layout.</li> <li>4. Developed the BOX PC for rail transit applications on the Intel Elkhart Lake platform, introduced a design that conforms to the onboard ignition, complied with voltage fluctuation and power isolation requirements while integrating 4G/5G modules in the same system, and increased more diverse applications to provide customers with more complete system products.</li> <li>5. Developed the motherboard of lottery machine for Intel Elkhart Lake platform to provide customers with a diverse product layout.</li> <li>6. Developed lottery system with a small-sized display and wireless BCR Reader for Intel Whiskey Lake platform in</li> </ol>

Year	Name item of product and technology
	<p>response to provide variable easy-to-assemble products for different fields.</p> <p>7. Developed integrated Smart Projector products by combining multimedia products with cloud software services, which support different projection input sources, and combine.</p> <p>8. Developed and designed products for 4K image-stitching and AI smart recognition-based video conference applications by combining video chip manufacturers with MediaTek's chips, and integrated video software and cloud collaboration software in the products.</p> <p>9. Develop a FAN less All in One system based on Intel Whiskey Lake platform.</p> <p>10. Expanded the design of related plastic and iron parts of large-sized cabinets of gaming products, and optimized, changed and continued to introduce related system components and other new design solutions, by cooperating with customers.</p>

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

##### (1) Short-term development plan :

##### A. Marketing strategy

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

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



- (A) Actively introduce and cultivate R&D and project management talents to extend the technical field and accelerate product development.
- (B) Purchase additional R&D equipment, especially system analysis and institutional integration-related R&D verification equipment, to react to the increasing project demand for smart industrial control, smart retail, smart gaming, smart home, and smart transportation.
- (C) Reserve software R&D talents for RISC & MCU product development, and recruit industrial communication-related protocol including experts in IoT and big data to accumulate R&D energy and R&D strength of soft and firmware.
- (D) In combination with marketing objectives, expand and accelerate key product R&D, key technology development and collection, combination and integration of smart production of its own technology and strategic partners' core technology products in the industrial Internet-related fields.

C. Operation management policy

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

(2) Long-term development plan:

A. Marketing strategy

- (A) Actively strive for cooperation opportunities with large customers in the industrial computer field in Europe, the US, China, and Japan.
- (B) Deeply cultivate the targeting vertical application market, nurture professional technical capabilities and be familiar with industrial applications and needs, integrate the expertise and advantages of each subsidiary, and strive for new business opportunities.
- (C) Strengthen the integration of the application ecological chain and offer customers diversified application development.

- (D) Integrate global production bases and provide customers with global production logistics services.
- (E) Build a foundation in Taiwan, layout in China, and look to the world; provide solid, effective, and comprehensive software and hardware integration applications and smart vertical solutions.
- (F) Work together with brand owners to jointly develop industrial application products and assist in expanding niche markets.
- (G) Strive for the major target customers of product design and manufacturing turnkey contracts and exclusively provide customers with one-stop global overall product services.

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

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

C. Operation management policy

- (A) Vertically integrate technology and manufacturing capabilities to provide customers with a full range of services. Also, actively integrate the global production bases to boost global production and remote backup capacity for customers.
- (B) Adjust the organizational structure and establish a profit center

management system.

- (C) Raise funds through domestic and foreign capital markets to further build a global corporate map.
- (D) Cultivate the Company's corporate culture and international outlook, and nurture outstanding professionals through job rotation to improve the competitive advantages.
- (E) Integrate the group's technology in various fields and develop an application ecological chain.
- (F) Establish communication and organizational structure for rapid strategies and executions across multiple time zones and nationalities.

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

### 1. Market Analysis:

#### (1) Sales region of major products:

Unit: NT\$ thousand

Region		2020		2021	
		Amount	%	Amount	%
Domestic		12,264,960	14.59	19,130,961	19.81
Overseas	Asia	20,042,926	23.83	22,184,483	22.98
	America	10,652,484	12.67	11,515,565	11.93
	Europe	40,798,982	48.52	43,337,613	44.88
	Other	332,134	0.39	388,024	0.40
Total		84,091,485	100.00	96,556,646	100.00

(2) Market Share:

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

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

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

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

few years.

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

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

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

#### (4) Competitive niche:

##### A. Innovate energetically to find different growth models

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

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

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

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

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

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

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

**E. Management team with ample background**

The Company's management team comes from industrial computers and world-

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

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

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

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

Advantages:

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

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

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

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

(C) High quality and steady customers

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

(D) Complete R&D functions

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

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

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

(F) Rapid growth in demand in emerging market countries



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

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

Due to the continuous increase in labor costs, the demand for interactive and self-service Kiosks will continue to surge. Through the efforts of R&D and business teams, the Company has developed rather competitive products and contacted several world-class customers, which will greatly contribute to future performance.

Disadvantages:

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

Countermeasures:

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

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

Countermeasures:

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

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

Countermeasures:

- Work with suppliers and customers to manage production and sales and reduce opportunities for idle inventory.
- Invest in industries that are less affected by the economic recession,

develop new product lines and expand revenue sources through diversified investment strategic alliances.

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

Countermeasures:

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

(E) Many competitors join the market.

Countermeasures:

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

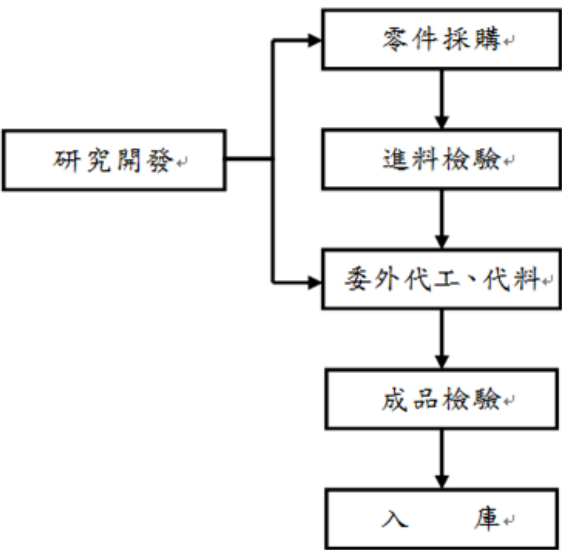
## 2. Major applications and production process of the main products

### (1) Major applications of the main products:

Main products	Major uses
Embedded boards for industrial computers	Integrate computing, memory, storage, and multiple transmission or expansion interfaces according to system requirements or industrial specifications. Through the integration of the system and the addition of expanded modules, it becomes a device or equipment applied in various industries. Its applications are industrial embedded computer systems, industrial embedded box PCs, industrial 5G computing platforms, industrial 4K/8K displays, industrial tablet computers, AI computers, edge computers, telecommunications systems, medical computers, industrial ethernet computers, industrial network security computers, embedded software development tools, optical imaging systems, etc.
System/barebone	To meet the application requirements, the industrial computer boards and other related components such as LCD screens, touch screens, card readers, printers, motion control cards, GPS modules, and GSM modules are integrated into one system.

	Because of the higher integration, it is more focused on a single application and is closer to the market and users.
Network information security	Ensure smooth network connectivity, control the in and out of all network packets, and integrate communications and computer equipment. Its applications include network security servers, firewalls, virtual private networks, antivirus application servers, integrated threat application servers, intrusion detection and prevention servers, enterprise-level internet voice servers, etc.

(2) Production process of main products:



3. Supply Status of Main Raw Materials:

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

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

(1) Information on the major suppliers in the most recent two years, the suppliers with a purchase amount accounting for more than 10% of the Company's total purchase amount.

	2020				2021			
Item	Name	Amount	Ratio in net annual sales amount (%)	Relation with issuer	Name	Amount	Ratio in net annual sales amount (%)	Relation with issuer
	Net purchase	64,795,459	100.00%	-	Net purchase	75,385,959	100.00%	-

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

Unit: NT\$ thousand

	2020				2021			
Item	Name	Amount	Ratio in net annual sales amount (%)	Relation with issuer	Name	Amount	Ratio in net annual sales amount (%)	Relation with issuer
	Net sales	84,091,485	100.00%	-	Net sales	96,556,646	100.00%	-

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

Reasons for increase or decrease:

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

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

Unit: Pcs; NT\$ thousand

Year Production quantity Major products	2020			2021		
	Production capacity	Output volume	Output value	Production capacity	Output volume	Output value
Sale of hardware and software for industrial computers	135,653,811	61,605,400	820,028	135,242,856	46,233,817	1,496,144
Production and marketing of network communication	227,039	186,323	1,976,714	178,072	151,832	1,863,019
Factory system and electromechanical system services	(Note2)	(Note1)	22,019,515	(Note2)	(Note1)	30,838,692
Other	(Note2)	108,078,532	3,739,068	(Note2)	18,845,633	17,434,935
Total	(Note2)	169,870,255	28,555,325	(Note2)	65,231,282	51,632,790

Note 1: Since there are many types of products and products are independent from each other arising from that they are customized based on purchaser's demands, its production capacity and volume cannot be calculated.

Note 2: Since it is produced by an outsourced factory, its production capacity is not calculated.

Reasons for increase or decrease:

The overall increase in the production capacity, volume and value in 2020 was caused by the changes in market trends and customer's demands, as well as the impact of the addition of consolidated subsidiaries.

## 6. Sales volume and value in the most recent two years:

Unit: Pcs; NT\$ thousand

Year Sales volume and value Major products	2020				2021			
	Overseas		Domestic		Overseas		Domestic	
	Volume (Note)	Value	Volume (Note)	Value	Volume (Note)	Value	Volume (Note)	Value
Sale of software and hardware for industrial computers	-	5,510,447	-	51,651	-	6,933,346	-	37,737
Information System	-	42,052,848	-	-	-	43,628,914	-	-
Production and marketing of network communication	-	5,057,937	-	156,223	-	4,260,044	-	146,635
Plant affairs-related system and electromechanical system services	-	13,719,677	-	11,400,180	-	16,182,532	-	18,276,142
Other	-	5,541,903	-	600,619	-	6,420,849	-	670,447
Total	-	71,882,812	-	12,208,673	-	77,425,685	-	19,130,961

Note: Since consolidated subsidiaries involve a wide range of industries and natures, and major sales companies' business items are systematic project-based contracting services as well as development and design of software, their sales volume cannot be calculated due to their wide type of products and the lack of consistent quantity calculation unit.

Reasons for increase or decrease:

The difference in sales volume and value in 2010 as compared with that of last year was caused by the changes in market trends and customer's demands, as well as the impact of the addition of consolidated subsidiaries.

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

Unit: person; %

Year		2020	2021	as of Apr. 30, 2022
Number of Employees Part y	Administration	1,377	1,497	1,486
	Sales & Marketing	1,367	1,347	1,368
	Technical Support	6,542	7,368	7,464
	T o t a l	9,286	10,212	10,318
Average Age		41.05	40.70	41.00

Average years of service		10.07	9.36	8.54
Distribution proportion of education level Minute Academic Ratio rate	P h D	0.72%	0.70%	0.70%
	Master degree	24.32%	22.02%	21.80%
	College degree	44.32%	43.01%	42.92%
	Senior high school	22.94%	22.99%	23.07%
	Below senior high school	7.70%	11.28%	11.51%

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

#### IV. Disbursements for Environmental Protection:

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

1. According to laws and regulations if it is required to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage, or to pay anti-pollution fees, or to organize and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made: Not applicable.
2. Setting forth the company's investment in the major anti-pollution facilities, the use purpose of such facilities, and the possible effects to be produced: Not applicable.
3. The process undertaken by the company on environmental pollution improvement for the most recent two fiscal years and up to the publication date of the annual report. If



there had been any pollution dispute, its handling process should also be described: Not applicable.

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

## **V. Labor Relations:**

(I) The Company's various employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees

(1) Employee benefits, continuing education, training, retirement systems, and the status of their implementation:

A. Labor insurance and national health insurance: From the employee's day of taking office, the Company will apply for labor insurance and national health insurance.

B. Group insurance: From the employee's day of taking office, the group insurance will be fully borne by the Company. The Company also provides "family expenses for dependents," where employees' spouses and children enjoy part of the group insurance that the Company fully bears.

C. Employee retirement system and its implementation status:

(A) Old system: According to the provisions of the Labor Standards Act, the Company has formulated the "Organizational Rules of the Labor Retirement Reserve Fund Supervisory Committee," among which, the employees who took up the post before Jun. 30, 2005 can choose to adopt the old labor retirement system or the new system.

Where adopting the old system, the Company shall pay 2% of the salary every month and allocates it to an exclusive pension account at the Bank of Taiwan, which is supervised and managed by the Company's "Labor Retirement Reserve Fund Supervisory Committee."

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

D. Continuing education and training

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

E. Employee welfare committee

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

F. Club activities

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

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

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

and establishing stable and harmonious labor relations.

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

## VI. Important Contracts:

Nature of contract	Party	Contract commencement date	Major contents	Restrictions
Contract for work	Hon Hai Precision Industry Co., Ltd.	From Apr. 1, 2007 until one party terminates the contract according to the contract	Outsourced processing	None
Sales contract	Company A	From Nov. 24, 2009 until one party terminates the contract according to the contract	Purchase and sale of products	None
Sales contract	Company E	One year from Jan. 1, 2013, automatically renewed for one year upon expiration	Purchase and sale of products	None

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

## Chapter 6. Financial Standing

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

#### (I) Concise Balance Sheet - IFRS

##### 1. Consolidated Financial Statements

Unit: NT\$ thousands

Year		Financial Data for the Most Recent Five Years (Note 2)				
		2017 (After restatement )	2018 (After restatement )	2019	2020	2021
Item						
Current assets		30,314,456	48,142,885	56,286,990	57,517,021	66,481,547
Property, plant and equipment		2,200,551	4,686,418	4,848,647	6,723,602	6,697,993
Intangible assets		15,658,560	18,474,968	20,776,225	21,063,308	19,660,148
Other assets		2,358,064	3,744,080	7,106,898	7,858,650	7,786,205
Total assets		50,531,631	75,048,351	89,018,760	93,162,581	100,625,893
Current liabilities	Before distribution	17,539,365	45,172,659	42,144,099	42,250,760	47,314,850
	After distribution	18,222,229	45,753,095	42,558,696	42,731,545	(Note 3)
Total non-current liabilities		12,480,732	3,976,514	18,948,044	20,410,471	21,940,856
Total liabilities	Before distribution	30,020,097	49,149,173	61,092,143	62,661,231	69,255,706
	After distribution	30,702,961	49,729,609	61,506,740	63,142,016	(Note 3)
Equity attributable to owners of the		6,752,193	6,605,147	8,220,524	9,250,125	10,804,458

parent						
Share capital		765,288	775,745	835,745	932,720	1,018,120
Capital surplus		5,050,172	4,728,440	6,339,752	6,738,090	8,865,780
Retained earnings	Before distribution	1,666,006	1,721,462	2,131,373	2,823,847	2,922,656
	After distribution	983,142	1,141,026	1,716,776	2,343,062	(Note 3)
Other equity		(495,665)	(384,452)	(850,114)	(1,010,924)	(1,768,490)
Treasury shares		(233,608)	(236,048)	(236,232)	(233,608)	(233,608)
Non-controlling interests		13,759,341	19,294,031	19,706,093	21,251,225	20,565,729
Total equity	Before distribution	20,511,534	25,899,178	27,926,617	30,501,350	31,370,187
	After distribution	19,828,670	25,318,742	27,512,020	30,020,565	(Note 3)

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

Note 2: Financial information from 2017 to 2021 has been audited and certified by CPAs.

Note 3: The proposal has not yet been submitted to the Shareholders' Meeting.

## 2. Individual Financial Statements

Unit: NT\$ thousands

Item \ Year		Financial Data for the Most Recent Five Years (Note 1)				
		2017 (After restatement)	2018 (After restatement)	2019	2020	2021
Current assets		3,568,984	1,836,654	1,291,199	1,856,802	2,989,297
Property, plant and equipment		544,645	531,697	522,447	517,081	504,566
Intangible assets		2,715	1,724	1,533	1,052	44,485
Other assets		11,817,204	17,812,286	18,789,781	19,147,597	19,677,499
Total assets		15,933,548	20,182,361	20,604,960	21,522,532	23,215,847
Current liabilities	Before distribution	1,591,930	13,576,384	5,267,974	6,832,395	4,445,012
	After distribution	2,274,794	14,156,820	5,682,571	7,313,180	(Note 3)
Non-current liabilities		7,589,425	830	7,116,462	5,440,012	7,966,377
Total liabilities	Before distribution	9,181,355	13,577,214	12,384,436	12,272,407	12,411,389
	After distribution	9,864,219	14,157,650	12,799,033	12,753,192	(Note 3)
Equity attributable to owners of the parent		6,752,193	6,605,147	8,220,524	9,250,125	10,804,458
Capital stock		765,288	775,745	835,745	932,720	1,018,120
Capital surplus		5,050,172	4,728,440	6,339,752	6,738,090	8,865,780
Retained earnings	Before distribution	1,666,006	1,721,462	2,131,373	2,823,847	2,922,656
	After distribut	983,142	1,141,026	1,716,776	2,343,062	(Note 3)

	ion					
Other equity		(495,665)	(384,452)	(850,114)	(1,010,924)	(1,768,490)
Treasury shares		(233,608)-	(236,048)	(236,232)	(233,608)	(233,608)
Non-controlling interests		-	-	-	-	-
Total equity	Before distribut ion	6,752,193	6,605,147	8,220,524	9,250,125	10,804,458
	After distribut ion	6,069,329	6,024,711	7,805,927	8,769,340	(Note 3)

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

Note 2: Financial information from 2017 to 2021 has been audited and certified by CPAs.

Note 3: The proposal has not yet been submitted to the Shareholders' Meeting.

## (II) Concise Statement of Comprehensive Income - IFRS

## 1. Consolidated Financial Statements

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

Item \ Year	Financial Data for the Most Recent Five Years (Note 1)				
	2017 (After restatement)	2018 (After restatement)	2019	2020	2021
Operating revenue	34,904,064	68,962,459	81,506,216	84,091,485	96,556,646
Gross profit	7,728,581	15,263,910	18,752,645	19,593,183	20,482,953
Operating income	1,743,252	2,910,093	3,377,347	3,674,025	3,193,300
Non-operating income and expenses	486,943	707,548	434,609	302,542	1,055,953
Pre-tax profit	2,230,195	3,617,641	3,811,956	3,976,567	4,249,253
Income from continuing operations	1,820,943	2,838,819	3,026,308	3,155,383	3,352,124
Loss from discontinued operations	-	-	-	-	-
Net income (loss)	1,820,943	2,838,819	3,026,308	3,155,383	3,352,124
Other comprehensive income (net value after tax)	(285,883)	191,385	(1,037,607)	17,828	(2,293,611)
Total comprehensive income	1,535,060	3,030,204	1,988,701	3,173,211	1,058,513
Net income attributable to owners of the parent	1,083,247	1,094,298	1,080,242	1,111,524	1,334,944
Net income attributable to non- controlling interests	737,696	1,744,521	1,946,066	2,043,859	2,017,180
Comprehensive income attributable to owners of the parent	631,183	1,182,455	595,713	946,261	582,025



Comprehensive income attributable to non-controlling interests	903,877	1,847,749	1,392,988	2,226,950	476,488
Earnings per share	14.28	14.27	12.03	12.13	13.91

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

Note 2: Financial information from 2017 to 2021 has been audited and certified by CPAs.

## 2. Individual Financial Statements

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

Item \ Year	Financial Data for the Most Recent Five Years				
	2017 (After restatement)	2018 (After restatement)	2019	2020	2021
Operating revenue	6,914,022	4,256,456	3,188,103	2,547,970	3,343,018
Gross profit	867,615	543,435	433,431	308,972	372,202
Operating income	504,198	205,335	114,722	64,040	69,127
Non-operating income and expenses	622,125	891,018	954,530	1,090,972	1,315,459
Pre-tax profit	1,126,323	1,096,353	1,069,252	1,155,012	1,384,586
Income from continuing operations	1,083,247	1,094,298	1,080,242	1,111,524	1,334,944
Loss from discontinued operations	-	-	-	-	-
Net income (loss)	1,083,247	1,094,298	1,080,242	1,111,524	1,334,944
Other comprehensive income (net value after tax)	(452,064)	88,157	(484,529)	(165,263)	(752,919)
Total comprehensive income	631,183	1,182,455	595,713	946,261	582,025
Net income attributable to owners of the parent	1,083,247	1,094,298	1,080,242	1,111,524	1,334,944
Net income attributable to non-controlling interests	-	-	-	-	-
Comprehensive income attributable to owners of the parent	631,183	1,182,455	595,713	946,261	582,025
Comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings per share	14.28	14.27	12.03	12.13	13.91

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

Note 2: Financial information from 2017 to 2021 has been audited and certified by CPAs.

## (III) Names of CPAs and Their Opinions for Most Recent Five Years

Year	Accounting Firm	Name of CPA	Opinions
2017	Deloitte & Touche	Shui-En Liu and Ching-Chiang Yang	Unqualified opinion (Emphasis or other matters)
2018	Deloitte & Touche	Shui-En Liu and Ching-Chiang Yang	Unqualified opinion (Emphasis or other matters)
2019	Deloitte & Touche	Ching-Ting Yang and Shui-En Liu	Unqualified opinion (Emphasis or other matters)
2020	Deloitte & Touche	Shui-En Liu and Ching-Ting Yang	Unqualified opinion (Emphasis or other matters)
2021	KPMG Taiwan	Hui-Chih Ko and Hsin-Yi Kuo	Unqualified opinion (Emphasis or other matters)

## II. Most Recent 5-Year Financial Analysis

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

### (I) Consolidated Financial Analysis – Based on IFRS

Item (Note 2) \ Year		Financial Analyses for the Past Five Fiscal Years				
		2017 (Note 1) (After restateme nt)	2018 (Note 1) (After restateme nt)	2019 (Note 1)	2020 (Note 1)	2021 (Note 1)
Financial structure (%)	Debt ratio	59.41	65.49	68.63	67.26	68.82
	Ratio of long-term capital to property, plant, and equipment	1,499.27	637.50	966.76	757.21	795.93
Solvency (%)	Current ratio	172.84	106.58	133.56	136.13	140.51
	Quick ratio	134.38	77.81	101.07	98.46	103.88
	Interest coverage ratio	8.23	8.46	7.64	8.41	8.78
Operating ability	Accounts receivable turnover rate (times)	4.58	4.77	4.57	4.89	5.61
	Average days for cash receipts	80	76	80	75	65.02
	Average inventory turnover (times)	6.74	6.09	5.32	5.10	5.09
	Average payment turnover (times)	4.48	5.04	4.38	4.20	4.35
	Average days for sale of goods	54	60	69	72	71.7
	Property, plant and equipment turnover (times)	21.88	20.03	17.10	14.53	14.39
	Total assets turnover (times)	1.06	1.10	0.99	0.92	1.00
Profitability	Return on total assets (%)	6.29	5.14	4.25	3.94	3.91
	Return on equity (%)	12.82	12.23	11.24	10.80	10.84
	Ratio of income before tax to paid-in capital (%)	291.42	466.34	456.11	426.34	417.36
	Net profit margin (%)	5.22	4.12	3.71	3.75	3.47
	Earnings per share (NT\$)	14.28	14.27	12.03	12.13	13.91
Cash flows	Cash flow ratio (%)	17.97	7.81	12.44	12.58	3.37
	Cash flow adequacy	49.68	42.63	61.23	70.37	69.89

	ratio (%)					
	Cash reinvestment ratio (%)	12.41	18.23	14.28	13.83	0.15
Leverage	Operating leverage	4.05	5.48	5.22	5.19	6.03
	Financial leverage	1.21	1.20	1.20	1.17	1.21
Description of reasons for any changes in financial ratios up to in the past two years. (analysis is not required when the changes are less than 20%)						
1. The decreases in cash flow ratio and cash flow reinvestment ratio were mainly due to an increase in revenue and accounts receivable and a decrease in operating cash due to long lead time.						

Note 1: Financial information from 2017 to 2021 have been audited and certified by CPAs.

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

## (II) Individual Financial Analysis - IFRS

Item (Note 2) \ Year		Financial Analyses for the Past Five Fiscal Years				
		2017 (Note 1) (After restatement)	2018 (Note 1) (After restatement)	2019 (Note 1)	2020 (Note 1)	2021 (Note 1)
Financial structure (%)	Debt ratio	57.62	67.21	60.10	57.02	53.46
	Ratio of long-term capital to property, plant, and equipment	2,633.20	1,245.85	2,935.61	2,840.97	3,720.19
Solvency (%)	Current ratio	224.19	13.53	24.51	27.18	67.25
	Quick ratio	192.82	9.05	21.54	18.85	55.93
	Interest coverage ratio	7.36	6.04	6.72	9.44	12.02
Operating ability	Accounts receivable turnover rate (times)	4.84	3.88	4.14	3.63	4.23
	Average days for cash receipts	75	94	88	101	86
	Average inventory turnover (times)	10.81	5.50	5.62	7.89	6.76
	Average payment turnover (times)	4.43	4.38	4.94	5.02	6.98
	Average days for sale of goods	34	66	65	46	54
	Property, plant and equipment turnover (times)	12.57	7.91	6.05	4.90	6.54
	Total assets turnover (times)	0.52	0.24	0.16	0.12	0.15
Profitability	Return on total assets (%)	9.27	7.02	6.03	5.80	6.42
	Return on equity (%)	17.04	16.36	14.55	12.72	13.31
	Ratio of income before tax to paid-in capital (%)	147.18	141.33	127.94	123.83	135.99
	Net profit margin (%)	15.67	25.71	33.88	43.64	39.93
	Earnings per share (NT\$)	14.28	14.27	12.03	12.13	13.91
Cash flows	Cash flow ratio (%)	57.71	10.89	6.91	1.15	0.00
	Cash flow adequacy ratio (%)	70.09	17.97	19.16	15.87	20.25

	Cash reinvestment ratio (%)	1.08	12.02	(1.41)	(1.72)	(2.56)
Leverage	Operating leverage	1.70	2.21	3.33	4.21	4.85
	Financial leverage	1.54	(17.11)	(1.59)	(0.88)	(1.22)
<p>Description Reasons for any changes in financial ratios up to in the past two years. (analysis is not required when the changes are less than 20%)</p> <ol style="list-style-type: none"> <li>1. The increase in long-term fund to property, plant and equipment ratio was mainly due to the issuance of 4th convertible bonds.</li> <li>2. The increases in current ratio and quick ratio were mainly due to the issuance of 4th convertible bonds for repayment of short-term borrowings.</li> <li>3. The increase in times interest earned was mainly due to an increase in net income.</li> <li>4. The increase in average payment turnover was mainly due to an increase in purchases.</li> <li>5. The increase in property, plant and equipment turnover was mainly due to an increase in revenue.</li> <li>6. Total assets turnover was mainly due to an increase in revenue.</li> <li>7. The decreases in cash flow ratio and the cash flow reinvestment ratio were mainly due to a decrease in operating cash as a result of the increases in purchases, inventories, and accounts receivable.</li> <li>8. The increase in cash flow adequacy ratio was mainly due to a decrease in capital expenditure.</li> <li>9. The decrease in financial leverage was mainly due to a decrease in interest expenses.</li> </ol>						

Note 1: Financial information from 2017 to 2021 have been audited and certified by CPAs.

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

1. Capital structure

(1) Debt ratio = Total liabilities / Total assets.

(2) Long-term capital as a proportion of property, plant, and equipment (Total equity + Non-current liabilities) / Net value of property, plant, and equipment.

2. Liquidity analysis

(1) Current ratio = Current assets / Current liabilities.

(2) Quick ratio = (Current assets - Inventories - Prepaid expenses) / Current liabilities.

(3) Times interest earned = Earnings before interest and taxes / Interest expenses.

3. Operation performance

(1) Receivables turnover rate (including bills receivable resulting from accounts receivable and business operations) = Net sales / Average accounts receivable in various periods (including bills receivable resulting from accounts receivable and business operations).

(2) Days sales outstanding = 365 / Average collection turnover.

(3) Inventory turnover rate = Cost of sales / Average inventory.

(4) Payables turnover rate (including bills payable resulting from accounts payable and business operations) = Cost of sales / Average accounts payable in various periods (including bills payable resulting from accounts payable and business operations).

- (5) Average inventory turnover days =  $365 / \text{Average inventory turnover}$ .
- (6) Property, plant, and equipment turnover rate =  $\text{Net sales} / \text{Average net property, plant, and equipment}$ .
- (7) Total asset turnover =  $\text{Net sales} / \text{Average total assets}$ .
- 4. Profitability
  - (1) Return on total assets =  $(\text{Net income} + \text{Interest expenses} \times (1 - \text{Effective tax rate})) / \text{Average total assets}$ .
  - (2) Return on equity =  $\text{Net income} / \text{Average shareholders' equity}$ .
  - (3) Net margin =  $\text{Net income} / \text{Net sales}$ .
  - (4) Earnings per share =  $(\text{Net income attributable to owners of the parent} - \text{Preferred stock dividends}) / \text{Weighted average number of shares outstanding}$ . (Note 5)
- 5. Cash flow
  - (1) Cash flow ratio =  $\text{Net cash provided by operating activities} / \text{Current liabilities}$ .
  - (2) Cash flow adequacy ratio =  $\text{Five-year sum of cash from operations} / \text{Five-year sum of capital expenditures, inventory additions, and cash dividends}$ .
  - (3) Cash flow reinvestment ratio =  $(\text{Cash provided by operating activities} - \text{Cash dividends}) / (\text{Gross property, plant and equipment} + \text{Long-term investments} + \text{Other non-current assets} + \text{Working capital})$ . (Note 6)
- 6. Leverage:
  - (1) Operating leverage =  $(\text{Net operating revenue} - \text{Variable operating cost and expense}) / \text{Operating income}$ . (Note 7)
  - (2) Financial leverage =  $\text{Operating profit} / (\text{Operating profit} - \text{Interest expenses})$ .



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

#### Ennoconn Corporation Audit Committee's Review Report

The Board of Directors prepared and submitted the Company's financial statements, business reports, and earnings distribution proposal for 2021. Of which, the financial statements for 2021 were audited by KPMG Taiwan, with an audit report issued. The above-mentioned financial statements, business reports, and earnings distribution statements for 2021 have been reviewed by the Audit Committee, and it is found that there is no discrepancy. The report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your verification.

To  
Ennoconn Corporation 2022 Annual Shareholders' Meeting

Ennoconn Corporation

Convener of the Audit Committee



Yu-Hui Su

March 31, 2022

**IV. Consolidated Financial Statements with Subsidiaries Audited by CPAs: Please refer to page 181 to 312.**

**V. Financial Statements for the Most Recent Year: Please refer to page 313 to 404.**

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

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

## I. Financial Position

### (I) International Financial Reporting Standards - Consolidated Financial Statements

Unit: NT\$ thousands

Item \ Year	December 31, 2020	December 31, 2021	Difference	
			Amount	%
Current assets	57,517,021	66,481,547	8,964,526	16
Property, plant, and equipment	6,723,602	6,697,993	(25,609)	0
Intangible assets	21,063,308	19,660,148	(1,403,160)	(7)
Other assets	7,858,650	7,786,205	(72,445)	(1)
Total assets	93,162,581	100,625,893	7,463,312	8
Current liabilities	42,250,760	47,314,850	5,064,090	12
Non-current liabilities	20,410,471	21,940,856	1,530,385	7
Total liabilities	62,661,231	69,255,706	6,594,475	11
Capital stock - common shares	932,720	1,018,120	85,400	9
Capital surplus	6,738,090	8,865,780	2,127,690	32
Retained earnings	2,823,847	2,922,656	98,809	3
Other equity	(1,010,924)	(1,768,490)	(757,566)	75
Non-controlling interests	21,251,225	20,565,729	(685,496)	(3)
Total shareholders' equity	30,501,350	31,370,187	868,837	3
Analysis of changes in percentage and the impact and the future response measures (description will be given only if the increase/decrease in ratio reaches 20% or exceeds NT\$10 million): 1. Increase in capital surplus: Mainly due to the issuance of new shares and convertible bonds. 2. Decrease in other equity: Mainly due to exchange rate fluctuations.				

## (II) International Financial Reporting Standards - Individual Financial Statements

Unit: NT\$ thousands

Item \ Year	December 31, 2020	December 31, 2021	Difference	
			Amount	%
Current assets	1,856,802	2,989,297	1,132,495	61
Investments accounted for using equity method	19,065,111	19,623,935	558,824	3
Property, plant, and equipment	517,081	504,566	(12,515)	(2)
Intangible assets	1,052	44,485	43,433	4129
Other assets	82,486	53,564	(28,922)	(35)
Total assets	21,522,532	23,215,847	1,693,315	8
Current liabilities	6,832,395	4,445,012	(2,387,383)	(35)
Non-current liabilities	5,440,012	7,966,377	2,526,365	46
Total liabilities	12,272,407	12,411,389	138,982	1
Capital stock - common shares	932,720	1,018,120	85,400	9
Capital surplus	6,738,090	8,865,780	2,127,690	32
Retained earnings	2,823,847	2,922,656	98,809	3
Other equity	(1,010,924)	(1,768,490)	(757,566)	(75)
Total shareholders' equity	9,250,125	10,804,458	1,554,333	17
<p>Analysis of changes in percentage and the impact and the future response measures (description will be given only if the increase/decrease in ratio reaches 20% or exceeds NT\$10 million):</p> <ol style="list-style-type: none"> <li>1. Increase in current assets: Due to an increase in cash in hand as a result of the issuance of convertible bonds.</li> <li>2. Increase in intangible assets: Due to the acquisition of patents.</li> <li>3. Decrease in other assets: Due to a decrease in deferred income tax.</li> <li>4. Decrease in current liabilities and increase in non-current liabilities: Due to the absence of the current portion of bonds reclassified to current liabilities.</li> <li>5. Increase in capital surplus: Mainly due to the issuance of new shares and convertible bonds.</li> <li>6. Decrease in other equity: Mainly due to exchange rate fluctuations.</li> </ol>				

## II. Financial Performance

### (I) Comparative Analysis of Financial Performance

#### 1. International Financial Reporting Standards - Consolidated Financial Statements

Unit: NT\$ thousands

Item \ Year	2020	2021	Change, by Amount	Change, by Percentage (%)
Net operating revenue	81,506,216	96,556,646	12,465,161	15
Operating costs	62,753,571	76,073,693	11,575,391	18
Gross profit	18,752,645	20,482,953	889,770	5
Operating expenses	15,375,298	17,289,653	1,370,495	9
Operating income	3,377,347	3,193,300	(480,725)	(13)
Non-operating income and expenses	434,609	1,055,953	753,411	249
Pre-tax profit	3,811,956	4,249,253	272,686	7
Income tax expense	785,648	897,129	75,945	9
Net profit	3,026,308	3,352,124	196,741	6
Other comprehensive income	(1,037,607)	(2,293,611)	(2,311,439)	(12965)
Total comprehensive income	1,988,701	1,058,513	(2,114,698)	(67)
<p>Analysis of changes in percentage (for the change of more than 20% between the previous and current periods, and the amount of change amounted to NT\$10 million):</p> <ol style="list-style-type: none"> <li>1. Increase in non-operating income and expenses: Mainly due to increases in long-term equity investment accounted for using equity method and gains on financial assets.</li> <li>2. Decrease in other comprehensive income: Mainly due to exchange rate fluctuations.</li> <li>3. Decrease in total comprehensive income: Mainly due to a decrease in other comprehensive income because of exchange rate fluctuations.</li> </ol>				

## 2. International Financial Reporting Standards - Individual Financial Statements

Unit: NT\$ thousands

Item \ Year	2020	2021	Change, by Amount	Change, by Percentage (%)
Net operating revenue	2,547,970	3,343,018	795,048	31
Operating costs	2,238,998	2,970,816	731,818	33
Gross profit	308,972	372,202	63,230	20
Operating expenses	263,736	308,123	44,387	17
Operating income	64,040	69,127	5,087	8
Non-operating income and expenses	1,090,972	1,315,459	224,487	21
Net income before tax	1,155,012	1,384,586	229,574	20
Income tax expense	43,488	49,642	6,154	14
Net income (loss)	1,111,524	1,334,944	223,420	20
Other comprehensive income	(165,263)	(752,919)	(587,656)	(356)
Total comprehensive income	946,261	582,025	(364,236)	(38)
<p>Analysis of changes in percentage (for the change of more than 20% between the previous and current periods, and the amount of change amounted to NT\$10 million)</p> <ol style="list-style-type: none"> <li>1. Increases in net operating revenue, operating costs, and gross profit: Mainly due to an increase in customer demand and changes in product mix.</li> <li>2. Increase in non-operating income and expenses: Mainly due to an increase in investment income as a result of stable reinvestment profits.</li> <li>3. Increases in pre-tax profit and net income: Mainly due to an increase in revenue.</li> <li>4. Decrease in other comprehensive income: Mainly due to exchange rate fluctuations.</li> <li>5. Decrease in total comprehensive income: Mainly due to exchange rate fluctuations.</li> </ol>				

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

The Company did not make any forecast in 2021. Therefore, it does not intend to disclose the possible impact of the expected sales volume on the Company's future financial business and its response plan.

### III. Analysis of Cash Flow

#### (I) Analysis of Changes in Consolidated Annual Cash Flow for the Most Recent Year

Item \ Year	2020	2021	Increase (Decrease) in Ratio (%)
Cash flow ratio (%)	12.58	3.37	(73.21%)
Cash flow adequacy ratio (%)	70.37	69.89	(0.68%)
Cash flow reinvestment ratio (%)	13.83	0.15	(98.92%)
Analysis of changes in cash flow: The decrease in cash flow ratio and cash reinvestment ratio was due to the increase in accounts receivable due to the increase in revenue in 2021, and the lengthening of material preparation time, which affected the decrease in operating cash.			

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

#### (III) Cash Liquidity Analysis for the Coming Fiscal Year (Individual)

Unit: NT\$ thousands

Beginning Cash Balance (Note)	Estimated Cash Flow from Operating Activities	Estimated Annual Net Cash Flow from Investing and Financing Activities	Ending Cash Balance (Shortage)	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
1,355,059	796,648	181,193	1,536,252	N/A	
1. Analysis of changes in cash flows in the coming year:					
(1) Operating activities: Increases in revenue and profits contribute net cash inflow from operating activities.					
(2) Investing activities: The collection of dividends from subsidiaries leads to net cash inflow from investing activities.					
(3) Financing activities: The issuance of cash dividends results in net cash outflow from financing activities.					
2. Remedial measures and liquidity analysis for expected cash inadequacy: N.A.					

Note: Cash at the beginning of the period includes cash and time deposits.



#### **IV. Effect upon Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year**

There were no major capital expenditures in 2021.

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

### **(I) Reinvestment Policy for the Most Recent Fiscal Year**

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

### **(II) Main Reasons for Profits/ Losses of Reinvestment for the Most Recent Year and the Improvement Plan**

The Company's investment income accounted for using equity method in 2021 was NT\$1,474,726 thousand. This was mainly due to the good operating conditions of companies invested in by the Company and the strategic cooperation.

### **(III) Investment Plans for the Coming Year**

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

## **VI. Risk**

### **(I) Risk Factor**

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

(1) Interest rate: If the interest rate increases/ decreases by 0.5%, and all other variables remain unchanged, the net profit before tax of the Company and its subsidiaries in 2021 will decrease/increase by NT\$23,550 thousand,

mainly because of the net position of bank deposits and loans with variable interest rates of the Company and its subsidiaries.

Where the interest rate increased/ decreased by 0.5% with all other variables held constant, the Company's and its subsidiaries' 2020 pre-tax net profit would have decreased/increased by NT\$23,330,000, mainly due to the Company's and subsidiaries' net position of bank deposits and borrowings, both with variable interest rates.

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

- (2) Exchange rate: The Company's and its subsidiaries' transactions for purchases and sales are mainly denominated in US dollars, so the Company is exposed to the risk of exchange rate fluctuations. The Company adopts the principle of natural hedging, that is, the effect of exchange rate fluctuation achieves the effect of balance between receivables and payables to reduce exchange rate risks. Besides, the Company and its subsidiaries have dedicated personnel to pay close attention to exchange rate information and changes in the international economic situation at any time and carefully study and judge exchange rate trends. We will also appropriately use tools such as short-term foreign currency borrowing, cross-currency swap, and forward exchange agreement to engage in foreign exchange hedging. Still, such tools cannot completely exclude the impact of exchange rate changes.
- (3) Inflation: The Company and its subsidiaries always keep abreast of global political and economic changes and market price fluctuations, maintain good interaction with suppliers and customers, and adjust procurement and sales strategies in a timely manner. Therefore, the Company and its subsidiaries should be able to cope with the impact of future changes in the economic

situation, such as inflation, and the operations should not be subject to major threats.

2. The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

(1) The Company and its subsidiaries are not engaged in high-risk and highly leveraged investments.

(2) The Company's and its subsidiaries' engagement in loans to other parties, endorsements, guarantees, and derivatives transactions are handled in accordance with the procedures adopted by the Board of Directors and the shareholders' meeting.

3. Future R&D plans and expected expenditures

R&D is an important foundation for the development of the Company and its subsidiaries. Besides continuing to cultivate the existing POS system market and ATM market equipment, the Company and its subsidiaries also continue to invest part of the resources in other markets, such as industrial control, fleet management, network communication security, medical care, smart home, etc. Technology-related directions include wireless transmission (including 5G, GPS, WiFi, Bluetooth, etc.), handheld mobile devices, and RTOS dedicated machines based on RISC or MCU. Although hardware development has achieved the advantage of sharing benefits in the market with a high degree of division of labor in the past, it has resulted in a lack of product differentiation. To win in the competitive environment, R&D will move towards more basic and professional fields, such as 5G, AI, IoT, blockchain, and image computing, to build a higher competitive threshold. The amount of R&D expenditure is expected to be approximately 10% of the total revenue for 2021.

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

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

legal environment at home and abroad.

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

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

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

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

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

As of the publication date of this annual report, considering the Company's long-term development strategies, business activities, and production resources, the Board of Directors passed a resolution on February 24, 2022 to forge a strategic alliance, in the form of private placement, with Arbor Technology Corporation through its subsidiary, Ennoconn International Investment Co., Ltd. This strategic alliance is expected to positively contribute to the Company's technologies, revenue and profits, and long-term development. The aforementioned equity transaction has complied with relevant laws and the relevant regulations stipulated in the Company's "Procedures for Acquisition or Disposal of Assets." The Company and its subsidiaries also adhere to relevant internal control regulations to reduce the possible negative effects of such equity transactions.

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

The Company decided to purchase a factory office building in 2014 by the resolution of the Board of Directors and completed the transfer and relocation in

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

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

(1) Purchases: The production of the Company and its subsidiaries are mainly carried out in the outsourcing model. The source of its raw materials, other than some self-procurement, is also provided by the foundry in the form of OEM. Therefore, the purchase of the processing plant is relatively concentrated. Nevertheless, industrial products attach great importance to product stability and durability, so their processing technology is more rigorous than general consumer electronic products. Cooperative manufacturers must possess a certain professional level before the Company and customers can approve them. Thus, the selection of processing plants requires careful consideration. Yet, in addition to the ongoing cooperation with existing processing plants, the Company has actively sought and evaluated the possibility of cooperation with other foundries to diversify the risk of concentrated purchases. Furthermore, the Company and its subsidiaries usually establish good cooperative relations with domestic and foreign suppliers. The Company also has dedicated personnel to regularly evaluate suppliers and make regular inquiries for important materials to ensure the stability of supply quality and ensure that there is no doubt about supply shortage.

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

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

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

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

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

12. Litigious and non-litigious matters

- (1) If there has been any material impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the company that was finalized or remained pending during the most recent two fiscal years or during the current fiscal year up to the publication date of this annual report, which shall disclose the facts in dispute, the amount in dispute, commencement date, main parties involved, and current status of the case: None.
- (2) If there has been any material impact upon shareholders' equity or prices for the company's securities as a result of any major litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, general manager, de facto responsible person, major shareholder and subordinate company with a stake of more than 10% and the matter was finalized or remained pending during the most recent two fiscal years or during the current fiscal year up to the publication date of this annual report: None.
- (3) If there has been any occurrence of any event set forth under Article 157 of the Securities and Exchange Act that involves a company director, supervisor, its general manager, or any major shareholder with a stake of more than 10%, provided the event occurred in the most recent two fiscal years or during the current fiscal year up to the publication date of this annual, which shall also note how the company is currently handling the matter: None.

13. Other important risks and countermeasures: None.

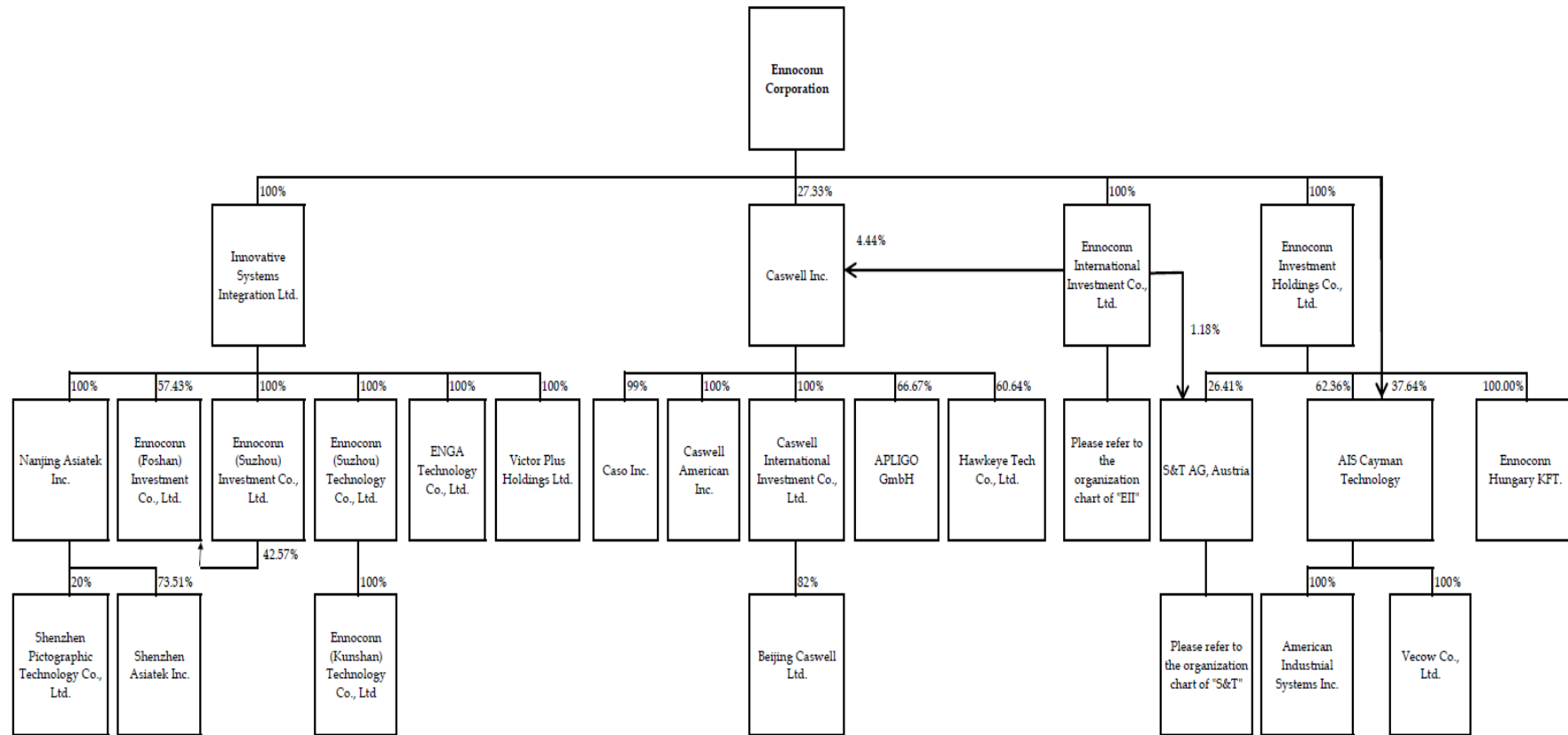
## **VII. Other Important Matters: None**

## Chapter 8 Special Disclosure

### I. Relevant Information on the Company's Affiliates

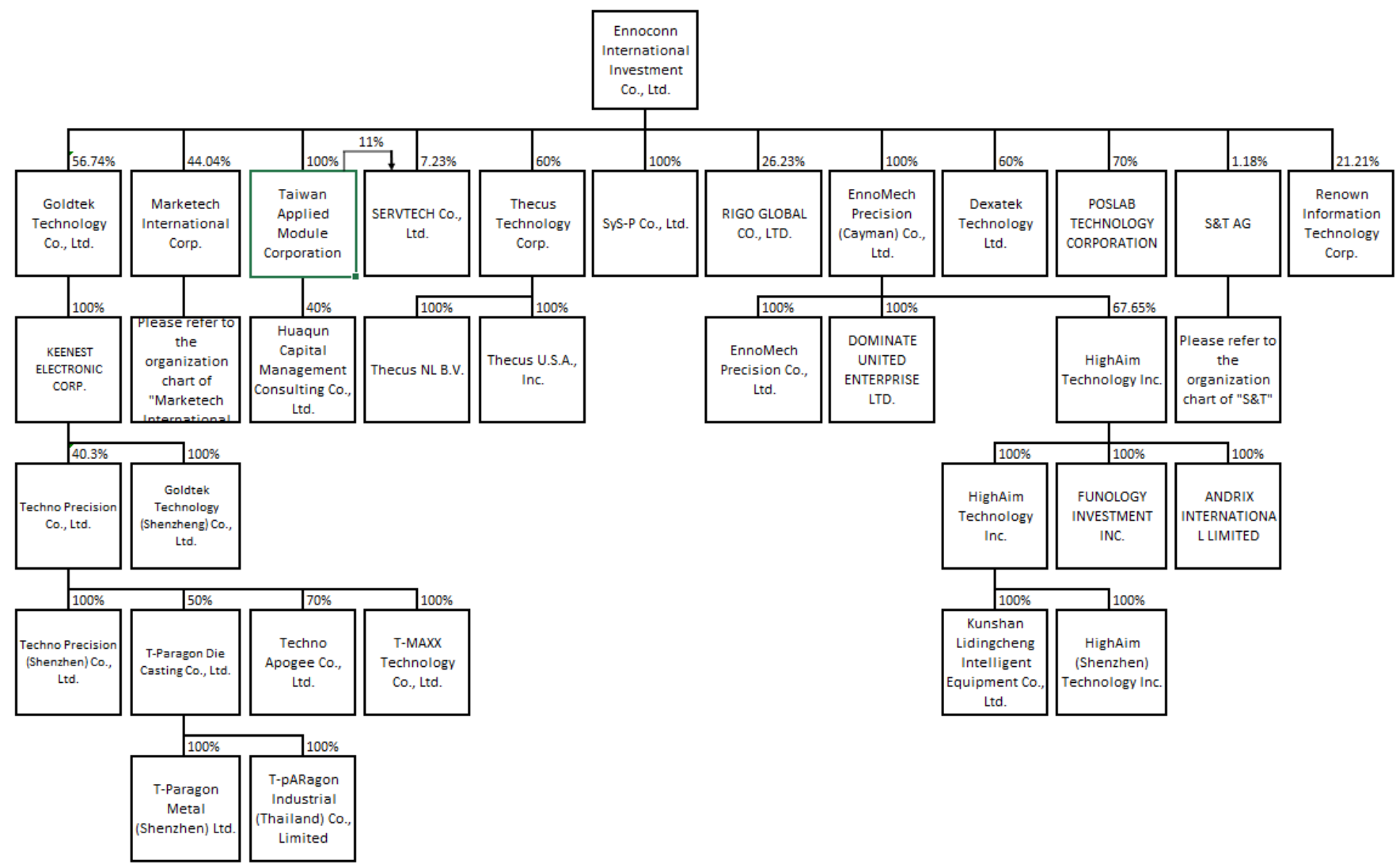
#### (I) Consolidated Business Report of affiliates

##### 1. Organization chart of affiliates (December 31, 2021)



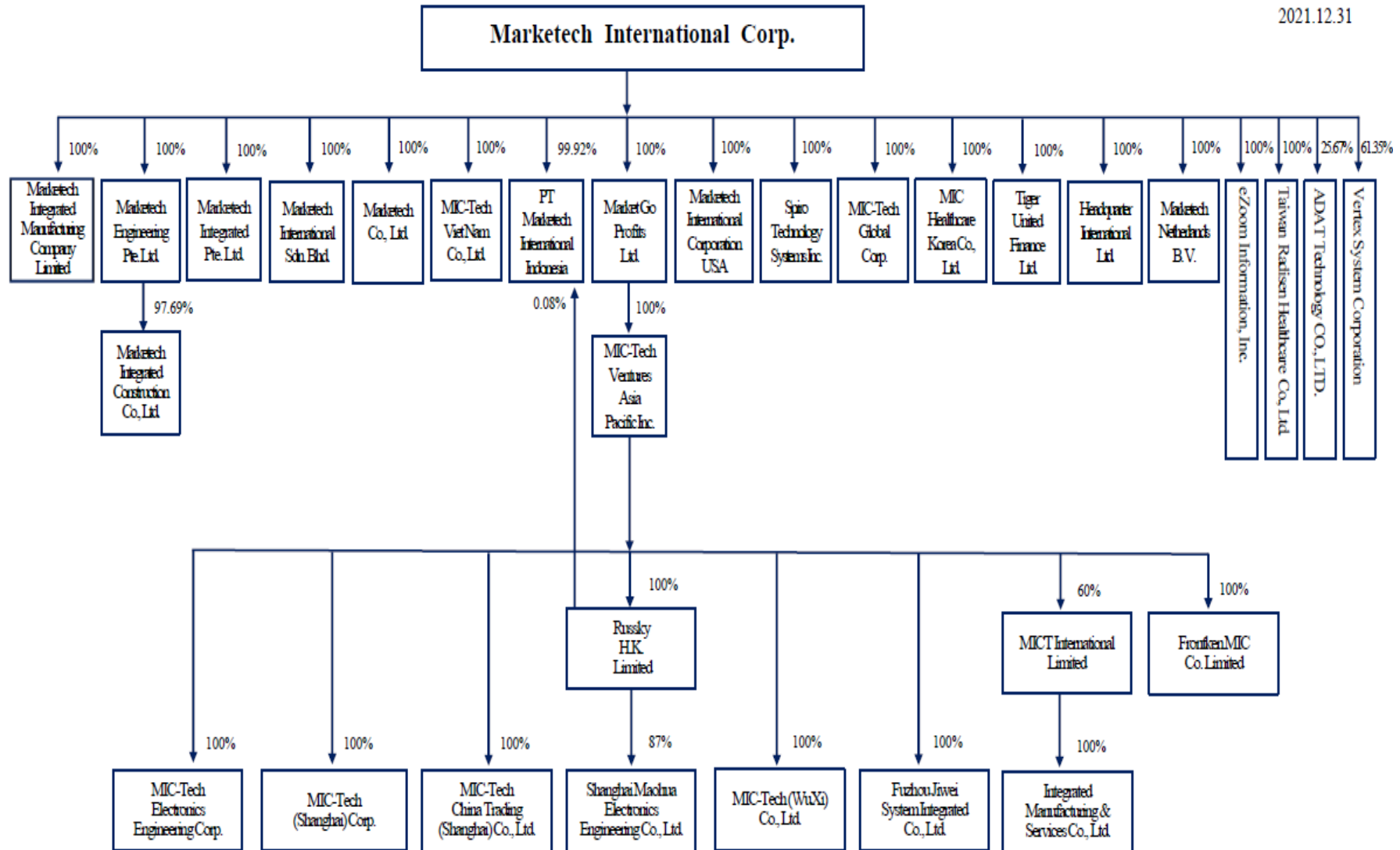


The organization chart of Ennoconn International Investment Co., Ltd.



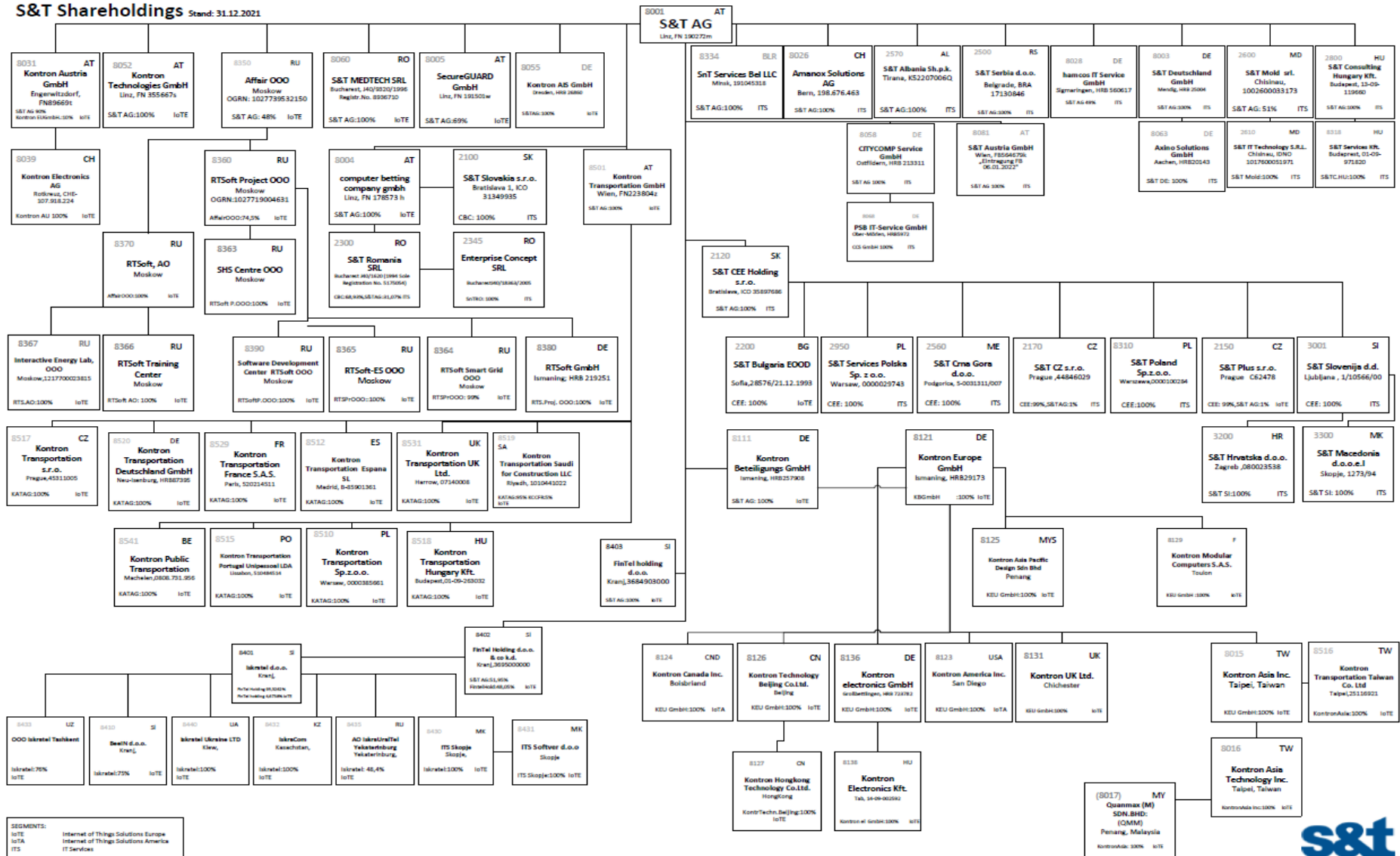
The organization chart of Marketch International Corp.

2021.12.31



## S&T organization chart

### S&T Shareholdings Stand: 31.12.2021



## 2. Basic Information of Affiliates

December 31, 2020

Unit: NT thousand

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
Innovative Systems Integration Limited	2001.08.31	Suite 1222, 12F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong	HK\$361,609	Professional Investment
Ennoconn International Investment Co., Ltd.	2014.05.13	6F., No. 10, Jiankang Rd., Zhonghe Dist., New Taipei City	NT\$7,026,350	Professional Investment
Caswell Inc.	2007.04.19	8F., No. 242, Bo'ai St., Shulin Dist., New Taipei City	NT\$730,678	Manufacturing of electronic parts, computer and peripheral equipment, wholesale of electronic materials, and information software services
Ennoconn Investment Holdings Co., Ltd.	2015.11.16	2nd Floor, Building B, SNPF PLAZA, Savalalo, Apia, Samoa	US\$239,360	Professional Investment
ENGA Technology Co., Ltd.	2017.07.25	Suite 1222, 12F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong	HK\$27,394	Wholesale, manufacturing, service, import and export of software and hardware related to industrial computers and industrial control systems
Victor Plus Holdings Ltd.	2018.04.25	Suite 1, Commercial House One, Eden Island, Republic of Seychelles.	-	Import and export trade
AIS Cayman Technology	2016.05.06	Fourth Floor, One Capital Place, P. O. Box 847, Grand Cayman KY1-1103, Cayman Islands	US\$6,563	Professional Investment
S&T AG	1999.12.28	Industriezeile 35, A-4021 Linz, Austria	EUR66,089	Integration service for information software and hardware
American Industrial Systems Inc.	2005.10.31	1768 McGaw Avenue, Irvine, CA 92614, USA	US\$1,500	Operator interface terminal and industrial automation visualization system
Vecow Co., Ltd.	2006.02.20	12F., No. 111, Zhongcheng Rd., Tucheng Dist., New Taipei City	NT\$50,000	Computer vision systems and machine vision systems for industrial automation
Goldtek Technology Co., Ltd.	2003.08.06	16F., No. 166, Jian 1st Rd., Zhonghe Dist., New Taipei City	NT\$300,000	Telecommunications control of radiofrequency equipment input and information software wholesale and retail

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
EnnoMech Precision (Cayman) Co., Ltd.	2015.07.21	Floor 4, Willow House, Cricket Square, PO Box 2804, Grand Cayman KYI-1112, Cayman Island	US\$13,800	Professional Investment
SYS-P CO., LTD.	2015.11.05	6F., No. 10, Jiankang Rd., Zhonghe Dist., New Taipei City	NT\$30,000	International trade, information software wholesale, and service
TAIWAN APPLIED MODULE CORPORATION	2011.11.17	3F., No. 10, Jiankang Rd., Zhonghe Dist., New Taipei City	NT\$84,000	Research, design, and sales of products related to mobile payment, electronic sign-off, and information security
Thecus Technology Corp.	2004.10.26	16F.-6, No. 81, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	NT\$170,000	Manufacturing of electronic parts, computer and peripheral equipment, wholesale of electronic materials, and information software services
Dexatek Technology Ltd.	2003.07.31	16F.-1, No. 81, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	NT\$223,570	Smart IoT and product development, design, and manufacturing of live broadcast application
Marketch International Corp.	1988.12.27	6F., No. 3--2, Park St., Nangang Dist., Taipei City	NT\$1,855,913	Planning integration services for high-tech industrial plants and process systems
POSLAB TECHNOLOGY CORPORATION	1994.08.10	11F-1, No. 258, Liancheng Road, Zhonghe District, New Taipei City	NT\$130,000	Manufacturing, wholesale and sales of electronic and peripheral devices
HighAim Technology INC.	2006.09.28	Portcullis Chambers, P.O. Box 1225, Apia, Samoa.	US\$5,000	Professional Investment
DOMINATE UNITED ENTERPRISE LTD.	2015.01.05	2nd Floor, Building B, SNPF Plaza, Savalalo, Apia, Samoa	US\$2,100	Professional Investment
ENNOMECH PRECISION CO., LTD.	2015.04.23	6F., No. 10, Jiankang Rd., Zhonghe Dist., New Taipei City	NT\$10,000	Manufacturing of electronic parts, computer and peripheral equipment, wholesale of electronic materials, and information software services
FUNOLOGY INVESTMENT INC.	2009.06.23	TMF Chambers, P.O. Box 3269, Apia, Samoa	US\$1	Import and export trade
ANDRIX INTERNATIONAL LIMITED	2012.10.17	201 Rogers Office Building, Edwin Wallace Rey Drive, George Hill, Anguilla, B.W.I	US\$1	Import and export trade
CASO Inc.	2014.08.01	6th Floor, Kandajicho Land Building,	JPY 95,000	Import and sales of network equipment

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
		2--10 Kandajicho, Chiyoda District, Tokyo, Japan		and computer peripheral products
CASWELL INTERNATIONAL INVESTMENT CO., LTD.	2015.06.11	TMF Chambers, P.O. Box 3269, Apia, Samoa	US\$3,206	Overseas investment
Caswell Americas, Inc	2017.01.10	4011 Clipper Ct, Fremont, CA 94538	US\$3,000	Sales of Netcom products
Apligo GmbH	1999.06.04	Building 5112/4 Werner-von-Siemens-Str. 2-6 76646 Bruchsal Germany	EUR36	Hub and SI Service
Hawkeye Tech Co., Ltd.	2011.11.02	13F.-5, No. 736, Zhongzheng Rd., Zhonghe Dist., New Taipei City	NT\$135,000	Design and manufacturing of computers, network, and computing equipment
Thecus NL B.V.	2009.10.15	Marinus Dammeweg 7, 5928 PW VENLO, Netherlands	EUR260	Network storage device
Thecus USA., Inc.	2007.09.17	1768 McGaw Avenue, Irvine, CA 92614	US\$750	Network storage device
Keenest Electronic Corp.	2016.01.04	2F, Buliding B, SNPF Plaza, Savalalo	US\$24,000	Professional Investment
Techno Precision Co., Ltd.	1994.10.27	Room 05, 12th Floor, Wah Yiu Industrial Centre, 30--32 Au Pui Wan Street, Fo Tan, New Territories, Hong Kong	H K \$ 1 3 9 , 9 9 2	Metal stamping and casting industry
Techno Precision (Shenzhen) Co., Ltd.	2012.06.27	Plant 3, No. 10, Longshan Industrial Park, Nanling Village, Nanwan Street, Longgang District, Shenzhen	HK\$23,000	Stamping/assembly
T-Paragon Die Casting Co., Ltd.	2004.01.04	Room 05, 12th Floor, Wah Yiu Industrial Centre, 30--32 Au Pui Wan Street, Fo Tan, New Territories, Hong Kong	HK\$15,000	Finance/Logistics
Tairoun Products Co., Ltd. (Thailand)	2019.09.16	Nong Kham, Si Racha District, Chon Buri 20230, Thailand	THB159,888	Metal stamping and casting industry
T-MAXX Technology Co., Ltd.	2019.06.19	301, Techno Plant 3, No. 10, Longshan Industrial Park, Nanling Village, Nanwan Street, Longgang	CNY3,000	Smart home security system equipment, medical supplies

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
		District, Shenzhen		
S&T CZ s.r.o., Czech Republic	1991.12.18	Na Strži 1702/65, 140 00, Praha, Czech Republic	EUR1,593	IT servers
S&T Plus s.r.o., Czech Republic	1998.10.14	Novodvorská 994/138, 142 21, Praha, Czech Republic	EUR280	Manufacturing and marketing of industrial computers
S&T Services Polska Sp.z.o.o., Poland	2001.07.25	Postępu 21 D, 02-676, Warsaw, Polska	EUR313	IT servers
S&T Crna Gora d.o.o., Montenegro	2002.08.08	Bulevar revolucije 5, 81000, Podgorica, Montenegro	EUR25	IT servers
S&T Bulgaria e.o.o.d., Bulgaria	2007.12.17	7 Iskarsko shosse bul. Trade center Europe, build. 6, fl. 3, 1528, Sofia, Bulgaria	EUR579	Manufacturing and marketing of industrial computers
S&T Poland Sp.z.o.z., Poland	2002.03.19	Postępu 21 D, 02-676, Warsaw, Polska	EUR3,108	IT servers
S&T Slovenija d.d., Slovenia	1991.01.30	Leskoškova cesta 6, 1000, Ljubljana, Slovenia	EUR1,311	IT servers
S&T Hrvatska d.o.o., Croatia	1995.11.04	Borongajska cesta 81a, 10000, Zagreb, Croatia	EUR29	IT servers
S&T Macedonia d.o.o.e.l., Macedonia	2007.05.09	Ankarska 31, 1000, Skopje, Macedonia	EUR9	IT servers
S&T Romania S.R.L., Romania	1994.01.31	10 Montreal Square, WTCB SA, Main Building, 3rd floor, 11469, Bucharest, Romania	EUR2,451	IT servers
S&T Serbia d.o.o., Serbia	1996.01.31	Djordja Stanojevica 14/III, 11070, Belgrade, Serbia	EUR49	IT servers
S&T Albania Sh.p.k., Albania	2005.01.11	Ibrahim Rugova, No. 5, Sky Tower 11/1, 1000, Tirana, Albania	EUR282	IT servers
S&T Mold srl., Moldova	1995.11.23	Serghei Lazo 40, 2004, Chisinau, Moldova	EUR206	IT servers
S&T IT Technology SRL	2017.12.19	Serghei Lazo 40, 2004, Chisinau, Moldova	EUR2	IT servers
S&T Consulting Hungary Kft., Hungary	1999.01.06	14, Puskás Tivadar street, 1119, Budapest, Hungary	EUR398	IT servers
S&T Deutschland	2005.03.07	Am Flugplatz 35, D-56743, Mendig,	EUR25	IT servers

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
GmbH, Germany		Germany		
Computer Betting Company GmbH, Austria	1999.02.03	Füchselbachstraße 7, A-4060, Leonding, Austria	EUR36	Manufacturing and marketing of industrial computers
SecureGUARD GmbH, Austria	2000.02.02	Industriezeile 35, A-4021 Linz, Austria	EUR134	Manufacturing and marketing of industrial computers
S&T CEE Holding s.r.o.	1993.05.13	Mlynské nivy 71, 821 09, Bratislava, Slovakia	EUR1,660	IT servers
S&T MEDTECH SRL	1996.11.7	241A, Barbu Vacarescu, 20285, Bucharest, Romania	EUR282	Manufacturing and marketing of industrial computers
Amanox Solutions AG, Switzerland	2011.03.14	Falkenplatz 11, CH-3012, Bern, Switzerland	EUR96	IT servers
Hamcos IT Service GmbH, Germany	1998.09.23	Dornierstr. 4, D-88367, Hohentengen, Germany	EUR200	IT servers
Kontron Beteiligungs GmbH	2020.07.21	Gutenbergstrasse 2, D-85737 Ismaning, Germany	EUR0	Manufacturing and marketing of industrial computers
Kontron Austria GmbH, Austria(原 S&T Electronics and Payment Systems GmbH, Austria)	1990.11.15	Freistädterstr. 38, A-4029 Engerwitzdorf, Austria	EUR36	Manufacturing and marketing of industrial computers
Affair OOO, Russia	2002.06.25	Nikitinskaya str. 3, 105037, Moscow, Russia	EUR208	Manufacturing and marketing of industrial computers
S&T Services Bel LCC, BLR	2008.07.18	Fabritsius str. 9a, office 15, 220007, Minsk, Belarus	EUR113	IT servers
S&T Slovakia s.r.o., Slovakia	1993.05.13	Mlynské nivy 71, 821 09, Bratislava, Slovakia	EUR1,660	IT servers
S&T Services Kft., Hungary	2011.10.27	Puskás Tivadar street 14, H-2040, Budaörs, Hungary	EUR880	IT servers
Kontron AIS GmbH	1990.06.14	Otto-Mohr-Straße 6, D-01237 Dresden, Germany	EUR51	Manufacturing and marketing of industrial computers
CITYCOMP Service GmbH	1988.11.17	Elly-Beinhorn-Str. 11, D-73760 Ostfildern, Germany	EUR256	IT servers
Kontron Technologies	2010.12.10	Industriezeile 35, A-4021 Linz,	EUR35	Manufacturing and marketing of



Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
GmbH		Austria		industrial computers
Kontron Electronics Kft.	1992.01.21	Rákóczi u. 78., H-8671 Kapoly, Hungary	EUR11	Manufacturing and marketing of industrial computers
KONTRON AMERICA INC.	1999.12.06	9477 Waples Street, Suite 150, San Diego, California, 92121, Delaware , USA	EUR2,049	Communication products
KONTRON CANADA INC.	2002.01.01	4555, Ambroise-Lafortune, J7H 0A4, Boisbriand, Canada	EUR9,818	Communication products
KONTRON ASIA PACIFIC DESIGN SDN. BHD.	2008.06.09	Plot 554, Lorong Perusahaan 4, Prai Free Trade Zone, 13600, Penang, Malaysia	EUR9,354	Manufacturing and marketing of industrial computers
Kontron Technology Beijing Co. Ltd.	2000.01.25	1~2F, 10 Building , No.8 Liangshuihe 2nd Street, Economical & Technological Development Zone, 100176, Beijing, China	EUR1,988	Manufacturing and marketing of industrial computers
Kontron Asia Inc.	2013.08.16	5F., No. 415, Ti-Ding Blvd., Sec. 2 Neihu District, 144, Taipei City Government, Taiwan	EUR365	Manufacturing and marketing of industrial computers
Kontron Transportion Taiwan Co., Ltd	2010.03.31	11F, No.200, Jinshan South Road, Sec.2, Taipei, 10643, Taiwan, Republic of China	EUR1,420	Manufacturing and marketing of industrial computers
Kontron Transportation Austria AG	2002.06.28	Lehrbachgasse 11, A-1120 Wien, Austria	EUR10,000	Manufacturing and marketing of industrial computers
Kontron Transportation Sp. z o.o.	2011.03.04	Ul. Poleczki 35, 02-822 Warsaw, Poland	EUR23	Manufacturing and marketing of industrial computers
Kontron Transportation España SL	2010.02.08	Parque Empresarial "La Finca", Paseo Club Deportivo, 1, Edificio 6B, 28223 Pozuelo de Alarcón, Spain	EUR250	Manufacturing and marketing of industrial computers
Kontron Transportion Portugal, Unipessoal LDA	2012.12.19	Av. D. João II, Nº 44C, Piso 3-F, Edifício Atlantis, Distrito: Lisboa Conclho: Lisboa Freguesia: Santa maria dos Olivais, 1990 095 Lisboa, Portugal	EUR5	Manufacturing and marketing of industrial computers

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
Kontron Transportation s.r.o.	1992.04.10	Praha 8 - Ke Štvanici 656/3, 18600 Prague, Czech Republic	EUR1,178	Manufacturing and marketing of industrial computers
Kontron Transportation Hungary Kft.	1991.11.01	Bocskai út 77-79, 1113 Budapest, Hungary	EUR207	Manufacturing and marketing of industrial computers
Kapsch CarrierCom Saudi Arabia LLC	2015.04.09	Tower 3, sixth floor, office #366, Almousa Center, Olaya St. Olaya, Riyadh, Saudi Arabia	EUR200	Manufacturing and marketing of industrial computers
Kontron Transportation Deutschland GmbH	2010.02.11	Frankfurterstraße 120-126, D-63263 Neu-Isenburg, Germany	EUR25	Manufacturing and marketing of industrial computers
Kontron Transportation France S.A.S.	2010.02.08	1 Rue Jean-Pierre Timbaud, Site Immontigny CS 80737, 78180 Montigny Le Bretonneux, 78066 Saint Quentin Yvelines Cedex, France	EUR2,800	Manufacturing and marketing of industrial computers
Kontron Transportation UK Ltd.	2010.01.29	1st Floor, Healthaid House Marlborough Hill, Harrow, Middlesex HA1 1UD, United Kingdom	EUR469	Manufacturing and marketing of industrial computers
Kontron Transportation Belgium NV	2008.12.24	Twin Squares - Madison, Culliganlaan 1A, 1831 Diegem, Belgium	EUR62	Manufacturing and marketing of industrial computers
FinTel Holding d.o.o. & co k.d., holdinška družba	2010.02.12	Ljubljanska cesta 24a, 4000 Kranj	EUR2,179	Manufacturing and marketing of industrial computers
FinTel holding d.o.o.	2010.01.25	Ljubljanska cesta 24a, 4000 Kranj	EUR602	Manufacturing and marketing of industrial computers
Iskratel d.o.o.	1989.10.27	Ljubljanska cesta 24a, 4000 Kranj	EUR109	Manufacturing and marketing of industrial computers
BeeIN d.o.o.	2020.07.24	Ljubljanska cesta 24a, 4000 Kranj	EUR10	Manufacturing and marketing of industrial computers
ITS Softver d.o.o.	2016.03.07	Str,Mirce Acev no,2 Katna garaza ,Razlovacko vostanie kat 1 Skopje	EUR5	Manufacturing and marketing of industrial computers
IskraCom	2010.01.28	17, Nauryzbai batyr str, office 101. Almaty, 050004. Kazakhstan.	EUR30	Manufacturing and marketing of industrial computers

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
OOO Iskratel Tashkent	2011.02.22	Uzbekistan, g.Tashkent pr.A.Temura 99a	EUR1	Manufacturing and marketing of industrial computers
AO IskraUralTel Yekaterinburg	1994.04.27	Yekaterinburg, Komvuzovskaya St., 9A, Russian Federation, 620066	EUR8	Manufacturing and marketing of industrial computers
Iskratel Ukraine LTD	2010.08.09	04050, Kyiv, Ukraine, Sichovkyh Striltsiv Str., 72A	EUR330	Manufacturing and marketing of industrial computers
KONTRON EUROPE GMBH	1962.09.03	Lise-Meitner-Straße 3-5, D-86156 Augsburg, Germany	EUR23,600	Manufacturing and marketing of industrial computers
Kontron UK Ltd.	1996.05.28	Appledram Barns, P20 7EQ, Chichester, United Kindom	EUR197	Manufacturing and marketing of industrial computers
Kontron Modular Computers S.A.S.	1986.12.31	150, rue M.Berthelot - ZI Toulon-Est - BP244, 83078, Toulon, France	EUR5,168	Manufacturing and marketing of industrial computers
Kontron Electronics GmbH, Germany	2017.04.11	Kantstraße 10, 72663 Großbottlingen, Germany	EUR102	Manufacturing and marketing of industrial computers
Kontron Electronics AG, Switzerland	1978.03.30	Riedstrasse 1, 6343 Rotkreuz, Switzerland	EUR863	Manufacturing and marketing of industrial computers
RTSoft Project OOO, Russia	2002.09.03	Nikitinskaya str., 3, 105037, Moscow, Russia	EUR7	Manufacturing and marketing of industrial computers
PSB IT-Service GmbH	1990.01.17	Usinger Straße 114, D-61239 Ober-Mörlen, Germany	EUR256	IT servers
Enterprise Concept SRL	2005.11.02	42-46 Siriului Str., 4th floor, 1st district, 140000 Bucharest, Romania	EUR0	IT servers
Axino Solutions GmbH	2016.01.07	Charlottenburger Allee 61, D-52068 Aachen, Germany	EUR2,300	IT servers
S&T Austria GmbH	2021.09.06	Schottenring 19, A-1010 Wien, Austria	EUR35	IT servers
Marketech Integrated Pte. Ltd.	1997.07.10	86 KaKi Bukit Industrial Terrace, Singapore 416166	SGD 10,086	semiconductor industry automation supply system
Market Go Profits Ltd.	2000.12.20	P.O. Box 957 Offshare Incorporations Centre, Road Town, Tortola, British Virgin Islands	US\$41,069	Investment holding and reinvestment
MIC-Tech Global Corp.	2004.10.18	RM918 Hyundai Office Bldg, 9-4 Sunae 1-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea	KRW 657,800	General international trade industry

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
Headquarter International Ltd.	2002.12.10	P.O. Box 957 Offshare Incorporations Centre, Road Town, Tortola, British Virgin Islands	US\$1,289	Investment holding and reinvestment
Tiger United Finance Ltd.	2002.10.09	P.O. Box 957 Offshare Incorporations Centre, Road Town, Tortola, British Virgin Islands	US\$1,410	Investment holding and reinvestment
Marketch Engineering Pte. Ltd.	2013.11.28	86 KaKi Bukit Industrial Terrace, Singapore 416166	SGD 938	Contracting of engineering services such as mechanical and electrical installation
Marketch Integrated Manufacturing Company Limited	2015.03.19	Lot No.B12 Tailawa Special Economic Zone A, Yangon Region, Myanmar	US\$15,356	Design, manufacture, assembly and other services of automatic production machinery and components
MIC-Tech Viet Nam Co., Ltd.	2010.01.22	6F, No 36, Hoang Cau street, O Cho Dua Ward, Dong Da District, Ha Noi City, Vietnam	US\$4,400	Trading, installation, and maintenance business of various factory machinery equipment and peripheral consumables; Consulting services and software execution services related to the installation of computer hardware
Marketch Co., Ltd.	2011.06.13	(R1-08-09) The EverRich, 968 3-2 St., 15 Ward, Dist 11, Ho Chi Minh City, Vietnam	US\$2,400	Engineering professional contracting and related maintenance services; Machine tool sales and maintenance, cosmetics and daily necessities sales; Software production, development, implementation and programming services; Provision of industrial machinery and equipment installation services
Ezoom Information, Inc.	1996.11.20	6F.-3, No. 3-2, Park St., Nangang Dist., Taipei City	NT\$230,000	R&D, trading, and consulting services of the software and hardware applications for information system
PT Marketch International Indonesia	2014.09.25	VIP Chamber #2, Wisma GKBI Lantai 39 Suite 3901, Jl Jend, Sudirman No 28, Kel Bendungan Hilir, Kee. Tanah Abang Jakarta Pusat	US\$1,200	Trading of machinery equipment and spare parts
ADAT Technology Co.,	2017.10.19	6F., No. 3-2, Park St., Nangang Dist.,	NT\$163,864	R&D and application of information

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
Ltd.		Taipei City		software, supply of service electronic information, and equipment trading
Marketch Netherlands B.V.	2017.06.30	Luchthavenweg 81,8657 EA Eindhoven	EUR900	International trade businesses and technical services for machinery, equipment, and components
Marketch International Sdn. Bhd.	2009.02.10	A-02-02, Capital 1 (Block A), Oasis Square, Oasis Damansara, 47301 Petaling Jaya, Selangor.	MYR 12,243	Professional contracting for projects and related maintenance services; sale of medical equipment
MIC-Tech Ventures Asia Pacific Inc.	2001.02.01	Huntlaw Building, P.O. BOX 2804, George Town, Grand Cayman, Cayman Islands	US\$40,967	Investment holding and reinvestment
Marketch Integrated Construction Co., Ltd.	2014.04.03	67/A, Htan Tapin Street, Kamayut Township, Yangon	US\$650	Contracting of engineering services such as mechanical and electrical installation
Russky H.K. Limited	1992.12.17	Rm 1401, The Centre Mark, 287-299 Queen's Road Central, Hong Kong	US\$833	Investment holding and reinvestment
Marketch International Corporation USA	2018.11.14	1125 W Pinnacle Peak Road #107, Phoenix, 85027, USA	US\$3,750	Professional contracting for projects and related maintenance services
Frontken MIC Co., Limited	2007.12.28	Rm 1401, The Centre Mark, 287-299 Queen's Road Central, Hong Kong	US\$2,338	Investment holding and reinvestment
MICT International Limited	2007.12.14	AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	US\$9,000	Investment holding and reinvestment
Spiro Technology Systems Inc.	2008.04.02	80 Tanforan Ave. Ste. 10 South San Francisco CA 94080	US\$1,000	General international trade industry
Smart Health Corp.	2019.10.22	10F.-2, No. 3-2, Park St., Nangang Dist., Taipei City	NT\$500	Smart medical advisory services and investments
MIC Healthcare Korea Co., Ltd.	2021.10.21	1608, 199, Baekbum-Ro, Mapo-Gu, Seoul, Korea	KRW350,000	R&D, sale and professional technical services of and for medical devices and components; general international trade and import and export business
Vertex Corporation	2020.03.19	21F.-7, No. 77, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	NT\$81,500	Transaction of dedicated equipment for 5G wireless communication network (micro base station and core network) and IoT intelligent control gateway;

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
				maintenance and operating of DMP cloud object management platform, and provision of integration services for software management platform, vertical field-based IT and communication system CT
NanJing Asiatek INC.	2005.04.13	Room 505, Block B, Building 2, Runhe Software Park, No.168, Software Avenue, Yuhuatai District, Nanjing	US\$3,000	Research, development and sale of software and hardware products, and provision of their installation, debugging, and technical consulting.
Shenzhen Asiatek INC.	2018.12.19	No. 101, 1F Mezzanine, Building B3, Foxconn Technology Park, 2nd Donghuan Road, Longhua Street, Longhua District, Shenzhen City, Guangdong Province, China	CNY6,250	R&D, production and sale of electronic materials required for hardware and software products
Ennoconn (Foshan) Investment Co., Ltd.	2016.12.23	Room 112, 1st Floor, Building D, Central European Center, No. 2 South Lingnan Avenue, Lecong Town, Shunde District, Foshan City	CNY66,207	Professional Investment
Beijing Caswell Ltd.	2003.09.23	East of 4th Floor, Building 5, Qunying Science Park, No. 8 Shangdi Chuangye Road, Haidian District, Beijing	US\$3,800	Production and sales of network communication products
HighAim Technology Inc.	2007.07.16	No. 278, Chensong Road, Yushan Town, Kunshan City, Jiangsu Province, China	US\$10,000	Design, R&D, and production of various molds, servers, and communication equipment.
Kunshan Lidingcheng Intelligent Equipment Co., Ltd.	2018.08.03	Room 3, No. 278, Chensong Road, Yushan Town, Kunshan City	CNY1,000	Leasing, sales, and after-sales service of intelligence, machinery equipment, and accessories.
HighAim Technology (Shenzhen) Inc.	2019.12.06	Room 201, Building B, Fuanna Company, Qinghu Village, Qinghu Community, Longhua Street, Longhua District, Shenzhen	CNY2,700	Automation fixtures, tools and molds
EnnoMech Precision	2016.02.23	Room 415, 4th Floor, Building A,	CNY10,000	Machinery components

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
(Shenzheng) LLC		Tianhui Building, Yousong Road, Longhua Street, Longhua New District, Shenzhen		
Goldtek Technology (Shenzheng) Co., Ltd.	2016.07.21	Room 1926, Longhu Junhui Fashion Apartment, Meilong Avenue, Longhua District, Shenzhen	US\$13,000	Relevant research, design, and sale of electronic products, communication equipment, and their components, and after-sales service for the said products.
Techno Precision (Shenzhen) Co., Ltd.	2012.06.27	Plant 3, No. 10, Longshan Industrial Park, Nanling Village, Nanwan Street, Longgang District, Shenzhen	HK\$23,000	Stamping/assembly
T-Paragon Metal (Shenzhen) Ltd.	2012.06.14	Phase II Plant, No. 10, Longshan Industrial Park, Nanling Village, Nanwan Street, Longgang District, Shenzhen	HK\$5,000	Zinc/Aluminum Alloy Die Casting
Techno Apogee Co., Ltd.	2018.06.26	1F, Plant 3, No. 10, Longshan Industrial Park, Nanling Village, Nanwan Street, Longgang District, Shenzhen	CNY8,000	Manufacturing and sale of plastic and metal molds
Ennoconn (Suzhou) Technology Co., Ltd.	2017.06.29	Room 1, No. 299, Nansong Road, Yushan Town, Kunshan City, Jiangsu Province	US\$30,000	Research and development, production and sales of industrial computers
Ennoconn (Kunshan) Technology Co., Ltd.	2018.04.26	Room 3, No. 299, Nansong Road, Yushan Town, Kunshan City, Jiangsu Province	CNY500	Development of smart technologies and sale of hardware
Ennoconn Investment Co., Ltd.	2019.10.30	19F, Block C, Haichuang Building, No. 288 Dengyun Road, Yushan Town, Kunshan City, Jiangsu Province	US\$20,000	Professional Investment
MIC-Tech (Shanghai) Corp.	2001.05.24	Area A1-3, 1F, Great Wall Building, No. 333, Fute West 1st Rd, China (Shanghai) Pilot Free Trade Zone	US\$8,241	Semiconductor production, semiconductor equipment maintenance, testing equipment, and consumables, wholesale, commission agent, import and export, and other related supporting business for power generation boiler;

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
				Chemical, warehousing and distribution business focusing on boiler products: international trade and entrepot trade; Trade and trade agency between enterprises in the bonded area; District business consulting services.
Fuzhou Jiwei System Integrated Co., Ltd.	2003.02.27	No.B06, 3rd Floor, Fujian Longfu Electromechanical Wholesale Market, No.15 Lianjiang South Road, Cangshan District, Fuzhou, Fujian Province	US\$300	Cleanroom and power system equipment, piping system equipment installation, and related supporting services.
Shanghai Maohua Electronics Engineering Co., Ltd.	1998.04.21	Room 707~708, No. 36, Lane 2777, Jinxiu East Road, China (Shanghai) Pilot Free Trade Zone	US\$600	Design, installation, debugging, and technical services of and for pest-killing barrel regeneration, pipeline system and relevant facilities used for semiconductor manufacturing industry; maintenance of the equipment used for semiconductor manufacturing industry, technical consulting for electronic and medical equipment, wholesale, commission agency (except for auctions), import & export, and related support services of and for electronic products, mechanical equipment, chemical products (except dangerous goods), communication products, metal products, and manufactured materials.
MIC-Tech Electronics Engineering Corp.	2006.06.30	Room 701--706, No. 36, Lane 2777, Jinxiu East Road, China (Shanghai) Pilot Free Trade Zone	US\$17,619	Construction for mechanical and electrical installation and construction projects, chemical and petroleum projects, municipal public construction projects, building decoration projects and electronic construction projects,



Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
				professional construction for building intelligent projects, and related technical services and consulting. Wholesale, commission-based agency (except for auction) and import & export of construction equipment, building materials (except for steel and cement), electronic and chemical products (except for hazardous products), metal products, electrical and communication equipment, and provision of related supporting services.
Frontken-MIC (Wuxi) Co., Ltd. (Note)	2008.10.31	No. 11, Xinxi Road, Wuxi National High-tech Industrial Development Zone, Jiangsu Province	US\$2,308	Cleaning of semiconductor components and integrated circuit special equipment; Cleaning of special parts for semiconductor devices, parts for integrated circuits and microcomponents, and wafer; R&D of semiconductor cleaning technology; Assembly, installation, and maintenance services of refrigeration equipment; Design, manufacture, sales, and installation of automatic warehousing equipment and accessories, automatic conveying logistics equipment and accessories; R&D, sales and installation of logistics deployment computer-aided engineering system: Wholesale, commission agency, import & export business of the above-mentioned products and parts.
Integrated Manufacturing & Services Co., Ltd.	2008.10.22	(No. 60, Group 4, Liantong Village) Huolong Industrial Park, Sijia Town, Haimen City, Nantong City, Jiangsu	US\$7,000	Development and production of special equipment for solar cell production, manufacturing of key components such as

Name of affiliates	Date of establishment	Address	Paid-in capital	Major business or production items
		Province		optical engines, light sources, projection screens, high-definition projection tubes, and microdisplay projection equipment modules for large color projection displays, manufacturing of new electronic components, and cleaning and regeneration services, sales of its own products; Mechanical equipment, general equipment production technology R&D, technology transfer, technical consulting, technical services; Metal scrap and shredding processing (except hazardous chemicals, hazardous waste); Metal materials (except steel and precious metals), ceramic products, paper products, hardware products wholesale, retail and import and export business.
MIC-Tech China Trading (Shanghai) Co., Ltd.	2013.03.21	Room 517, 5th Floor, No. 8, Huajing Road, Waigaoqiao Free Trade Zone, Shanghai	US\$1,500	Wholesale, commission-based agency, import & export and other related business of chemical products (except for hazardous, precursor and special chemicals), semiconductor, test equipment and its consumables, consumables for solar equipment, boiler for power generation, mechanical equipment and their accessories; international trade, entrepot trade, trade and trade agency between enterprises in the bonded area, trade consulting services; Installation and maintenance of semiconductor equipment, automation equipment, electronic equipment, and their accessories.

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

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

4. Information of the same shareholders who are assumed having controlling and subordination relation: None.

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

December 31, 2020  
Unit: shares; NT\$ thousand

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
Innovation System Integration Limited	Director	Ennoconn Corporation - Chao-Tsung Lou	166,221,030	100%
Ennoconn International Investment Co., Ltd.	Chairman	Ennoconn Corporation - Chao-Tsung Lou	720,635,000	100%
	Director	Ennoconn Corporation - Fu-Chuan Chu	720,635,000	100%
	Director	Ennoconn Corporation - Neng-Chi Tsai	720,635,000	100%
	Supervisor	Ennoconn Corporation - Yu-Mei Wu	720,635,000	100%
Caswell Inc.	Chairman	Ennoconn Corporation - Fu-Chuan Chu	20,000,000	27.37%
	Director	Ennoconn Corporation - Chao-Tsung Lou	20,000,000	27.37%
	Director and President	Te-Fu Hung	115,446	0.16%
	Director	Ennoconn Corporation - Neng-Chi Tsai	20,000,000	27.37%
	Independent director	Chien-Hua Shao	0	0%
	Independent director	Wen-Chin Huang	0	0%
	Independent director	I-Chun Wang	0	0%
Ennoconn Investment Holdings Co.,Ltd	Chairman	Ennoconn Corporation - Chao-Tsung Lou	229,360,000	100%
ENGA Technology Co., Ltd.	Chairman	Innovative Systems Integration Limited - Chao-Mao Huang	3,500,000	100%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
	Director	Innovative Systems Integration Limited - Fu-Chuan Chu	3,500,000	100%
	Director	Innovative Systems Integration Limited - Chao-Tsung Lou	3,500,000	100%
Victor Plus Holdings Ltd.	Director	Innovation System Integration Limited	0	100%
AIS Cayman Technology	Chairman	FU-CHUAN CHU	0	0%
	Director	CHUN HAO SHIH	0	0%
	Director	NEN CHI NELSON TSAY	231,000	6%
S&T AG	Executive Board	Hannes Niederhauser	1,165,463	1.76%
	Executive Board	Richard Neuwirth	5,000	0.01%
	Executive Board	Michael Jeske	0	0.00%
	Executive Board	Peter Sturz	8,833	0.01%
	Executive Board	Carlos Queiroz (till Dec. 31, 2021)	0	0.00%
	Executive Board	Michael Riegert (as of Jan. 01, 2022)	0	0.00%
	Supervisors	Claudia Badstöber* (as of June 16, 2020)	203,512	0.31%
	Supervisors	Bernhard Chwatal	0	0%
	Supervisors	Hui-Feng Wu alias Ed Wu	0	0%
	Supervisors	Fu-Chuan Chu alias Steve Chu	0	0%
	Supervisors	Yu-Mei Wu alias Yolanda Wu	0	0%
AIS	Chairman	NEN CHI NELSON TSAY	0	0%
	Director	YUAN-LIN LEE	0	0%
	Director	JOSEPH JOHN FIJAK	0	0%
Vecow Co., Ltd.	Director	AIS - Neng-Chi Tsai	20,000,000	100%
	Director	AIS - Fu-Chuan Chu	20,000,000	100%
	Director	AIS - Ling-Hsiao Yu	20,000,000	100%
	Supervisor	AIS - Chun-Hao Shih	20,000,000	100%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
Goldtek Technology Co., Ltd.	Chairman	Ennoconn International Investment Co., Ltd. - Fu-Chuan Chu	17,022,831	56.74%
	Director	Ennoconn International Investment Co., Ltd. - Chao-Tsung Lou	17,022,831	56.74%
	Director	Hui-Pin Liang	757,831	2.53%
	Director	Ennoconn International Investment Co., Ltd. - Tung-Sheng Tu	17,022,831	56.74%
	Independent director	Wu-Shui Cheng	0	0%
	Independent director	Chun-Nien Lai	0	0%
	Independent director	Shih-Kang Fan	0	0%
	President	Tung-Sheng Tu	108,539	0.36%
EnnoMech Precision (Cayman) Co., Ltd.	Chairman	Ennoconn International Investment Co., Ltd. - Chao-Tsung Lou	13,800,000	100%
SYS-P CO., LTD.	Director	Ennoconn International Investment Co., Ltd. - Chun-Hao Shih	30,000	100%
TAIWAN APPLIED MODULE CORPORATION	Chairman	Ennoconn International Investment Co., Ltd. - Chao-Mao Huang	10,400,000	100%
	Director	Ennoconn International Investment Co., Ltd. - Wang-Lin Tsai	10,400,000	100%
	Director	Ennoconn International Investment Co., Ltd.- TMing-Hsueh Tsai	10,400,000	100%
	Supervisor	Ennoconn International Investment Co., Ltd. - Pin-Hsien Wu	10,400,000	100%
	President	Ming-Hsueh Tsai	0	0%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
Thecus Technology Corp.	Chairman	Ennoconn International Investment Co., Ltd. - Chun-Hao Shih	10,200,000	60%
	Supervisor	I-Ping Chien	0	0%
Dexatek Technology Ltd.	Chairman	Ennoconn International Investment Co., Ltd. - Fu-Chuan Chu	12,600,000	60%
	Director	Ennoconn International Investment Co., Ltd.- Ming-Hsueh Tsai	12,600,000	60%
	Director	Ennoconn International Investment Co., Ltd. - Chou, Hung-Chih	12,600,000	60%
	Director and President	Hsin-Yu Chen	1,044,874	4.98%
	Director	Fuyang Investment Co., Ltd. - Pei-Yu Chang	3,708,676	17.66%
	Supervisor	Pin-Hsien Wu	10,000	0.05%
	Supervisor	Ya-Hui Lin	10,000	0.05%
	Supervisor	Lung-Peng Hung	88,743	0.42%
	Director	Ji-xuan Investment Co., Ltd. - Kao, Hsin-Ming	11,005,795	5.93%
Marketch International Corp.	Director	E-WIN Investment Co., Ltd. - Yu-Yeh Lin	6,647,112	3.58%
	Director	Ennoconn International Investment Co., Ltd. - Fu-Chuan Chu	83,468,613	44.71%
	Director	Ennoconn International Investment Co., Ltd. - Chao-Tsung Lou	83,468,613	44.71%
	Director	Ennoconn International Investment Co., Ltd. - Yu-Lung Li	83,468,613	44.71%
	Director	Ennoconn International Investment Co., Ltd. - Yu-Mei Wu	83,468,613	44.71%
	Independent director	Tsung-Pao Wu	0	0.00%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
HighAim Technology INC.	Independent director	Hsiao-Min Lin	0	0.00%
	Independent director	I-Chun Wang	0	0.00%
	Legal representative and executive managing director	Huan-Hsiang Chung	101,212	0.02%
DOMINATE UNITED ENTERPRISE LTD.	Chairman	EnnoMech Precision (Cayman) Co., Ltd. - CHIH KUN JACKSON SHIH	2,100,000	100%
ENNOMECH PRECISION CO., LTD.	Chairman	EnnoMech Precision (Cayman) Co., Ltd. - Chao-Tsung Lou	1,000,000	100%
	Director	EnnoMech Precision (Cayman) Co., Ltd. - Fu- Chuan Chu	1,000,000	100%
	Director	EnnoMech Precision (Cayman) Co., Ltd. - Chao-Mao Huang	1,000,000	100%
	Supervisor	EnnoMech Precision (Cayman) Co., Ltd. - Ping-Hsun Huang	1,000,000	100%
FUNOLOGY INVESTMENT INC.	Legal Representative	HighAim Technology Inc. - Ju-Hsiang Chung	1,000	100%
ANDRIX INTERNATIONAL LIMITED	Legal Representative	HighAim Technology Inc. - Huan-Hsiang Chung	900	100%



Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
CASO Inc.	Director	Caswell Inc. - Te-Fu Hung	1,881	99%
	Director	Caswell Inc. - Chih-Chiang Yen	1,881	99%
	Director and President	Takeda Kazuhiro	19	1%
CASWELL INTERNATIONAL INVESTMENT CO., LTD.	Director	Caswell Inc. - Fu-Sung Hsu	0	100%
Caswell Americas, Inc	Chairman	Caswell Inc. - Chih-Chiang Yen	3,000,000	100%
Apligo GmbH	Chairman	Caswell Inc. - I-Hsin Liu	24,000	66.67%
Hawkeye Tech Co., Ltd.	Chairman	Yung-Nien Liu	0	0%
	Director	Jui-Hua Tsao	0	0%
	Director	Liu-Ping Chen	0	0%
	Director	Caswell Inc. - Te-Fu Hung	8,187,000	60.64%
	Director	Caswell Inc. - Yen-Hsiang Chen	8,187,000	60.64%
	Supervisor	I-Hsiang Hsu	0	0%
Thecus NL B.V.	Chairman	Thecus Technology Corp. - Pei-Chih Sun	2600	100%
Tecas USA., Inc.	Chairman	Thecus Technology Corp. - Shih-Po Li	750,000	100%
Keenest Electronic Corp.	Chairman	Tung-Sheng Tu	24,000,000	100%
S&T CZ s.r.o., Czech Republic	Directors	Becka Miroslav	0	0%
	Directors	Kraus Vaclav	0	0%
S&T Plus s.r.o., Czech Republic	Directors	Ludvik Tot	0	0%
	Directors	Kraus Václav	0	0%
S&T Services Polska Sp.z.o.o., Poland	Directors	Piotr Staszczak	0	0%
	Directors	Golebiewski Grzegorz	0	0%
S&T Crna Gora d.o.o., Montenegro	Directors	Maric Milan	0	0%
S&T Bulgaria e.o.o.d., Bulgaria	Directors	Zlati Stoychev Petrov	0	0%
S&T Poland Sp.z.o.z., Poland	Directors	Piotr Staszczak	0	0%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
	Directors	Grzegorz Golebiewski	0	0%
	Directors	Maurycy Palkiewicz	0	0%
	Directors	Horovčáková Helena	0	0%
S&T Slovakia s.r.o.	Directors	Berger Saso	0	0%
S&T Slovenija d.d., Slovenia	Directors	Kureš Matjaž	0	0%
	Directors	Fir Jure	0	0%
	Directors	Vidic Bozidar	0	0%
S&T Hrvatska d.o.o., Croatia	Directors	Antovski Boro	0	0%
S&T Macedonia d.o.o.e.l., Macedonia	Directors	Macovei Nicoleta	0	0%
S&T Romania S.R.L., Romania	Directors	Rajko Jovanovic	0	0%
S&T Serbia d.o.o., Serbia	Directors	Prifti Kleanthi	0	0%
S&T Albania Sh.p.k., Albania	Directors	Eugen Mosanu	0	0%
S&T Mold srl., Moldova	Directors	Eugen Mosanu	0	0%
S&T IT Technology SRL	Directors	Peter Dezső Szabó	0	0%
S&T Consulting Hungary Kft., Hungary	Directors	Kulczar Sandor	0	0%
	Directors	Arpad János Lenkei	0	0%
	Directors	Schmitz Uwe	0	0%
S&T Deutschland GmbH, Germany	Directors	Plies Michael	0	0%
Computer Betting Company GmbH, Austria	Directors	Michael Jeske	0	0%
SecureGUARD GmbH, Austria	Directors	Helmut Otto	0	0%
S&T CEE Holding s.r.o., Slovenia	Directors	Helene Horovcokova	0	0%
	Directors	Jozef Brach	0	0%
Amanox Solutions AG; Switzerland	Directors	Dini Daniel	0	0%
	Directors	Schor Martin	0	0%
	Directors	Jeske Michael	0	0%
	Directors	Neuwirth Richard	0	0%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
Hamcos IT Service GmbH, Germany	Directors	Hampel Frank	0	0%
	Directors	Jeske Michael	0	0%
Kontron Beteiligungs GmbH	Directors	Hannes Niederhauser	0	0%
	Directors	Helmut Fischer	0	0%
Kontron Austria GmbH, Austria	Directors	Walter Kroupa	0	0%
Kontron Technologies GmbH, Austria	Directors	Egerth Harald	0	0%
	Directors	Günthner Bernhard	0	0%
	Directors	Richard Neuwirth	0	0%
S&T MEDTECH SRL, Romania	Directors	George Visan	0	0%
Affair OOO, Russia	Directors	Sinenko Olga	0	0%
S&T Services Bel LCC, Belarus	Directors	Kunts Oksana Mikhailovna	0	0%
Kontron Asia Inc., Taiwan	Directors	Steve Chen	0	0%
Kontron Transportation Taiwan Co., Ltd	Directors	Steve Chen	0	0%
Kontron AIS GmbH	Directors	Dirk Sauer	0	0%
	Directors	Michael Jacob	0	0%
CITYCOMP Service GmbH	Directors	Martin Heel	0	0%
	Directors	Frank Hartig	0	0%
	Directors	Julius von Jagow	0	0%
S&T Services Kft., Hungary	Directors	Peter Dezső Szabó	0	0%
	Directors	Kulczar Sandor	0	0%
	Directors	Arpad János Lenkei	0	0%
Kontron America Inc.	Directors	Matthias Huber	0	0%
	Directors	Andy Mason	0	0%
	Directors	Robert Courteau	0	0%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
	Directors	Thomas Ebner	0	0%
Kontron Canada Inc.	Directors	Robert Courteau	0	0%
	Directors	Josyane Desbois	0	0%
	Directors	Helmut Fischer	0	0%
	Directors	Thomas Ebner	0	0%
Kontron Asia Pacific Design Sdn. Bhd.	Directors	Cheng Ee Kong	0	0%
	Directors	Julius Von Jagow	0	0%
	Directors	Shanmuganathan	0	0%
Kontron Technology Beijing Co. Ltd.	Directors	Steve Chen	0	0%
Kontron Europe GmbH, Germany	Directors	Helmut Fischer	0	0%
	Directors	Carlos Quieroz	0	0%
	Directors	Michael Riegert	0	0%
	Directors	Oliver Dautzenberg	0	0%
Kontron UK Ltd.	Directors	David Johnson	0	0%
Kontron Modular Computers S.A.S., France	Directors	Philippe Vincent	0	0%
Kontron Electronics GmbH, Germany	Directors	Holger Wußmann	0	0%
		Jochen Gimple	0	0%
Kontron Electronics Kft., Hungary	Directors	Anita Réder	0	0%
Kontron Electronics AG, Switzerland	Directors	Sebastian Wieland	0	0%
RTSoft Project OOO, Russia	Directors	Sinenko Olga	0	0%
Kontron Transportation Austria AG	Directors	Bernd Eder	0	0%
	Directors	Michael Riegert	0	0%
Kontron Transportation Sp. z o.o.	Directors	Richard Neussl	0	0%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
Kontron Transportation España SL	Directors	Rafael Canales	0	0%
Kontron Transportion Portugal, Unipessoal LDA	Directors	Armando Xavier	0	0%
Kontron Transportation s.r.o.	Directors	Petr Vitek	0	0%
Kontron Transportation Hungary Kft.	Directors	Szandra Horvath	0	0%
	Directors	Richard Neussl	0	0%
Kapsch CarrierCom Saudi Arabia LLC	Directors	Sajeev Madhavan	0	0%
Kontron Transportation Deutschland GmbH	Directors	Bernd Eder	0	0%
	Directors	Michael Riegert	0	0%
Kontron Transportation France S.A.S.	Directors	Richard Bussienne	0	0%
Kontron Transportation UK Ltd.	Directors	Bernd Eder	0	0%
Kontron Transportation Belgium NV	Directors	Jean Dubois	0	0%
FinTel Holding d.o.o. & co k.d., holdinška družba	Directors	Mitja Dolžan	0	0%
FinTel holding d.o.o.	Directors	Mitja Dolžan	0	0%
Iskratel d.o.o.	Directors	Robert Kuzmić	0	0%
	Directors	Mitja Dolžan	0	0%
ITS Skopje	Directors	Jovanovski Slobodan	0	0%
ITS Softver d.o.o.	Directors	Jovanovski Slobodan	0	0%
IskraCom	Directors	Savitskiy Insun	0	0%
OOO Iskratel Tashkent	Directors	Sharifov Rakhimkhodja	0	0%
AO IskraUralTel Yekaterinburg	Directors	Davydov Vladislav	0	0%
Iskratel Ukraine LTD	Directors	Karachevtsev Sergiy	0	0%
Axino Solutions GmbH	Directors	Michael Wallrath	0	0%
PSB IT-Service GmbH	Directors	Julius von Jagow	0	0%
	Directors	Hartwig Dilling	0	0%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
Enterprise Concept SRL	Directors	Macovei Nicoleta	0	0%
	Directors	Voicu Radu Cristian	0	0%
BeeIN d.o.o.	Directors	Mitja Dolžan	0	0%
Marketch Integrated Pte. Ltd.	Chairman	Hsin-Ming Kao	SGD 10,086	100%
	Director	Yu-Yeh Lin		
	Director	Loo Lam Huat		
Market Go Profits Ltd.	Director	Hsin-Ming Kao	US\$41,069	100%
	Director	Yu-Yeh Lin		
MIC-Tech Global Corp.	Director	Hsin-Ming Kao	KRW 657,800	100%
	Director	Yu-Yeh Lin		
	Director	Chen-Hao Pu		
	Supervisor	Yi-Jung Li		
	President	Chen-Hao Pu		
Headquarter International Ltd.	Director	Hsin-Ming Kao	US\$1,289	100%
	Director	Yu-Yeh Lin		
Tiger United Finance Ltd.	Director	Hsin-Ming Kao	US\$1,410	100%
	Director	Yu-Yeh Lin		
Marketch Engineering Pte. Ltd.	Director	Hsin-Ming Kao	SGD 938	100%
	Director	Yu-Yeh Lin		
	Director	Loo Lam Huat		
Marketch Integrated Manufacturing Company Limited	Director	Hsin-Ming Kao	US\$15,356	100%
	Director	Yu-Yeh Lin		
MIC-Tech Viet Nam Co., Ltd.	President	Hsin-Ming Kao	US\$4,400	100%
Marketch Co., Ltd.	President	Hsin-Ming Kao	US\$2,400	100%
Ezoom Information, Inc.	Chairman	Marketch International Corp. Representative: Yu-Yeh Lin	23,000,000	100%
	Director	Marketch International Corp.		

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
		Representative: Hsin-Ming Kao		
	Director	Marketch International Corp. Representative: Ping-Chung Sung		
	Supervisor	Marketch International Corp. Representative: Yi-Jung Li		
	Supervisor	Marketch International Corp. Representative: Kuo-Peng Ma		
PT Marketch International Indonesia	Director	Hsin-Ming Kao	US\$1,200	100%
	Director	Yu-Yeh Lin		
	Director	Natalriana		
	Supervisor	Yi-Jung Li		
ADAT Technology Co., Ltd.	Chairman	Marketch International Corp. Representative: Yu-Yeh Lin	4,205,940	25.67%
	Director	Marketch International Corp. Representative: Hsin-Ming Kao		
	Director	Kai-Hung Su		
	Supervisor	Yi-Jung Li		
Marketch Netherlands B.V.	Director	Hsin-Ming Kao	EUR900	100%
	Director	Yu-Yeh Lin		
	Director	Kuo-Peng Ma		
Marketch International Sdn. Bhd.	Director	Hsin-Ming Kao	MYR 12,243	100%
	Director	Yu-Yeh Lin		
	Director	Kuo-Peng Ma		
	Director	Mohd Salleh Bin Mohamad		
	Director	Siti Zaleha Binti Mohd Salim		
MIC-Tech Ventures Asia Pacific Inc.	Director	Hsin-Ming Kao	US\$40,967	100%
	Director	Yu-Yeh Lin		

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
Marketch Integrated Construction Co., Ltd.	Director	Hsin-Ming Kao	US\$635	97.69%
	Director	Yu-Yeh Lin		
Russky H.K. Limited	Director	Hsin-Ming Kao	US\$833	100%
	Director	Yu-Yeh Lin		
Frontken MIC Co. Limited	Director	Hsin-Ming Kao	US\$1,013	100%
	Director	Yu-Yeh Lin		
Marketch International Corporation USA	Director	Ping-Chung Sung	US\$3,750	100%
MICT International Limited	Director	Hsin-Ming Kao	US\$4,297	60%
	Director	Yu-Yeh Lin		
	Director	Jin-Tiau Wu		
Spiro Technology Systems Inc.	Director	Hsin-Ming Kao	US\$1,000	100%
	Director	Yu-Yeh Lin		
	Director	Ping-Chung Sung		
	President	Ping-Chung Sung		
Smart Health Corp.	Chairman	Marketch International Corp. Representative: Hsin-Ming Kao	500	100%
	Supervisor	Marketch International Corp. Representative: Yi-Jung Li		
MIC Healthcare Korea Co., Ltd.	Director	Hsin-Ming Kao	KRW350,000	100%
	Director	Yu-Yeh Lin		
	Director	Chun-Hao Bai		
	Supervisor	Yi-Jung Li		
Vertex Corporation	Chairman	COILER CORPORATION Representative: Yu-Hui Chang	50,000,000	61.35%
	Director	Hsin-Ming Kao		
	Director	Marketch International Corp. Representative: Yu-Yeh Lin		
	Supervisor	Yi-Jung Li		



Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
NanJing Asiatek INC.	Supervisor	Li-Ling Tsai		
	Legal representative and executive managing director	Innovative Systems Integration Limited - Hsu, Chia-Jung	US\$3,000	100%
	Supervisor	Ji-Hua Li		
Ennoconn (Foshan) Investment Co., Ltd.	Legal representative and executive director	Innovative Systems Integration Limited - Chao-Tsung Lou	US\$9,800	100%
	Supervisor	Chao-Mao Huang		
Beijing Caswell Ltd.	Executive Director and President	Jen-Hao Liu	0	0%
	Supervisor	Fu-Sung Hsu	0	0%
HighAim Technology Inc.	Legal representative and executive managing director	HighAim Technology Inc. - Huan-Hsiang Chung	US\$10,000	100%
	Director	Yu-Ling Chen		
	Director	Lai-Fu Teng		
	Supervisor	Ming-Che Kao		
EnnoMech Precision (Shenzheng) LLC	Director	Chih-Kun Shih	US\$1,530	100%
	Director	Lu, Tien-Sung		
	Director	GABRIEL SE BEE THIAM		
	Supervisor	Chih-Gang Wang		
Goldtek Technology (Shenzheng) Co., Ltd.	Legal Representative	Keenest Electronic Corp. - Tu, Tung-Sheng	US\$13,000	100%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
Techno Precision Co., Ltd.	Corporate representative	Tung-Sheng Tu	7,500,000	40.3%
Techno Precision (Shenzhen) Co., Ltd.	Corporate representative	Hong-Jhih Guan	HDK23,000	100%
T-Paragon Die Casting Co., Ltd.	Corporate representative	Kuang-Mao Kuan	7,500,000	50%
T-Paragon Metal (Shenzhen) Ltd.	Corporate representative	Kun-Chou Chang	HDK 5,000	100%
Techno Apogee Co., Ltd.	Corporate representative	Peng-Cheng Sun	RMB 5,600	70%
Tairoun Products Co., Ltd. (Thailand)	Corporate representative	MINORU SHIMBARA	THB159,888	100%
T-MAXX Technology Co., Ltd.	Corporate representative	Yi-Shiuan Guan	HDK 3,000	100%
Ennoconn (Suzhou) Technology Co., Ltd.	Chairman	Innovative Systems Integration Ltd. - Chao-Tsung Lou	US\$30,000	100%
	Director	Innovative Systems Integration Ltd. - Fu-Chuan Chu		
	Director	Innovative Systems Integration Ltd. - Neng-Chi Tsai		
	Supervisor	Innovative Systems Integration Ltd. - Chao-Mao Huang		
	President	Chao-Tsung Lou		
Ennoconn (Kunshan) Technology Co., Ltd.	Legal representative and executive director	Ennoconn (Suzhou) Technology Co., Ltd. - Fu-Chuan Chu	-	100%
MIC-Tech (WuXi) Co., Ltd.	Chairman	Hsin-Ming Kao	US\$25,500	100%
	Director	Kuo-Peng Ma		

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
	Director	Yu-Yeh Lin		
	Supervisor	Yi-Jung Li		
	President	Hsin-Ming Kao		
MIC-Tech (Shanghai) Corp.	Chairman	Hsin-Ming Kao	US\$8,241	100%
	Director	Yu-Yeh Lin		
	Director	Kuo-Peng Ma		
	Supervisor	Yi-Jung Li		
	President	Hsin-Ming Kao		
Fuzhou Jiwei System Integrated Co., Ltd.	Chairman	Wei-i Cheng	US\$300	100%
	Director	Kuo-Peng Ma		
	Director	Yu-Yeh Lin		
	Supervisor	Ai-Hua Pan		
Shanghai Maohua Electronics Engineering Co., Ltd.	Chairman	Hsin-Ming Kao	US\$803	87%
	Director	Kuo-Peng Ma		
	Director	Yu-Yeh Lin		
	Director	Shimada Naohisa		
	Director	Arakawa Satoshi		
	Supervisor	Yi-Jung Li		
	President	Hsin-Ming Kao		
MIC-Tech Electronics Engineering Corp.	Chairman	Hsin-Ming Kao	US\$17,619	100%
	Director	Kuo-Peng Ma		
	Director	Yu-Yeh Lin		

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares (or Capital Contribution)	Ratio (%)
Integrated Manufacturing & Services Co., Ltd.	Chairman	Hsin-Ming Kao	US\$4,297	60%
	Director	Yi-Jung Li		
	Director	Cheng-Tsun Yu		
	Supervisor	Yu-Yeh Lin		
	President	Chih-Fu Lin		
MIC-Tech China Trading (Shanghai) Co., Ltd.	Chairman	Hsin-Ming Kao	US\$1,500	100%
	Director	Yu-Yeh Lin		
	Director	Kuo-Peng Ma		
	Supervisor	Yi-Jung Li		
	President	Yu-Yeh Lin		

## (II) Operation overview of affiliates

December 31, 2021

Unit: NT\$/foreign currency thousand

Company Name	Capital	Total Assets	Total Liabilities	Net worth of equity	Operating revenue	Operating profit (loss)	Income for this period (After Tax)	Earnings Per Share (After Tax)
Innovative Systems Integration Limited	HK\$518,217	2,121,703	2,761	2,118,942	0	(126)	(3,683)	-
Ennoconn International Investment Co., Ltd.	7,206,350	8,460,956	57,231	8,403,724	821,688	819,972	921,419	1.28
Caswell Inc.	731,889	4,381,819	1,334,499	3,047,320	3,257,900	184,262	219,556	3.00
Ennoconn Investment Holdings Co.,Ltd	US\$239,360	7,745,100	296	7,744,804	454,500	(1,151)	453,344	-
ENGA Technology Co., Ltd.	HK\$27,394	104,811	4,715	100,096	0	0	417	-
Victor Plus Holdings Ltd.	-	375,284	363,254	12,029	2,858,353	(136)	(23)	-
AIS Cayman Technology	US\$10,701	1,271,902	526,332	745,570	1,702,874	212,153	166,431	-
S&T AG	EUR66,096	24,672,074	10,353,947	14,318,128	2,850,072	608,243	2,237,618	-
American Industrial Systems Inc.	US\$1,500	410,112	166,904	243,208	955,358	147,037	3,847	-
Vecow Co., Ltd.	50,000	662,798	357,216	305,582	766,504	80,473	63,364	12.71
Goldtek Technology Co., Ltd.	300,000	3,552,279	1,790,427	1,761,852	3,807,518	477,064	158,527	5.28
EnnoMech Precision (Cayman) Co., Ltd.	US\$13,800	577,929	0	577,929	17,936	(315)	17,859	-
SYS-P CO., LTD.	30,000	28,817	105	28,712	0	(197)	(1,472)	-
TAIWAN APPLIED MODULE CORPORATION	84,000	45,560	166	45,395	394	(1,115)	(20,877)	0.00
Thecus Technology Corp.	170,000	64,116	77,869	(13,748)	4,847	(10,618)	(12,697)	(0.75)
Dexatek Technology Ltd.	223,570	831,610	416,624	414,986	1,050,586	127,352	104,162	4.92
Marketch International Corp.	1,927,562	23,110,481	15,437,924	7,672,557	25,756,473	1,331,657	1,547,480	8.24
POSLAB TECHNOLOGY CORPORATION	130,000	318,140	196,332	121,808	245,230	4,316	1,190	0.09
HighAim Technology INC.	US\$5,000	954,438	366,809	587,629	607,579	33,889	32,251	-
DOMINATE UNITED ENTERPRISE LTD.	US\$2,100	59,444	0	59,444	0	(41)	(25)	-
ENNOMECH PRECISION CO., LTD.	10,000	30,424	1,593	28,830	0	(3,483)	(3,447)	(0.00)
FUNOLOGY INVESTMENT INC.	US\$1	164,932	155,194	9,737	364,529	4,560	4,560	-

Company Name	Capital	Total Assets	Total Liabilities	Net worth of equity	Operating revenue	Operating profit (loss)	Income for this period (After Tax)	Earnings Per Share (After Tax)
ANDRIX INTERNATIONAL LIMITED	US\$1	69,424	59,598	9,826	141,275	34	40	-
CASO Inc.	JPY 95,000	134,794	49,364	85,431	281,864	37,674	27,402	-
CASWELL INTERNATIONAL INVESTMENT CO., LTD.	US\$3,206	229,854	393	229,460	0	(33)	36,902	-
Caswell Americas, Inc	US\$3,000	108,746	51,187	57,559	237,884	4,628	4,870	-
APLIGO Gmbh	EUR36	215,760	155,616	60,145	399,845	9,079	4,311	-
Hawkeye Tech Co., Ltd.	150,000	452,119	196,817	255,302	483,504	42,099	33,178	2.21
Thecus USA.,Inc.	23,367	4,906	0	4,906	0	(71)	(71)	-
Keenest Electronic Corp.	664,320	426,685	50,420	376,265	304,323	71,516	(198,164)	-
Techno Precision Co., Ltd.	496,833	559,932	65,070	494,862	681,920	(6,363)	(7,536)	-
T-Paragon Die Casting Co., Ltd.	53,236	327,862	269,386	58,476	293,334	(19,092)	(12,675)	-
Tairoun Products Co., Ltd. (Thailand)	133,008	152,272	34,496	117,776	64,406	(12,039)	(11,997)	-
Marketch Integrated Pte. Ltd.	206,353	71,116	114,165	(43,049)	115,799	(5,291)	(7,915)	-
Market Go Profits Ltd.	1,136,793	1,665,661	0	1,665,661	0	(96)	295,070	-
MIC-Tech Global Corp.	15,458	59,079	47,508	11,571	183,414	(79)	409	-
Headquarter International Ltd.	35,690	33,925	168	33,757	2,036	(219)	(586)	-
Tiger United Finance Ltd.	39,039	31,865	474	31,391	2,420	(1,425)	(1,983)	-
Marketch Engineering Pte. Ltd.	19,182	811	939	(128)	0	(150)	(2,105)	-
Marketch Integrated Manufacturing Company Limited	425,054	205,540	13,164	192,376	0	(30,234)	(76,361)	-
MIC-Tech Viet Nam Co., Ltd.	121,792	290,427	166,488	123,939	443,713	12,502	11,394	-
Marketch Co., Ltd.	66,432	15,934	2,811	13,123	2,603	(4,987)	(4,778)	-
Ezoom Information, Inc.	230,000	140,470	47,867	92,603	121,950	(37,251)	(37,275)	(1.62)
PT Marketch International Indonesia	33,216	31,902	3	31,899	0	(393)	(447)	-
ADAT Technology Co., Ltd.	163,864	112,427	5,596	106,831	5,177	(50,692)	(50,475)	(3.08)
Smart Health Corp.	500	418	0	418	0	(58)	(58)	(1.17)
Marketch Netherlands B.V.	28,188	8,106	4,818	3,288	8,273	(8,397)	(8,397)	-
Marketch International Sdn. Bhd.	77,803	121,449	69,313	52,136	159,574	1,796	(1,563)	-
Marketch International Corporation USA	103,800	969,142	871,335	97,807	557,251	6,897	3,408	-

Company Name	Capital	Total Assets	Total Liabilities	Net worth of equity	Operating revenue	Operating profit (loss)	Income for this period (After Tax)	Earnings Per Share (After Tax)
Spiro Technology Systems Inc.	27,680	61,018	10,483	50,535	48,823	3,031	2,656	-
MIC-Tech Ventures Asia Pacific Inc.	1,133,956	1,664,452	63	1,664,389	0	(427)	295,166	-
Marketch Integrated Construction Co., Ltd.	17,992	3,734	4,409	(875)	68	(2,193)	(1,987)	-
Rusky H.K. Limited	23,057	21,451	0	21,451	0	(37)	22,121	-
Frontken MIC Co., Limited	64,705	3,153	0	3,153	0	(4)	(1,760)	-
MICT International Limited	249,120	49,531	0	49,531	0	0	(11,932)	-
MIC-Tech (WuXi) Co., Ltd.	705,840	420,571	362,201	58,370	946,089	55,791	40,207	-
MIC-Tech (Shanghai) Corp.	228,111	1,359,707	719,577	640,130	2,678,796	214,858	146,165	-
Fuzhou Jiwei System Integrated Co., Ltd.	8,304	29	2,172	(2,143)	580	(232)	(346)	-
Shanghai Maohua Electronics Engineering Co., Ltd.	16,608	375,212	353,475	21,737	450,701	30,336	25,468	-
MIC-Tech Electronics Engineering Corp.	487,694	2,772,133	2,166,408	605,725	3,344,532	108,607	72,327	-
Frontken-MIC (Wuxi) Co., Ltd.	0	0	0	0	0	(1,737)	(1,756)	-
Integrated Manufacturing & Services Co., Ltd.	193,760	75,607	26,079	49,528	27,935	(12,027)	(11,932)	-
MIC-Tech China Trading (Shanghai) Co., Ltd.	41,520	93,455	33,183	60,272	144,744	31,610	27,645	-
MIC Healthcare Korea Co., Ltd.	8,225	6,023	143	5,880	0	(2,461)	(2,465)	-
Vertex Corporation	81,500	77,148	7,574	69,574	17,133	(6,923)	(6,894)	(0.85)
Kontron AIS GmbH	EUR51	549,360	178,888	370,472	513,194	26,396	18,022	-
CITYCOMP Service GmbH	EUR256	1,023,595	431,412	592,184	1,161,379	66,746	42,158	-
Kontron Technologies GmbH	EUR35	572,695	225,248	347,447	557,019	(2,775)	494	-
SecureGUARD GmbH	EUR134	106,356	52,544	53,812	60,588	(3,079)	(3,246)	-
Computer Betting Company GmbH	EUR36	593,957	31,556	562,401	238,833	82,612	76,915	-
S&T Romania S.R.L.	EUR2,451	2,204,809	1,974,658	230,151	2,162,213	74,044	45,084	-
S&T Slovakia s.r.o.	EUR1,660	327,801	180,451	147,350	576,679	(8,213)	(8,257)	-
S&T CEE Holding s.r.o.	EUR1,882	971,752	486,737	485,015	3,592	(8,841)	208,753	-
S&T Plus s.r.o.	EUR280	238,218	149,096	89,122	333,824	37,594	29,285	-
S&T CZ s.r.o.	EUR1,593	637,029	429,475	207,554	1,283,862	46,942	35,725	-

Company Name	Capital	Total Assets	Total Liabilities	Net worth of equity	Operating revenue	Operating profit (loss)	Income for this period (After Tax)	Earnings Per Share (After Tax)
S&T Services Polska Sp.z.o.o.	EUR313	468,614	397,897	70,716	746,458	26,435	10,788	
S&T Crna Gora d.o.o.	EUR25	56,267	23,885	32,382	91,413	5,551	4,895	
S&T Slovenija d.d.	EUR1,311	911,901	609,619	302,282	1,438,037	57,585	184,493	
S&T Hrvatska d.o.o.	EUR29	856,274	401,396	454,878	1,605,558	102,847	75,011	
S&T Macedonia d.o.o.e.l.	EUR9	177,075	40,335	136,740	251,743	17,880	15,695	
S&T Bulgaria e.o.o.d.	EUR579	348,279	259,139	89,140	641,376	30,513	26,357	
S&T Poland Sp.z.o.o.	EUR3,108	2,025,155	1,408,821	616,334	1,975,663	285,061	223,231	
S&T Services Bel LCC	EUR113	23,836	6,456	17,380	19,557	(9,172)	(9,288)	
S&T Consulting Hungary Kft.	EUR398	1,598,312	1,397,074	201,237	2,797,432	33,037	13,236	
S&T Services Kft.	EUR880	145,167	70,036	75,132	94,281	15,705	14,620	
S&T Albania Sh.p.k.	EUR470	88,511	64,724	23,787	162,832	9,612	7,794	
S&T Serbia d.o.o.	EUR49	350,556	259,200	91,356	596,452	26,537	21,238	
S&T Mold srl.	EUR206	683,093	328,943	354,150	482,530	10,778	7,042	
S&T IT Technology SRL	EUR2	5,590	5,426	164	53,638	6,958	3,203	
S&T IT Services S.R.L.	-	-	-	-	255,993	46,781	41,478	
Affair OOO	EUR208	251,467	8,698	242,769	274	(566)	66	
RTSoft Project OOO	EUR7	794,611	578,532	216,079	1,196,034	19,817	4,156	
S&T MEDTECH SRL	EUR282	456,719	164,376	292,343	80,445	(21,480)	(23,433)	
Amanox Solutions AG	EUR96	423,898	225,583	198,315	609,006	28,194	21,964	
Kontron Austria GmbH	EUR36	1,072,887	756,656	316,231	1,270,689	839	(5,166)	
Kontron Electronics AG	EUR863	96,035	169,303	(73,269)	436,618	(6,716)	(9,583)	
Hamcos IT Service GmbH	EUR200	153,236	85,845	67,391	383,028	19,660	9,603	
Kontron Beteiligungs GmbH	EUR25	7,851,264	1,284,796	6,566,468	-	(87)-	1,314,663	
Kontron Europe GmbH	EUR23,600	8,558,778	5,257,734	3,301,042	6,477,963	104,550	23,503	
Kontron Modular Computers S.A.S.	EUR5,168	602,841	430,563	172,278	809,109	3,841	(2,311)	
Kontron UK Ltd.	EUR197	177,002	49,564	127,438	298,347	3,809	2,758	
Kontron ECT design s.r.o.	-	-	-	-	70,401	(6,081)	(6,152)	
Kontron Electronics GmbH	EUR102	1,382,384	735,706	646,678	1,372,820	57,083	20,989	
Kontron Electronics Kft.	EUR11	120,853	56,624	64,229	155,203	(5,645)	(9,716)	
Kontron America Inc.	EUR2,049	1,502,921	1,288,262	214,660	2,573,913	(274,627)	(293,141)	



Company Name	Capital	Total Assets	Total Liabilities	Net worth of equity	Operating revenue	Operating profit (loss)	Income for this period (After Tax)	Earnings Per Share (After Tax)
Kontron Canada Inc.	EUR9,818	1,327,625	286,695	1,040,930	1,245,911	(37,537)	(15,453)	
Kontron Asia Pacific Design Sdn. Bhd.	EUR9,354	31,416	145,825	(114,409)	62,759	(1,524)	(3,090)	
Kontron Technology Beijing Co. Ltd.	EUR1,988	845,619	429,895	415,725	817,478	53,128	47,909	
Kapsch (Beijing) Information and communication Technology Co., Ltd	-	-	-	-	7,446	4,416	(5,351)	
Kontron Asia Inc.	EUR365	656,433	572,161	84,272	1,801,398	24,010	21,311	
Kontron Transportation Taiwan Co., Ltd	EUR1,420	26,552	23,245	3,306	20,698	2,709	5,221	
S&T Austria AG	EUR35	1,086	47	1,039	-	(58)	(58)	
Kontron Transportation Sp. z o.o.	EUR23	30,768	71,834	(41,066)	47,379	577	38,797	
Kontron Transportation España SL	EUR250	121,938	112,591	9,346	95,624	630	(1,244)	
Kontron Transportation Portugal, Unipessoal LDA	EUR5	89,125	50,846	38,278	82,258	323	(1,123)	
Kontron Transportation s.r.o.	EUR1,178	442,604	373,699	68,905	578,199	7,746	5,410	
Kontron Transportation GmbH	EUR10,000	2,657,376	2,289,572	367,804	1,252,565	302,198	346,505	
Kontron Transportation Hungary Kft.	EUR207	22,566	54,549	(31,983)	50,245	(10,464)	(11,539)	
Kapsch CarrierCom Saudi for Construction LLC	EUR120	19,805	14,426	5,379	8,119	(312)	(1,809)	
Kontron Transportation Deutschland GmbH	EUR25	303,044	410,326	(107,282)	381,129	11,277	7,755	
Kontron Transportation France S.A.S.	EUR2,800	1,077,997	896,976	181,020	990,727	119,229	115,416	
Kontron Transportation UK Ltd.	EUR469	259,315	174,965	84,350	56,304	20,148	12,429	
Kontron Transportation Belgium NV	EUR61,520	193,303	249,209	(55,906)	361,969	15,261	6,400	
FinTel holding d.o.o.	EUR602	38,794	-	38,794	-	(150)	(150)	
ITS Skopje	EUR5	9,284	4,565	4,719	26,495	98	52	
IskraCom	EUR30	83,917	82,599	1,319	92,029	1,706	(2,043)	
AO IskraUralTel Yekaterinburg	EUR9	782,491	643,057	139,434	989,096	9,516	12,811	
FinTel Holding d.o.o. & co k.d., holdinška družba	EUR2,179	69,944	-	69,944	-	(9)	(9)	
Iskratel d.o.o.	EUR109	3,104,301	1,224,694	1,879,607	2,376,652	(22,314)	(17,996)	
BeeIN d.o.o.	EUR10	41,141	57,540	(16,399)	164	(16,805)	(16,996)	

Company Name	Capital	Total Assets	Total Liabilities	Net worth of equity	Operating revenue	Operating profit (loss)	Income for this period (After Tax)	Earnings Per Share (After Tax)
ITS Softver d.o.o.	EUR5	10,186	2,838	7,348	68,524	1,390	1,173	
OOO Iskratel Tashkent	EUR1	12,569	2,507	10,063	12,717	(808)	(1,605)	
Iskratel Ukraine LTD	EUR330	65,901	59,268	6,633	99,207	4,276	5,000	
Axino Solutions GmbH	EUR2,300	204,877	112,290	92,586	222,441	37,380	40,459	
PSB IT-Service GmbH	EUR256	159,032	162,851	(3,819)	108,363	(1,455)	(3,883)	
Enterprise Concept S.R.L.	-	91,734	13,661	78,073	10,701	(161)	(1,058)	
NanJing Asiatek INC.	US\$3,000	302,324	41,099	261,225	181,614	9,701	452	-
Shenzhen Asiatek INC.	CNY6,250	1,264,230	1,093,269	170,962	2,570,819	35,067	27,143	-
Ennoconn (Foshan) Investment Co., Ltd.	US\$17,346	513,595	5,884	507,711	0	(18)	(93)	-
Ennoconn (Suzhou) Technology Co., Ltd.	US\$30,000	2,765,054	1,885,881	879,173	3,885,838	99,344	(9,416)	-
Ennoconn (Kunshan) Technology Co., Ltd.	CNY500	36,581	13,335	23,247	36,590	8,299	6,683	-
Ennoconn Investment Co., Ltd.	US\$20,000	577,353	(314)	577,667	0	(32)	(5,448)	
Beijing Caswell Ltd.	US\$3,800	521,895	241,825	280,070	613,867	33,775	45,043	-
HighAim Technology Inc.	CNY103,427	1,168,915	618,824	550,092	1,144,472	(382)	(6,349)	-
Kunshan Lidingcheng Intelligent Equipment Co., Ltd.	CNY1,000	20,127	25,111	(4,984)	3,569	(11,639)	(11,443)	-
HighAim Technology (Shenzhen) Inc.	-	5,586	9,597	(4,011)	644	(4,597)	(4,004)	
Goldtek Technology (Shenzhen) Co., Ltd.	359,840	1,446,110	1,403,098	43,012	203,310	(262,398)	(267,644)	-
Techno Precision (Shenzhen) Co., Ltd.	81,627	221,647	268,510	(46,863)	492,275	(713)	(2,659)	-
T-Paragon Metal (Shenzhen) Ltd.	17,745	310,575	169,370	141,205	253,331	7,889	4,696	-
Techno Apogee Co., Ltd.	34,752	40,219	3,541	36,678	22,815	(1,314)	(1,319)	-
T-MAXX Technology Co., Ltd.	10,647	11,704	984	10,720	39	(950)	(950)	-

### (III) Consolidated Financial Statements of Affiliates:

The companies which shall be included by the Company in the preparation of the Consolidated Financial Statements of affiliates in 2021 (from January 1, to December 31, 2021) in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as the companies which shall be included in the preparation of the Consolidated Financial Statements of parent company and subsidiaries in accordance with International Financial Reporting Standards No. 7, and the relevant information which shall be disclosed in the Consolidated Financial Statements of affiliates have been disclosed in the said Consolidated Financial Statements of parent company and subsidiaries, therefore Consolidated Financial Statements of affiliates are not prepared separately.

(IV) Affiliation Report:

1. Statement

Statement on Affiliates' Consolidated Statements

The companies which shall be included by the Company in the preparation of the Consolidated Financial Statements of affiliates in 2021 (from January 1, to December 31, 2021) in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as the companies which shall be included in the preparation of the Consolidated Financial Statements of parent company and subsidiaries in accordance with International Financial Reporting Standards No. 10, and the relevant information which shall be disclosed in the Consolidated Financial Statements of affiliates have been disclosed in the said Consolidated Financial Statements of parent company and subsidiaries, therefore Consolidated Financial Statements of affiliates are not prepared separately.

It is hereby stated.

Company Name: Ennoconn Corporation



Chairman: Fu-Chuan Chu



March 31, 2022

## II. Private Placement of Securities in the Most Recent Year and up to the Publication Date of this Annual Report:

### Information on Privately-placed Bonds

Item	The first domestic privately-placed unsecured convertible corporate bonds in 2021 Issuance date: September 2, 2021
Type of privately-placed bonds	Domestic unsecured convertible corporate bonds
Date of approval, and amount approved, by Shareholder' Meeting	August 3, 2021, within the limit of NT\$1.5 billion
Basis for determination, and reasonableness, of price	<ol style="list-style-type: none"> <li>1. The basis for determining such price of the privately-placed bonds as resolved at the Company's 2021 annual Shareholders' Meeting is as follows: The issuance price of these convertible corporate bonds shall not be lower than 80% of their theoretical value.</li> <li>2. These convertible corporate bonds shall be issued based on their par value in full (each with a denomination of NT\$100,000), and 15,000 bonds will be issued this time, with a total amount of NT\$1.5 billion. The issuance price of this convertible corporate bond shall not be lower than 80% of its theoretical value, and its theoretical value is NT\$112 according to the Pricing Theory for and Valuation Report on the First Domestic Privately-placed Unsecured Convertible Corporate Bonds of Ennoconn Corporation issued by Doctorone Financial Technology Co., Ltd. on August 10, 2021.</li> <li>3. August 11, 2021 is used as the base date for determining the conversion price (hereinafter referred to as "price determination date"), and the conversion price of these privately-placed convertible corporate bonds is determined by multiplying 98% by the benchmark calculation price calculated as follows, whichever is the higher: (I) the simple arithmetic average of the closing prices of the Company's common shares in the one, three or five business days before the price determination date, minus share XR price and dividends, plus capital decrease-based subscription price, or (II) the simple arithmetic average of the closing prices of the Company's common shares in the 30 business days before the price determination date, minus share XR price and dividends, plus capital decrease-based subscription price (the conversion price shall be calculated to one figure after decimal point, and two or more figures after decimal point shall be rounded up). If there is any XR or XD before the price determination date, the closing price to be used for calculation of conversion price shall be calculated into post-XR or -XD price.</li> <li>4. According to the aforementioned price determination basis, August 11, 2021 is adopted as conversion price determination date, and NT\$225.2, i.e. the higher of the average closing prices of common shares in the one, three, five or 30 business days before the determination date (exclusive) (NT\$215.0, NT\$218.8, NT\$221.6 and NT\$225.2 respectively), is chosen as the benchmark calculation price for these privately-placed convertible corporate bonds.</li> <li>5. The Board of Directors resolved that the conversion price of these privately-placed convertible corporate bonds is NT\$220.7 per share, and the conversion price is calculated by multiplying benchmark calculation price by 98%.</li> </ol>

Methods for selection of specific persons	<p>The objects of these domestic privately-placed convertible corporate bonds are limited to the specific persons who comply with Article 43-6 of the Securities and Exchange Act and (91) Tai Cai Zheng Yi Zi No. 0910003455 rule issued by the Financial Supervisory Commission under The Executive Yuan on June 13, 2002.</p> <p>The subscribers of these domestic privately-placed convertible corporate bonds determined at the Board of Directors' meeting on August 11, 2021 are:</p> <ol style="list-style-type: none"> <li>1. Hsiang Fa Co.</li> <li>2. VIA Technologies, Inc.</li> <li>3. VIA Labs, Inc.</li> <li>4. Zhuo Yi Er Investment Limited Partnership</li> </ol>				
Necessary reasons for issuance of private placement	<ol style="list-style-type: none"> <li>1. It is necessary for introducing strategic investment partners to meet the needs for the Company's future operating and development strategies, and privately-placed unsecured convertible corporate bonds are subject to the regulation that they cannot be transferred freely within three years, which will further ensure a long-term cooperative relation between the Company and the subscribers.</li> <li>2. It is also conducive to achievement of the purpose of introducing strategic investors in consideration of the quick and easy characteristics of private placement, and issuance at an appropriate time will also effectively improve the flexibility of the Company's fund-raising.</li> </ol>				
Price payment completion date	August 23, 2021				
Subscriber's information	Objects of Private Placement	Qualifications	Subscribed Amount (NT\$)	Relation with the Company	<u>Participation in the Company's Operating</u>
	Hsiang Fa Co.	Subparagraph 2, Paragraph 1, Article 43-6 of the Securities and Exchange Act	1,000,000,000	Strategic investor	None
	VIA Technologies, Inc.	Subparagraph 2, Paragraph 1, Article 43-6 of the Securities and Exchange Act	200,000,000	Strategic investor	None
	VIA Labs, Inc.	Subparagraph 2, Paragraph 1, Article 43-6 of the Securities and Exchange Act	100,000,000	Strategic investor	None
	Zhuo Yi II Investment Limited Partnership	Subparagraph 2, Paragraph 1, Article 43-6 of the Securities and Exchange Act	200,000,000	Strategic investor	None
Actual subscription (or conversion) price	NT\$220.7				

<u>Difference between actual subscription (or conversion) price and reference price</u>	98%
<u>Impact of private placement on shareholder's equity (such as increase in accumulated losses...)</u>	None
<u>Use of the funds obtained through private placement and implementation progress of plan</u>	Fund-raising through the Company's first domestic privately-placed unsecured convertible corporate bonds has been completed in September 2021, and the raised funds are NT\$1,500,000 thousand, which have been used for increasing working capital in full as planned in the fourth quarter of 2021 to enhance the Company's financial structure and improve its solvency.
<u>Benefits of private placement</u>	The raised funds have been used for increasing working capital to enhance the Company's financial structure and improve its solvency.

Item	The 1st privately-placed common shares for capital increase in cash in 2022 Issuance date: January 26, 2022
Type of privately-placed bonds	Common shares
Date of approval, and amount approved, by Shareholder' Meeting	January 4, 2022, issuance of no more than 5,000,000 common shares
Basis for determination, and reasonableness, of price	<p>The issuance price of these privately-placed common shares shall be determined on the basis that it shall be no less than 80% of the reference price. Reference price for these privately-placed common shares shall be the higher of the amounts calculated as follows:</p> <p>A. The simple arithmetic average of the closing prices of the common shares in the one, three or five business days before the price determination date, minus share XR price and dividends, plus capital decrease-based subscription price.</p> <p>B. The simple arithmetic average of the closing prices of the common shares in the 30 business days before the price determination date, minus share XR price and dividends, plus capital decrease-based subscription price.</p> <p>The price determination date for this private placement is January 4, 2022, and NT\$232.1, i.e. the price calculated according to the afore-mentioned price determination principle that "the simple arithmetic average of the closing prices of the common shares in the five business days before the price determination date, minus share XR price and dividends, plus capital decrease-based subscription price", shall be the reference price. NT\$226.92 is determined as the price for this private placement, which is 97.77% of</p>

	<p>the reference price and is no lower than the minimum amount resolved at the Shareholder' Meeting.</p> <p>The price for this private placement is determined, in accordance with the resolution made by the Shareholders' Meeting and laws and regulations, by referring to market conditions and the Company's future prospects, and thus is reasonable.</p>				
Methods for selection of specific persons	<p>The objects of these privately-placed common shares are limited to the specific persons who comply with Article 43-6 of the Securities and Exchange Act and the related regulations issued by competent authorities and who are not the Company's internal or related persons.</p> <p>The subscribers determined at the Company's Board of Directors' meeting on January 4, 2022 is Google International LLC, which does not have any relation with the Company.</p>				
Necessary reasons for issuance of private placement	<p>In terms of operating results, the Company is profitable and suffers no accumulated loss in recent years, but the Company needs to introduce strategic investment partners to satisfy the needs for the Company's future operating and development strategies, and privately-placed bonds are subject to the regulation that they cannot be transferred freely within three years, which will further ensure a long-term cooperative relation between the Company and the subscribers.</p> <p>In addition, authorization to the Board of Directors to conduct private placement at an appropriate time depending on the Company's demands for operating and development will also effectively improve the flexibility of the Company's fund-raising, therefore, the Company issues bonds on a private placement basis instead of public offering.</p> <p>It is expected to develop customers at different levels, accelerate the growth of the Company's performance, improve the Company's competitiveness in operating, and benefit shareholders in term of their equity, through implementation of this plan.</p>				
Price payment completion date	January 11, 2022				
Subscriber's information	Objects of Private Placement	Qualifications	Number Shares Subscribed Subscribed Amount	Relation with the Company	<u>Participation in the Company's Operating</u>
	Google International LLC	Subparagraph 2, Paragraph 1, Article 43-6 of the Securities and Exchange Act	4,880,000 shares NT\$1,107,369,600	Strategic investor	None
Actual subscription (or conversion) price	Issuance price for this private placement is determined at NT\$226.92 per share.				
Difference between actual subscription (or conversion) price and reference price	97.77%				
Impact of private placement on shareholder's equity (such as increase in	None				



accumulated losses...)	
Use of the funds obtained through private placement and implementation progress of plan	Fund-raising through issuance of the Company's 2022 privately-placed common shares for capital increase in cash has been completed in January 2022, and the raised funds are NT\$1,107,369,600, which have been used in full for repayment for the Company overseas first unsecured convertible corporate bonds as planned in the first quarter of 2022 to enhance the Company's financial structure and improve its solvency.
Benefits of private placement	The raised funds have been used in full for repayment for the Company overseas first unsecured convertible corporate bonds to enhance the Company's financial structure and improve its solvency.

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

**IV. Other Supplemental Information: None.**

**Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities as Specified in Subparagraph 3, Paragraph 3, Article 36 of Securities and Exchange Act in the Most Recent Year and up to the Publication Date of this Annual Report: None.**

**Ennoconn Corporation**

**Chairman Fu-Chuan Chu**

April 30, 2022

Stock Code: 6414

**Ennoconn Technology Co., Ltd. and  
Subsidiaries**

**Consolidated Financial Statements and  
Independent Auditors' Report**

**2021 and 2020**

**Address : 3F. ~ 6F., No. 10, Jiankang Rd., Zhonghe Dist., New Taipei City**  
**Tel: (02)5590-8050**



## Table of Contents

Item	PAGE
1.Cover	1
2.Table of Contents	2
3.Declaration of Consolidated Financial Statements of Affiliated Enterprises	3
4.Independent Auditors' Report	4
5.Consolidated Balance Sheets	5
6.Consolidated Statements of Comprehensive Income	6
7.Consolidated Statements of Changes in Equity	7
8.Consolidated Statements of Cash Flows	8
9.Notes to Consolidated Financial Statements	
(a)Company Overview	9
(b)Date and Procedure of Authorization of Financial Statements	9
(c)Application of New and Amended Standards and Interpretations	9~10
(d) Summary of Significant Accounting Policies	11~30
(e) Significant Accounting Judgments, Estimates, and Key Sources of Uncertainty over Assumptions	30~31
(f)Details of Significant Accounts	31~77
(g) Related Party Transactions	78~83
(h) Pledged Assets	83
(i) Significant Contingent Liabilities and Unrecognized Contract Commitments	84
(j) Significant Disaster Loss	84
(k)Significant Events after the Balance Sheet Date	84
(l) Others	84
(m) Supplementary Disclosure	
1. Information on Significant Transactions	85, 88~117
2.Information on Reinvestment	85, 118~127
3. Information on Investments in Mainland China	85, 128~132
4. Information on Major Shareholders	85
(n) Segment Information	86~87

## **Declaration of Consolidated Financial Statements of Affiliated Enterprises**

The entities of the Company that are required to be included in the combined financial statements for the year of 2021 (from January 1, 2021 to December 30, 2021) 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 prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements". In addition, the information required to be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements. Consequently, we do not prepare a separate set of consolidated financial statements of affiliates.

Hereby certify

Company Name: Ennoconn Corporation

Chairman: Chu, Fu-Chuan

March 31, 2022

## **Independent Auditors' Report**

To Ennoconn Corporation      For general public information:

### **Audit Opinion**

We have audited the accompanying consolidated balance sheets of Ennoconn Corporation and its subsidiaries ("the Group") as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows, and notes to the consolidated financial statements (including summary on significant accounting policies) for the years then ended.

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, 2021, 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 responsibility under those standards will be further described in the section titled "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements." We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled out other ethical responsibilities in accordance with these requirements. Based on our audits and the audit reports of other independent accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **OTHER MATTERS**

The Group's consolidated financial statements for the year ended December 31, 2020 were audited by other auditors, who then issued a review report containing the unqualified opinion and the Other Matters section on March 29, 2021.

However, as stated in Note 6 (1) to the financial statements, Ennoconn Corporation announced a major message on March 23, 2022, stating that Ennoconn Corporation Group found an employee suspected of forging documents and misappropriating the Company's assets, resulting in a shortage of cash and equivalent cash as of December 31, 2020. However, Ennoconn Corporation did not revise and restate the consolidated financial statements for the year of 2020, and the former CPA did not re-audit and certify the consolidated financial statements. If the Group correctly recognized related accounting subjects in 2020, the cash and cash equivalent as of December 31, 2020 was reduced by NT\$1,441 thousand and undistributed surplus decreased by NT\$61,441 thousand. The Group has adjusted relevant asset accounts and undistributed earnings at the beginning of 2021.

Among the subsidiaries listed in the Group's consolidated financial statements, the financial statements of some subsidiaries were reviewed by other certified accountants. Therefore, our opinion on the parts in relation to the amounts specified in the 2021 consolidated financial statements of such company was solely based on the audit reports of other auditors. The total assets of these subsidiaries as of December 31, 2021 was NT\$42,046,974 thousand, accounting for 41.79% of the total consolidated assets; the net operating revenue of these subsidiaries as of Jan 1 to Dec 31, 2021 was NT\$43,810,897 thousand, accounting for 45.37% of the net consolidated operating revenue.

We have also audited the parent company only financial statements of Ennoconn Corporation as of and for the year ended Dec. 31, 2021 and 2020 on which we have issued an unqualified opinion with other matters paragraphs for reference.

### **Key Audit Matters**

In our professional judgment, key audit matters are ones that were of most significance in our audit of the consolidated financial statements of Ennoconn Corporation for the year ended December 31, 2021. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters. In our judgement, key audit matters that shall be communicated on the audit report are as follows:

#### **I. Impairment review of goodwill**

For the accounting policies related to goodwill impairment, please refer to note 4 (14) impairment of non-financial assets in the consolidated financial statements; for the uncertainty of accounting estimates and assumptions of goodwill, please refer to note 5 (3) impairment assessment of goodwill in the consolidated financial statements; please refer to note 6 (9) intangible assets of the consolidated financial statements for information disclosure related to goodwill.

Description of major audit items:

Through re-investment, Ennoconn Corporation expanded its marketing bases and increased its product lines, resulting in related consolidated goodwill. 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.

Corresponding audit procedures:

The CPA's main audit procedures for the above key audit matters include understanding the design and implementation of relevant internal control of the management, reviewing and checking the correctness of the calculation of recoverable amount and book value, performing sensitivity analysis, and comprehensively evaluating the rationality of the impairment goodwill.

### **Responsibilities of Management and Governing Bodies for the Consolidated Financial Statements**

The responsibilities of management are to prepare consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations and SIC interpretations endorsed to take effect by the Financial Supervisory Commission, and maintain necessary internal controls associated with the preparation in order to ensure the consolidated financial statements are free from material misstatement arising from fraud or error.

When preparing the consolidated financial statements, the responsibility of the management also includes evaluating the ability of Ennoconn Corporation to continue as a going concern, the disclosure of relevant matters, and the adoption of the accounting basis for continuing its business, unless the management intends to liquidate Ennoconn Corporation or suspend its business, or there is no viable scheme outside of liquidation or suspension of business.

Those in charge with Ennoconn Corporation's governance (including the Audit Committee) are responsible for overseeing its financial reporting process.



## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

The purpose of our audit is to provide reasonable assurance that the consolidated financial statements as a whole do not contain material misstatements arising from fraud or errors, and to issue an independent auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Generally Accepted Auditing Standards in the Republic of China will always detect a material misstatement in the consolidated financial statements when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial reports.

We have utilized our professional judgment and maintained professional skepticism when exercising auditing work according to GAAS. We perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the consolidated financial statements; design and execute counter-measures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of failing to detect a material misstatement resulting from fraud is higher than for one resulting from error.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If the CPA concludes that a material uncertainty exists in such events or circumstances, the CPA is required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements, or if such disclosures are inadequate, the CPA will modify the auditor's opinion. The CPA's conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future vents or conditions may cause Ennoconn Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the parent company only financial statements fairly represent the underlying transactions and events.
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.

Matters communicated between us and the governing bodies include the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with those charged with governance, we determine the key audit matters within the audit of the Company's consolidated financial statements for the year ended December 31, 2021. We have clearly indicated such matters in the independent auditors' report. Unless legal regulations prohibit the public disclosure of specific items, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

KPMG

CPAs:

Securities and	Taiwan-Finance-Securities-VI-
Futures	: 0930106739
Commission	Financial Supervisory
Approval No.	Commission No.1040003949
March 31, 2022	

Ennoconn Technology Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

Unit: NT\$ 1,000

Assets		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (Notes 6(1) and (22))	\$ 17,522,321	17	16,020,641	17
1110	Financial assets measured at fair value through profit and loss - current (see Note 6(22))	189,816	-	141,915	-
1120	Financial assets measured at fair value through other comprehensive income - current (see Note 6(22))	96,772	-	-	-
1136	Financial assets measured at amortized cost - current (see Note 6(22))	864,112	1	2,302,367	2
1140	Contract assets - current (Notes 6(19)(22))	9,538,944	10	6,131,461	7
1150	Accounts receivable, net (Notes 6(2)(19)(22))	60,171	-	53,888	-
1170	Accounts receivable, net (Notes 6(2)(19)(22))	16,550,819	16	14,493,161	16
1180	Accounts receivable - related parties (Notes 6(2)(19)(22) and 7)	769,363	1	493,067	1
130X	Inventories (Note 6(3))	15,971,415	16	12,836,330	14
1470	Other current assets (Note 6(10))	4,917,814	5	5,044,191	5
Total Current Assets		66,481,547	66	57,517,021	62
Non-Current Assets:					
1510	Financial assets measured at fair value through profit and loss - non-current (see Note 6(22))	984,540	1	616,210	1
1517	Financial assets measured at fair value through other comprehensive income - non-current(note 6(22))	829,983	1	631,789	1
1550	Investments accounted for using equity method (Notes 6(4))	128,693	-	462,086	-
1600	Property, plant and equipment (Notes 6 (8))	6,697,993	7	6,723,602	7
1760	Investment properties, net	51,656	-	-	-
1755	Right-of-use assets	2,977,436	3	3,142,556	3
1805	Inventories (Note 6(9))	13,285,999	13	13,787,619	15
1821	Other intangible assets (Notes 6(9))	6,374,149	6	7,275,689	8
1840	Deferred tax assets (Note 6(15))	1,564,709	2	1,635,532	2
1960	Advance payment for investment (note 6(10))	27,680	-	80,308	-
1990	Other non-current assets (Notes 6(10)(14))	1,221,508	1	1,290,169	1
Total non-current assets		34,144,346	34	35,645,560	38
Total Assets		\$100,625,893	100	93,162,581	100

2130	Contract liabilities - current (Notes 6(19)(22))	7,151,404	7	5,950,933	6
2150	Notes payables (Notes 6 (22))	1,721,962	2	1,154,353	1
2160	Notes payables - related parties (Notes 6 (22) and 7)	15,218	-	3,897	-
2170	Accounts payables (Notes 6 (22))	18,718,569	19	14,024,223	15
2180	Accounts payables - related parties (Notes 6 (22) and 7)	709,342	1	1,177,824	1
2200	Other payables (Notes 6 (22) and 7)	5,181,431	5	5,569,135	6
2230	The current tax liabilities (Note 6(20))	454,685	-	645,570	1
2250	Provisions for liabilities - current	992,243	1	1,425,352	2
2280	Lease liabilities - non-current (Note 6(22))	974,736	1	1,003,690	1
2321	Long-term liabilities matured within one year or one operating cycle (Notes 6(13)(22))	1,137,035	1	1,391,307	1
2322	Long-term liabilities matured within one year or one operating cycle (Notes 6(12)(22))	11,926	-	701,921	1
2399	Other current liabilities	768,632	1	353,218	-
Total Current Liabilities		47,314,850	47	42,250,760	45
Non-current liabilities:					
2500	Financial liabilities measured at fair value through profit and loss - non-current (see Note 6(22))	-	-	964,002	1
2530	Corporate bonds payable (Notes 6(13)(22))	8,967,735	9	7,065,064	8
2540	Long-term loans (Notes 6(12)(22))	7,833,098	8	7,385,083	8
2550	Provisions for liabilities - non-current	485,942	-	592,990	1
2570	Deferred income tax liabilities (Note 6(15))	535,929	1	528,902	-
2580	Lease liabilities - non-current (Notes 6(22))	2,485,942	2	2,544,899	3
2640	Net defined benefit liabilities - non-current (Note 6(14))	475,690	1	537,194	-
2670	Other non-current liabilities	1,156,520	1	792,337	1
Total non-current liabilities		21,940,856	22	20,410,471	22
TOTAL Liabilities		69,255,706	69	62,661,231	67
Equity attributable to owners of parent (Note 6 (16)(17)(29)):					
3110	Share capital	1,018,120	1	932,720	1
3200	Capital surplus	8,865,780	9	6,738,090	7
Retained earnings:					
3310	Legal reserve	754,561	1	643,854	1
3320	Special reserve	1,010,924	1	850,114	1
3350	Undistributed surplus (note 6(14))	1,157,171	1	1,329,879	1
Total Retained Earnings		2,922,656	3	2,823,847	3
3400	Other equity	(1,768,490)	(2)	(1,010,924)	(1)
3500	Treasury stock	(233,608)	-	(233,608)	-
Total Equity Attributable to Owners of Parent		10,804,458	11	9,250,125	10
36XX	Non-controlling equity (note 6(10))	20,565,729	20	21,251,225	23
Total Equity		31,370,187	31	30,501,350	33
Total Liabilities and Equity		\$ 100,625,893	100	93,162,581	100

**Ennoconn Technology Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the Years Ended December 31, 2021 and 2020**

Unit: NT\$ 1,000

		2021		2020	
		Amount	%	Amount	%
4100	Net sales revenue (Notes 6(19) and 7))	\$ 96,556,646	100	84,091,485	100
5000	Operating costs (notes 6(3)(8)(9)(14)(20) and 7)	76,073,693	79	64,498,302	77
5900	Gross profit	20,482,953	21	19,593,183	23
Operating expenses (notes 6(2)(8)(9)(14)(20))					
6100	Selling Expenses	3,324,099	4	3,628,929	4
6200	General and administrative expenses	4,836,128	5	4,136,866	5
6300	Research and development expense	9,084,329	9	7,886,545	10
6450	Expected credit gains (losses)	45,097	-	266,818	-
	Total operational expenses	17,289,653	18	15,919,158	19
6900	Net operating profit	3,193,300	3	3,674,025	4
Non-operating income and expenses (Notes 6(4)(21)):					
7100	Interest income	54,176	-	75,914	-
7190	Other income	33,343	-	36,409	-
7020	Other gains and losses	1,520,997	2	715,575	1
7050	Financial costs	(546,034)	(1)	(536,706)	(1)
7060	Share of profit or loss of associates accounted for using the equity method	(6,529)	-	11,350	-
	Total non-operating revenue and expenses	1,055,953	1	302,542	-
	Net profit before tax	4,249,253	4	3,976,567	4
7950	Less: Income tax expense (Note 6 (15))	897,129	1	821,184	1
	Net income for the year	3,352,124	3	3,155,383	3
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plan	15,552	-	(28,710)	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(21,044)	-	(2,060)	-
8349	Less: Income tax relating to items that will not be reclassified to profit or loss	3,894	-	(4,037)	-
	Total of components of other comprehensive income that will not be reclassified subsequently to profit or loss	(9,386)	-	(26,733)	-
8360	Components of other comprehensive income that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(2,274,474)	(2)	45,065	-
8370	Share of other comprehensive income of associates accounted for using the equity method	(9,751)	-	(504)	-
8399	Less: Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total of components of other comprehensive income that will be reclassified subsequently to profit or loss	(2,284,225)	(2)	44,561	-
8300	Other comprehensive income of the period	(2,293,611)	(2)	17,828	-
	Total comprehensive income for the period	\$ 1,058,513	1	3,173,211	3
	Net income attributable to:				
	owners of parent company	\$ 1,334,944	1	1,111,524	1
	non-controlling interests	2,017,180	2	2,043,859	2
		\$ 3,352,124	3	3,155,383	3
	TOTAL COMPREHENSIVE INCOM ATTRIBUTABLE TO:				
	owners of parent company	\$ 582,025	1	946,261	-
	non-controlling interests	476,488	-	2,226,950	3
		\$ 1,058,513	1	3,173,211	3
9750	Basic earnings per share (Unit: NT\$) (Notes 6(18))	\$ 13.91		12.13	
9850	Diluted earnings per share (Unit: NT\$) (Notes 6(18))	\$ 11.05		9.64	

**Ennoconn Technology Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the Years Ended December 31, 2021 and 2020**

Unit: NT\$ 1,000

Equity attributable to shareholders of AU Optronics Corp.													
	Share Capital	Capital surplus	Retained earnings			Total	Other Equity Interest		Total	Treasury stock	Equity Attributable to Owners of parent	Non-controlling Interests	Total equity
			Legal reserve	Special reserve	Unappropriated earnings		Exchange Difference	Unrealized valuation gain or loss on Translation of Foreign Financial Statements					
Balance as of January 1, 2020	\$ 835,745	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
Net income for the year	-	-	-	-	1,111,524	1,111,524	-	-	-	-	1,111,524	2,043,859	3,155,383
Other comprehensive income of the period	-	-	-	-	(8,247)	(8,247)	(156,514)	(502)	(157,016)	-	(165,263)	183,091	17,828
Total comprehensive income for the period	-	-	-	-	1,103,277	1,103,277	(156,514)	(502)	(157,016)	-	946,261	2,226,950	3,173,211
Earnings appropriation and distribution:													
Provision for Legal reserve	-	-	108,024	-	(108,024)	-	-	-	-	-	-	-	-
Provision for Special reserve	-	-	-	465,662	(465,662)	-	-	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(331,678)	(331,678)	-	-	-	-	(331,678)	-	(331,678)
Stock dividends of common stock	82,919	-	-	-	(82,919)	(82,919)	-	-	-	-	-	-	-
Conversion of convertible corporate bonds	14,056	335,001	-	-	-	-	-	-	-	-	349,057	-	349,057
Treasury stock buyback	-	-	-	-	-	-	-	-	-	2,624	2,624	-	2,624
Changes in ownership interests in subsidiaries	-	63,337	-	-	-	-	-	-	-	-	63,337	(99,018)	(35,681)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(697,730)	(697,730)
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	114,930	114,930
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	3,794	3,794	-	(3,794)	(3,794)	-	-	-	-
Balance as of December 31, 2020	932,720	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
Effect of retrospective application and retrospective restatement	-	-	-	-	(61,441)	(61,441)	-	-	-	-	(61,441)	-	(61,441)
Beginning Amount After Restatement	932,720	6,738,090	643,854	850,114	1,268,438	2,762,406	(934,258)	(76,666)	(1,010,924)	(233,608)	9,188,684	21,251,225	30,439,909
Net income for the year	-	-	-	-	1,334,944	1,334,944	-	-	-	-	1,334,944	2,017,180	3,352,124
Other comprehensive income of the period	-	-	-	-	4,647	4,647	(739,065)	(18,501)	(757,566)	-	(752,919)	(1,540,692)	(2,293,611)
Total comprehensive income for the period	-	-	-	-	1,339,591	1,339,591	(739,065)	(18,501)	(757,566)	-	582,025	476,488	1,058,513
Earnings appropriation and distribution:													
Provision for Legal reserve	-	-	110,707	-	(110,707)	-	-	-	-	-	-	-	-
Provision for Special reserve	-	-	-	160,810	(160,810)	-	-	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(480,785)	(480,785)	-	-	-	-	(480,785)	-	(480,785)
Convertible corporate bonds converted to common shares	-	84,825	-	-	-	-	-	-	-	-	84,825	-	84,825
Compensation costs of employee stock options	-	15,345	-	-	-	-	-	-	-	-	15,345	-	15,345
Capital increase by cash	50,000	925,000	-	-	-	-	-	-	-	-	975,000	-	975,000
Changes in ownership interests in subsidiaries	-	215,750	-	-	-	-	-	-	-	-	215,750	(215,750)	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,064,739)	(1,064,739)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	342,119	342,119
Issuance of new shares by the transferred companies	35,400	886,770	-	-	(698,556)	(698,556)	-	-	-	-	223,614	(223,614)	-
Balance as of December 31, 2021	\$ 1,018,120	8,865,780	754,561	1,010,924	1,157,171	2,922,656	(1,673,323)	(95,167)	(1,768,490)	(233,608)	10,804,458	20,565,729	31,370,187

(Please refer to Notes to the Consolidated Financial Statements)

**Chairman: Chu, Fu-Chuan**

**Manager: Neng-Chi Tsai**

**Chief Accountant: You-Mei Wu**

**Ennoconn Technology Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2021 and 2020**

Unit: NT\$ 1,000

	2021	2020
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before income tax</b>	\$ 4,249,253	3,976,567
<b>Adjustments:</b>		
Adjustments for:		
Depreciation expenses	1,774,142	1,601,184
Amortization expense	1,402,723	1,354,199
Expected credit gains (losses)	81,984	266,818
Net loss (profit) from financial assets and liabilities at fair value through loss (profit)	(446,577)	(232,619)
Interest costs	546,034	536,706
Interest income	(54,176)	(75,914)
Dividend income	(10,038)	(16,798)
Share-based payment compensation	23,813	1,431
Share of profit or loss of associates accounted for using the equity method	6,529	(11,350)
Benefits from disposal of property, plant and equipment	(77,323)	(4,524)
Benefits from disposal of investments	(104,364)	-
Gain on revised lease	(1,680)	-
Gains on price recovery of inventory	6,341	72,323
Impairment of Non-Financial Assets	47,309	-
Unrealized loss (profit) on foreign exchange	9,931	(60,437)
Bond recovery loss	2,189	-
Bargain purchase gain	-	(64,727)
Loss on Inventory scrap	51,150	180,930
Error correction	(61,441)	-
Total adjustments to reconcile profit (loss)	3,196,546	3,547,222
<b>Changes in operating assets and liabilities:</b>		
Financial assets at FVTPL	(934,076)	(6,940)
Contract Assets	(3,407,483)	(1,111,874)
Accounts receivable	(2,424,943)	3,026,121
Inventory	(3,192,577)	(765,491)
Other current assets	(531,925)	(713,656)
Contract Liabilities	1,200,471	133,290
Notes payable	578,930	203,098
Increase in notes receivable	4,227,903	(983,897)
Other Payables	(77,962)	141,596
Provisions for liabilities	(540,157)	(666,561)
Other current liabilities	415,399	41,627
Other liabilities	304,195	(261,066)
Total adjustments	(1,185,679)	2,583,469
<b>Cash flows from operating activities:</b>	3,063,574	6,560,036
Interest received	54,176	78,845
Dividends received	10,038	16,798
Interest paid	(517,065)	(435,367)
Income taxes paid	(1,017,191)	(903,727)
<b>Net cash generated from operating activities</b>	1,593,532	5,316,585

**Ennoconn Technology Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the Years Ended December 31, 2021 and 2020**

**Unit: NT\$ 1,000**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities:</b>		
Financial assets measured at fair value through other comprehensive income	\$ (313,467)	(267,344)
Financial assets measured at fair value through other comprehensive income	-	50,321
(Increase) decrease in financial assets at amortized cost	1,438,255	(2,252,883)
Decrease (increase) in investment by using the equity method	362,898	(80,275)
Increase in prepayments for investments	-	(79,019)
Acquisition of subsidiaries (Cash obtained after deduction)	(128,032)	(1,290,400)
Disposal of Subsidiaries	(65,402)	-
Acquiring property, plant and equipment	(1,785,970)	(1,155,704)
Disposal of property, plant and equipment	216,898	73,739
Decrease (increase) in refundable deposits	52,628	(108,952)
Acquired intangible assets	(977,634)	(943,634)
Disposal of intangible assets	17,204	-
Decrease in other assets	68,661	106,743
Increase in prepayments for equipment	-	(4,585)
<b>Net cash used in investing activities</b>	<u>(1,113,961)</u>	<u>(5,951,993)</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowing	628,302	(1,460,736)
Proceeds from issuance of convertible corporate bonds	2,501,356	2,194,700
Repayment of corporate bonds payables	(205,283)	-
Increase in long-term borrowings	-	2,474,001
Repayments of long-term loans	(241,979)	(2,825,955)
Repayment of lease principal	(657,387)	(938,116)
Issuance of common shares for cash	(480,785)	(331,678)
Capital increase by cash	975,000	-
Cash dividends paid on non-controlling interests	(1,064,739)	(697,730)
Change in non-controlling interests	566,383	(541,611)
<b>Net cash inflow (outflow) from financing activities</b>	<u>2,020,868</u>	<u>(2,127,125)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH and cash equivalents HELD IN FOREIGN CURRENCIES	(998,759)	443,300
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,501,680	(2,319,233)
Cash and cash equivalents, beginning of period	<u>16,020,641</u>	<u>18,339,874</u>
Ending balance of cash and cash equivalents	<u><b>\$ 17,522,321</b></u>	<u><b>16,020,641</b></u>

(Please refer to Notes to the Consolidated Financial Statements)

Chairman: Chu, Fu-Chuan

Manager: Neng-Chi Tsai

Chief Accountant: You-Mei Wu

**Ennoconn Technology Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**2021 and 2020**

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

**I. GENERAL INFORMATION**

Ennoconn Corporation ("the Company") was established on July 12, 1999. The registered place and business operation site of the Company is 3~6F, No. 10, Jiangkang Rd., Zhonghe Dist., New Taipei City. The Consolidated Company and its subsidiaries (the Consolidated Company) mainly engage in data storage, processing equipment, along with manufacturing and sales of industrial motherboard.

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.

**II. Date and Procedure of Authorization of Financial Statements**

The consolidated financial statements were approved by the Board of Directors and authorized for issue on March 31, 2022.

**III. Application of New and Amended Standards and Interpretations**

(a) The Standards endorsed and issued into effect by the Financial Supervisory Commission (FSC) and interpretations adopted

The Consolidated Company adopts the amendments to the International Financial Reporting Standards (IFRS) from January 1, 2021, which did not result in significant changes on the consolidated financial reports.

- Amendment to IFRS4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS 39, IFRS7, IFRS4, and IFRS 16 - "Interest Rate Benchmark Reform - Phase 2"
- Amendment to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

(b) IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

The Consolidated Company adopts the amendments to the International Financial Reporting Standards (IFRS) from January 1, 2022, which did not result in significant changes on the consolidated financial reports.

- Amendment to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"
- Amendment to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018--2020
- Amendments to IFRS3 "Reference to the Conceptual Framework"



## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

(c) Newly-released amendments and interpretations but not yet endorsed and issued into effect by the FSC

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

The influence to the consolidated Company is summarized below:

<b>New, Revised or Amended Standards and Interpretations</b>	<b>Major amendments</b>	<b>Effective Date Issued by IASB</b>
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, and if the above assets or former subsidiaries meet the definition of "business", the consolidated company shall fully recognize the profit or loss arising from such transactions; if the above assets or former subsidiary do not comply with the definition of "business", the unrealized profits and losses shall be calculated according to the shareholding ratio, and part of the profits or losses shall be deferred.	To be decided by IASB
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping the Company determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.  The amendments include clarifying the classification requirements for debt the Company might settle by converting it into equity.	January 1, 2023
Amendment to IAS 1, Disclosure of Accounting Policies	Major amendments to IAS1 include: · This amendment prescribes that the company shall disclose its "significant" accounting policies, instead of "material" accounting policies. · Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed by the Company; and · Not all accounting policy information	January 1, 2023

relating to material transactions, other events or conditions is itself material to financial reports.

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 amendment also stipulates that the company shall establish accounting estimates to achieve the purpose of its applicable accounting policies, so as to clarify the relationship between accounting policies and accounting estimates.	January 1, 2023
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The Consolidated Company is 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.

The Consolidated Company expects that the following other newly issued and revised standards that have not been recognized will not have a significant impact on the consolidated financial statements.

- IFRS 17 Insurance Contracts and its amendments
- Amendments to IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

# Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

## IV. Summary of Significant Accounting Policies

Significant accounting policies adopted during the preparation of the consolidated financial statements are described as follows: The following accounting policies have been consistently applied to all expression periods of this consolidated financial statement.

### (a) Statement of Compliance

These consolidated financial statements has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations"), the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretation Notices (hereinafter referred to as IFRSs recognized by the FSC) recognized and issued by the FSC.

### (b) Basis of Preparation

#### 1. Measurement bases

The consolidated financial statements have been prepared on the historical cost basis except for significant items in the balance statement:

- (1) Financial assets measured at fair value through profit or loss;
- (2) Financial assets at fair value through other comprehensive profit or loss measured at fair value;
- (3) Net defined benefit liabilities are measured by deducting the present value of defined benefit obligations from the fair value of retirement fund assets and the upper limit impact amount described in note 4 (17).

#### 2. Functional currency and expressive currency

Each entity under the Consolidated Company takes the currency of the primary economic environment in which each operation is located as its functional currency. This consolidated financial report is expressed in the functional currency of the Company, i.e. new Taiwan dollars. All financial information expressed in New Taiwan dollars refers to New Taiwan dollars.

### (c) Basis of consolidation

#### 1.Principles for the preparation of the Consolidated Financial Statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (subsidiaries). When the Company is exposed to or entitled to variable remuneration arising from participation in such entity and is able to influence such remuneration through its power over such entity.

From the date when the subsidiary obtains control, its financial report shall be included in the consolidated financial report until the date of loss of control. The consolidated inter-company transactions, balances and any unrealized gains and losses have been completely eliminated at the time of preparing the consolidated financial report. 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.

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

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. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### 2. Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements:

Investment		Business Nature	Proportion of Ownership (%)		Remarks
Company name	Subsidiary name		December 31, 2021	December 31, 2020	
The company	INNOVATIVE SYSTEMS INTEGRATION LIMITED (Innovation System)	Professional investment	100.00%	100.00%	
The company	Ennoconn International Investment Co., Ltd. (Ennoconn International)	Professional investment	100.00%	100.00%	
The company	Ennoconn Investment Holdings Co., Ltd (EIH)	Professional investment	100.00%	100.00%	
The Company and EIH	AIS Cayman Technology	Professional investment	100.00%	62.36%	Note 1
EIH	Ennoconn Hungary KFT	Manufacturing and marketing of industrial computers	100.00%	- %	Note 2
Innovation System	Nanjing Asiatek Co., Ltd. (Nanjing Asiatek)	Engage in the research, development and sales of software and hardware products, and provide installation, commissioning and technical consultation.	100.00%	100.00%	
The Company and Ennoconn International	CASWELL, INC. and its subsidiaries (CASWELL)	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	31.77%	31.91%	Note 3
Innovation System	ENGA Technology Co., Ltd.	Wholesale, manufacturing, service, import and export of software and hardware related to industrial computers and industrial control systems	100.00%	100.00%	
Innovation System	Ennoconn (Suzhou) Technology Co., Ltd. (Suzhou Ennoconn)	R&D, production and sales of industrial computers	100.00%	100.00%	
Innovation System	Sheng-Li-Jia Holdings Co., Ltd. (Sheng-Li-Jia)	Import and export trading	100.00%	100.00%	

Innovation System	Hua-En Investment Co., Ltd. (Hua-En)	Professional investment	100.00%	100.00%	
Innovation System and Hua-En	Ennoconn (Foshan) Investment Co., Ltd.	Professional investment	100.00%	100.00%	
Suzhou Ennoconn	Ennoconn (Kunshan) Technology Co., Ltd. (Kunshan Ennoconn)	Intelligent technology development and hardware sales	70.00%	70.00%	
Nanjing Asiatek	Shenzhen Asiatek Co., Ltd. (Shenzhen Asiatek)	Engage in R&D, production and sales of electronic materials required for software and hardware products	73.51%	70.00%	Note 4
Ennoconn International	Goldtek Technology Co., Ltd. (Goldtek)	Wholesale and retail of telecommunications control RF equipment input and information software	56.74%	56.74%	
Ennoconn International	EnnoMech Precision (Cayman) Co., Ltd.	Professional investment	100.00%	100.00%	
Ennoconn International	SyS-P Co., Ltd.	International trade, information software wholesale and services	- %	100.00%	Note 5
Ennoconn International	ENNOWYSE CORPORATION (ENNOWYSE)	Research, design and sales of mobile payment, electronic signature and information security products	100.00%	100.00%	

# Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

Investment		Business Nature	Proportion of Ownership (%)		Remarks
Company name	Subsidiary name		December 31, 2021	December 31, 2020	
Ennoconn International	Thecus Technology Corp.	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	60.00%	60.00%	
Ennoconn International	Dexatek Technology Ltd.	Multimedia product R&D and design and manufacturing business	60.00%	60.00%	
Ennoconn International	MIC INC. and its subsidiary (MIC)	High tech industry plant services and process system planning integration service	44.04%	44.59%	Note 6
Ennoconn International	Poslab Technology Co. (Poslab)	Manufacturing, wholesale and sales of electronic and its peripheral equipment	70.00%	70.00%	
GOLDTek	Keenest Electronic Corp.	Professional investment	100.00%	100.00%	
Keenest Electronic Corp.	Goldtek Technology (Shenzheng) Co., Ltd.	Research, design and sales of electronic products, communication devices and their spare parts, and after-sales service of the above products.	100.00%	100.00%	
Keenest Electronic Corp.	SUNLIT PRECISION TECHNOLOGY CO., LTD. (SUNLIT)	Metal stamping and casting industry	40.30%	40.30%	
Ennoconn International and EIH	S&T AG and its subsidiaries	Information system software and hardware integration service	27.59%	27.22%	Note 7
AIS Cayman	American Industrial Systems Inc. (AIS)	Human-machine interface and industry 4.0 and other related products	100.00%	100.00%	
AIS Cayman	Vecow Co., Ltd.	Manufacturing, processing, trading, import and export of communication machinery and	100.00%	100.00%	

		equipment, electronic equipment and electronic devices			
EnnoMech Cayman	DOMINATE UNITED ENTERPRISE LTD.	Professional investment	100.00%	100.00%	
EnnoMech Cayman	ENNOMECH PRECISION CO., LTD.	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	100.00%	100.00%	
EnnoMech Cayman	HighAim Technology Inc. (HighAim)	Professional investment	67.65%	66.05%	Note 8
DOMINATE UNITED ENTERPRISE LTD.	EnnoMech Precision (Shenzhen) Co., Ltd.	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	- %	100.00%	Note 9
HighAim	HighAim Technology Inc. and its subsidiary	Design, development and production of various molds, servers and communication equipment.	100.00%	100.00%	
HighAim	Andrix International LTD.	Import and export trading	100.00%	100.00%	
HighAim	Funology Investment Inc.	Import and export trading	100.00%	100.00%	
Thecus	Thecus USA.,Inc.	Sales of network storage equipment and maintenance services	100.00%	100.00%	
ENNOWYSE CORPORATION	Hua Qun Venture Management Corporation (Hua Qun)	General investment and investment consultancy	40.00%	- %	Note 10

Note 1: In January 2021, the Company acquired 37.64% of AIS shares, increased the consolidated shares held with EIH.

Note 2: Incorporated in Dec 2021 and included in the consolidated financial statements.



## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

Note3: The Company and Ennoconn International hold 27.33% and 4.44% of equity, respectively. The consolidated company acquires the majority voting rights of the board of directors of CASwell Inc. and could dominantly make personnel, financial and operational decisions, so it is listed as a subsidiary. During the holding period, the consolidated shareholding ratio decreased due to the conversion of convertible corporate bonds issued by the company into common shares.

Note4: Nanjing Asiatek increased investments to Shenzhen Asiatek in Oct. 2021, increased the shares held.

Note 5: At the end of 2021, the company ended its operations and went through dissolution procedures

Note6: Considering the proportion of voting rights held by other shareholders, the consolidated company is deemed as having substantial control, so it is listed as a subsidiary. During the holding period, the shareholding ratio decreased due to the increase of equity due to the exercise of stock options issued by the Company.

Note7: The company is a listed company held by the Group in Frankfurt, Germany. Due to the decentralized ownership structure of the company, the shareholding ratio of the consolidated company relative to other shareholders is significant as the largest shareholder and obtained more than half of the seats on the board of directors, so the company is listed as a subsidiary. During the holding period, S&T AG bought back the treasury stock, leading to increasing the consolidated shares held.

Note8: In September 2021, EnnoMech Cayman transferred 80,000 non-controlling shares, with an amount of USD336,000, increased shares held.

Note9: The Company suspended from operation and completed the liquidation procedure at the end of 2020.

Note10: Incorporated in July 2021 and included in the consolidated financial statements.

3. Subsidiaries excluded from consolidated financial statements: None.

### (d) Foreign Currency

#### 1. Transactions in foreign currency

Foreign currency is converted into functional currency according to exchange rate on the date of transaction. At the end of each subsequent reporting period (hereinafter referred to as the Reporting Date), foreign currency monetary items are converted into functional currency at the exchange rate prevailing on that day. Non-monetary items measured at fair value in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of fair value measurement, while non-monetary items measured at historical cost in foreign currency are translated at the exchange rate prevailing on the date of the transaction.

The foreign currency exchange difference resulting from the conversion is recognized to be other comprehensive income excepting for the following situations, otherwise, recognized to be gains and losses.

(1) Equity instruments designated as measured at fair value through other comprehensive income.

(2) Financial liabilities designated as a net investment hedge for a foreign operating entity are within the effective range of the hedge; or

(3) Eligible cash flow hedges are within the effective range of the hedge.

#### 2. Foreign operating organizations

The assets and liabilities of foreign operating organizations, including the business

reputation and fair value adjustment during the acquisition, are converted to be TWD according to exchange rate on the report day; gains and losses are converted into TWD according to exchange rate in the current period, and the resultant conversion difference is recognized to be other comprehensive income.

In case of the loss of control, joint control or material influences arising from the disposal of foreign operating organizations, the accumulated conversion differences related to the foreign operating organizations shall be fully reclassified as gains and losses. In case of subsidiary company of foreign operating organizations involved in the disposal, the related accumulated conversion differences shall be reclassified as non-controlling interests in proportion. In case of affiliated company or joint ventures of foreign operating organizations involved in some of the disposal, related accumulated conversion differences shall be fully reclassified as gains and losses in proportion.

As to the receivable and payable monetary items of foreign operating organizations, if without the repayment plan or the possibility of repayment in foreseeable future, the resultant gains and losses from foreign currency conversion shall be regarded as a part of net investments to the foreign operating organizations as recognized as other comprehensive income.

## **Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

### **(e) Standards for classifying current and non-current assets and liabilities**

Assets meeting one of the following conditions are recognized as current assets, and other assets not belonging to current assets are recognized as non-current assets:

1. Those that are expected to be realized during the normal operating period of the consolidated company or intended to be sold or consumed;
2. Those held mainly for the purpose of transaction;
3. Those expected to be realized within 12 months after the balance sheet; or
4. The asset is cash or a cash equivalent, unless the asset is to be used for an exchange or to settle a liability, or otherwise remains restricted, at more than 12 months after the balance sheet date.

Assets meeting one of the following conditions are recognized as current liabilities, and other liabilities not belonging to current liabilities are recognized as non-current liabilities:

1. Those expected to be paid off during the normal operating period of the Company;
2. Those held mainly for the purpose of transaction;
3. Those expected to be realized within 12 months after the balance sheet; or
4. Those that shall not allow the consolidated company to unconditionally extend the liquidation period to at least 12 months. Liabilities for liquidation arising from the issuing of equity instruments in accordance with the clauses chosen by the transaction counterpart will not affect their classification.

### **(f) Cash and cash equivalents**

Cash includes cash on hand and demand deposits. Cash equivalents are the investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and short-term high liquidity. Certificate of deposit which satisfy the foregoing definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

### **(g) Financial Instrument**

Accounts receivable are recognized at the time of generation. All other financial assets and financial liabilities were initially recognized when the consolidated company became a party to the terms of the financial instrument agreement. Financial assets that are not measured at fair value through profit or loss (except for accounts receivable, which do not contain a significant financial component) or

financial liabilities are measured at fair value plus the transaction cost directly attributable to the acquisition or issuance. Accounts receivable, which do not contain significant financial components, are initially measured at transaction prices.

1. Financial assets

The purchase or sale of financial assets by a conventional trader, the consolidated company shall treat all purchases and sales of financial assets classified in the same manner in accordance with the transaction date or the settlement date.

At the time of the initial recognition, financial assets were classified as : financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, equity instrument investments measured at fair value through other comprehensive income, or financial assets measured at fair value through gains and losses. The Consolidated Company will only change its business model for managing financial assets from the first day of the next reporting period to classify all affected financial assets.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### (1) Financial assets as measured at amortized cost

Financial assets are measured at amortized cost when they simultaneously meet the following conditions and are not specified to be measured at fair value through profit or loss:

- The financial asset is held under a business model for the purpose of collecting contractual cash flow.
- The cash flow generated by the terms of the contract on the financial asset at the specific date is solely for the payment of the principal and the interest on the outstanding principal amount.

The cumulative amortization of such assets is subsequently calculated by the effective interest method plus or minus the initial amount recognized, and the amortized cost of any loss allowance is adjusted. Interest income, foreign exchange gains and losses and impairment losses are recognized as gains and losses. When derecognized, the profit or loss shall be included in the profit or loss.

### (2) Financial assets measured at fair value through other comprehensive income

When the debt instrument investment simultaneously meets the following conditions and is not specified to be measured at fair value through profit and loss, it is measured at fair value through other consolidated profit and loss:

- The financial asset is held under a business model for the purpose of collecting contractual cash flow and selling.
- The cash flow generated by the terms of the contract on the financial asset at the specific date is solely for the payment of the principal and the interest on the outstanding principal amount.

The Consolidated Company holds part of the accounts receivable under the "hold to collect and sell" business model to collect and sell the contractual cash flow, so these accounts are measured at fair value through other comprehensive profits and losses. However, it is reported under accounts receivable.

The Consolidated Company may, at the time of its initial recognition, irrevocably choose to report the subsequent changes in their fair value of its non-tradable equity instrument investments to other consolidated profits and losses. The foregoing selection is made on an item-by-item tool basis.

Debt instrument investors are measured by fair value afterwards. Interest income, foreign exchange gains and losses and impairment losses calculated

by the effective interest method are recognized as gains and losses calculated by the effective interest method are recognized as gains and losses, while the remaining net gains or losses are recognized as other comprehensive income. When derecognizing, the accumulated amount of other comprehensive income shall be reclassified into comprehensive income.

Equity instrument investors are measured by fair value afterwards. Dividend income (unless it clearly represents the recovery of a portion of the investment cost) is recognized as a profit or loss. The remaining net benefits or losses are recognized as other comprehensive income and are not reclassified into gains and losses.

Dividend income from equity investments is recognized on the date (usually ex-dividend date) when the Consolidated Company becomes entitled to receive dividends.

(3) Financial assets measured at fair value through profit and loss

Financial assets that are not measured at fair value at the above amortized cost or through other comprehensive income are measured at fair value through gains and losses, including derivative financial assets. The Consolidated Company intends to sell accounts receivable immediately or in the near term is measured at fair value through profit or loss, but included in accounts receivable. The Consolidated Company, at initial recognition, irrevocably designates the financial asset as at FVTPL to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

Financial assets measured at amortized cost or at fair value through other comprehensive profit or loss are designated as financial assets measured at fair value through profit or loss.

Such assets are subsequently measured at fair value and their net gains or losses (including any dividends and interest income) are recognized as gains or losses.

(4) Evaluate whether the cash flow of the contract is fully paid for the interest on the payment of the principal and the amount of outstanding principal

For evaluation purposes, the principal is the fair value of the financial asset at the time of its initial recognition, and the interest is made up of the following considerations: the time value of the money, the credit risk associated with the amount of outstanding principal in circulation during a particular period, and other basic lending risks and costs and profit margins.

To evaluate whether the contract cash flow is fully paid for interest on the principal and the outstanding principal amount, the Consolidated Company considers the terms of the financial instrument contract, including whether the financial asset contains a contract term that can change the point or amount of the cash flow of the contract, causing it to fail to meet this condition. In the evaluation, the Consolidated Company considers:

- any contingencies that change the timeliness or amount of the cash flow of the contract;
- the terms of the coupon rate may be adjusted, including the nature of the variable rate;
- the nature of prepayment and extension; and
- claims of the Consolidated Company are limited to cash flow terms derived from specific assets (e.g. non-recourse nature).

(5) Impairment of financial assets

The Consolidated Company recognizes the allowance for credit losses for the financial assets measured at amortized cost (including cash and equivalent cash, financial assets, notes and accounts receivable, other receivables, finance lease receivables, deposits and other financial assets after measured at amortized cost), the expected credit losses of debt instrument investments, receivables and contract assets measured at fair value through other comprehensive profit or loss.

The following financial assets are measured against losses according to the expected credit loss amount of 12 months, and the rest are measured according to the expected credit loss amount of the existing period:

- determine that the credit risk of the debt securities on the reporting date is low; and
- The credit risk of other debt securities and bank deposits (i.e. the risk of default during the expected life of financial instruments) has not increased significantly since the initial recognition.

The allowance for accounts receivable loss and contract assets is measured in terms of the expected credit loss during the period of existence.

In determining whether credit risk that increased significantly since the initial recognition, the Consolidated Company considers reasonable and verifiable information (available at no excessive cost or investment), including qualitative and quantitative information, as well as analysis based on the Consolidated Company's historical experience, credit assessment and forward-looking information.

If the contract payment is overdue for more than 30 days, the Consolidated Company assumes that the credit risk of financial assets has increased significantly.

If the contract payment is overdue for more than 365 days, or the borrower is unlikely to fulfill its credit obligations and pay the full amount to the consolidated company, such financial assets will be deemed as default.



**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its  
Subsidiaries (Continued)**

If the credit risk rating of a financial instrument is equivalent to the "investment grade" defined worldwide (Standard & Poor's BBB-, Moody's Baa3 or Taiwan Ratings twA, or higher than those grades), the Consolidated Company considers such debt securities with a low credit risk.

Expected credit loss during the lifetime of a financial instrument refers to the expected credit losses that result from all possible default events over the life of the financial instrument.

12-month expected credit loss refers to the expected credit loss arising from the possible default of the financial instrument within 12 months after the date of the report (or a shorter period, if the expected duration of the financial instrument is shorter than 12 months).

The longest contract period during which the expected credit loss is measured is the longest contract period during which the Consolidated Company is exposed to credit risk.

The expected credit loss is the probabilistic weighted estimate of the credit loss during the expected life of the financial instrument. Credit losses are measured in terms of the present value of all cash shortfalls, the difference between the cash flows that the Consolidated Company can collect under the contract and the cash flows that the Consolidated Company expects to collect. The expected credit loss is discounted at the effective interest rate of the financial asset.

On each reporting date, the Consolidated Company evaluates whether there is a credit impairment in the debt securities on which financial assets are measured at amortized cost and on which fair value is measured through other comprehensive income. When one or more events have occurred that adversely affect the estimated future cash flow of a financial asset, the financial asset has suffered a credit impairment. Evidence of credit impairment of financial assets includes observable information relating to:

- major financial difficulties of the borrower or issuer,
- default, such as delay or delay beyond a specified period;
- for economic or contractual reasons related to the borrower's financial difficulties, the Consolidated Company gives the borrower concessions that the borrower would not have considered;

- The borrower is likely to file for bankruptcy or other financial restructuring; or
- The active market for the financial asset disappears due to financial difficulties.

The loss allowance for a financial asset measured at its amortized cost is deducted from carrying amount of the asset. The allowance for losses on debt instrument investment is measured at fair value through other comprehensive income. It is adjusted and recognized as other comprehensive income (without reducing the carrying amount of the assets).

When the Consolidated Company cannot reasonably expect to recover the financial assets as a whole or in part, it will directly reduce the total book amount of its financial assets. For individual accounts, the Consolidated Company's policy is to write off the total book amount when the financial assets are overdue for more than one year based on the past recovery experience of similar assets. For corporate accounts, the Consolidated Company shall analyze the date and amount of the write-off on the basis of whether it is reasonable to expect recovery. The Consolidated Company does not expect a significant reversal of the write-off. However, financial assets that have been written off may still be enforced to comply with the procedures of the Consolidated Company for recovering overdue amounts.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### (6) Financial assets de-recognition

When the Consolidated Company terminates the contractual rights from the cash flow of such assets or has transferred the financial assets and almost all risks and returns of the asset ownership have been transferred to other enterprises, the Company has neither transferred nor retained substantially all the risks and rewards and the control of the financial asset is not retained, the financial assets shall be de-recognized.

Transactions in which the Consolidated Company enters into transfers of financial assets that retain all or substantially all of the risks and rewards of ownership of the transferred assets continue to be recognized on the balance sheet.

## 2. Financial liabilities and equity instruments

### (1) Classification of liabilities or equity

The debt and equity instruments issued by the Consolidated Company are classified as financial liabilities or equity according to the contract agreement and the definition of financial liabilities and equity instruments.

### (2) Equity transaction

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Consolidated Company shall be recognized at the amount equal to the consideration received less the direct flotation costs.

### (3) Treasury stock

When repurchasing the equity instruments recognized by the Company, the consideration paid (including directly attributable costs) is recognized as a decrease in equity. The repurchased shares are classified as treasury stocks. For subsequent sale or reissue of treasury stocks, the amount received is recognized as an increase in equity, and the surplus or loss generated by the transaction is recognized as capital reserve or retained surplus (if the capital reserve is insufficient to offset).

### (4) Compound financial instruments

The compound financial instruments issued by the Consolidated Company are convertible corporate bonds (denominated in New Taiwan dollars) with the option to be converted into share capital, and the number of shares issued will not vary with the change of their fair value.

The initially recognized amount of the liability component of composite financial instruments is measured by the fair value of similar liabilities excluding equity conversion rights. The initially recognized amount of the equity component is measured by the difference between the fair value of the overall compound financial instrument and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liabilities and equity components in proportion to the book value of the initial liabilities and equity.

After the initial recognition, the liability component of compound financial instruments is measured at amortized cost using the effective interest method. The equity components of compound financial instruments shall not be re measured after the initial recognition.

Interest related to financial liabilities is recognized as profit or loss. Financial liabilities are reclassified as equity at the time of conversion, and the conversion is not recognized as profit or loss.

## **Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

### **(5) Financial liabilities**

Financial liabilities are classified as amortized costs or measured at fair value through profit or loss. Financial liabilities which are held for trading, derivatives or specified at the time of their original recognition are classified as being measured at fair value through profit or loss. Financial liabilities, measured at fair value through profit and loss, are measured at fair value, and the associated net benefits and losses, including any interest expense, are recognized as profit and loss.

The effective subsequent interest method for other financial liabilities is measured at the amortized cost. Interest expenses and exchange gains and losses are recognized as gains and losses. Any benefit or loss at the time of discounting is also considered as profit or loss.

### **(6) De-recognition of financial liabilities**

The Consolidated Company derecognizes financial liabilities when contractual obligations have been fulfilled, cancelled or matured. When the terms of a financial liability are modified and the cash flows of the modified liability differ materially, the original financial liability is derecognized and a new financial liability is recognized at fair value based on the modified terms.

When de-recognizing financial liabilities, the difference between carrying amount and the sum of paid or payable considerations (including any transferred non-cash capital or assumed liabilities) shall be recognized as gains and losses.

### **(7) Offset between financial assets and liabilities**

Financial assets and financial liabilities can be offset with each other and represented on the balance sheet with net value only when the Consolidated Company has legal rights to offset and has the intention to deliver with net value as well as realize capital and liquidate the liabilities.

### **(8) Financial guarantee contract**

Financial guarantee contract refers to a contract in which the issuer must make specified payments to reimburse the holder for a loss it incurs if a specified debtor fails to repay according to the terms of the debt instrument.

For financial guarantee contracts issued by the Consolidated Company and not designated as measured at fair value through profit or loss, the initial measurement is based on its fair value minus the directly attributable

transaction costs, and the subsequent measurement is based on the higher of the following: (a) Amount of allowance for loss in accordance with IFRS 9; and (b) where appropriate, the amount initially recognized shall be deducted from the amount of accumulated income recognized in accordance with the following income principles.

### 3. Derivative financial instruments and hedge accounting

The Consolidated Company holds derivative financial instruments to avoid foreign currency and interest rate risks. Embedded derivatives are separated from the main contract when specific conditions are met and the main contract is not a financial asset.

Derivative instruments are initially recognized at fair value and subsequently measured at fair value, and the resulting gain or loss is recognized directly in profit or loss.

#### (h) Inventory

Inventory shall be measured with the lower of the costs and net realizable value. The costs include the acquisition, production and processing costs enabling them to arrive at the available places and status and other costs, which are calculated based on the first-come, first-out principle. The costs of the inventory of finished products and products in process include the manufacturing costs amortized based on normal production capacity according to proper percentage.

Net realizable value refers to the estimated prices under normal operation deducting estimated costs to be needed for estimated completion and estimated costs to be needed for competing selling.

## **Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

### **(i) Investments in associates**

Affiliated enterprises refer to those that the Consolidated Company has a significant impact on its financial and operating policies, but are not controlled or jointly controlled.

The Consolidated Company adopts the equity method to deal with the equity of related enterprises. Under the equity method, the initial acquisition is recognized at cost, and the investment cost includes the transaction cost. The book amount of investment in affiliated enterprises includes the goodwill recognized at the time of the initial investment, less any accumulated impairment losses.

The consolidated financial statement includes the amount of profit and loss and other comprehensive profit and loss of each investment related enterprise recognized by the Consolidated Company according to the equity ratio from the date of significant influence to the date of loss of significant influence, after the adjustment consistent with the accounting policies of the Consolidated Company. When the equity changes of non profit and loss and other comprehensive profits and losses of affiliated companies do not affect the shareholding ratio of the Consolidated Company, the Consolidated Company recognizes the equity changes attributable to the consolidated company's share of affiliated enterprises as capital reserve according to the shareholding ratio.

Unrealized benefits and losses arising from transactions between the Company and affiliated companies are recognized in the Company's financial statements only to the extent that they are not related to the investors' interests in affiliated companies. When the loss share of the affiliated companies that should be recognized by the Consolidated Company in proportion is equal to or exceeds its equity in the affiliated companies, the loss will not be recognized, and recognize additional losses and related liabilities only within the scope of legal obligations, constructive obligations or payments made on behalf of the invested company.

The Consolidated Company ceases to adopt the equity method from the date when its investment ceases to be an affiliated companies, and measures the retained equity according to the fair value. The difference between the fair value and disposal price of the retained equity and the book amount of the investment on the date when the Company discontinues the use of the equity method is recognized in the current

profit and loss. For all amounts previously recognized in other comprehensive profits and losses related to the investment, the basis of accounting treatment is the same as that of affiliated companies if they directly dispose of relevant assets or liabilities. Namely, If the benefit or loss previously recognized in other comprehensive profit or loss is required to be reclassified as profit or loss (or retained earnings) when disposing of relevant assets or liabilities, when the Company discontinues the use of the equity method, the benefit or loss is reclassified from equity to profit or loss (or retained earnings). If the consolidated company's ownership interest in affiliated enterprises decreases, but the equity method continues to apply, the consolidated company will reclassify and adjust the interests or losses related to the reduction of ownership interest and previously recognized in other comprehensive profits and losses according to the reduction proportion in the above way.

If the consolidated company's investment in affiliated companies becomes an investment in joint ventures or an investment in joint ventures becomes an investment in affiliated companies, the Consolidated Company will continue to apply the equity method without remeasuring the retained equity.

When an affiliated enterprise issues new shares, if the consolidated company fails to subscribe according to the shareholding ratio, resulting in a change in the shareholding ratio, resulting in an increase or decrease in the net equity value of the investment, the increase or decrease shall be adjusted to the capital reserve and the investment using the equity method; if the adjustment is to offset the capital reserve, but the balance of the capital reserve generated by the investment using the equity method is insufficient, the difference will be debited to the retained surplus. However, if the consolidated company fails to subscribe according to the shareholding ratio, resulting in the reduction of its ownership interest in the affiliated enterprise, the amount previously recognized in other comprehensive profits and losses related to the affiliated enterprise is reclassified according to the reduction ratio, and its accounting treatment basis is the same as that the affiliated companies must follow if it directly disposes of relevant assets or liabilities.



## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### (j) Investment properties

Investment properties are real estate held for rent or capital appreciation or both, rather than for normal operation.

Real estate sold or used for the production, provision of goods or services or for administrative purposes. Investment property is measured at cost when it is initially recognized, and the subsequent measurement is also processed based on the cost model. After the initial recognition, the depreciation expense is calculated and withdrawn based on the depreciable amount. The depreciation method, service life and residual value are compared with the provisions of property, plant and equipment. The cost includes the expenses directly attributable to the acquisition of investment real estate.

When the investment property is reclassified as property, plant and equipment due to the change of purpose,

the book amount at the time of change of purpose shall be reclassified.

### (k) Property, plant and equipment

#### 1. Recognition and measurement

Items of property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

Significant components of property, plant and equipment are treated as separate items (major components) when they have different life cycles.

Gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

#### 2. Subsequent costs

Subsequent expenses are capitalized only when it is probable that future economic benefits will flow into the Consolidated Company.

#### 3. Depreciation

Depreciation is calculated based on the cost of the asset less its residual value and is recognized in profit or loss using the straight-line method over the estimated useful life of each component.

The land is not subject to depreciation.

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

(1) Buildings  
(2) Machinery

2~55 years  
3~15 years

(3)Leasehold improvement

2~9 years

(4)Other equipment

2~10 years

The Consolidated Company reviews the method of depreciation, durability and residual value at each reporting date and makes appropriate adjustments as necessary.

(1)Leasing

The Consolidated Company shall assess whether the contract is a lease or includes a lease on the date of formation of the contract. If the contract transfers control over the use of the identified assets for a period of time in exchange for consideration, the contract shall be a lease or includes a lease.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### 1. The lessee

The Consolidated Company recognizes the right-of-use assets and lease liabilities on the beginning date of the lease. Right-of-use are initially measured in terms of cost, which includes the initial measured amount of lease liabilities, adjusts the lease beginning date or before payment of any rent payment, and the initial direct costs, and applied to removing the asset and restoring its locating or the estimated cost of the underlying assets. It minuses the charge of any lease incentives at the same time.

Depreciation of right-of-use assets following the commencement of the lease shall be carried out by the straight-line method at the end of the useful life of right-of-use assets or earlier at the end of the lease term. In addition, the Consolidated Company will periodically evaluate whether there is any loss of right-of-use assets and deal with any loss that has occurred, and adjust the right-of-use assets in the case of lease liabilities.

Lease liabilities are defined as the present value of lease benefits not yet paid at lease commencement date. If the implied lease rate is easy to determine, the discount rate will be that rate, and if not, the incremental borrowing rate of the Consolidated Company will be used. Generally speaking, the Consolidated Company adopts its incremental borrowing rate as the discount rate.

Lease benefits measured in lease liabilities include:

- (1) fixed payments, including substantive fixed payments;
- (2) depending on the variation of a certain index or rate of rent payment, the index or rate on the commencement date of the lease shall be used as the original measurement;
- (3) the guaranteed amount of salvage value expected to be paid.
- (4) the price at which the option to exercise the option to purchase or terminate the lease will be reasonably determined or the penalty to be paid.

Lease liabilities is then calculated using effective interest method, and the amount was measured when:

- (1) changes in the index or rate used to determine lease payments result in changes in future lease payments;
- (2) the guaranteed amount of the residual value expected to be paid has changed;
- (3) the evaluation of the underlying asset purchase option has changed;
- (4) the estimate of whether to exercise the option of extension or termination has changed, which leads to the change of the assessment of the lease period;
- (5) modification of the subject matter, scope or other terms of the lease.

Lease liabilities are remeasured due to the aforementioned changes in the index or rate used to determine lease payments, changes in the residual value guarantee amount, and changes in the evaluation of purchases, extensions or termination options, the book value of right-of-use assets should be adjusted accordingly. When the book value of right-of-use assets is reduced to zero, the remaining re-measured amount is recognized in profit or loss.

For the lease modifications about the reduced coverage, the book amount of right-of-use assets will be reduced to reflect partial or total termination of lease, and the

difference between the figure and the remeasured amount of lease liabilities will be included in the profit and loss.

## **Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

The Consolidated Company will express the right-of-use assets and lease liabilities that do not conform to the definition of investment real estate in the form of single line items in the balance sheet.

If the agreement includes lease and non lease components, the Consolidated Company allocates the consideration in the contract to individual lease components based on a relatively separate price. However, when leasing land and buildings, the Consolidated Company chooses not to distinguish between non-leasing components and treats the leasing components and non-leasing components as a single leasing component.

For short-term leases and asset leases with low value targets, the Consolidated Company chooses not to recognize the right-of-use assets and lease liabilities, but recognized the relevant lease payments as expenses within the lease period on a straight-line basis.

### **2. The lessor**

The transaction in which the Consolidated Company is a lessor shall be classified as a financial lease or an operating lease on the date of establishment of the lease, depending on whether or not the lease contract is transferred to almost all the risks and rewards attached to the ownership of the underlying asset. In the evaluation, the Consolidated Company shall consider certain indicators, including whether the lease term covers the principal part of the underlying asset's economic life.

If the agreement includes lease and non-lease components, the Consolidated Company applies the provisions of IFRS 15 to apportion the consideration in the contract.

Assets held under finance leases are expressed as finance lease receivables in the amount of net lease investment. The initially direct costs arising from the negotiation and arrangement of the lease are included in the net investment in the lease. Net lease investment is amortized and recognized as interest income during the lease period in a pattern reflecting a constant periodic rate of return in each period. For operating leases, the Consolidated Company recognizes the lease payments received as rental income on a straight-line basis during the lease period.

### **(m) Intangible assets**

#### **1. Recognition and measurement**

Goodwill arising from the acquisition of subsidiaries is measured at cost less accumulated impairment.

Expenditures related to research activities are recognized as profit or loss as incurred.

Development expenditure is capitalized only when it can be reliably measured, the technical or commercial feasibility of products or processes has been achieved, the future economic benefits are likely to flow into the consolidated company, and the consolidated company intends and has sufficient resources to complete the development and use or sell the assets. Other development expenditures are recognized in profit or loss as incurred. After the initial recognition, the capitalized development expenditure is measured by the amount of its cost less accumulated amortization and accumulated impairment.

Other intangible assets with a limited useful life obtained by the consolidated company, including customer relations, patent rights and trademark rights, are measured by the amount of cost less accumulated amortization and accumulated impairment.

## 2. Subsequent expenditure

The subsequent expenditure can be capitalized only when they can increase the future economic benefits of relevant specific assets. All of other expenditures are recognized as gains and losses when they occur, including the expenses for building goodwill and brand.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### 3. Amortization

Except for goodwill, amortization is calculated based on the cost of the asset less its estimated residual value, and is recognized in profit or loss using the straight-line method over the estimated useful lives of the intangible assets from a ready-for-use condition.

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

(1) Patent and trademark	5 years
(2) Computer software	3~5 years
(3) Customer relationship	10 years

The Consolidated Company reviews the method for amortization of intangible assets, durability and residual value at each reporting date and makes appropriate adjustments as necessary.

#### (n) Non-financial asset impairment

At each reporting date, the Consolidated company assesses whether there is any indication that the carrying amount of non-financial assets (other than inventories, deferred income tax assets) may be impaired. If any indication exists, the recoverable amount of the asset is estimated. Goodwill is regularly tested for impairment every year.

For the purpose of impairment test, one group of assets whose cash inflow is largely independent of other individual assets or asset groups is regarded as the smallest identifiable asset group. The goodwill acquired in a business combination to be allocated to each of the acquirer's cash-generating unit or group of cash generating units expected to benefit from the comprehensive effect of the combination.

The recoverable amount is the higher of an asset's or cash generating unit fair value less costs of disposal and its value in use. When assessing the value in use, the estimated future cash flow is converted to the present value at the pre-tax discount rate, which should reflect the current market assessment of the time value of money and the specific risk of the asset or cash generating unit.

If the recoverable amount of an individual asset or cash generating unit is lower than the book amount, an impairment loss is recognized.

The impairment loss is recognized immediately in profit or loss, and the carrying amount of the amortized goodwill of the cash generating unit is reduced first, and then the book amount of each asset is reduced in proportion to the book amount of

other assets in the unit.

Goodwill impairment losses shall not be reversed. Non-financial assets other than goodwill are only reversed to the extent that they do not exceed the carrying amount (less depreciation or amortization) determined when the impairment loss of the asset is not recognized in the previous year.

(o) Liability provisions

Liability provisions are recognized as present obligations due to past events that make it probable that the Consolidated Company will need to expend economically efficient resources in the future to settle the obligation and the amount of the obligation can be reliably estimated. The provision for liabilities is discounted at the pre-tax discount rate reflecting the current market's time value of money and the risks specific to the liabilities, and the amortization of discount is recognized as interest expense.

1. Term of warranty

The provision for warranty liabilities is recognized when selling goods or services. The liability provision is weighted by its relevant probability based on historical warranty information and all possible results.



## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### 2. Restructuring

The provision for restructuring liabilities is recognized when the Consolidated Company approves a detailed and formal restructuring plan and begins to implement or publicly publish the restructuring plan. Future operating losses shall not be recognized as provision for liabilities.

### 3. Onerous contract

When the Consolidated Company expects that the inevitable cost of performing the obligations of a contract exceeds the expected economic benefits from the contract, the liability provision for the onerous contract shall be recognized. The provision for liabilities is measured by the present value of whichever is lower between the estimated cost of terminating the contract and the estimated net cost of continuing the contract, and all impairment losses of assets related to the contract are recognized before the provision for onerous contract liabilities is recognized.

#### (p) Income recognition

##### 1. Revenue from customer contracts

Income is measured in consideration for the expected entitlement to transfer goods or services. The Consolidated Company recognizes revenue from the transfer of control of goods or services. The Consolidated Company's main revenues are from the following items:

(1) the sales revenue of commodities mainly comes from the sales of industrial motherboards, information system integration products and network communication products. The Consolidated Company recognizes revenue when control of products is transferred to customers. The transfer of control over the product means that the product has been delivered to the customer, the customer has full discretion over the channel and price to sell the products and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Consolidated Company has objective evidence that all criteria for acceptance have been satisfied.

The Consolidated Company is liable for refunding the defective products as providing the standard warranty for the goods sold, and the provision for warranty liabilities is recognized for this obligation.

The Consolidated Company recognizes accounts receivable when delivering goods as the Consolidated Company has an unconditional right to receive consideration from the customer.

##### (2) Service revenue

The Consolidated Company provides product maintenance and services, and recognizes relevant income during the financial reporting period of providing services. Fixed price contracts recognize revenue based on the proportion of services actually provided to the total services as of the reporting date. If the

situation changes, the estimates of revenue, cost and degree of completion will be revised, and the increase and decrease changes will be reflected in profit and loss during the period when the management is informed of the change and makes the correction.

Under a fixed price contract, the customer pays a fixed amount of money according to the agreed schedule. When the service provided exceeds the payment, it shall be recognized as contract assets; if the payment exceeds the services provided, it shall be recognized as contract liabilities.

If the contract is priced according to the number of hours of providing services, the revenue is recognized based on the amount that the Consolidated Company has the right to issue invoices. The consolidated Company asks for payment from customers every month and can receive consideration after issuing invoices.

## **Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

### **(3) Engineering contract**

For the engineering business conducted by the Consolidated Company, since the assets are controlled by the customer at the time of construction, the revenue is gradually recognized over time based on the proportion of the engineering cost incurred so far in the estimated total contract cost. If the amount of recognized revenue has not been claimed, it is recognized as contract assets. Once the Company's right to the consideration becomes unconditional, the contract assets will be transferred to accounts receivable.

If it is impossible to reasonably measure the completion of the performance obligations of the project contract, the contract revenue is recognized only within the range of the expected recoverable cost.

When the Consolidated Company expects that the inevitable cost of performing the obligations of an engineering contract exceeds the expected economic benefits from the contract, the liability provision for the onerous contract shall be recognized.

If the situation changes, the estimates of revenue, cost and degree of completion will be revised, and the increase and decrease changes will be reflected in profit and loss during the period when the management is informed of the change and makes the correction.

### **(q) Employee benefits**

#### **1. Defined contribution plan**

The contribution obligation of the defined contribution pension plan is recognized as an expense in the period in which the employees render service to the Company. The amount of advance appropriation will be recognized as an asset to the extent that it will lead to the return of cash or the reduction of future payments.

#### **2. Defined benefit plan**

The Consolidated Company's net obligation to a defined benefit plan is measured by discounting the present value of future benefits earned by the employee's current or prior period of service, less the fair value of the plan assets.

The defined benefit obligation is actuated annually by a qualified actuary using the projected unit benefit method. When the results of the calculation are probable to be favorable to the Consolidated Company, an asset is recognized to the extent of the present value of any economic benefits that may be obtained by returning a contribution

from the plan or reducing future contributions to the plan. Any minimum funding requirement is taken into account in calculating the present value of economic benefits.

The remeasurement of the net defined benefit obligation, including actuarial gains and losses, compensation for plan assets (excluding interest), and any change in the impact of asset limits (excluding interest) is recognized immediately in other comprehensive income and accumulated in retained earnings. The Consolidated Company determines net interest expense (income) for net defined benefit liabilities (assets) using the net defined benefit liabilities (assets) and discount rate determined at the beginning of the annual reporting period. Net interest expense and other costs for defined benefit plans are recognized in profit or loss.

When a plan is revised or curtailed, changes in benefits related to prior period service costs or curtailment gains or losses are recognized immediately in profit or loss. The Consolidated Company recognizes gain or loss on the settlement of defined benefit plans when the settlement occurs.

### 3. Short-term employee benefits

Short-term employee benefit obligations are recognized as an expense when services are provided. If the Consolidated Company has a present legal or constructive obligation to pay for services rendered by employees in the past and the obligation can be estimated reliably, the amount is recognized as a liability.

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its  
Subsidiaries (Continued)**

**(r) Share-based payment**

In the share based payment agreement for equity settlement, based on the fair value on the date of granting, the expenses shall be recognized and the relative equity shall be increased during the acquired period of such granting. The recognized fees are adjusted according to the expected amount of awards that meet the service conditions other than market vesting conditions; the amount finally recognized is measured on the basis of the amount of awards that meet the service conditions other than market vesting conditions on the vesting day.

The non-vested conditions related to the payment of share-based awards have been reflected in the measurement of the fair value on the date of payment of share based rewards, and the difference between the expected and actual results does not need to be verified and adjusted.

The fair value of the share appreciation right for cash settlement to be paid to employees is recognized as expenses and increased corresponding liabilities during the period when employees can obtain unconditional remuneration. On each reporting date and settlement date, the liability is re-measured according to the fair value of the share appreciation right, and any change is recognized as profit or loss.

**(s) Income tax**

Income taxes include current and deferred income tax. Except for those related to enterprise consolidation and items directly recognized as equities or other comprehensive income, current tax and deferred income tax asset shall be recognized as gains and losses.

The Consolidated Company determines that the interest or penalty related to income tax (including uncertain tax treatment) does not meet the definition of income tax, so the accounting treatment of IAS 37 is applicable.

Current income taxes include estimated income taxes payable or refund receivable based on current year taxable income (loss) and any adjustments to prior years' income taxes payable or refund receivable. The amounts that reflect the uncertainty (if any) related to income tax are measured at the best estimate of the amount expected to be paid or received at the statutory or substantive legislative rates in effect on the reporting date.

Deferred income tax is measured and recognized according to the temporary

difference between the carrying amount and taxation basis of assets and liabilities with financial report objectives. In case of any of the following situations, the temporary differences will not be recognized as deferred income tax:

1. Those not belong to the assets or liabilities originally recognized in the transaction of enterprise consolidation, and not influencing accounting profits and taxation incomes (losses) during the transaction.
2. Those temporary differences generated due to investment subsidiary company and joint equities, controlled by the Consolidated Company and likely to not to be reversed in the foreseeable future; and
3. Taxable temporary differences arising from the original recognition of goodwill.

For unused tax losses and unused income tax credits at the later stage of transfer, and deductible temporary differences, to the extent that there is likely to be future taxable income available for use, they are recognized as deferred income tax assets. It shall be reassessed on each reporting day, and the relevant income tax benefits shall be reduced if they are not likely to be realized; or the reduced amount shall be reversed to the extent that there is likely to be sufficient taxable income.

Deferred income tax is measured at the tax rate when the expected temporary difference is reversed, based on the statutory tax rate or substantive legislative tax rate on the reporting date, and has reflected the uncertainty related to income tax (if any).

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

Only when the Consolidated Company meets the following conditions, the deferred income tax can offset the deferred tax liabilities:

1. Having the legal execution right to make the current income tax assets and the current tax liabilities offset with each other; and
2. Deferred income tax assets and deferred tax liabilities are related to one of the subjects of tax payment from which the same tax authority levies income tax;

(1) Same subject of tax payment; or

(2) Different subjects of tax payment, but all subjects intend to liquidate the current tax liabilities and assets based on net amount or at the same time realize assets and liquidate liabilities in each of the future periods when deferred income tax assets of major amounts are expected to be recovered and deferred tax liabilities expected to be liquidated.

### (t)Business Combination

The Consolidated Company adopts the acquisition method for each business combination. Goodwill is measured at the fair value of the consideration transferred at the date of acquisition, including the amount attributable to any noncontrolling interest in the acquiree, less the net amount of the identifiable assets acquired and liabilities assumed (usually the fair value). If the resulting balance is negative, the Consolidated Company reassesses whether all assets acquired and liabilities assumed have been correctly recognized before recognizing the benefit of the bargain purchase in profit or loss.

Except for those related to the issuance of debt or equity instruments, transaction costs associated with a business combination should be recognized as expenses of the combining company immediately when incurred.

For non-controlling interests in the acquiree that are currently owned and whose holders are entitled to a proportionate share of the net assets of the enterprise at the time of liquidation, the Consolidated Company elects, on a transaction-by-transaction basis, to measure them at their acquisition-date fair value or at the current ownership instrument's proportionate share of the recognized amount of the acquiree's identifiable net assets.

Other non-controlling interests are measured at their fair values at the acquisition date or on other bases in accordance with IFRSs recognized by the FSC.

In a business combination achieved in stages, the Consolidated Company shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate. The equity changes recognized in other comprehensive profit or loss before the acquisition date by the investee shall be treated in the same way as if the consolidated company directly disposed of its previously held equity. If it is appropriate to reclassify the equity to profit or loss when disposing of it, the amount shall be reclassified to profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Consolidated Company reports provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Company retrospectively adjusts the provisional amounts recognized at the acquisition date or recognize additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the date of acquisition.



## **Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

The contingent consideration included in the transfer consideration is recognized at the fair value on the acquisition date. If the change in the fair value of the contingent consideration after the acquisition date is adjusted during the measurement period, the acquisition cost is retroactively adjusted and the goodwill is adjusted accordingly. The adjustment of measurement period refers to the adjustment made by the consolidated company after the acquisition date to obtain additional information about the facts and conditions existing on the acquisition date. The measurement period shall not exceed one year from the acquisition date. Changes in the fair value of contingent consideration that are not measurement period adjustments will be accounted for subject to the classification of contingent consideration. The contingent consideration classified as equity shall not be re-measured, and its subsequent settlement shall be accounted for within equity. Other contingent consideration is measured at fair value on each reporting date after the acquisition date, and changes in fair value are recognized as profit or loss or other comprehensive profit or loss.

### **(u) Earnings per share**

The Consolidated Company lists the basic and diluted earnings per share of holders of common stock equity of the Company. The basic earnings per share of the Consolidated Company shall be calculated with the gains and losses of the holders of common stock equity of the Company divided by the weighted mean of current outstanding common shares. Diluted earnings per share shall be calculated after adjusting the influence of all potential diluted common shares of the gains and losses of the holders of common stock equity of the Company and the weighted mean of current outstanding common shares. The potential diluted common shares of the Consolidated Company include convertible corporate bonds and stock options for employees.

### **(v) Segment Information**

The operating department is an integral part of the consolidated company and is engaged in operating activities that may earn income and incur expenses (including income and expenses related to transactions between other divisions in the consolidated company). The operating results of all operating departments are regularly reviewed by the main operating decision-makers of the consolidated company to make decisions on the allocation of resources to the departments and

evaluate their performance. Each operating department has separate financial information.

#### **V. Primary Sources of Major Accounting Judgment, Estimate and Assumption Uncertainties**

When the management prepares the consolidated financial statements, the management is required to make judgments, estimates and assumptions in preparing this parent company only financial statements, which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from estimates.

The management continuously inspects the estimate and undertaking assumption, and accounting changes are recognized both the current revised period and the future period to be influenced.

The uncertainty of the following assumptions and estimates has a significant risk of causing significant adjustments to the book amounts of assets and liabilities in the next financial year, and has reflected the impact of the COVID-19 outbreak. The relevant information is as follows:

(a) Allowance for loss of accounts receivable

The allowance loss of the Consolidated Company's accounts receivable is estimated based on the assumption of default risk and expected loss rate. The Consolidated Company considers the historical experience, current market conditions and forward-looking estimates on each reporting day to judge the assumptions and selected input values to be used in calculating impairment.

(b) Inventory evaluation

Since inventory must be measured at the lower of cost or net realizable value, the Consolidated Company estimates the reported amount of inventory due to normal wear and tear, obsolescence, or no market sale value on a daily basis and reduces the cost of inventory to net realizable value. The inventory is evaluated mainly based on the product demand in a specific period in the future, and may change significantly due to rapid changes in the industry and the introduction of new products.

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

(c) Goodwill impairment evaluation

In assessing goodwill for impairment, the Consolidated Company shall decide such matters as identifying the cash generating unit, allocating goodwill to the relevant cash generating unit, and determining the recoverable amount of the relevant cash generating unit.

**VI. Descriptions for important accounting items**

(a) Cash and cash equivalents

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Cash on hand	\$ 34,944	25,819
Demand deposits and check deposits	17,213,071	14,703,528
Fixed deposit	274,306	1,291,294
Cash and cash equivalents listed on the consolidated statement of cash flow	<b><u>\$ 17,522,321</u></b>	<b><u>16,020,641</u></b>

1. Please refer to note 6 (22) for the disclosure of interest rate risk and sensitivity analysis of the consolidated company's financial assets and liabilities.

2. On March 23, 2022, the Consolidated Company announced important information stating that the Consolidated Company found an employee suspected of forging documents and misappropriating the Company's assets, resulting in a shortage of cash and equivalent cash as of December 31, 2020. If the Consolidated Company recognizes that the relevant items of the year 2020 are correctly listed, the consolidated financial statement as of December 31, 2020 shall be amended and adjusted as follows:

	<b>December 31, 2020</b>	<b>Adjust effects</b>	<b>Dec 31, 2020 Amount after the adjustment</b>
Assets			
Cash and cash equivalents	\$ 16,020,641	(61,441)	15,959,200
Asset adjustment	<b><u>\$ 16,020,641</u></b>	<b><u>(61,441)</u></b>	<b><u>15,959,200</u></b>
Total equity			
Unappropriated earnings	\$ 1,329,879	(61,441)	1,268,438
Equity adjustment	<b><u>\$ 1,329,879</u></b>	<b><u>(61,441)</u></b>	<b><u>1,268,438</u></b>

The Consolidated Company has adjusted relevant asset accounts and undistributed earnings at the beginning of 2021.

(b) Notes receivable and accounts receivable

<b>December 31, 2021</b>	<b>December 31, 2020</b>
------------------------------	------------------------------

Notes receivable - Arising from operations	\$	60,171	53,888
Accounts receivable - at amortized cost		17,448,314	15,580,053
Trade receivables - related parties		769,363	493,067
Less: Allowance for impairment loss		<u>(897,495)</u>	<u>(1,086,892)</u>
	\$	<u><b>17,380,353</b></u>	<u><b>15,040,116</b></u>

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

The Consolidated Company adopts a simplified method to estimate the expected credit loss for all notes receivable and accounts receivable, namely, it is measured by the expected credit loss during the duration. For this measurement purpose, these notes receivable and accounts receivable are grouped on the basis of shared credit risk characteristics representing the customer's ability to pay all due amounts in accordance with the terms of the contract, and have been incorporated into forward-looking information. The analysis of the expected credit loss of the Consolidated Company's notes and accounts receivable is as follows:

<b>December 31, 2021</b>			
	<b>Accounts receivable and carrying amount of notes</b>	<b>Weighted average expected credit loss rate</b>	<b>Expected credit loss during the allowance</b>
Not past due	\$ 14,638,212	0.03%	3,887
1~30 days past due	1,190,397	0.48%	5,735
31~150 days past due	942,045	3.30%	31,132
151~270 days past due	250,384	15.37%	38,491
271~365 days past due	169,792	27.14	46,082
1~2 years past due	616,185	46.15%	284,355
Over 2 year past due	470,833	103.61%	487,813
	<b><u>\$ 18,277,848</u></b>		<b><u>897,495</u></b>

<b>December 31, 2020</b>			
	<b>Accounts receivable and carrying amount of notes</b>	<b>Weighted average expected credit loss rate</b>	<b>Expected credit loss during the allowance</b>
Not past due	\$ 53,888	0.00%	-
Not past due	12,586,896	0.51%	64,675
1~30 days past due	915,293	1.77%	16,156
31~150 days past due	966,927	4.34%	42,009
151~270 days past due	261,365	22.19%	57,993
271~365 days past due	183,376	43.65%	80,047
1~2 years past due	526,710	49.06%	258,394
Over 2 year past due	632,553	89.73%	567,618
	<b><u>\$ 16,127,008</u></b>		<b><u>1,086,892</u></b>

The change in the credit loss of the Consolidated Company's notes and accounts receivable is as follows:

	<b>2021</b>	<b>2020</b>
Beginning Balance	\$ 1,086,892	986,902
Impairment losses recognized	215,948	266,818
Impairment loss reversal	(133,964)	-
Write-off due to irrecoverable of this year	(227,204)	(156,347)
Profit/loss from foreign currency translation	(44,177)	(15,566)
Acquired from combination	-	5,085
Ending Balance	<b><u>\$ 897,495</u></b>	<b><u>1,086,892</u></b>

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

Please refer to note 8 for details of the pledge set as loan guarantee by the Consolidated Company as of December 31, 2021 and 2020.

Please refer to note 6 (22) for other credit risk information.

### (c) Inventory

	December 31, 2021	December 31, 2020
Raw materials	\$ 6,599,058	5,885,615
Materials in transit	12,048	30,516
Work in progress	1,160,370	1,607,121
Semi-finished products	481,600	717,460
Finished goods	1,445,242	2,699,986
Stock in hand	6,845,765	2,412,547
Less: Allowance for inventory market price decline	(572,668)	(516,915)
	<b><u>\$ 15,971,415</u></b>	<b><u>12,836,330</u></b>

The inventory related expenses and losses recognized by the consolidated company in 2021 and 2020 were NT\$57,491thousand and NT\$253,253thousand respectively, under the operating costs:

	2021	2020
Gains on price recovery of inventory	\$ 6,341	72,323
Loss on Inventory scrap	51,150	180,930
Total	<b><u>\$ 57,491</u></b>	<b><u>253,253</u></b>

Inventory costs recognized as operating costs and expenses in 2021 and 2020 were NT\$76,016,202thousand and NT\$64,245,049thousand, respectively.

For the Consolidated Company's use of inventory as pledge guarantees, please refer to Note 8.

### (d) Investments accounted for using the equity method

The investments of the Consolidated Company using the equity method on the reporting date are listed as follows:

	December 31, 2021	December 31, 2020
Associates	<b><u>\$ 128,693</u></b>	<b><u>462,086</u></b>

#### 1. Associates

If the affiliated enterprises of the consolidated company adopting the equity method are individually insignificant, the summarized financial information is as follows. The financial information is the amount included in the consolidated financial report of the consolidated company:

December 31,      December 31,

	<u>2021</u>	<u>2020</u>
Ending summary book amount of equity of individual insignificant affiliated enterprises	<u>\$ 128,693</u>	<u>462,086</u>



## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

	2021	2020
Shares attributable to the consolidated company:		
Net income for the year	\$ (6,529)	11,349
Other comprehensive income	(212)	(504)
Total comprehensive income	<u>\$ (6,741)</u>	<u>10,845</u>

The consolidated company disposed of the equity of DIVA Laboratories Ltd. in October 2021 and lost significant influence on it. The disposal price was NT\$362,898thousand, the disposal income was NT\$104,364thousand included under other benefits and losses in the statement of comprehensive income.

As of December 31, 2021 and 2020, the affiliated enterprises that the Consolidated Company adopts the equity method did not provide pledge, guarantee or without the restrictive circumstances.

### (f) Business Combination

The Consolidated Company expands the Group's business by acquiring the following companies and obtains relevant development, design and production technologies.

	Main operating activities	Acquisition date	Proportion of Purchases	Fair value of transfer consideration
POSLAB TECHNOLOGY CORPORATION	Manufacturing, wholesale and sales of electronic and its peripheral equipment	January 1, 2020	70.00%	\$ 132,317
CRONUS eBUSINESS S.R.L.	IoT industry	January 1, 2020	100.00%	57,138
Iskratel Group	IoT industry	January 10, 2020	100.00%	2,119,658
Kapsch Traffic Com Construction & Realization spol	IoT industry	January 12, 2020	100.00%	56,700
Spiro Technology Systems, Inc.	Trading of semiconductor equipment components	May 4, 2020	100.00%	23,936
CITYCOMP Group	IoT industry	July 1, 2020	100.00%	580,571
HC Solutions GmbH	IoT industry	January 1, 2021	100.00%	44,631
Axino Solutions GmbH	Information and Technical Services	April 1, 2021	100.00%	21,481
PSB IT-Service GmbH	Information and Technical Services	July 1, 2021	100.00%	-
Enterprise Concept S.R.L.	Information and Technical Services	January 11, 2021	100.00%	78,300
Ultraschalltechnik Halle GmbH	IoT industry	January 12, 2021	100.00%	54,807 (Note)

Note: it is consolidation by merger.

The main categories of transfer consideration, assets acquired and liabilities assumed on the acquisition date and the amount of goodwill recognized are as follows:

1.The fair values of the main categories of transfer consideration at the acquisition date are as follows:

2021:

	HC Solutions GmbH	Anixo Solutions GmbH	PSB IT-Service GmbH	Enterprise Concept S.R.L	Ultraschalltechnik Halle GmbH
Transfer consideration					
Cash	\$ 40,716	6,264	-	78,300	39,147
Contingent consideration agreement	3,915	15,217	-	-	15,660
	<b>\$ 44,631</b>	<b>21,481</b>	<b>-</b>	<b>78,300</b>	<b>54,807</b>

2020:

	Poslab Technology	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	62,410	-	-	-	-	-
Total	<b>\$ 132,317</b>	<b>58,593</b>	<b>23,936</b>	<b>595,362</b>	<b>2,119,658</b>	<b>56,700</b>

2.Fair value of identifiable net assets (liabilities) acquired:

2021:

	HC Solutions GmbH	Anixo Solutions GmbH	PSB IT-Service GmbH	Enterprise Concept S.R.L	Ultraschalltechnik Halle GmbH
Cash and cash equivalents	\$ 4,634	29,534	111	2,116	-
Notes and accounts receivable	10,735	25,586	17,681	9,774	-
Other receivables	4	8,326	3,277	1,321	-
Inventory	791	-	9,612	10,400	28,217
Advance payment	598	7,290	12,052	1,492	-
Contract Assets	15,701	17,709	-	-	-
Others	210	-	30,225	-	-
Property, plant and equipment	1,807	817	3,434	391	18,792
Right-of-use assets	-	3,140	394	6,492	-
Intangible assets	14,190	33,600	12,843	28,752	10,065
Deferred income tax assets	-	-	5,336	-	-
Others	2,042	-	-	1,013	-
Notes and accounts payable	(12,087)	(41,474)	(31,292)	(1,714)	-
Leasing liabilities	-	(1,783)	(212)	(3,279)	-
Provisions for liabilities	(6,239)	(22,431)	(30,120)	-	-
Contract Liabilities	(8,272)	(41,707)	(69,322)	(1,139)	-

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

	HC Solutions GmbH	Anixo Solutions GmbH	PSB IT-Service GmbH	Enterprise Concept S.R.L	Ultraschalltechnik Halle GmbH
Other Payables	\$ (294)	(18,158)	(10,288)	(44)	-
Current income tax liabilities	(4,682)	(8,239)	(11)	(351)	-
Others	(11,073)	(21,299)	(22,150)	(285)	-
Contract Liabilities	-	-	(35,392)	-	-
Deferred income tax liabilities	(3,594)	-	-	(4,845)	(3,020)
Leasing liabilities	-	(1,358)	(182)	(3,436)	-
Provisions for liabilities	(12,382)	-	-	-	-
Others	(1,746)	-	-	-	-
	<u>\$ (9,657)</u>	<u>(30,447)</u>	<u>(104,004)</u>	<u>46,658</u>	<u>54,054</u>

2020:

	Poslab Technology	CRONUS eBUSINESS	Spiro Technology Systems	CITYCOMP GROUP	Iskratel Group	Kapsch Traffic Com Construction & Realization spol
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	-
Inventory	45,809	478	1,643	99,001	659,097	-
Advance payment	1,086	60	-	4,758	60,072	411
Contract Assets	-	10,107	-	-	-	-
Tax refunds receivables	-	-	-	1,846	48,061	148
Others	1,070	-	-	-	17,238	-
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 income 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)
Leasing liabilities	-	-	-	(53,525)	(3,895)	-
Provisions for liabilities	-	-	-	(17,228)	(56,291)	(669)
Short-term borrowing	-	-	-	(52,607)	-	-
Contract Liabilities	-	(652)	-	(73,669)	(44,988)	(427)
Other Payables	(6,028)	(1,746)	(186)	(74,415)	(110,697)	-
Current income tax liabilities	-	(346)	-	(39,324)	(81,621)	-
Others	(5,470)	-	-	(12,507)	(12,915)	-

	<b>Poslab Technology</b>	<b>CRONUS eBUSINESS</b>	<b>Spiro Technology Systems</b>	<b>CITYCOMP GROUP</b>	<b>Iskratel Group</b>	<b>Kapsch Traffic Com Construction &amp; Realization spol</b>
Non-current liabilities						
Long-term borrowing	\$ (104,021)	-	-	(131,325)	(503,771)	-
Contract Liabilities	-	-	-	(15,429)	-	-
Deferred income tax liabilities	-	(319)	-	(43,314)	(133,791)	(2,575)
Leasing liabilities	-	(2,128)	-	(50,422)	(27,511)	-
Provisions for liabilities	-	-	-	-	(73,765)	-
<b>Total</b>	<b>\$ 130,894</b>	<b>41,961</b>	<b>24,245</b>	<b>368,641</b>	<b>2,223,423</b>	<b>23,551</b>

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

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

### 3. Goodwill

Goodwill generated from the acquisition:

2021:

	<b>HC Solutions GmbH</b>	<b>Anixio Solutions GmbH</b>	<b>PSB IT-Service GmbH</b>	<b>Enterprise Concept S.R.L</b>	<b>Ultraschalltec hnik Halle GmbH</b>
Transfer consideration	\$ 44,631	21,481	-	78,300	54,807
Less: fair value of identifiable net assets (liabilities) acquired	(9,657)	(30,447)	(104,004)	46,658	54,054
<b>Goodwill generated from the acquisition</b>	<b>\$ 54,288</b>	<b>51,928</b>	<b>104,004</b>	<b>31,642</b>	<b>753</b>

2020:

	<b>Poslab Technology</b>	<b>CRONUS eBUSINESS</b>	<b>Spiro Technology Systems</b>	<b>CITYCOMP GROUP</b>	<b>Iskratel Group</b>	<b>Kapsch Traffic Com Construction &amp; Realization spol</b>
Transfer consideration	\$ 132,317	58,593	23,936	595,362	2,119,658	56,700
Add: non-controlling interests	39,268	-	-	-	39,347	-
Less: fair value of	(130,894)	(41,961)	(24,245)	(368,641)	(2,223,423)	(23,551)

# Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

identifiable net assets acquired						
Goodwill arising from acquisition (bargain purchase benefits)	\$	40,691	16,632	(309)	226,721	(64,418)
						33,149

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

4. Since the acquisition date, the income and net profit contributed by the acquired company are as follows:

2021:

	HC Solutions GmbH	Anixo Solutions GmbH	PSB IT-Service GmbH	Enterprise Concept S.R.L	Ultraschalltechnik Halle GmbH
Turnover	\$ 220,230	186,168	103,373	9,682	-
Net profit or loss for this period	\$ 7,899	39,786	(3,819)	(1,040)	-

2020:

	Poslab Technology	CRONUS eBUSINESS	Spiro Technology Systems	CITYCOMP GROUP	Iskratel Group	Kapsch Traffic Com Construction & Realization spol
Turnover	\$ 157,845	14,591	16,529	576,769	72,130	-
Net profit or loss for this period	\$ (11,280)	(1,854)	(1,084)	26,190	(429)	(248)

(f) Changes in ownership interests in subsidiaries

1. The transactions in which the consolidated company changed its equity in subsidiaries and did not change its control over the company in 2021 and 2020 are as follows:

EIH did not subscribe AIS Cayman's capital increase by its shareholding ratio in 2020, increased its shareholding from 60% to 62.36%. In January 2021, the Company issued new shares through capital increase, transferred the remained shares of AIS Cayman, increased the Company and EIH's consolidated shares from 62.36% to 100%.

CASWELL, INC. exercised the conversion right of convertible corporate bonds in 2021 and 2020, resulted the shares held by CASWELL, INC. and Ennoconn International reduced from 31.91% to 31.77%, and from 34.28% to 31.91%, respectively.

In July 2020, CASWELL, INC. increased equity of Hawkeye Tech, which shares increased from 40% to 60.64%.

In Oct. 2021, Nanjiang Asiatek did not subscribe Shenzhen Aisatek's capital increase by its shareholding ratio, which shares are increased from 70% to 73.51%.

MIC INC. increased shares through exercising the share option in 2021 and 2020, resulted in Ennoconn International shares reduced from 44.59% to 44.04%, and from 44.69% to 44.59%, respectively.

MIC INC. did not subscribe the capital increase of its subsidiary by its shareholding ratio, which shares held changed.

S&T AG exercised the treasury stock repurchase in 2021 and 2020, resulted in EIH and Ennoconn International's consolidated shareholding increased from 27.22% to 27.59%, and from 26.93% to 27.22%.

S&T AG increased its investment in its subsidiary in 2021 and 2020, respectively, changed its shareholding ratio.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

In September 2021, EnnoMech Cayman transferred 80,000 non-controlling shares of HighAim with an amount of USD336,000, shares held increased from 66.05% to 67.65%.

Suzhou Ennoconn sold its Kunshan Ennoconn's equity in May 2020, which shares decrease from 100% to 70%.

As the above transaction does not change the control over the Company, they are treated as equity transactions.

2021:

	<u>MIC Tech</u>	<u>S&amp;T AG</u>	<u>Shenzhen Asiatek</u>	<u>CASWELL</u>	<u>AIS Cayman</u>	<u>HghAim</u>	<u>YUH-WEI</u>	<u>DEXATEK</u>
Cash consideration received (paid)	\$ -	-	(43,375)	-	(922,170)	(9,361)	-	-
The amount of non-controlling interests that should be transferred out (in) is calculated by the book amount of net assets of subsidiaries calculated by the equity change.	222,058	(4,447)	43,599	7,254	223,614	9,652	(9,039)	(590)
Difference in equity transactions	<u>\$ 222,058</u>	<u>(4,447)</u>	<u>224</u>	<u>7,254</u>	<u>(698,556)</u>	<u>291</u>	<u>(9,039)</u>	<u>(590)</u>

In the balance of equity transactions listed above, except for AIS Cayman balance of equity transactions deducted from the retained earnings, the rest is adjusted as capital reserve.

2020:

	<u>MIC Tech</u>	<u>S&amp;T AG</u>	<u>Kunshan Ennoconn</u>	<u>CASWELL</u>	<u>AIS Cayman</u>
Cash consideration received (paid)	\$ 55,000	(478,521)	630	312,413	58,445
The amount of non-controlling interests that should be transferred out (in) is calculated by the book amount of net assets of subsidiaries calculated by the equity change.	(52,212)	480,394	(1,961)	(269,202)	(58,001)
Difference in equity transactions	<u>\$ 2,788</u>	<u>1,873</u>	<u>(1,331)</u>	<u>43,211</u>	<u>444</u>

### 2. Loss of control over subsidiaries

In 2021, the Consolidated Company disposed of S&T IT Service S.R.L 、Kontron ECT desing S.R.O and Kontron (Beijing) Information and Communication on Technology Co., Ltd.(Kontron Beijing), lost control over these subsidiaries as below:

(1) Consideration received

	<u>S&amp;T IT Service S.R.L</u>	<u>Kontron ECT desing s.r.o.</u>	<u>Kontron (Beijing)</u>
Cash and cash equivalents	<u>\$ 23,497</u>	<u>6,890</u>	<u>-</u>

(2) Assets and liabilities over which the Company lost control

	<u>S&amp;T IT Service S.R.L</u>	<u>Kontron ECT desing s.r.o.</u>	<u>Kontron (Beijing)</u>
	<u>-</u>	<u>337</u>	<u>-</u>

Cash and cash equivalents	\$	91,614	4,175	-
Accounts receivable		66,977	10,244	-
Property, plant and equipment		171	18,613	-
Payable		(75,427)	(6,116)	-
Other Payables		(23,978)	(3,107)	(420)
Borrowings		-	(2,303)	-
Net assets disposed	\$	<u>59,357</u>	<u>21,506</u>	<u>(420)</u>



## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

(3) Loss on disposal of subsidiaries

	S&T IT Service S.R.L	Kontron ECT desing s.r.o.	Kontron (Beijing)
Consideration received	\$ 23,497	6,890	-
Net assets disposed	(59,356)	(21,505)	420
non-controlling interests	29,284	-	-
Net assets disposed	<u>\$ (6,575)</u>	<u>(14,615)</u>	<u>420</u>

(4) Net cash generated from disposal of subsidiaries

	S&T IT Service S.R.L	Kontron ECT desing s.r.o.	Kontron (Beijing)
Consideration received	\$ 23,497	6,890	-
Less: Cash and cash equivalents disposed	(91,614)	(4,175)	-
Net cash generated from disposal of subsidiaries	<u>\$ (68,117)</u>	<u>2,715</u>	<u>-</u>

(g) Subsidiary with material non-controlling interests.

The non-controlling interests of subsidiaries are significant to the consolidated company as follows:

Subsidiary name	Main business premises/ Country	Proportion of ownership interests and voting rights of non-controlling interests	
		December 31, 2021	December 31, 2020
CASWELL, INC.	Taiwan	68.23%	68.09%
S&T AG	Austria	72.36%	72.78%
MIC INC.	Taiwan	55.45%	55.41%

The summary financial information of the above subsidiaries is as follows. The financial information is prepared in accordance with the international financial reporting standards recognized by the FSC, and has reflected the fair value adjustment made by the consolidated company on the acquisition date and the adjustment made for the difference in accounting policies, and the financial information includes the amount before the cancellation of transactions between the consolidated company and subsidiaries.

1. Financial information of CASWELL, INC. and its subsidiary

	December 31, 2021	December 31, 2020
Current assets	\$ 4,357,648	4,302,458
Non-current assets	598,297	1,032,720
Current liabilities	(1,446,133)	(1,345,361)
Non-current liabilities	(283,411)	(273,281)
Net assets	<u>\$ 3,226,401</u>	<u>3,716,536</u>
Ending book amount of non-controlling interests	<u>\$ 179,801</u>	<u>2,285,167</u>

	<b>2021</b>	<b>2020</b>
Turnover	<b>\$ 4,673,944</b>	<b>5,465,855</b>
Net income for the year	240,065	347,164
Other comprehensive income	(23,576)	3,954
Total comprehensive income	<b>\$ 216,489</b>	<b>351,118</b>
Current net profit (loss) attributable to non-controlling interests	<b>\$ 20,509</b>	<b>202,187</b>
Total comprehensive profit and loss attributable to non-controlling interests	<b>\$ 17,737</b>	<b>204,135</b>
	<b>2021</b>	<b>2020</b>
Cash flows from (used in) operating activities	\$ 275,400	41,859
Cash flows from investing activities	(56,587)	(239,000)
Cash flows from financing activities	(305,325)	250,644
Effect of exchange rate changes on cash	(20,419)	2,772
(Decrease) increase in cash and cash equivalents	<b>\$ (106,931)</b>	<b>56,275</b>
Dividends paid on non-controlling interests	<b>\$ 181,977</b>	<b>137,825</b>

## 2. Financial information of S&amp;T AG and its subsidiary

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Current assets	\$ 26,092,951	25,938,168
Non-current assets	16,255,863	24,666,097
Current liabilities	(18,187,780)	(17,615,984)
Non-current liabilities	(10,904,440)	(11,701,217)
Net assets	<b>\$ 13,256,594</b>	<b>21,287,064</b>
Ending book amount of non-controlling interests	<b>\$ 144,403</b>	<b>13,132,477</b>
	<b>2021</b>	<b>2020</b>
Turnover	<b>\$ 44,494,457</b>	<b>42,402,384</b>
Net income for the year	\$ 1,613,864	1,587,819
Other comprehensive income	(236,069)	(442,666)
Total comprehensive income	<b>\$ 1,377,795</b>	<b>1,145,153</b>
Current net profit (loss) attributable to non-controlling interests	<b>\$ 23,327</b>	<b>1,180,190</b>
Total comprehensive profit and loss attributable to non-controlling interests	<b>\$ 173,365</b>	<b>882,113</b>
	<b>2021</b>	<b>2020</b>
Cash flows from (used in) operating activities	\$ 2,789,992	4,567,271
Cash flows from investing activities	(2,077,016)	(2,614,904)
Cash flows from financing activities	(385,353)	(2,708,129)
Effect of exchange rate changes on cash	133,739	(307,970)
INCREASE (DECREASE) IN CASH AND	<b>\$ 461,362</b>	<b>(1,063,732)</b>

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its  
Subsidiaries (Continued)**

**CASH EQUIVALENTS**

Dividends paid on non-controlling interests	<b>\$</b>	<b><u>11,280</u></b>	<b><u>81,480</u></b>
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## 3. Financial information of MIC INC. and its subsidiary

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Current assets	\$ 22,945,728	16,013,346
Non-current assets	4,914,806	6,624,632
Current liabilities	(17,612,523)	(11,132,653)
Non-current liabilities	(2,445,871)	(2,762,387)
Net assets	<b>\$ 7,802,140</b>	<b>8,742,938</b>
Ending book amount of non-controlling interests	<b>\$ 129,583</b>	<b>3,565,332</b>
	<b>2021</b>	<b>2020</b>
Turnover	<b>\$ 34,458,674</b>	<b>25,119,857</b>
Net income for the year	\$ 1,508,422	827,408
Other comprehensive income	(80,714)	(5,215)
Total comprehensive income	<b>\$ 1,427,708</b>	<b>822,193</b>
Current net profit (loss) attributable to non-controlling interests	<b>\$ (39,057)</b>	<b>479,431</b>
Total comprehensive profit and loss attributable to non-controlling interests	<b>\$ (39,244)</b>	<b>476,336</b>
	<b>2021</b>	<b>2020</b>
Cash flows from (used in) operating activities	\$ 437,799	1,445,727
Cash flows from investing activities	(605,570)	(436,442)
Cash flows from financing activities	1,389,807	(558,118)
Effect of exchange rate changes on cash	(26,760)	(19,731)
INCREASE IN CASH AND CASH EQUIVALENTS	<b>\$ 1,195,276</b>	<b>431,436</b>
Dividends paid on non-controlling interests	<b>\$ 363,344</b>	<b>269,084</b>

## (g) Property, plant and equipment

The details of changes in the cost, depreciation and impairment losses of the Company's property, plant and equipment in 2020 and 2021 are as follows:

	<b>Land</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Leasehold improvements</b>	<b>Other equipment</b>	<b>Total</b>
Cost:						
Balance as of Jan 1, 2021	\$ 626,395	6,838,304	5,538,002	97,303	803,508	13,903,512
Additions	9,902	374,916	846,786	8,362	227,128	1,467,094
Acquisition through business combinations	-	16,644	8,597	-	-	25,241
Disposal	(22,537)	(32,799)	(189,690)	-	(53,712)	(298,738)
Reclassifications	(16,923)	(806,783)	(1,878,842)	(40,940)	(207,291)	(2,950,779)
Effects of exchange rate changes	(4,724)	(385,586)	(798,121)	(8,362)	(454)	(1,197,247)

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its  
Subsidiaries (Continued)**

Balance as of Dec 31, 2021 \$ 592,113 6,004,696 3,526,732 56,363 769,179 10,949,083

Balance as of Jan 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
Acquisition 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)
Reclassifications		-	5,015	(13,238)	31,918	(19,128)	4,567
Effects of exchange rate changes		936	69,726	13,927	(4,444)	1,656	81,801
Balance as of Dec 31, 2020	\$	<b>626,395</b>	<b>6,838,304</b>	<b>5,538,002</b>	<b>97,303</b>	<b>803,508</b>	<b>13,903,512</b>
Depreciation:							
Balance as of Jan 1, 2021	\$	-	2,601,757	4,148,346	32,044	397,763	7,179,910
Depreciation of the current year		-	237,409	502,354	10,709	102,692	853,164
Impairment loss		-	47,309	-	-	-	47,309
Disposal		-	(3,562)	(111,265)	(3,597)	(40,739)	(159,163)
Reclassifications		-	(951,632)	(2,572,439)	(9,366)	(10,698)	(3,544,135)
Effects of exchange rate changes		-	(49,317)	(72,878)	(122)	(3,678)	(125,995)
Balance as of Dec 31, 2021	\$	-	<b>1,881,964</b>	<b>1,894,118</b>	<b>29,668</b>	<b>445,340</b>	<b>4,251,090</b>
Balance as of Jan 1, 2020	\$	-	1,724,043	2,743,051	13,554	342,581	4,823,229
Depreciation of the current year		-	207,200	418,795	6,256	93,857	726,108
Acquisition through business combinations		-	654,067	1,233,591	-	2,034	1,889,692
Disposal		-	(4,427)	(219,240)	-	(31,963)	(255,630)
Reclassifications		-	-	(24,670)	6,086	(15,084)	(33,668)
Effects of exchange rate changes		-	20,874	(3,181)	6,148	6,338	30,179
Balance as of Dec 31, 2020	\$	-	<b>2,601,757</b>	<b>4,148,346</b>	<b>32,044</b>	<b>397,763</b>	<b>7,179,910</b>
Book value:							
December 31, 2021	\$	<b>592,113</b>	<b>4,122,732</b>	<b>1,632,614</b>	<b>26,695</b>	<b>323,839</b>	<b>6,697,993</b>
December 31, 2020	\$	<b>626,395</b>	<b>4,236,547</b>	<b>1,389,656</b>	<b>65,259</b>	<b>405,745</b>	<b>6,723,602</b>

## 1. Guarantee

Please refer to note 8 for details of using long-term borrowing and financing lines as loan guarantee by the Consolidated Company as of December 31, 2021 and 2020.

### (i) Intangible assets

The details of changes in the cost, amortization and depreciation of the Consolidated Company's intangible assets in 2020 and 2021 are as follows:

	Goodwill	Trademark	Patents	Computer software	Customer relationship	Others	Total
Cost or recognized cost:							
Balance as of Jan 1, 2021	\$ 13,850,405	2,459,261	593,269	4,439,746	2,185,790	2,572,235	26,100,706
Acquired separately	-	-	45,913	902,488	-	29,233	977,634
Acquisition through business combinations	242,615	2,566	24,524	1,476	-	70,884	342,065
Disposal	-	(32,493)	-	(86,619)	-	(1,682)	(120,794)
Reclassification	-	-	-	(45)	-	-	(45)

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its  
Subsidiaries (Continued)**

	<b>Land</b>	<b>Buildings and structures</b>	<b>Machiner y and equipmen t</b>	<b>Leasehold improvem ents</b>	<b>Other equipmen t</b>	<b>Total</b>	
Effects of exchange rate changes	(745,186)	(264,148)	(42,015)	(302,795)	(221,059)	(143,503)	(1,718,706)
Balance as of Dec 31, 2021	<b>\$ 13,347,834</b>	<b>2,165,186</b>	<b>621,691</b>	<b>4,954,251</b>	<b>1,964,731</b>	<b>2,527,167</b>	<b>12,233,026</b>

	Goodwill	Trademark	Patents	Computer software	Customer relationship	Others	Total
Balance as of Jan 1, 2020	\$ 13,552,040	2,346,787	595,238	4,224,410	2,185,790	2,243,462	25,147,727
Acquired separately	-	190,053	546	742,326	-	10,709	943,634
Acquisition through business combinations	317,193	70,218	-	148,141	-	260,871	796,423
Disposal	-	-	-	(547,864)	-	(12,448)	(560,312)
Reclassification	-	-	-	(2,541)	-	-	(2,541)
Effects of exchange rate changes	(18,828)	(147,797)	(2,515)	(124,726)	-	69,641	(224,225)
Balance as of Dec 31, 2020	<b>\$ 13,850,405</b>	<b>2,459,261</b>	<b>593,269</b>	<b>4,439,746</b>	<b>2,185,790</b>	<b>2,572,235</b>	<b>26,100,706</b>
Amortization:							
Balance as of Jan 1, 2021	\$ 62,786	633,201	358,393	1,681,951	1,026,254	1,274,813	5,037,398
Current amortization	-	96,942	62,018	645,901	244,242	353,620	1,402,723
Disposal	-	(32,493)	-	(69,415)	-	(1,682)	(103,590)
Effects of exchange rate changes	(951)	(70,322)	(42,034)	(51,261)	(260,237)	8,986	(415,819)
Balance as of Dec 31, 2021	<b>\$ 61,835</b>	<b>627,328</b>	<b>378,377</b>	<b>2,207,176</b>	<b>1,010,259</b>	<b>1,635,737</b>	<b>5,858,877</b>
Balance as of Jan 1, 2020	\$ 66,093	555,157	295,541	1,772,157	871,386	811,168	4,371,502
Current amortization	-	56,836	70,673	618,725	154,868	453,097	1,354,199
Disposal	-	-	-	(545,470)	-	(12,448)	(557,918)
Reclassification	-	6,716	(5,670)	(2,234)	-	-	(1,188)
Effects of exchange rate changes	(3,307)	14,492	(2,151)	(161,227)	-	22,996	(129,197)
Balance as of Dec 31, 2020	<b>\$ 62,786</b>	<b>633,201</b>	<b>358,393</b>	<b>1,681,951</b>	<b>1,026,254</b>	<b>1,274,813</b>	<b>5,037,398</b>
Book value:							
December 31, 2021	<b>\$ 13,285,999</b>	<b>1,537,858</b>	<b>243,314</b>	<b>2,747,075</b>	<b>954,472</b>	<b>891,430</b>	<b>19,660,148</b>
December 31, 2020	<b>\$ 13,787,619</b>	<b>1,826,060</b>	<b>234,876</b>	<b>2,757,795</b>	<b>1,159,536</b>	<b>1,297,422</b>	<b>21,063,308</b>

## 1. Intangible assets with indefinite useful life

Part of the trademark rights of the Consolidated Company can apply for extending the legal life at very little cost. The Consolidated Company is expected to continue to apply for extending its legal life and continue to produce this series of products. Therefore, it is expected that the trademark rights will continue to generate net cash inflow, so it is regarded as intangible assets with indefinite useful life.

## 2. Guarantee

As of December 31, 2021 and 2020, the Company had no intangible assets used as pledge guarantee.

### (j) Other current assets, advance payment for investment and other non-current assets

	December 31, 2021	December 31, 2020
Other receivables	\$ 1,145,262	1,885,688
Current income tax assets	92,251	68,688
Advance payment	1,360,349	2,602,342
Other financial assets	42,119	83,642
Prepayments for investments	27,680	80,308
Refundable deposits	340,854	312,526
Prepayments for equipment	16,210	40,787
Other	3,142,277	1,340,687
	<b>\$ 6,167,002</b>	<b>6,414,668</b>



# Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current	\$ 4,917,814	5,044,191
Non-current	<u>1,249,188</u>	<u>1,370,477</u>
	<b><u>\$ 6,167,002</u></b>	<b><u>6,414,668</u></b>

## 1. Other financial assets

It is mainly pledged bank deposits, which are used as guarantees for long-term loans and financing lines. Please refer to note 8 for details.

## 2. Prepayments for investments

It mainly refers to the outward remittance of investment funds that have not completed the equity transfer or registration as of each financial reporting date.

## (k) Short-term loan

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Unsecured bank borrowings	\$ 8,534,442	8,122,357
Guaranteed bank loan	<u>942,512</u>	<u>726,295</u>
	<b><u>\$ 9,476,954</u></b>	<b><u>8,848,652</u></b>
Unused quota	<b><u>\$ 19,411,317</u></b>	<b><u>21,167,488</u></b>
Interest rate	<u>0.25%~5.5%</u>	<u>0.35%~9.25%</u>

The Consolidated Company sets out the assets as pledged collateral for bank borrowings in Note 8.

## (l) Long-term loan

<u>December 31, 2021</u>			
<u>Currency</u>	<u>Interest rate(%)</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank borrowings	1.00%~1.44%	112~135	\$ 6,893,258
Guaranteed bank loan	0.44%~1.5	120~1	<u>951,766</u>
Sub-Total			7,845,024
Less: Those mature within one year			<u>(11,926)</u>
Total			<b><u>\$ 7,833,098</u></b>

<u>December 31, 2020</u>			
<u>Currency</u>	<u>Interest rate(%)</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank borrowings	0.18%~4.85%	121	\$ 7,004,792
Guaranteed bank loan	0.65%~2.75%	127	<u>1,082,212</u>
Sub-total			8,087,004
Less: Those mature within one year			<u>(701,921)</u>
Total			<b><u>\$ 7,385,083</u></b>

## 1. Collateral for bank borrowings

The Consolidated Company sets out the assets as pledged collateral for bank borrowings in Note 8.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### (m) Corporate bonds payable

The Consolidated Company has the following balance of corporate bonds payable:

	December 31, 2021	December 31, 2020
the 2nd domestic unsecured convertible bonds	\$ -	12,135
the 3rd domestic unsecured convertible bonds	5,497,329	5,434,586
the 4th domestic unsecured convertible bonds	952,683	-
the 1st international unsecured convertible bonds	1,137,035	1,379,172
Privately placed first unsecured convertible bonds	1,466,888	-
Unsecured convertible corporate bonds of subsidiaries	1,050,835	1,630,478
Less: parts matured or able to exercise redemption rights within one year	<u>(1,137,035)</u>	<u>(1,391,307)</u>
Ending balance of corporate bonds payable	<u><u>\$ 8,967,735</u></u>	<u><u>7,065,064</u></u>

1. 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 conditions are as follows:

- (1) Total issuance: 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 creditors may at any time request that the convertible corporate bonds held be converted into the common shares of the Company from the following day after twomonths of issuance date (July 14, 2016) to the expiration date May 13, 2021, in accordance with the regulations on corporate bond conversion. The suspension period of conversion is as follows:

- A. During the book closure period, the transfer of common shares is suspended in accordance with the law.
- B. The Company will negotiate with TPEx on the period from 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 common 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 NT\$435. In the

event of an increase in the shares of the Company's issued common 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 Jan 21, 2021, the conversion price was adjusted to NT\$338.6.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

(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 3 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 common 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 measured amount of derivative financial liabilities on December 31, 2020 and non-derivative financial liabilities on December 31, 2021 is NT\$0 thousand at amortized cost, and its effective interest rate initially recognized is 1.4306%.

Issue proceeds (less transaction costs of NT\$3,395 thousand)	\$ 1,796,605
Equity components	<u>(99,172)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$1,676,592 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$20,841 thousand)	1,697,433
Interest calculated at effective interest rate of 1.4306%	59,144
Corporate bonds converted into common shares	(558,808)
Corporate bonds payable exercised redemption rights	(1,185,451)
Redemption of corporate bonds payable at maturity	(12,200)
Profits of valuation of financial asset	(118)
The liability components as of December 31, 2021	<u>\$ -</u>

2. 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: 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

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### (7) Conversion period:

Except for the suspension period of conversion, the creditors may at any time request that the convertible corporate bonds held be converted into the common shares of the Company from the following day after three months of issuance date (May 27, 2019) to the expiration date February 26, 2024, in accordance with the regulations on corporate bond conversion. The suspension period of conversion is as follows:

- A. During the book closure period, the transfer of common shares is suspended in accordance with the law.
- B. The Company will negotiate with TPEx on the period from 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 common 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 NT\$272.8. In the event of an increase in the shares of the Company's issued common 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, 2021, the conversion price was adjusted to NT\$221.2.

### (9) Redemption rights of the creditor:

30 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 3 months (May 27, 2019) to 40 days before the maturity date (January 17, 2024), if the closing price of the Company's common 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, 2021 and 2020, the fair value of the embedded derivative financial products were NT\$(3,944) thousand and NT\$(9,016)thousand respectively. As of December 2021, the measured amount of non-derivative financial liabilities is NT\$5,497,329 thousand at amortized cost, and its effective interest rate initially recognized is 1.1542%.



## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

Issue proceeds (less transaction costs of NT\$4,852 thousand)	\$ 6,007,148
Equity components	<u>(332,132)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$5,665,424 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$9,592 thousand)	5,675,016
Interest calculated at effective interest rate of 1.1542%	182,331
Loss (gain) on financial commodity evaluation	(14,905)
corporate bonds converted into common shares	<u>(349,057)</u>
The liability components as of December 31, 2021	<u><u>\$ 5,493,385</u></u>

3. 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 US\$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 common shares of the Company from the following day (April 10, 2017) after 30 days of issuance date to 10 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 common 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 common 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, 2021, the conversion price was adjusted to NT\$375.87.

(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 2 years (August 30, 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 options:

After 2 years (August 30, 2019) of issuance of the corporate bonds, if 20 trading days in 30 consecutive business days of the common 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 issuer 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 issuer may redeem all the outstanding bonds in advance at the early redemption price of the issuer.

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, 2021, its measured amount of amortized cost is NT\$1,137,035 thousand, and the effective interest rate initially recognized is 2.4144%.

Issue proceeds (less transaction costs of NT\$29,142 thousand)	\$ 6,301,458
Equity components	<u>(322,635)</u>
Liability components on date of issuance	5,978,823
Interest calculated at effective interest rate of 2.4144%	317,109
corporate bonds converted into common shares	(90,841)
corporate bonds payable exercised redemption rights	<u>(5,068,056)</u>
The liability components as of December 31, 2021	<u><u>\$ 1,137,035</u></u>

4. To meet the needs of operating development and planning and introduce long-term strategic investment partners, the Company privately issued the first domestic unsecured convertible corporate bonds on September 2, 2021. The issuance conditions are as follows:

## **Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

- (1) Total issuance: NT\$1,500,000 thousand
- (2) Face value: NT\$100 thousand each
- (3) Coupon rate: 0%
- (4) Effective interest rate: 0.931%
- (5) Book value at issuance: NT\$1,464,589 thousand
- (6) Duration: September 2, 2021 ~ September 2, 2026

(7) Conversion period:

Except for the suspension period of conversion, the creditors may at any time request that the convertible corporate bonds held be converted into the common shares of the Company from the following day after threemonths of issuance date (December 3, 2021) to the expiration date September 2, 2016, in accordance with the regulations on corporate bond conversion. The suspension period of conversion is as follows:

- A. During the book closure period, the transfer of common shares is suspended in accordance with the law.
- B. The Company's period from 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 common shares for cash to the record date of rights distribution.
- C. The date of capital reduction is cut off 1 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 NT\$214.9. In the event of an increase in the shares of the Company's privately issued common shares, the conversion price shall be adjusted under Article 11 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of December 31, 2021, the conversion price was adjusted to NT\$212.9.

(9) Redemption rights of the creditor:

30 days prior to the issuance of corporate bonds for three years (September 2, 2024), 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.

(10) The Company's redemption options:

From the day after the issuance of corporate bonds for 3 years (December 3, 2024) to 40 days before the maturity date (July 24, 2026), if the closing price of the Company's common 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.

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its  
Subsidiaries (Continued)**

(11) 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 cash on the maturity date according to the nominal amount of the bonds.

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 September 30, 2021, the fair value of the embedded derivative financial products were NT\$(300). As of December 2021, the measured amount of non-derivative financial liabilities is NT\$1,466,888 thousand at amortized cost, and its effective interest rate initially recognized is 0.9311%.

Issue proceeds (less transaction costs of NT\$165 thousand)	\$ 1,499,835
Equity components	<u>(35,396)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$5,665,424 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$150 thousand)	1,464,439
Interest calculated at effective interest rate of 1.1542%	2,299
Profits of valuation of financial asset	<u>(150)</u>
The liability components as of December 31, 2021	<u><b>\$ 1,466,588</b></u>

5. To meet the needs of working capital and repayment for borrowings, the Company issued the domestic fourth unsecured convertible corporate bonds on November 16, 2021. The issuance condition is as follows:

- (1) Total issuance: NT\$1,000,000 thousand
- (2) Face value: NT\$100 thousand each
- (3) Coupon rate: 0%
- (4) Effective interest rate: 1.1542%
- (5) Book value at issuance: NT\$951,494 thousand
- (6) Duration: November 16, 2021 ~ November 16, 2026
- (7) Conversion period:

Except for the suspension period of conversion, the creditors may at any time request that the convertible corporate bonds held be converted into the common shares of the Company from the following day after threemonths of issuance date (February 17, 2021) to the expiration date November 16, 2026, in accordance with the regulations on corporate bond conversion. The suspension period of conversion is as follows:

- A. During the book closure period, the transfer of common shares is suspended in accordance with the law.
- B. The Company will negotiate with TPEx on the period from 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 common 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 NT\$221.1. In the event of an increase in the shares of the Company's issued common 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, 2021, the conversion price was adjusted to NT\$219.1.

- (9) Redemption rights of the creditor:

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

30 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.

## (10) The Company's redemption options:

From the day after the issuance of corporate bonds for 3 years (November 27, 2024) to 40 days before the maturity date (Jan. 17, 2026), if the closing price of the Company's common 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.

## (1) 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 cash on the maturity date according to the nominal amount of the bonds.

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, 2021, the fair value of the embedded derivative financial products were NT\$(200). As of December 2021, the measured amount of non-derivative financial liabilities is NT\$952,683 thousand at amortized cost, and its effective interest rate initially recognized is 1.1542%.

Issue proceeds (less transaction costs of NT\$3,480 thousand)	\$ 1,001,520
Equity components	<u>(49,428)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$951,494 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$598 thousand)	952,092
Interest calculated at effective interest rate of 1.1542%	1,189
Loss (gain) on financial commodity evaluation	<u>(398)</u>
The liability components as of December 31, 2021	<u><u>\$ 952,883</u></u>

6. The main conditions related to the issuance of unsecured convertible corporate bonds of subsidiaries are as follows:

(1) Total issuance: NT\$700,000 thousand

(2) Face value: NT\$100 thousand each

(3) Coupon rate: 0%

(4) Effective interest rate: 0.5%

(5) Duration: February 10, 2020 ~ February 10, 2023

(6) Conversion period: The bond holder may request to convert the convertible corporate bonds from the day following the expiration of three months after the issuance date to the end of the maturity date. Except for the period during which the transfer of common shares is suspended, the period from 15 business days prior to suspension of issuing bonus shares, cash dividends or cash capital increase by the issuer to the benchmark date of



## **Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

rights distribution, from the base date of capital reduction to the day before the trading day of capital reduction and stock exchange according to laws, the issuer may, at any time, notify the Taiwan Depository and Clearing Corporation through the trading securities firm to request the agency of the issuer to convert the convertible bonds into common shares in accordance with laws.

(7) Conversion price and adjustment:

The conversion price at issue was NT\$104.1 and is changed to NT\$98.7 from September 14, 2021.

(8) Redemption right:

- A. From the day following the expiration of three months from the issuance date to 40 days before the expiration of the issuance period, if the closing price of the common shares of the issuer at the business premises of the securities firm exceeds the current conversion price by more than 30% (inclusive) for 30 consecutive business days, the issuer may redeem all the outstanding convertible corporate bonds in cash according to the face value of the bonds within the next 30 business days.
- B. From the day following the expiration of three months from the date of issuance to 40 days before the expiration of the issuance period, if the outstanding balance of the convertible corporate bonds is less than 10% of the total amount of the original issuance, the issuer may redeem all the outstanding convertible corporate bonds in cash at any time thereafter according to the face value of the bonds.
- C. If the bondholder fails to reply in writing to the agency of the issuer before the benchmark date of bond retirement specified in the "Bond Retirement Notice", the issuer will redeem all outstanding principal convertible corporate bonds in cash according to the face value of the bonds within five business days after the benchmark date of bond retirement.

7. The main conditions related to the issuance of unsecured convertible corporate bonds of subsidiaries are as follows:

- (1) Total issuance: NT\$1,500,000 thousand
- (2) Face value: NT\$100 thousand each
- (3) Coupon rate: 0%
- (4) Effective interest rate: 1.0255%
- (5) Duration: December 15, 2020 ~ December 15, 2023
- (6) Conversion period: from the day after the expiration of three months after the date of bond issuance to the maturity date, except for the period during which the transfer of ownership is suspended in accordance with the conversion measures or laws and regulations, the bondholders may request the subsidiary to convert into common shares of the subsidiary. The rights and obligations of the common shares after conversion are the same as those of the originally issued common shares.
- (7) Conversion price and adjustment:

The conversion price of this convertible corporate bond is determined in accordance with the prescribed model set forth in the conversion regulations. In case of the company's anti-dilution clause, the conversion price will be adjusted in accordance with the prescribed model set forth in the conversion regulations; subsequently, on the benchmark date of the regulation, the conversion price shall be re-set according to the setting mode specified in the conversion regulation. If it is higher than the conversion price before the re-setting in the current year, it shall not be adjusted.

(8) Redemption right:

- A. Redemption at maturity: after the issuance of this bond expires, the subsidiary will repay the principal at one time.

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its  
Subsidiaries (Continued)**

B.Early redemption: From the day following the issuance of the convertible corporate bonds for three months to 40 days before the expiration of the issuance period, when the closing price of the common shares of the subsidiary exceeds the current conversion price by 30% for 30 consecutive business days, or from the day after the issuance of the convertible corporate bonds for three months to 40 days before the expiration of the issuance period, when the outstanding balance of the convertible corporate bonds is less than 10% of the total face value of the original issue, the subsidiary may redeem all its bonds in cash at any time thereafter according to the face value of the bonds.

C. In accordance with the provisions of the conversion measures, the convertible corporate bonds redeemed, repaid or converted by all subsidiaries will be cancelled, and all rights and obligations attached to the corporate bonds will also be cancelled and will no longer be issued.

(n) Employee benefits

1. Defined benefit plan

The adjustment between the present value of benefit obligations and the fair value of plan assets determined by the Consolidated Company is as follows:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Determine the present value of defined benefit obligations	\$ 659,932	731,106
Fair value of plan assets	(184,993)	(194,634)
Net defined benefit liabilities	<b><u>\$ 474,939</u></b>	<b><u>536,472</u></b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Defined benefit assets (account as other non-current assets)	\$ (751)	(722)
Defined benefit liabilities	475,690	537,194
Net defined benefit liabilities	<b><u>\$ 474,939</u></b>	<b><u>536,472</u></b>

The Company and its domestic subsidiaries contributes an amount to a retirement fund that is deposited with Bank of Taiwan. 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. Foreign subsidiaries contribute and pay pensions to relevant statutory bodies for administration in accordance with relevant local laws and regulations.

(1) Plan asset composition

The Company and its domestic subsidiaries contributes the pension fund under the "Labor Standard Act", which is administered by the Bureau of Labor Funds of the Ministry of Labor. In accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the annual return of the Fund shall not be lower than the average interest rate of a 2-year-term time deposit of local banks.

Please visit the website of the Bureau of Labor Funds of the Ministry of Labor for the use of labor retirement fund, including fund return and asset allocation.

(2) Changes in the present value of defined benefit obligations

The changes in defined benefit liabilities of the Consolidated Company in 2021 and 2020 are as follows:

<b>2021</b>	<b>2020</b>
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**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its  
Subsidiaries (Continued)**

January 1 Defined benefit liabilities	\$	731,106	666,601
Current service cost and interest		14,101	15,828
— Actuarial gains (losses) - changes in population statistics assumption		1,545	224
— Actuarial gains (losses) - changes in financial assumptions		(23,150)	33,119
— Actuarial gains (losses) - experience adjustments		9,036	2,235
Benefits paid by the plan		(23,288)	(1,982)
Pay-off		-	(1,350)
Exchange differences of foreign schemes		(49,418)	16,431
December 31 Defined benefit liabilities	<b>\$</b>	<b>659,932</b>	<b>731,106</b>

## (3) Changes in fair value of plan assets

The changes in the fair value of defined benefit plan of the Consolidated Company in 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Jan1 fair value of plan assets	\$ 194,634	181,239
Interest income	757	1,577
— Plan asset remuneration (excluding current interest)	2,983	6,868
Amount allocated to the scheme	5,079	5,062
Benefits paid by the plan	(13,650)	(1,982)
Exchange differences of foreign schemes	(4,810)	1,870
December 31 fair value of plan assets	<b><u>\$ 184,993</u></b>	<b><u>194,634</u></b>

## (4) Recognized gain (loss) expenses

The details of recognized costs in 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Current service costs	\$ 10,788	10,353
Net interest of net defined benefit liabilities (assets)	2,556	3,898
Early service cost and profit and loss of settlement	-	(1,350)
	<b><u>\$ 13,344</u></b>	<b><u>12,901</u></b>

## (5) Actuarial assumption

The material actuarial assumptions used by the Consolidated Company to determine the present value of defined benefit obligations as of the reporting date are as follows:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Discount rate	0.65%~1.7%	0.03%~0.75%
Increase in future salary	0.0%~3.0%	0.0%~3.0%
Mortality rate	90% of 5th Taiwan Standard Ordinary Experience Mortality	90% of 5th Taiwan Standard Ordinary Experience Mortality
Turnover rate	0%~34%	0%~34%

The Consolidated Company is expected that the amount of appropriation for defined benefit plans within 1 year after the reporting date for the year ended on Dec 31, 2021 is NT\$20,298 thousand.

The weighted average duration of defined benefit plans is 10 years.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### (6)Sensitivity analysis

The effects of changes in the main actuarial assumptions adopted on Dec. 31, 2021 and 2020 on the present value of defined benefit obligations are as follows:

	<b>Effects on defined benefit obligations</b>	
	<b>Increased by 0.25%</b>	<b>Decreased by 0.25%</b>
December 31, 2021		
Discount rate	\$ (33,969)	37,415
Increase in future salary	18,489	(17,533)
December 31, 2020		
Discount rate	\$ (28,575)	32,229
Increase in future salary	18,080	(16,355)

The sensitivity analysis above was based on the analysis of the effects of changes in a single hypothesis with other assumptions unchanged. Changes in many assumptions in practice may be interlinked. Sensitivity analysis is consistent with the method used to calculate the net pension liabilities on the balance sheet.

The methodology and assumptions used in the sensitivity analysis are the same.

### 2. Defined contribution plan

The Consolidated Company and its domestic subsidiaries shall contribute the retirement funds of employees to the individual accounts for labor retirement funds of the Bureau of Labor Insurance according to 6% of the monthly salaries of labors under the provisions of Labor Pension Act. Under this plan, after contributing fixed amount to the Bureau of Labor Insurance, the Consolidated Company will not assume the legal or constructive obligations of paying extra amount. Foreign subsidiaries contribute pensions to relevant statutory bodies for administration in accordance with relevant local laws and regulations.

The pension expense under the defined contribution retirement funds of the Company in the year of 2021 and 2020 are NT\$306,230 thousand and NT\$173,265 thousand respectively, which have been contributed to the Bureau of Labor Insurance or local authorities.

### (o)Income tax

## 1. Income tax expense

The details of the income tax expense of the Consolidated Company in 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Income tax expense in current year		
Recognized for the period	\$ 903,406	923,766
Adjustment of the income tax in the previous year	<u>(3,886)</u>	<u>2,415</u>
	<u>899,520</u>	<u>926,181</u>
Deferred income tax expense		
Occurrence and reversal of temporary differences	<u>(2,391)</u>	<u>(104,997)</u>
Income tax expense	<u><u>\$ 897,129</u></u>	<u><u>821,184</u></u>



## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

The details of income tax expenses under recognized other comprehensive profits/losses of the Consolidated Company in 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	<u>\$ 3,894</u>	<u>(4,037)</u>

The relationship between the Consolidated Company's income tax expense and net profit before tax in 2021 and 2020 is adjusted as follows:

	<u>2021</u>	<u>2020</u>
Net profit before tax	<u>\$ 4,249,253</u>	<u>3,976,567</u>
Income tax calculated at domestic tax rate	\$ 849,851	934,764
Effect of tax rate differences in foreign jurisdictions	489,113	(270,208)
Adjustment according to tax laws	(66,871)	446,539
Tax-exempted income	(148,133)	(203,161)
Tax incentives	(3,118)	(1,195)
Changes in unrecognized temporary differences	(299,748)	(103,493)
Overestimate in the previous year	39,228	2,415
Surplus on undistributed retained earnings	30,107	15,523
Basic income tax	4,086	-
Repatriation of surplus of subsidiaries	2,051	-
Withholding tax remitted from overseas surplus	563	-
Income tax expense	<u>\$ 897,129</u>	<u>821,184</u>

### 2. Deferred income tax assets and liabilities

#### (1) Unrecognized deferred income tax liabilities

As for the temporary differences related to investment subsidiaries as of December 31, 2021 and 2022, the Consolidated Company can control the time point of the reversal of the temporary differences and is likely not to reverse in the foreseeable future, so the deferred income tax liabilities are not recognized. Related amounts are:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Summary amount of temporary differences related to investment in subsidiaries	<u>\$ 533,169</u>	<u>430,706</u>

#### (2) Unrecognized deferred income tax assets

The item not recognized as deferred income tax assets by the Consolidated

Company is as follows:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Tax loss	<b><u>\$ 1,564,708</u></b>	<b><u>1,944,582</u></b>

The loss due to taxation is subject to the income tax law, and the net profit of the ten years before the loss is deducted by the tax collection authority. These items are not recognized as deferred income tax assets because it is not likely that the Consolidated Company will have sufficient tax offices for such temporary differences in the future.

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

As of December 31, 2021, the tax losses of the Consolidated Company that have not been recognized as deferred income tax assets are deducted as follows:

<u>Loss not deducted</u>	<u>Last year that can be deducted</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>	Undated
<b><u>\$ 8,089,061</u></b>	

(3) Recognized deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities:

Deferred income tax liabilities:

	<b>Defined benefit plan</b>	<b>Fiscal and tax differenc es</b>	<b>Asset re- measure ment</b>	<b>Other</b>	<b>Total</b>
<b>January 1, 2021</b>	\$ 612	458,936	69,354	-	528,902
Debit / (credit) income statement	-	(16,127)	-	-	(16,127)
Debit / (credit) other comprehensive profit and loss	6	-	-	-	6
Exchange differences on translation of foreign financial statements	(1)	23,149	-	-	23,148
<b>December 31, 2021</b>	<b><u>\$ 617</u></b>	<b><u>465,958</u></b>	<b><u>69,354</u></b>	<b><u>-</u></b>	<b><u>535,929</u></b>
<b>January 1, 2020</b>	\$ 616	308,521	136,922	22,984	469,043
Acquisition through business combinations	-	104,468	75,531	-	179,999
Debit / (credit) income statement	-	78,757	(85,590)	(22,984)	(29,817)

Debit / (credit) other comprehensive profit and loss	(4)	-	-	-	(4)
Exchange differences on translation of foreign financial statements	-	(32,810)	(57,509)	-	(90,319)
<b>December 31, 2020</b>	<b>\$ 612</b>	<b>458,936</b>	<b>69,354</b>	<b>-</b>	<b>528,902</b>

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

Deferred income tax assets:

	Allowance for inventory market price decline	Loss deductio n	Bad debt loss	Provision s for liabilities	Others	Total
<b>January 1, 2021</b>	\$ 251,104	826,741	73,365	285,205	199,117	1,635,532
Debit / (credit) income statement	(13,004)	139,201	(37,261)	(75,409)	(33,583)	(20,056)
Debit / (credit) other comprehensive profit and loss	-	-	-	(1,664)	20,526	18,862
Exchange differences on translation of foreign financial statements	(179,010)	191,993	(312)	86,654	(168,954)	(69,629)
<b>December 31, 2021</b>	<b>\$ 59,090</b>	<b>1,157,935</b>	<b>35,792</b>	<b>294,786</b>	<b>17,106</b>	<b>1,564,709</b>
<b>January 1, 2020</b>	\$ 241,244	747,586	56,831	265,026	194,178	1,504,865
Acquisition through business combinations	39,165	6,072	-	17,906	73,065	136,208
Debit / (credit) income statement	(3,352)	67,555	18,504	44,680	(52,207)	75,180
Debit / (credit) other comprehensive profit and loss	-	-	-	-	4,033	4,033
Exchange differences on translation of foreign financial statements	(25,953)	5,525	(1,970)	(42,407)	(19,949)	(84,754)
<b>December 31, 2020</b>	<b>\$ 251,104</b>	<b>826,738</b>	<b>73,365</b>	<b>285,205</b>	<b>199,120</b>	<b>1,635,532</b>

### 3. Income tax approval

The income tax returns of the Company, Ennoconn International, Goldteck Technology, Thecus, CASWELL and MIC INC. through 2019 have been assessed by the tax authorities. The Company disagrees with the approved contents of 2015 and 2018, and is currently applying for review. However, the Company has assessed the relevant income tax based on the principle of prudence.

#### (p) Capital and other equity

As of December 31, 2021 and 2020, the total authorized share capital of the Company was NT\$2,500,000 thousand with a par value of NT\$10, with 250,000 thousand shares. The total amount of the above-mentioned share capital is common shares, and the issued shares are 101,812 thousand common shares and 93,272 thousand common shares respectively. The share funds of all issued shares have been received.

#### 1. Issuance of common shares

On June 23, 2020, the shareholder's meeting approved the resolution for the distribution

of earnings for the year of 2019, pursuant to which a stock dividend of NT\$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 common shares of NT\$14,056 thousand, and the paid-in capital after the change was NT\$932,720.

On Dec. 1, 2020, the Company's Board of Directors resolved to issue 3,540 thousand as a consideration exchange for the shares of its transferred subsidiary AIS Cayman, with a par value of NT\$10, with Jan 21, 2021 as the base date for the capital increase; On May 13, 2021, the Board resolved to issue 5,000 thousand with a par value of NT\$10, with Dec 31, 2021 as the base date for capital increase. The statutory registration process was completed. The paid-in capital after the change was \$1,018,120thousand.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### 2. Capital reserve

The components of the Company's capital reserve are as follows:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Premium of issued shares	\$ 4,635,120	3,694,775
Issuance of new shares by the other transferred companies	1,372,670	485,900
Premium on conversion of convertible corporate bonds	1,797,651	1,797,651
Share options for convertible corporate bonds	454,831	446,546
Expired stock options	326,420	249,881
Changes in percentage of ownership in subsidiaries	<u>279,088</u>	<u>63,337</u>
	<b><u>\$ 8,865,780</u></b>	<b><u>6,738,090</u></b>

In accordance with the Company Act, the capital surplus is required to cover losses first before new shares or cash can be issued in proportion to the shareholders' original shares. Realized capital surplus referred to in the preceding paragraph includes premiums from the issuance of shares in excess of par value and proceeds from gifts received. In accordance with the Regulations Governing the Issuer's Offerings and Issuance of Marketable Securities, the aggregate amount of capital surplus that may be capitalized each year shall not exceed 10% of the paid-in capital.

### 3. Retained earnings

In accordance with the Company's Articles of Incorporation, the Company shall, after the final settlement of each year's earnings, first complete tax contributions, make up for prior years' deficits and set aside 10% as legal reserve, except when the legal reserve has reached the level of total capital; the Company is required by law to set aside or reverse special reserve. In the case of unappropriated earnings for the same period, the Board of

Directors shall propose a proposal for the distribution of earnings to the shareholders for resolution.

The Company will take into account the environment and growth of the Company and the distribution of earnings should take into account the Company's future capital expenditure budget and capital requirements, and pay cash dividends of not less than 10% of the dividends distributed in the current year.

(1) Legal reserve

If the Company has no deficit, it may, by resolution of the shareholders in

general meeting, issue new shares or cash out of the legal reserve to the extent that such reserve exceeds 25% of the paid-in capital.

(2) Special reserve

When the Company firstly adopted the IFRS recognized by FSC and selected applied exemption items under IFRS1 First-time Adoption of International Financial Reporting Standards, the unrealized revaluation appreciation, cumulative conversion adjustments (benefits) under the recorded shareholders' equity, and the recorded assets were classified as "investment real estate" on the conversion date, and the retained earnings are increased by taking the fair value on the conversion date as the recognized cost in accordance with the regulations. According to FSC No. 1010012865 order issued on April 6, 2012, the special surplus reserves at the same amount is recognized. When using, disposing or reclassifying relevant assets, the Company may reverse the proportion of the initial special surplus reserve to distribute the surplus. As of Dec 31, 2021 and 2020, the balance of such special reserve was NT\$1,010,924 thousand and NT\$850,114 thousand.



## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

In accordance with the above order, when distributing the distributable surplus, the Company shall make up the difference between the net deduction of other shareholders' equity in the account in the current year and the balance of the special surplus reserve referred to in the preceding paragraph, and make up the special surplus reserve from the current profit and loss and the undistributed surplus in the previous period. If there is a subsequent reversal in the amount of other decreases in shareholders' equity, the reversal may be distributed in the form of a surplus.

### (3) Earnings distribution

On Aug 3, 2021 and June 23, 2020, the Company's shareholders resolved to distribute earnings for the year 2020 and 2019, respectively, as follows:

	2020		2019	
	Payout ration (NT\$)	Amount	Payout ration (NT\$)	Amount
Distributed to the holders of common shares:				
Cash	\$ 5.00	480,785	3.93	331,678
Shares	-	-	0.98	82,919
Total		<u>\$ 480,785</u>		<u>414,597</u>

### 4. Treasury stock

As of Dec 31, 2021 and 2020, the treasury stock, not cancelled, held by the Company was 655 thousand. Treasury stock held by the Company shall not enjoy the rights of shareholders before being transferred in accordance with the Company Act.

### 5. Other equity (net after tax) and non-controlling interests

	Exchange differences on translation of foreign financial statements	Unrealized gain on financial assets at FVTOCI	non- controlling interests	Total
Balance as of Jan 1, 2021	\$ (934,258)	(76,666)	21,251,225	20,240,301
Net income for the year	-	-	2,017,180	2,017,180
Exchange differences on translating the net assets of foreign operations	(738,853)	-	(1,535,621)	(2,274,474)
Share of translation difference of affiliated enterprises using equity method	(212)	-	(9,539)	(9,751)
Unrealized gain or loss from equity instruments for the year	-	(18,501)	(2,543)	(21,044)
Remeasurement of defined benefit plans	-	-	7,011	7,011

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

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Cash dividends distributed by subsidiaries	-	-	(1,064,739)	(1,064,739)
Changes in percentage of ownership in subsidiaries	-	-	(215,750)	(215,750)
Other changes	-	-	118,505	118,505
Balance as of Dec 31, 2021	<u>\$ (1,673,323)</u>	<u>(95,167)</u>	<u>20,565,729</u>	<u>18,797,239</u>

# Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

	Exchange differences on translation of foreign financial statements	Unrealized gain on financial assets at FVTOCI	non- controlling interests	Total
Balance as of Jan 1, 2020	\$ (777,744)	(72,370)	19,706,093	18,855,979
Net income for the year	-	-	2,043,859	2,043,859
Exchange differences on translating the net assets of foreign operations	(156,200)	-	201,265	45,065
Share of gain of associates accounted for using the equity method	(314)	-	(190)	(504)
Unrealized gain on financial assets at FVTOCI	-	(502)	(1,558)	(2,060)
The cumulative profit or loss of the disposed equity instrument transferred to retained earnings	-	(3,794)	-	(3,794)
Remeasurement of defined benefit plans	-	-	(16,426)	(16,426)
Cash dividends distributed by subsidiaries	-	-	(697,730)	(697,730)
Changes in ownership interests in subsidiaries	-	-	(99,018)	(99,018)
Other changes	-	-	114,930	114,930
Balance as of Dec 31, 2020	<u>\$ (934,258)</u>	<u>(76,666)</u>	<u>21,251,225</u>	<u>20,240,301</u>

## (q)Share-based payment

### 1.CASWELL, INC.'s share-based payment in 2021 below:

	<u>Equity settlement</u> <u>Treasury shares</u> <u>transferred to</u> <u>employees</u>
Granting day	January 6, 2021
Granting number	210thousand shares
Contract period	-
Granting person	All employees
Vested conditions	Immediately vested

(1)Measurement parameters of fair value on the granting date

CASWELL, INC. adopts Black-Scholes option evaluation model to estimate the fair value of share-based payment on the granting day, which values are listed below:

	<u>2021</u> <u>Treasury shares</u> <u>transferred to</u> <u>employees</u>
Fair value at the granting day (NT\$)	\$ 122.00
Share price on the granting day (NT\$)	122.00
Execution price (NT\$)	85.02

The determination of fair value does not take into account the services and non-market performance conditions contained in the transaction.

(2)Information on treasury stock transfer regulations

Details of the above treasury share transfer regulations are as follows:

	(in thousand)	
	<b>2021</b>	
	<b>Treasury shares transferred to employees</b>	
	<b>Weighted average performance price (NT\$)</b>	<b>Stock option quantity</b>
Outstanding shares as of Jan1	\$ -	-
Granting number in the current period	85.02	210
Lost number in the current period	-	-
Executed number in the current period	(85.02)	(210)
Outstanding shares as of Dec 31	-	-
Exercisable options as of Dec 31	-	-

(3)Employee expenses

Remuneration expenses recognized by employees of CASWELL, INC. for the transfer of treasury shares in 2021 was NT\$7,764thousand.

The Company did not have share-based payment in 2020.

2. MIC INC. and ADAT (a subsidiary of MIC INC.) paid the share-based payment in 2021 and 2020 as below:

<b>Issuer</b>	<b>Category of agreements</b>	<b>Granting day</b>	<b>Number granted shares (in thousand)</b>	<b>Contract period</b>	<b>Vested conditions</b>
MIC INC.	Employee stock options plan	September 11, 2015	3,956	6 years	2~4 service expired
ADAT		April 1, 2019	436	"	0~2 service expired
"		September 1, 2019	314	"	"
"		May 1, 2020	27	"	"
"		September 1, 2020	137	"	"

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

(2)The details of the above share based payment agreement are as follows:

MIC INC.:

	<b>2021</b>		<b>2020</b>	
	<b>Weighted average performance price (NT\$)</b>	<b>Stock option quantity</b>	<b>Weighted average performance price (NT\$)</b>	<b>Stock option quantity</b>
Outstanding warrants as of Jan1	\$ 15.20	169	15.70	548

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its  
Subsidiaries (Continued)**

Exercise of stock options in the current period	15.11	(169)	15.57	(379)
Outstanding warrants as of Dec 31	-	<u><u>-</u></u> (Note)	15.20	<u><u>169</u></u>
Exercisable options as of Dec 31		<u><u>-</u></u> (Note)		<u><u>169</u></u>
Approved but not yet issued share options as of Dec 31		<u><u>-</u></u> (Note)		<u><u>44</u></u>

Note: the company's employee stock option scheme expired on September 10, 2021.

ADAT:

	2021		2020	
	Weighted average performance price (NT\$)	Stock option quantity	Weighted average performance price (NT\$)	Stock option quantity
Outstanding warrants as of Jan 1	\$ 10.00	446	10.00	549
Options granted in the current period	-	-	10.00	164
Exercise of stock options in the current period	10.00	(298)	10.00	(237)
Forfeited share options in the current period	-	(26)	-	(30)
Outstanding warrants as of Dec 31	10.00	<u>122</u>	10.00	<u>446</u>
Exercisable options as of Dec 31		<u>64</u>		<u>48</u>
Approved but not yet issued share options as of Dec 31		<u>-</u>		<u>40</u>

(3) The maturity date and strike price of options outstanding on the balance sheet date are as follows:

			December 31, 2021	
Issuer	Approved issue date	Maturity Date	Number of Shares (thousand)	Performance price (NT\$)
ADAT	April 1, 2019	March 31, 2025	50	10.00
"	September 1, 2019	August 31, 2025	9	10.00
"	May 1, 2020	April 30, 2026	15	10.00
"	September 1, 2020	August 31, 2026	48	10.00

			December 31, 2020	
Issuer	Approved issue date	Maturity Date	Number of Shares (thousand)	Performance price (NT\$)
MIC INC.	September 11, 2015	September 10, 2021	169	15.20
ADAT	April 1, 2019	March 31, 2025	174	10.00
"	September 1, 2019	August 31, 2025	229	10.00
"	May 1, 2020	April 30, 2026	19	10.00
"	September 1, 2020	August 31, 2026	24	10.00

(4) MIC INC. and ADAT adopt Black-Scholes option evaluation model to estimate the fair value of share-based payment on the granting day as below:

Issuer	Category of agreements	Granting day	Share price (NT\$)	Performance price (NT\$)	Expected Volatility	Expected duration	Expected stock interest rate	Risk-free interest rate	Fair value per unit (NT\$)
MIC INC.	Employee stock options plan	September 11, 2015	\$ 19.60	19.60	34.91%	4.375 years	0%	0.81%	5.8326
ADAT	"	April 1, 2019	10.00	10.00	47.77%	3.550 years	0%	0.61%	2.4727
"	"	September 1, 2019	10.00	10.00	44.29%	3.550 years	0%	0.54%	2.7873

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its  
Subsidiaries (Continued)**

						years			
"	"	May 1, 2020	10.00	10.00	38.58%	3.550	0%	0.38%	10.4014
						years			
"	"	September 1, 2020	10.00	10.00	38.10%	3.550	0%	0.29%	9.9910
						years			

(5)MIC INC. did not incur any expenses due to share based payment in 2021 and 2020.

(6)ADAT paid NT\$704 thousand and NT\$1,431 thousand shared-based payment in 2021 and 2020, respectively.

(r) Earnings per share

The relevant calculations of the Company's basic earnings per share and diluted earnings per share in 2021 and 2020 are as follows:

1. The basic earnings per share

	<b>2021</b>	<b>2020</b>
(1) Net profit attributable to the Company in the year	<b>\$ 1,334,944</b>	<b>1,111,524</b>
(2)Weighted average shares outstanding		
	<b>2021</b>	<b>2020</b>
Jan1 common shares issued	\$ 93,272	83,574
Effects of treasury stock	(655)	(655)
Effect of stock dividends and corporate bond conversion	-	8,724
Effect of cash capital increase on the issuance of new shares	3,373	-
Weighted average shares outstanding as of Dec31	<b>\$ 95,990</b>	<b>91,643</b>
Basic earnings per share (NT\$)	<b>\$ 13.91</b>	<b>12.13</b>

2.Diluted earnings per share

	<b>2021</b>	<b>2020</b>
Net profit attributable to the Company in the year (basic)	\$ 1,334,944	1,111,524
After tax interest expense and financial evaluation of convertible corporate bonds	82,709	77,504
Net profit attributable to the Company in the year (diluted)	<b>\$ 1,417,653</b>	<b>1,189,028</b>
Weighted average number of common stocks outstanding (basic)	95,990	91,643
Effect of employ remuneration	139	155
Effect of conversion of convertible corporate bonds	32,136	31,605
Weighted average shares outstanding (diluted) as of Dec31	<b>128,265</b>	<b>123,403</b>
Diluted earnings per share (NT\$)	<b>\$ 11.05</b>	<b>9.64</b>

(s) Revenue from customer contracts

1.Description of revenue

The Consolidated Company has the following revenues:

	<b>2021</b>	<b>2020</b>
Sales Revenue of Commodities	\$ 77,792,532	58,034,448
Service revenue	39,482	14,628,482
Project income	18,724,632	11,428,555
	<b>\$ 96,556,646</b>	<b>84,091,485</b>



**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

2. Balance of contracts

	<b>December 31, 2021</b>	<b>December 31, 2020</b>	<b>January 1, 2020</b>
Accounts receivable	<b><u>\$ 17,320,182</u></b>	<b><u>14,986,228</u></b>	<b><u>17,116,947</u></b>
Contract assets -construction contract	\$ 8,510,574	5,306,618	4,095,623
Contract assets -Sales contract	508,464	436,573	760,777
Contract assets -labor service contract	<u>519,906</u>	<u>388,270</u>	<u>153,080</u>
Total	<b><u>\$ 9,538,944</u></b>	<b><u>6,131,461</u></b>	<b><u>5,009,480</u></b>
Contract liabilities -construction contract	\$ 3,643,508	2,478,159	2,440,230
Contract liabilities -Sales contract	1,797,413	1,802,828	1,908,483
Contract liabilities - labor service contract	1,731,704	1,564,782	1,064,689
Extended warranty service	<u>509,719</u>	<u>676,797</u>	<u>745,027</u>
Total	<b><u>\$ 7,682,344</u></b>	<b><u>6,522,566</u></b>	<b><u>6,158,429</u></b>

Please refer to note 6 (2) for the disclosure of notes and accounts receivable and their impairment.

(t) Remuneration for employees, directors and supervisors

In accordance with the Company's Articles of Incorporation, no less than 2% of the Company's annual profits shall be appropriated to the compensation of employees and no more than 2% to the compensation of directors and supervisors. However, where the Company has accumulated losses, the Company shall first reserve certain amount of the profit to recover the losses. Parties eligible to receive the said compensation in the form of stock or cash shall include employees in the controlling and affiliated companies who met certain conditions.

The estimated amount of compensation of employees for the year ended Dec 31, 2021 and 2021 was NT\$36,000 thousand and NT\$24,000 thousand respectively, and the estimate amount of compensation to directors and supervisors was NT\$3,060 thousand. The Company's net profit before tax for the period is estimated by multiplying the amount of the Company's net profit before issuing the compensation of employees, directors and supervisors by the proportion of the Company's compensation distribution to employees, directors and supervisors as

provided in the Company's Articles of Incorporation, and is reported as operating costs or expenses for that period. There was no difference between the amount approved by the board of directors for employees, directors and supervisors' remuneration and the amount estimated in the consolidated financial statements for the year ended Dec 31, 2021 and 2020. The related information is available on the Market Observation Post System (MOPS).

(u) Non-operating revenue and expenses

1. Other income

The details of other income of the Consolidated Company in 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Rental income	\$ 23,305	19,611
Dividend income	10,038	16,798
Total other income	<b>\$ 33,343</b>	<b>36,409</b>

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### 2. Other gains and losses

The details of other gains and losses of the Consolidated Company in 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Benefits from disposal of property, plant and equipment	\$ 77,323	4,524
Benefits from disposal of investments	104,364	-
Bond recovery loss	(2,189)	-
Foreign currency exchange loss	(185,315)	(322,200)
Net benefits of financial assets and liabilities	446,577	232,619
Impairment loss of property, plant and equipment	(47,309)	-
Subsidy income	-	46,225
Bargain purchase benefits - acquisition of subsidiaries	-	64,727
Other non-operating losses	(37,723)	-
Others	1,165,269	689,680
Other net gains and losses	<b><u>\$ 1,520,997</u></b>	<b><u>715,575</u></b>

### 3. Financial costs

The details of the financial costs of the Consolidated Company in 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Interest on bank loans	\$ 313,006	355,358
Interest on lease liabilities	119,790	79,004
Accrued interest on corporate bonds payable	113,238	102,344
Net financial cost	<b><u>\$ 546,034</u></b>	<b><u>536,706</u></b>

### (v) Financial Instrument

#### 1. Credit risk

##### (1) The maximum credit risk exposure

The carrying amount of a financial asset represents the maximum amount of credit risk.

##### (2) Credit risk concentration risk

As the Company has a large customer base, does not significantly concentrate transactions with a single customer, and the sales areas are distributed widely, there is no risk of significant concentration of credit risk of accounts receivable. To reduce credit risk, the policies adopted by the Company are to trade only

with well-reputed counterparties, the Company regularly and continuously evaluates the financial status of customers, and obtain sufficient guarantee if necessary, so as to reduce the risk of financial losses caused by default.

Please refer to note 6 (2) for details of credit risk exposure information of notes receivable and accounts receivable.

Other financial assets measured at amortized cost include other receivables and certificates of deposit.

The above are financial assets with low credit risk, so the allowance loss in this period is measured according to the expected credit loss amount of 12 months (please refer to note 4(7) for how the consolidated company determines that the credit risk is low).

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### 2. Liquidity risk

The contracts of financial liabilities are sorted by their maturity dates as follows. The estimated interests are included, but the effect of net value agreement is excluded.

	<b>Book value</b>	<b>Contract cash flow</b>	<b>Within 6 months</b>	<b>6-12 months</b>	<b>More than 1 year</b>
<b>December 31, 2021</b>					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 26,346,522	(26,346,522)	(26,346,522)	-	-
Leasing liabilities	3,460,678	(3,804,632)	(493,541)	(489,214)	(2,821,877)
Floating interest rate liabilities	17,321,978	(17,343,725)	(6,393,882)	(3,114,516)	(7,835,327)
Fixed interest rate liabilities	10,104,770	(10,126,036)	-	(1,137,035)	(8,989,001)
	<b>\$ 57,233,948</b>	<b>(57,620,915)</b>	<b>(33,233,945)</b>	<b>(4,740,765)</b>	<b>(19,646,205)</b>
<b>December 31, 2020</b>					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 22,575,002	(22,575,002)	(22,575,002)	-	-
Leasing liabilities	3,548,589	(3,816,420)	(445,295)	(563,572)	(2,807,553)
Floating interest rate liabilities	16,209,361	(16,411,986)	(6,944,951)	(2,029,210)	(7,437,825)
Fixed interest rate liabilities	5,434,586	(5,434,586)	-	-	(5,434,586)
	<b>\$ 47,767,538</b>	<b>(48,237,994)</b>	<b>(29,965,248)</b>	<b>(2,592,782)</b>	<b>(15,679,964)</b>

The Consolidated Company does not expect that the timing of the cash flows for the maturity analysis will occur significantly earlier, or that the actual amounts will be significantly different.

### 3. Exchange rate risks

#### (1) Exposure to exchange rate risk

The Consolidated Company's financial assets and liabilities exposed to significant foreign currency exchange rate risk are as follows:

	December 31, 2021			December 31, 2020		
	Foreign currency	Rate	NTD	Foreign currency	Rate	NTD
<b>Financial assets</b>						
<u>Monetary items</u>						
USD	\$	642,351	27.68 (USD: NTD)	327,575	28.48 (USD: NTD)	9,329,336
USD		80,385	0.8838 (USD: EUR)	64,631	0.8132 (USD: EUR)	1,840,680
USD		35,321	6.3779 (USD:RMB)	38,448	6.5060 (USD:RMB)	1,094,990
<b>Financial liabilities</b>						
<u>Monetary items</u>						
USD		595,317	27.68 (USD: NTD)	123,981	28.48 (USD: NTD)	3,530,966
USD		71,939	0.8838 (USD: EUR)	59,475	0.8132 (USD: EUR)	1,693,855
USD		35,321	6.3779 (USD:RMB)	19,359	6.5060 (USD:RMB)	551,345

Note: the exchange rates of Euro and RMB against Taiwan dollar listed above are as follows:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Euro: Taiwan	31.32	35.02
RMB:NTD	4.344	4.377

## (2)Sensitivity analysis

The exchange rate risk of the company's monetary items mainly comes from foreign currency-denominated cash and cash equivalent, accounts receivable and other receivables, borrowings, accounts payable and other accounts payable, resulting into gains and losses of conversion of foreign currency when exchanging. As of December 31, 2021 and 2020, if NTD had depreciated or appreciated by 1% relative to USD held by the Company and all other factors remained constant, net income would have increased or decreased by NT\$15,357 thousand and 64,888 thousand. The same basis is used for both periods of analysis.

## (3)Exchange gains and losses of monetary items

As the Consolidated Company transacts in various currencies, the exchange gains and losses from monetary items were disclosed by means of consolidation. The foreign currency exchange gains and losses (including realized and unrealized) in 2021 and 2020 were NT\$185,315 thousand and NT\$322,200 thousand, respectively.

## 4. Interest rate risks

The interest rate exposure to the Consolidated Company's financial assets and financial liabilities is described in the liquidity risk management of this note.

The following sensitivity analysis is based on the interest rate exposure of derivative and non derivative instruments on the reporting date. For floating rate liabilities, the analysis method assumes that the amount of liabilities outstanding on the reporting date is outstanding throughout the year. The rate of change used by the Consolidated Company when reporting interest rates to key management personnel is 1% increase or decrease in interest rates, which also represents the management's assessment of the reasonable range of possible changes in interest rates.

If the interest rate increased or decreased by 1%, and other variable were held constant, the Company's net income before tax for the year ended December 31, 2021 and 2020 would have decreased or increased by NT\$173,22 thousand and NT\$165,870 thousand.

## 5. Other price risks

Changes in price of equity securities at the reporting date (on the same basis for both periods and assuming no change in other factors) would have the following effects on the consolidated income statement:

Securities price as of the reporting date	2021		2020	
	Other comprehensive income before tax	Profit after tax	Other comprehensive income before tax	Profit after tax
Increased by 1%	\$ 9,268	11,744	6,319	7,581
Decreased by 1%	\$ (9,268)	(11,744)	(6,319)	(7,581)

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its  
Subsidiaries (Continued)**

## 6. Information on fair value

## (1) Classification of financial instruments and at fair value

The fair value of financial assets, liabilities and other hedging assets of the Consolidated Company are measured at fair value through profit or loss on a recurring basis. The book amount and fair value of various types of financial assets and financial liabilities (including information on the level of fair value, but the book amount of financial instruments not measured at fair value is a reasonable approximation of fair value, and lease liabilities are not required to disclose fair value information according to regulations) are as follows:

	December 31, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL					
Derivative financial assets	\$ 194,182	175,306	-	18,876	194,182
Investment in equity instruments					
Non-publicly traded shares	26,290	22,224	-	4,066	26,290
- Non-TWSE/TPEX-listed and emerging stocks	769,259	-	-	769,259	769,259
— Fund beneficiary certificates	184,624	-	-	184,624	184,624
Sub-total	1,174,355	197,530	-	976,825	1,174,355
Financial assets at FVTOCI					
Investment in equity instruments					
— Non-publicly traded shares	926,755	-	-	926,755	926,755
Sub-total	926,755	-	-	926,755	926,755
Financial Assets at Amortized Cost					
Cash and cash equivalents	17,522,321	-	-	-	-
Financial Assets at Amortized Cost	864,112	-	-	-	-
Contract Assets	9,538,944	-	-	-	-
Notes and accounts receivable (including related parties)	17,380,353	-	-	-	-
Other receivables	1,145,262	-	-	-	-
Sub-total	46,450,992	-	-	-	-
Total	<b>\$ 48,552,102</b>	<b>197,530</b>	<b>-</b>	<b>1,903,580</b>	<b>2,101,110</b>
Financial liabilities at FVTPL					
Derivative financial liabilities	\$ 713	-	713	-	713
Sub-total	713	-	713	-	713



# Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

December 31, 2021					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at amortized cost					
Borrowings	\$ 17,321,978	-	-	-	-
Contract Liabilities	7,151,404	-	-	-	-
Notes and accounts payable (including related parties)	21,165,091	-	-	-	-
Other Payables	5,181,431	-	-	-	-
Leasing liabilities	3,460,678	-	-	-	-
Convertible corporate bonds	10,104,770	-	10,104,770	-	10,104,770
Sub-total	64,385,352	-	10,104,770	-	10,104,770
Total	<b>\$ 64,386,065</b>	<b>-</b>	<b>10,105,483</b>	<b>-</b>	<b>10,105,483</b>
December 31, 2020					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL					
Derivative financial assets	\$ 13,127	-	9,677	3,450	13,127
Investment in equity instruments					
Non-publicly traded shares	168,376	168,376	-	-	168,376
- Non-TWSE/TPEX-listed and emerging stocks	482,304	-	-	482,304	482,304
— Fund beneficiary certificates	89,451	570	-	88,881	89,451
Foreign corporate bonds/convertible bonds	4,867	-	-	4,867	4,867
Sub-total	758,125	168,946	9,677	579,502	758,125
Financial assets at FVTOCI					
Investment in equity instruments					
— Non-publicly traded shares	631,789	-	-	631,789	631,789
Sub-total	631,789	-	-	631,789	631,789
Financial Assets at Amortized Cost					
Cash and cash equivalents	16,020,641	-	-	-	-
Financial Assets at Amortized Cost	2,302,367	-	-	-	-
Contract Assets	6,131,461	-	-	-	-
Notes receivable and accounts receivable	15,040,116	-	-	-	-
Other receivables	1,885,688	-	-	-	-
Sub-total	41,380,273	-	-	-	-

	December 31, 2020				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at FVTPL					
Derivative financial liabilities	\$ 685	-	685	-	685
Contingent consideration of business combination	964,002	-	-	964,002	964,002
Sub-total	964,687	-	685	964,002	964,687
Borrowings	16,935,656	-	-	-	-
Contract Liabilities	5,950,933	-	-	-	-
Notes and accounts payable (including related parties)	16,360,297	-	-	-	-
Other Payables	5,569,135	-	-	-	-
Leasing liabilities	3,548,589	-	-	-	-
Convertible corporate bonds	8,456,371	-	-	-	-
Sub-total	56,820,981	-	-	-	-
Total	<u>\$ 57,785,668</u>	<u>-</u>	<u>685</u>	<u>964,002</u>	<u>964,687</u>

## (2) Fair value evaluation techniques for financial instruments not measured at fair value

The methods and assumptions used by the Company to estimate instruments not measured at fair value are as follows:

For financial assets and liabilities measured at amortized cost, if there is quotation information of transaction or market maker, the latest transaction price and quotation information shall be used as the basis for the evaluation of fair value. If without the market value available for reference, the evaluation method shall be used for estimation. Discounted cash flow is adopted to estimate the fair value based on the estimates and assumptions used in the evaluation method.

## (3) Fair value evaluation techniques for financial instruments measured at fair value

## A. Non-derivative financial assets

When a market is considered active, the quoted price in the market should be used as the fair value for the financial instrument. The market prices announced by TPEX are the basis for the fair value for equity instruments listed on TWSE/TPEX and debt instruments with open quotations in the active market.

If the public quotation of a financial instrument can be obtained from the exchange, broker, underwriter, industry association, pricing service institution or competent authority in a timely and frequent manner, and the price represents the actual and frequent fair market transactions, the financial instrument has an active market public quotation. If the above conditions are unavailable, this market is deemed as inactive. Generally speaking, a large bid-ask spread, a significant increase in bid-ask spread, or a small trading volume are indicators of an inactive market.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

If the financial instruments held by the Consolidated Company have an active market, their fair values are listed as follows by category and attribute:

- Listed redeemable corporate bonds, stocks, bills of exchange and corporate bonds listed on TWSE/TPEX are financial assets and financial liabilities with standard terms and conditions and trade on the active market, and their fair values are determined by reference to the market quotations respectively.

Except for the above-mentioned financial instruments with active market, the fair value of other financial instruments is obtained by using evaluation technique or referring to the quotation of the counterpart. The fair value obtained through the evaluation technique can be calculated by referring to the current fair value of other financial instruments with substantially similar conditions and characteristics, the discounted cash flow method, or other evaluation techniques, including using the model based on the market information available on the consolidated reporting date (for example, the TWSE yield curve) Reuters commercial promissory note interest rate (average quotation).

If the financial instruments held by the Consolidated Company have no active market, their fair values are listed as follows by category and attribute:

- Equity instruments without public quotation: the fair value is estimated by using the discounted cash flow model. The main assumption is that the expected future cash flow of the investee is discounted at the rate of return reflecting the time value of money and investment risk.
- Equity instruments without public quotation: the fair value is estimated using the market comparable company method, and its main assumptions are measured based on the estimated pre-tax earnings before interest, depreciation and amortization of the investee and the earnings multiplier derived from the market quotation of comparable listed companies. The estimate has adjusted the discount impact of the lack of market liquidity of the equity securities.

### B. Derivative financial assets

It is evaluated based on the evaluation model widely accepted by market players, such as discount method and option pricing model. Forward foreign exchange contracts are usually evaluated based on the current forward exchange rate. Structured interest rate derivative financial instruments adopt the option evaluation model (e.g. Black-Scholes) or other evaluation models (e.g. Monte Carlo simulation).

### C. Contingent consideration of business combination

The fair value is estimated by adopting the discounted cash flow method. The main assumption is to estimate the current value after considering the probability of

occurrence based on the possible pre-tax earnings before interest, depreciation and amortization under various scenarios, and discounting at the risk adjusted discount rate.

(4)Transfer between level 1 and level 2

There was no transfer in 2021 and 2020.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

(5) Quantitative information of fair value measurement using significant unobservable input value (Level 3)

The fair value measurement of the Consolidated Company is classified into the third level, mainly including financial assets measured at fair value through profit or loss - equity securities investment, derivative financial instruments, private fund investment and financial assets measured at fair value through other comprehensive profit or loss - equity securities investment.

Most of the fair values of the Consolidated Company are classified as level 3, with only a single significant unobservable input value, and only the equity instrument investment without active market has a complex significant unobservable input value. The significant unobservable inputs of equity instrument investment without active market are independent of each other, so there is no correlation.

The quantitative information of significant unobservable inputs is listed as follows:

Item	Valuation technique	Significant unobservable input	Relationship between significant unobservable input and fair value
Equity instrument investment without active market	Comparable companies in the market	Lack of market liquidity discount (Dec 31, 2021 and Dec 31, 2020 were 15~25%)	The higher the discount for lack of marketability, the lower the fair value

### (23) Financial risk management

#### 1. Overview

The Consolidated Company is exposed to the following risks the use of financial instruments:

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

This note presents the Consolidated Company's risk information for each of these risks and the Consolidated Company's objectives, policies and procedures for measuring and managing risk.

For further quantitative disclosures, please refer to the respective notes to the consolidated financial statements.

## 2. Risk management structure

The Chairman has the sole responsibility for establishing and overseeing the Consolidated Company's risk management structure and reports regularly to the Board on its operation. The board of directors has established a risk management committee to be responsible for developing and controlling the consolidated company's risk management policies and reporting its operation to the board of directors on a regular basis.

The Consolidated Company's risk management policy is designed to identify and analyze the risks faced by the Consolidated Company, to set appropriate risk limits and controls, and to monitor compliance with the risks and risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Consolidated Company's operations. The Consolidated Company develops a disciplined and constructive control environment through training, management guidelines and operating procedures to enable all employees to understand their roles and responsibilities.

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

The Board of Directors of the Consolidated Company oversees how management monitors compliance with the Consolidated Company's risk management policies and procedures and reviews the appropriateness of the Company's risk management framework in relation to the risks it is exposed to. Internal auditor assist the Consolidated Company's audit committee in its oversight role. These personnel conduct regular and exceptional reviews of risk management controls and procedures and report the results of these reviews to the audit committee.

### 3. Credit risk

Credit risk is the risk of financial loss arising from the failure of the Consolidated Company's customers or trading partners to fulfill their contractual obligations, mainly from the Consolidated Company's accounts receivable from customers and investments in securities.

#### (1) Accounts receivable and other receivables

The policies adopted by the Consolidated Company are to trade only with well-reputed counterparties, and, as it is necessary, sufficient collateral must be obtained to reduce the risk of financial losses. The Consolidated Company only trades with enterprises rated equivalent to investment grade. Such 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 mutual transaction records to rate major customers. The Consolidated Company continuously monitors the credit risk and the credit rating of counterparties, distributes the total transaction amount to customers with qualified credit rating, and controls the credit risk through the credit limit of counterparties reviewed and approved by the risk management committee every year.

The Consolidated Company does not hold any collateral or other credit enhancement to avoid the credit risk of financial assets.

#### (2) Investment

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the financial department of the Company. Since the trading partners and other performing parties of the Company are banks with good credit and financial institutions, corporate organizations and government agencies with investment grade and above, there

are no major performance concerns without significant credit risks.

(3)Guarantee

The Consolidated Company's policy stipulates that guarantees are only provided to its wholly-owned subsidiaries. Please refer to note 7 for details of endorsements and guarantees provided by the Consolidated Company as of December 31, 2021 and 2020.

#### 4. Liquidity risk

Liquidity risk refers to the risk that the Consolidated Company is unable to deliver cash or other financial assets to pay off financial liabilities and fails to perform relevant obligations. To management the liquidity, the Consolidated Company shall ensure its sufficient working capital to meet the due liabilities under normal and stressful conditions, without unacceptable loss or risk of damage to the company's reputation.



## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### 5. Market risks

Market risk refers to the risk arisen from market price changes, such as exchange rate, interest rate and equity instrument price changes, which will affect the Consolidated Company's income or the value of financial instruments held. The market risk management aims to control the market risk within an acceptable level and optimize the return on investment.

To manage market risks, the Consolidated Company engages in derivative instrument transactions, resulting in financial liabilities. All transactions are executed in accordance with the policies of risk management committee.

#### (1) Exchange rate risk

The Consolidated Company uses derivative transactions to hedge exchange rate risk due to its exposure to exchange rate risk arising from sales and purchase transactions that are not denominated in the Company's functional currency. The Company's functional currency is denominated in New Taiwan dollar, along with Euro, USA and RMB. These transactions are traded in NTD, Euro, USA and RMB.

The Company holds accounts receivable denominated in foreign currencies other than functional currencies, and the exchange gains and losses arising from exchange rate changes offset the exchange gains and losses of short-term borrowings denominated in foreign currencies. Therefore, the risk exposed to the Company is reduced due to exchange rate.

The Company keeps abreast of changes in exchange rates at all times, takes a stable and conservative exchange rate as the basis for quotation, carefully considers the changes of current and future exchange rates, and uses hedging instruments in a timely manner such as forward foreign exchange to avoid the impact of exchange rate changes.

#### (2) Interest rate risks

The company holds assets and liabilities with floating interest rates and exposes to cash flow interest rate. The details of the company's financial assets and financial liabilities with floating interest rates are described in the liquidity risk management of this note.

#### (24) Capital management

Given the current operating industry and the future development, and considering

the changes of the external environment and other factors, the Consolidated Company plans the working capital and dividend expenditure and other needs required by the Consolidated Company in the future, so as to ensure that the Consolidated Company can continue to operate and maintain the best capital structure, so as to maximize shareholders' remuneration and enhance shareholders' value 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. In addition, the Consolidated Company is not required to comply with other external capital requirements.

(v)Investment and financing activities of non cash transactions

The Consolidated Company's non-cash transaction investment and financing activities in 2021 and 2020 are as follows:

- 1.Please refer to note 6 (16) for details of issuing common shares to acquire subsidiaries.
- 2.please refer to note 6 (16) for details of the conversion of convertible corporate bonds into common shares.

# Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

## VII. Related Party Transactions

### (a) Name and relationship of related party

The related parties that transact with the Consolidated Company within the coverage of this consolidated financial statements are below:

<b>Relationship</b>	<b>Relationship with the Group</b>
Hon Hai Precision Industry Co., Ltd.	Associates
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Associates
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Associates
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Associates
Hongfujin Precision Industry (Hengyang) Co., Ltd.	Associates
Honfujin Precision Electronics (Zhengzhou) Co., Ltd.	Associates
Honfujin Precision Electronics (Guiyang) Co., Ltd.	Associates
Hongfusheng Precision Electronics (ZhengZhou) Co., Ltd.	Associates
Cloud Network Technology Singapore PTE. LTD.	Associates
Chung Hsin Electric & Machinery Manufacturing Corp.	Associates
WT Microelectronics Co., Ltd.	Associates
Macrotec Technology Corp.	Associates
Glory Technology Service Inc.	Associates
FOXCONN INTERCONNECT TECHNOLOGY LIMITED TAIWAN BRANCH (CAYMAN)	Associates
Hong Kong Ennower Information Technology Co., Limited	Associates
Kangzhun 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 machine Co., Ltd	Associates
Honfujin Precision Electronics (Yantai) Co., Ltd.	Associates
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Associates
Futaihua Industry (Shenzhen) Co., Ltd.	Associates
Futaihua Precision Electronics (Zhenzhou) Co.,	Associates

Ltd.	
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Associates
FIH Precision Component (Beijing) Co., Ltd.	Associates
Forward Science Corp.	Associates
Hongfusheng Precision Electronics (ZhengZhou) Co., Ltd.	Associates
First Special Material (Shenzhen) Limited	Associates
AnPinDa Precision Industry (HuiZhou) Co., Ltd.	Associates

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

<b>Relationship</b>	<b>Relationship with the Group</b>
Jiangsu Chung-Hsin Precision Machinery Co., Ltd.	Associates
KUNSHAN FUCHENGKE PRECISION ELECTRONICAL CO.,LTD.	Associates
Wuhan Yuzhan Precision Technology CO., LTD.	Associates
HeNan YuZhan Technology Limited	Associates
Jincheng Futaihua Precision Electronic Co., Ltd.	Associates
FUGUIKANG PRECISION ELECTRONICS (GUIZHOU) CO., LTD.	Associates
Fu Ding Precision Component (Shenzhen) Co., Ltd.	Associates
Fortune International Corporation	Associates
STS Glory Technology Corp.	Associates
Hon-Ling Technology Co., Ltd.	Associates
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Associates
Fujin Precision Industrial (Jincheng) Co., Ltd.	Associates
CHONGQING GUANZHUO TECHNOLOGY CO., LTD.	Associates
ChongQing FuGui Electronics Co., Ltd	Associates
Probeleader Co., Ltd.	Associates
Brilliant Network & Automation Integration System Co., Ltd.	Associates
HeNan FuChi Technology Co., Ltd.	Associates
Former shareholder of AIS Cayman	The key management
Competition Team Ireland Limited	Associates
JJ PRIME LTD.	Associates
Universal Field International Limited	Associates
Triple Win Technology (ShenZhen) Co., Ltd.	Associates
ShanXi Yuding Precision Technology CO., LTD.	Associates
Perobot Co., Ltd.	Associates
Kunshan HiaiM Intelligent Equipment Co., Ltd.	Associates
Dongguan Oyu Precision Technology Co., Ltd.	Associates
WECHIN ELECTRONICS CORP.	Associates
Poslab Electronic Technology	Associates
Chongqingshi Futaitong Logistics Limited Co., Ltd.	Associates
Chongqing Hongteng Technology Co., Ltd.	Associates
Triple Win Technology (JinCheng) Co., Ltd.	Associates
Shenzhen Kangni Intelligent Technology Co., Ltd.	Associates

Shenzhen Fertile Plan international Logistics  
Co., Ltd.

Associates

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

<b>Relationship</b>	<b>Relationship with the Group</b>
Shen Zhen Fu Neng new energy technology Co., Ltd.	Associates
Shenzhen Fuhongjie Technology Service Co., Ltd.	Associates
Shenzhen pictographic Technology Co., Ltd.	Associates
SHENZHEN OYU INDUSTRY CO., LTD.	Associates
Yantian Jusda Supply Chain Management Co., Ltd.	Associates
Shenzhen FuTaiHong Precision Industry Co., Ltd.	Associates
Foxconn (KunShan) Computer Connector Co., Ltd.	Associates
Foxconn Industrial Internet Co., Ltd.	Associates
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Associates
Fujin Precision Industry (Shenzhen) Co., Ltd.	Associates
FuYu Energy Technology (KunShan) Co., Ltd.	Associates
Fu Tai Kang Electronics Development (YanTai) Ltd.	Associates
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Associates
FIH (Nanjing) Communications Co., Ltd.	Associates
FIH (Hong Kong) Limited	Associates
Foxon Technical (Dezhou) Co., LTD.	Associates
Fulian Technology (Wuhan) Co., Ltd.	Associates
Foxon Technical (Lankao) Co., LTD.	Associates
Foxconn Global Network	Associates
MIC Techno Co., Ltd.	Associates
RIGO GLOBAL CO., LTD.	Associates
Guizhou Fuzhikang Precision Electronics Co., Ltd.	Associates
COILER CORPORATION	Associates
Hengyang futaihong precision industry Co., Ltd.	Associates
Ur Hongxin Detection Technology (Shenzhen) Co., Ltd	Associates
ELECBAY Technology Ltd.	Associates
Lankao YuFu Precision Technology Co., Ltd.	Associates
LanKao YuDe Environment Material Technology Inc.	Associates
HEBI YUZHAN PRECISION TECHNOLOGY CO., LTD.	Associates

## (b) Significant transactions and balance with related parties

## 1. Operating revenue

The Company has the following major sales with related parties:

<u>Accounts Item</u>	<u>Category of related party /Name</u>	<u>2021</u>	<u>2020</u>
Sales revenue	Associates:		
	Futaihua Industrial (Shenzhen) Co., Ltd.	\$ 196,853	558,725
	Hon Hai Precision Industry Co., Ltd.	68,943	57,590
	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	423,945	276,843
	Hongfujin Precision Industry (Tianjin) Co., Ltd.	39,049	231,306
	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	387,308	73,454
	HeNan YuZhan Technology Limited	102,065	194,525
	HeNan FuChi Technology Co., Ltd.	154,596	-
	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	25,475	221,326
	Others	255,081	444,253
Project income	Associates	76,592	20,772
		<b>\$ 1,729,907</b>	<b>2,078,794</b>

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 2 months.

## 2. Purchase and processing fees

The purchase of the Consolidated Company from related parties is:

<u>Category of related party /Name</u>	<u>2021</u>	<u>2020</u>
Associates:		
Hon Hai Precision Industry Co., Ltd.	\$ 1,015,305	1,972,731
Others	1,052,110	1,178,875
	<b>\$ 2,067,415</b>	<b>3,151,606</b>

The sales transaction price of the Consolidated Company to the related parties according to the agreement of both parties, and the payment policy is 1-2 months of monthly settlement.



## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### 3. Accounts receivable from related parties

Details of accounts receivable from related parties of the Consolidated Company are as follows:

Accounts Item	Category of related party /Name	December 31, 2021	December 31, 2020
Trade receivables - related parties	Associates:		
	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	\$ 21,789	86,987
	Hong Kong Ennower Information Technology Co., Limited	66,951	115,997
	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	330	153,697
	HeNan FuChi Technology Co., Ltd.	146,329	-
	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	284,625	-
	Others	249,339	136,386
		<b>\$ 769,363</b>	<b>493,067</b>

Guarantees from outstanding accounts receivable of related parties are not collected. No loss allowance was set aside for receivable from related parties for the year ended Dec. 31, 2021 and 2020.

### 4. Accounts payable to related parties

Details of accounts payable to related parties of the Consolidated Company are as follows:

Accounts Item	Category of related party /Name	December 31, 2021	December 31, 2020
Notes payable	Associates:		
	Hon Hai Precision Industry Co., Ltd.	\$ 382,837	452,148

	Dongguan Oyu Precision Technology Co., Ltd.	11,440	181,409
	Shenzhen pictographic Technology Co., Ltd.	28,282	259,150
	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	131,948	134,829
	Others	154,835	150,288
		<u>\$ 709,342</u>	<u>1,177,824</u>
Expenses payable (other payables accounts)	Associates	<u>\$ 79,561</u>	<u>22,982</u>

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

## Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

### 5. Endorsements/guarantees

Category of related party /Name	2021	2020
Innovative Systems Integration Limited	\$ 830,400	854,400
Ennoconn International Investment Co., Ltd.	1,000,000	1,000,000
Dexatek Technology Ltd.	160,000	160,000
Thecus Technology Corp.	100,000	100,000
HighAim Technology Inc.	692,000	398,720
Highaim Technology Inc.	41,520	185,120
S&T AG and its subsidiaries	6,118,231	6,945,850
MIC and its subsidiary	5,695,123	4,314,874
	<b><u>\$ 14,637,274</u></b>	<b><u>13,958,964</u></b>

### 6. Acquisition of financial assets

The Company issues new shares for the equity of transferred company AIS Cayman Technology, the transaction partners are shareholders of AIS Cayman, including related parties, non-related parties, of which related parties could exchange the Company's shares, calculated on the base date of share exchange (Jan.21, 2021), at an amount of NT\$279million.

#### (c) Transactions with major managers

Remuneration for major managers include:

	2021	2020
Short-term employee benefits	\$ 311,182	255,747
Post-employment benefits	1,075	890
	<b><u>\$ 312,257</u></b>	<b><u>256,637</u></b>

Please refer to note 6 (18) for the description of share based payment.

## VIII. Pledged Assets

The carrying value of the assets pledged as collateral by the Consolidated Company was as follows:

Name of Asset	Subject of pledge guarantee	December 31, 2021	December 31, 2020
Pledged time deposit certificates (classified under financial assets at amortized cost)	Bank loans	\$ 55,839	395,634
Pledged demand deposits (other financial assets listed in accounts)	Bank loans	22,219	83,642
Accounts receivable	Bank loans	59,779	51,416
Inventory	Bank loans	16,400	45,168

Land	Bank loans	-	200,300
Buildings, net	Bank loans	895,930	985,596
Right-of-use assets		51,656	39,729
Refundable deposits		318,636	146,593
Others		-	49,887
		<u>\$ 1,420,459</u>	<u>1,997,965</u>

# Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

**IX. Significant Contingent Liabilities and Unrecognized Contract Commitments: None.**

**X. Losses due to Major Disasters: None.**

## **XI. Significant Events after the Balance Sheet Date**

- (a) On Jan 4, 2022, the Consolidated Company adopted the private placement of ordinary share at the special meeting of shareholders. The placement is targeted at Google International LLC, issues 4,880,000 shares at NT\$226.92 per share. To increase working capital, repay bank loans, repay the third domestic unsecured convertible corporate bonds or the first overseas unsecured convertible corporate bonds, the benchmark date of capital increase is January 11, 2022.
- (b) On Feb 24, 2022, the subsidiary of the Consolidated Company -Hua Cheng International Investment Co., Ltd. subscribed the private placement of new shares of ARBOR Technology, at NT\$18.5 per share, acquired 16,000 thousand shares, held 17.69% of shares and a total amount of NT\$296,000 thousand.
- (c) The subsidiary of the Consolidated Company S&T AG has clarified Viceroy report in Dec 2021 and employs the independent third-party CPA Deloitte to investigate the case. According to the audit report issued by Deloitte on March 15, 2022, Viceroy report is a false statement or has no legal and financial impact. S&T AG keeps stable operation. The Consolidated Company will monitor the latest news of this case.
- (d) On March 23, 2022, the Company issued important information stating that the Company found an employee suspected of forging documents and misappropriating the Company's assets, and reported the case to the New Taipei City Investigation Office of the investigation Bureau under the Ministry of Justice. The employee is suspected of misappropriating cash and equivalent cash of the Consolidated Company and its subsidiaries at NT\$101,983 thousand, of which losses attributable to 2020 and 2021 was NT\$61,441 thousand and NT\$37,723 thousand respectively. The amount between Jan 1, 2022 and March 22, 2022 was NT\$2,819 thousand. The Consolidated Company has adjusted relevant asset accounts and undistributed earnings at the beginning of the year, and recognized relevant losses in the year. Please refer to note 6 (1), note 6 (10) and note 6 (21) for details.

## **XXII. Others**

- (a) Summary of employee benefits, depreciation and amortization expenses by function for the current period:

By function By nature	2021			2020		
	Operation costs	Operation Expenses	Total	Operation costs	Operation Expenses	Total
Employee benefits expense						
Wages and salaries	1,463,347	12,556,572	14,019,919	1,290,746	10,660,606	11,951,352

Labor insurance and National Health Insurance expense	104,024	160,174	264,198	86,312	132,755	219,067
Pension costs	102,373	217,201	319,574	20,144	166,372	186,516
Others Employee Benefits Expenses	186,368	163,721	350,089	49,314	406,666	455,980
Depreciation expenses	348,772	1,425,370	1,774,142	428,561	1,172,623	1,601,184
Amortization expense	10,828	1,391,895	1,402,723	37,892	1,316,307	1,354,199

(b) Seasonality of operation:

The Consolidated Company's operation is not subject to seasonal or periodical fluctuations.

# Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

## XIII. Supplementary Disclosure

### (a) Information on significant transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Consolidated Company shall re disclose the following information on major transactions in the year of 2021:

1. Loans to others: Please refer to Table 1.
2. Provision of endorsements and guarantees to others: Please refer to Table 2.
3. Holding of marketable securities at the end of the period (excluding equity of subsidiaries, associates and joint ventures): Please refer to Table 3.
4. Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of paid-in capital or more: Please refer to Table 4.
5. Acquisition of property reaching NT\$300 million or 20% of paid-in capital or more: None
6. Disposal of property reaching NT\$300 million or 20% of paid-in capital or more: None
7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 5.
8. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 6.
9. Derivative financial instrument transactions: None.
10. Business relations and material transactions between parent company and subsidiaries: See Table 7.

### (b) Re-investment information (excluding investees in Mainland China): Please refer to Table 8.

### (c) Information on investments in Mainland China: None.

1. Name, major businesses and related information about investees in Mainland China: please refer to Table 9(1).
2. Investment limit in Mainland China: please refer to Table 9(2).
3. Major transactions with investees in Mainland China:

### (d) Major shareholders' information:

<b>Name of Major Shareholder</b>	<b>Shares</b>	<b>Shareholdings (%)</b>
Baoxin International Investments Ltd.	31,933,417	32.98%
Fubon Life Insurance Co., Ltd.	6,509,761	6.72%

#### XIV. Segment Information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services provided. In 2021 and 2020, the consolidated company was mainly engaged in the manufacturing and sales of data storage, processing equipment and industrial motherboard, network communication and facility electromechanical system services.

##### (a) Segment revenue and results of operations

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

		2021						
		Industrial computer software and hardware sales department	Information system department	Production and marketing of network communication department	Facility system and electromechanical system service department	Other departments	Adjustment and cancellation	Total
Revenue:								
Revenue from external clients		7,778,194	44,322,733	4,673,944	34,458,675	7,345,471	(2,022,371)	96,556,646
Total earnings		<u>\$ 7,778,194</u>	<u>44,322,733</u>	<u>4,673,944</u>	<u>34,458,675</u>	<u>7,345,471</u>	<u>(2,022,371)</u>	<u>96,556,646</u>
Profit and Loss of Reporting Segment		<u>\$ 1,334,944</u>	<u>1,613,864</u>	<u>240,065</u>	<u>1,508,422</u>	<u>850,021</u>	<u>(2,195,192)</u>	<u>3,352,124</u>
		2020						
		Industrial computer software and hardware sales department	Information system department	Production and marketing of network communication department	Facility system and electromechanical system service department	Other departments	Adjustment and cancellation	Total
Revenue:								
Revenue from external clients		7,625,896	47,539,300	5,773,062	25,631,951	11,466,547	(13,945,271)	84,091,485
Total earnings		<u>\$ 7,625,896</u>	<u>47,539,300</u>	<u>5,773,062</u>	<u>25,631,951</u>	<u>11,466,547</u>	<u>(13,945,271)</u>	<u>84,091,485</u>
Profit and Loss of Reporting Segment		<u>\$ 344,673</u>	<u>1,160,539</u>	<u>471,168</u>	<u>1,083,011</u>	<u>292,742</u>	<u>-</u>	<u>3,352,133</u>

The reported revenue is generated from transactions with external customers.

The segment profit and loss refers to the profit earned by each segment, excluding rental income, interest income, dividend income, profit and loss from disposal of investment, profit and loss from evaluation of financial assets, miscellaneous income, interest expenditure, impairment loss, miscellaneous expenditure, profit and loss share of affiliated enterprises adopting the equity method and income tax expenses. This measured amount is provided to key operational decision makers to allocate resources to segments and evaluate their performance.

##### (b) Segment assets and liabilities

The Consolidated Company shall report the measured amount of segment assets /



**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)**

liabilities, which is not provided for operational decision-making, so the measured amount of assets / liabilities is not disclosed.

(c) Revenue from major products and services

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

	<b>2021</b>	<b>2020</b>
Production and sales of motherboard	\$ 6,970,423	5,561,172
Repair of motherboard	660	926
Production and marketing of network communication	4,406,679	5,214,160
Information system software and hardware integration service	43,628,914	42,052,848
Facility and electromechanical system service	34,458,674	25,119,857
Others	7,091,296	6,142,522
Total	<b><u>\$ 96,556,646</u></b>	<b><u>84,091,485</u></b>

## (d)Regional information

The combined company mainly operates in three regions - Taiwan, Mainland 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:

<b>By regions</b>	<b>2021</b>	<b>2020</b>
Revenue from external clients:		
Taiwan	\$ 21,387,997	20,714,507
Mainland China	13,619,152	13,816,719
Europe	47,557,604	38,985,234
Others	13,991,893	10,575,025
Total	<b>\$ 96,556,646</b>	<b>84,091,485</b>

<b>By regions</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Non-Current Assets:		
Taiwan	\$ 4,611,113	2,917,384
Mainland China	830,447	347,564
Europe	8,433,951	9,470,896
Others	3,354,579	5,599,028
Total	<b>\$ 17,230,090</b>	<b>18,334,872</b>

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

## (e)Major Customers Information

In 2020, there were no major customers accounting for more than 10% of the net consolidated sales revenue.

**Ennoconn Technology Co., Ltd. and Subsidiaries**  
**FINANCING PROVIDED TO OTHERS**  
**For the Year Ended December 31, 2021**

Table 1

Unit: NT\$ thousand

Code (Note1)	Grantor	Borrower	Transaction item	Related Party (Y/N)	Maximum balance for the period (Note3)	Ending Balance (Note3)	Actual Amount Used	Interest rate interval	Nature of loan (Note2)	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
													Name	Value		
1	CASWELL, INC.	Apligo	Other receivables - relate d parties	Yes	22,144	22,144	22,144	2.45%	2	-	Business operation	-	None	-	299,176	598,352
2	S&T AG, Austria	S&T CEE Holding s.r.o., Slowakei	Other receivables - relate d parties	Yes	501,120	469,800	317,898	5%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	S&T Romania S.R.L., Romania	Other receivables - relate d parties	Yes	375,789	322,279	170,377	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	S&T Mold srl.	Other receivables - relate d parties	Yes	155,034	151,902	-	4%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	S&T Consulting Hungary Kft., Hungary	Other receivables - relate d parties	Yes	240,851	227,696	75,794	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	S&T Deutschland GmbH, Germany	Other receivables - relate d parties	Yes	198,882	198,882	46,980	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	S&T Services Bel LLC	Other receivables - relate d parties	Yes	158,270	154,303	2,401	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	Kontron Transportation GmbH	Other receivables - relate d parties	Yes	762,642	621,702	427,831	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	Kontron electronics GmbH (DE)	Other receivables - relate d parties	Yes	350,001	318,681	166,779	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	Kontron America Inc.	Other receivables - relate d parties	Yes	138,266	122,197	122,197	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	Kontron electronics AG	Other receivables - relate d parties	Yes	34,452	34,452	34,452	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

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2	S&T AG, Austria	Kontron Public Transportation	parties Other receivables - relate d parties	Yes	479,196	151,902	-	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
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Code (Note1)	Grantor	Borrower	Transaction item	Related Party (Y/N)	Maximum balance for the period (Note3)	Ending Balance (Note3)	Actual Amount Used	Interest rate interval	Nature of loan (Note2)	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
													Name	Value		
2	S&T AG, Austria	Kontron Modular Computers S.A.S.	Other receivables - rel ated parties	Yes	267,786	255,258	103,356	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	Kontron Austria GmbH	Other receivables - rel ated parties	Yes	480,762	480,762	328,860	2%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	Kontron Electronics Kft.	Other receivables - rel ated parties	Yes	171,634	167,405	15,503	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	RTSoft, AO, Russia	Other receivables - rel ated parties	Yes	260,670	255,826	103,924	8%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	RTSoft Smart Grid, Russia	Other receivables - rel ated parties	Yes	161,409	161,078	9,176	8%	2	-	Business operation	-	None	-	1,254,773	10,038,187
3	S&T Mazedonien	S&T AG, Austria	Other receivables - rel ated parties	Yes	169,128	169,128	-	1%	2	-	Business operation	-	None	-	266,736	266,736
4	Kontron S&T AG	KONTRON ASIA PACIFIC DESIGN SDN. BHD.	Other receivables - rel ated parties	Yes	281,448	278,396	126,494	1%	2	-	Business operation	-	None	-	403,317	3,226,540
5	EnnoMech Precision (Cayman) Co., Ltd.	Ennoconn Investment Holdings Co., LTD	Other receivables - rel ated parties	Yes	19,376	-	-	- %	2	-	Business operation	-	None	-	571,203	571,203
6	ENGA Technology Co., Ltd.	Ennoconn Investment Holdings Co., LTD	Other receivables - rel ated parties	Yes	91,344	-	-	- %	2	-	Business operation	-	None	-	103,063	103,063
7	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Other receivables	Yes	49,490	27,680	27,680	4%	2	-	Business operation	-	None	-	2,626,116	2,626,116
7	Marketech International Corp.	Marketech International Sdn. Bhd.	Other receivables	Yes	83,040	83,040	24,912	4%	2	-	Business operation	-	None	-	2,626,116	2,626,116

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

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7	Marketch International Corp.	MIC-Tech Viet Nam Co., Ltd.	Other receivables	Yes	166,500	110,720	110,720	4%	2	-	Operating working capital	-	None	-	2,626,116	2,626,116
8	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Other receivables	Yes	65,473	26,064	26,064	4%	2	-	Business operation	-	None	-	235,590	471,180

Code (Note1)	Grantor company	Borrower	Transaction item	Related Party (Y/N)	Maximum balance for the period (Note3)	Ending Balance (Note3)	Actual Amount Used	Interest rate interval	Nature of loan (Note2)	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
													Name	Value		
8	MIC-Tech Electronics Engineering Corp.	Fuzhou Jiwei System Integrated Co., Ltd.	Other receivables	Yes	4,344	2,172	2,172	4%	2	-	Business operation	-	None	-	471,180	471,180
9	MIC-Tech (Shanghai) Corp.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Other receivables	Yes	26,063	13,032	13,032	4%	2	-	Business operation	-	None	-	459,552	459,552
9	MIC-Tech (Shanghai) Corp.	MIC-Tech (WuXi) Co., Ltd.	Other receivables	Yes	43,839	-	-	- %	2	-	Business operation	-	None	-	459,552	459,552
10	Marketch Integrated Manufacturing Co., Ltd.	Marketch Integrated Construction Co., Ltd.	Other receivables	Yes	7,134	4,152	4,152	7%	2	-	Business operation	-	None	-	91,679	183,357
11	Marketch Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	Other receivables	Yes	9,600	-	-	- %	2	-	Business operation	-	None	-	11,731	11,731
12	ISKRATEL.,d.o.o.	S&T AG, Austria	Other receivables - related parties	Yes	308,502	308,502	156,600	3%	2	-	Business operation	-	None	-	755,272	1,888,181
13	T-Paragon Die Casting Co., Ltd.	T-Paragon Die Casting (THAILAND) Co., Ltd.	Other receivables - related parties	Yes	13,840	13,840	13,840	2%	2	-	Business operation	-	None	-	35,187	87,968
14	SUNLIT PRECISION TECHNOLOGY CO., LTD.	T-lamma (Guangdong) Tech Co., Ltd.	Other receivables - related parties	Yes	49,700	49,700	49,700	2%	2	-	Business operation	-	None	-	114,801	287,002
15	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Other receivables - related parties	Yes	69,200	69,200	69,200	1%	2	-	Business operation	-	None	-	184,394	921,969
16	Ennoconn Investment Co., Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Other receivables - related parties	Yes	345,446	345,446	345,446	1%	2	-	Business operation	-	None	-	571,473	571,473

Note1 : (1) Fill in 0 for issuer.

(2) The investee company is coded in sequence starting from Arabic number 1 by company.

Note2 : 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.

Note3 : Limit to loans is resolved by the Board of Directors.

**Ennoconn Technology Co., Ltd. and Subsidiaries**  
**ENDORSEMENTS/GUARANTEES PROVIDED**  
**For the Year Ended December 31, 2021**

Table II

Unit: NT\$ thousand

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 of endorsement secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Company Name of Endorser	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the Parent company	Endorsement for Mainland China
	of Endorser	Company name	Relationship				Amount Used			endorsement			
0	Ennoconn Technology Co., Ltd.	Innovative Systems Integration Limited	2	13,905,623	830,400	830,400	2,768	-	8.96%	18,540,830	Y	N	Y
0	Ennoconn Technology Co., Ltd.	Ennoconn International Investment Co., Ltd.	2	13,905,623	1,000,000	1,000,000	50,000	-	10.79%	18,540,830	Y	N	N
0	Ennoconn Technology Co., Ltd.	HighAim Technology INC.	2	13,905,623	179,920	41,520	-	-	0.45%	18,540,830	Y	N	N
0	Ennoconn Technology Co., Ltd.	HighAim Technology Inc.	2	13,905,623	664,320	664,320	221,440	-	7.17%	18,540,830	Y	N	Y
0	Ennoconn Technology Co., Ltd.	Thecus Technology Corp.	2	13,905,623	100,000	100,000	75,000	-	1.08%	18,540,830	Y	N	N
0	Ennoconn Technology Co., Ltd.	Dexatek Technology Ltd.	2	13,905,623	160,000	160,000	100,000	-	1.73%	18,540,830	Y	N	N
1	S&T AG, Austria	S&T Slovakia s.r.o.	2	18,821,601	125,280	125,280	54,465	-	1.00%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Plus s.r.o.	2	18,821,601	6,300	6,300	-	-	0.05%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T CZ s.r.o.	2	18,821,601	56,698	56,698	-	-	0.45%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Bulgaria e.o.o.d.	2	18,821,601	29,597	29,597	-	-	0.24%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Consulting Hungary Kft.	2	18,821,601	522,006	522,006	328,910	-	4.16%	25,095,468	Y	N	N



1	S&T AG, Austria	S&T Poland Sp.z.o.o.	2	18,821,601	349,117	340,664	-	-	2.71%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Slovenija d.d.	2	18,821,601	31,320	-	-	-	- %	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Deutschland GmbH	2	18,821,601	12,528	12,528	-	-	0.10%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron Europe GmbH	2	18,821,601	31,320	31,320	-	-	0.25%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Smart Energy GmbH	2	18,821,601	21,924	-	-	-	- %	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron Technologies GmbH	2	18,821,601	2,034	-	-	-	- %	25,095,468	Y	N	N

# Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

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 endorsement secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Company Name of Endorser endorsement	Endorsemen t of the parent company to a subsidiary	Endorsemen t of a subsidiary to the Parent company	Endorsemen t for Mainland China
		Company name	Relationship										
1	S&T AG, Austria	diverse / Factoring CEE	2	18,821,601	563,760	501,120	319,053	-	3.99%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Albania Sh.p.k.	2	18,821,601	9,553	-	-	-	- %	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron Public Transportation	2	18,821,601	118,255	118,255	8,836	-	0.94%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron Transportation Austria AG	2	18,821,601	1,084,455	1,031,945	208,591	-	8.22%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron AIS GmbH(AIS Automation Dresden GmbH)	2	18,821,601	25,056	25,056	-	-	0.20%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Cma Gora d.o.o.	2	18,821,601	9,535	9,535	-	-	0.08%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T AG/ Kontron Transportation Austria AG/ S&T Smart Energy/Kontron s.r.o.	2	18,821,601	392,610	383,204	-	-	3.05%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron Transportation France	2	18,821,601	15,065	7,830	-	-	0.06%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron Austria GmbH	2	18,821,601	7,830	7,830	-	-	0.06%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron America Inc	2	18,821,601	553,064	553,064	193,960	-	4.41%	25,095,468	Y	N	N
1	S&T AG, Austria	Factoring Kontron Europe / Kontron Modular Computer	2	18,821,601	1,064,880	1,064,880	612,859	-	8.49%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron electronics GmbH	2	18,821,601	9,396	9,396	-	-	0.07%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron S&T AG	2	18,821,601	125,280	125,280	-	-	1.00%	25,095,468	Y	N	N

1	S&T AG, Austria	S&T MEDTECH SRL(GADA GROUP ROMANIA SRL)	2	18,821,601	109,620	109,620	93,523	-	0.87%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Romania SRL	2	18,821,601	398,166	397,100	38,479	-	3.16%	25,095,468	Y	N	N
1	S&T AG, Austria	diverse / Factoring DACH	2	18,821,601	576,288	576,288	351,453	-	4.59%	25,095,468	Y	N	N
1	S&T AG, Austria	RTSoft Project OOO	2	18,821,601	76,086	73,435	-	-	0.59%	25,095,468	Y	N	N
1	S&T AG, Austria	RTSoft AO	2	18,821,601	18,086	-	-	-	- %	25,095,468	Y	N	N

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Code	Company Name	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for the period	Ending Balance of endorsement	Actual	Amount of	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Investment profit or loss recognized in the current period endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the Parent company	Endorsement for Mainland China
	of Endorser	Company name	Relationship				Amount Used	endorsements secured by the property					
2	HighAim Technology INC.	HighAim Technology Inc.	2	627,924	27,680	27,680	-	-	4.41%	627,924	Y	N	Y
3	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	2	3,282,645	1,781,943	1,373,105	211,430	-	20.91%	6,565,290	Y	N	Y
3	Marketech International Corp.	Marketech Integrated Pte. Ltd.	2	3,282,645	17,131	14,911	3,603	-	0.23%	6,565,290	Y	N	N
3	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	2	3,282,645	859,442	756,561	34,680	-	11.52%	6,565,290	Y	N	Y
3	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	2	3,282,645	347,506	276,376	157,776	-	4.21%	6,565,290	Y	N	Y
3	Marketech International Corp.	Marketech International Corporation USA	2	3,400,540	1,403,100	1,401,360	1,284,382	-	21.34%	6,565,290	Y	N	N
3	Marketech International Corp.	Marketech International Sdn. Bhd.	2	3,282,645	227,840	166,080	32,843	-	2.53%	6,565,290	Y	N	N
3	Marketech International Corp.	Ezoom Information, Inc.	2	3,282,645	85,000	25,000	-	-	0.38%	6,565,290	Y	N	N
3	Marketech International Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	2	3,282,645	318,971	296,340	207,518	-	4.51%	6,565,290	Y	N	Y
3	Marketech International Corp.	Te Chang Construction Co., Ltd.	5	3,282,645	174,000	174,000	65,248	-	2.65%	6,565,290	N	N	N
4	MIC-Tech Electronics Engineering	Marketech International	3	1,766,926	482,670	-	-	-	- %	2,944,876	N	Y	N

	Corp.	Corp.											
4	MIC-Tech Electronics Engineering Corp.	MIC-Tech (WuXi) Co., Ltd.	4	1,766,926	8,570	-	-	-	- %	2,944,876	N	N	Y
4	MIC-Tech Electronics Engineering Corp.	MIC-Tech Viet Nam Co., Ltd.	4	1,766,926	413,406	409,990	409,990	-	69.61%	2,944,876	N	N	N
4	MIC-Tech Electronics Engineering Corp.	The Fourth Construction Co., Ltd. of China Electronics System Engineering	5	1,766,926	808,756	801,400	778,920	-	136.07%	2,944,876	N	N	Y

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
		Company name	Relationship										
5	Marketch Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	4	146,643	126,166	-	-	-	- %	146,643	N	N	N

Note 1: The No. column is filled as follows:

(1) Fill in 0 for issuer.

(2) The investee companies are numbered in order starting from 1. One company shall have an identical number.

Note2: The relationship between the endorsement and the endorsed object is as follows:

(1) A company with which it does business.

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

(3) A company that directly and indirectly holds more than 50% of the Company's voting shares.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Based on the needs of the contracted project, the business in the same industry or joint manufacturers mutually insure each other in accordance with the contract.

(6) A company that is endorsed and guaranteed by all contributing shareholders according to their shareholding ratio due to joint investment.

(7) The performance guarantee and joint guarantee in the industry engaged in the pre-sale house sales contract in accordance with the consumer protection law.

Note3: The total external endorsement and guarantee shall not exceed 150% of the Company's net worth in recent financial statements.

Note4: The total endorsement and guarantee to a single company shall not exceed 200% of the Company's net worth in recent financial statements.

# Ennoconn Technology Co., Ltd. and Subsidiaries

## Holding of marketable securities at the end of the period (excluding equity of subsidiaries, associates and joint ventures)

As of December 31, 2021

Table III

Unit: thousand shares/NT\$ thousand

Held company	Marketable securities Type and name	Marketable securities Relationship with issuers	Financial Statement Account	Ending				Mid-term maximum Shareholding %	Remarks
				Number of shares/Units	Book value	Shareholding %	Fair value		
Ennoconn International Investment Co., Ltd.	Q.P.T.I Corporation	None	Unrealized gain on financial assets at FVTOCI-non-current	726	38,039	20%	38,039	20.00%	
"	SERVTECH Co., Ltd.	"	"	400	8,708	7%	8,708	7.00%	
"	Augentix Inc.	"	"	667	50,025	5%	50,025	5.00%	
TAIWAN APPLIED MODULE CORPORATION	SERVTECH Co., Ltd.	"	"	340	24,566	11%	24,566	11.00%	
Goldtek Technology Co., Ltd.	Clouddtalk Inc.	"	"	484	123,501	-%	-	-%	
"	EMBER TECHNOLOGIES, INC.	"	"	862	140,700	2%	140,700	2.00%	
"	Augentix Inc.	"	"	333	24,975	3%	24,975	3.00%	
SUNLIT PRECISION TECHNOLOGY CO., LTD.	LINKA GROUP LIMITED	"	"	143	27,693	8%	-	8.00%	
Techno Precision ShenZhen Co., Ltd.	T-lamma (Guangdong) Tech Co., Ltd.	Other related parties	"	9,408	82,569	16%	28,214	16.00%	
Ennoconn (Foshan) Investment Co., Ltd.	Foshan Zhaoke Innovative Intelligent Industry Investment Fund Partnership	None	"	RMB 65,000	279,240	19%	279,240	19.00%	
"	Guangdong Hongfu Xinghe Hongtu Venture Capital Fund Partnership	"	"	RMB 50,000	214,800	10%	214,800	10.00%	
APLIGO GmbH	Shares in Volksbank Karlsruhe	"	"	-	9	-%	9	-%	
CASWELL, INC.	ADVANTIO TECHNOLOGY CO., LTD.	"	"	1,045	-	19%	-	19.00%	
Nanjing Asiatek Inc.	Shenzhen Executive Power System Technology Co., Ltd.	"	"	RMB 900	3,866	10%	3,866	10.00%	
HighAim Technology Inc.	Shenzhen Tianlin Precision Technology Co., Ltd.	"	"	RMB 1,190	5,110	20%	5,110	20.00%	
Dexatek Technology Ltd.	Eve Systems GmbH	"	"	53	78,875	19%	78,875	19.00%	
S&T Hrvatska doo	Optima Telekom	"	"	EURO 68,093	2,133	-%	2,133	-%	
SecureGuard GmbH	Erste Immobilienfonds Fonds	"	"	EURO 236,457	7,406	-%	7,406	-%	
Iskratel d.o.o.	Others	"	"	EURO 158,812	4,974	-%	4,974	-%	
Diverse	Diverse	"	"	EURO 1,085	34	-%	34	-%	
S&T AG	Others	"	"	EURO 324,638	10,168	-%	10,168	-%	
AO IskraUralTel Yekaterinburg	Others	"	"	EURO 491	15	-%	15	-%	
	Less: Unrealized gain on financial assets at FVTOCI			-	(205,549)		-		
				-	921,857		921,857		

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Held company	Marketable securities Type and name	Marketable securities Relationship with issuers	Financial Statement Account	Ending				Mid-term maximum Shareholding %	Remarks
				Number of shares/Units	Book value	Shareholding %	Fair value		
Marketech International Corp.	Lasertec Corporation	None	Financial assets at FVTPL-Current	20	169,745	1%	169,745	-%	
"	Aerospace Industrial Development Corporation	"	"	51	1,495	1%	1,495	-%	
				-	171,240		171,240	-%	
Marketech International Corp.	TAIWAN COLOUR AND IMAGING TECHNOLOGY CORPORATION	None	Financial assets at FVTPL-Non-Current	1,700	-	12%	-	12.59%	
"	Chung Hsin Electric & Machinery Manufacturing Corp.	"	"	581	26,290	-%	26,290	0.12%	
"	WINGS GLOBAL TECHNOLOGY INC.	"	"	750	9,096	19%	9,096	18.75%	
"	ProMOS TECHNOLOGIES INC.	"	"	250	-	1%	-	0.56%	
"	Taiwan Puritic Corp.	"	"	5,352	405,427	9%	405,427	9.53%	
"	SOPOWER TECHNOLOGY CORP.	"	"	189	-	1%	-	12.61%	
"	VEEV Interactive Pte. Ltd.	"	"	840	-	6%	-	6.32%	
"	Taiwan Intelligent Fiber Optic Network Co., Ltd.	"	"	3,868	25,145	1%	25,145	1.41%	
"	CIVIL TECH HOLDINGS LTD.	"	"	336	-	1%	-	0.58%	
"	Probleader Co., Ltd.	Entities controlled or significantly influenced by the main management	"	966	16,315	3%	16,315	3.46%	
"	TOP GREEN ENERGY TECHNOLOGIES INC.	"	"	1,111	-	1%	-	0.89%	
"	Zhi-Yuan Venture Capital Co., Ltd.	"	"	818	7,991	2%	7,991	1.79%	
"	Innorich Venture Capital Corp.	"	"	1,000	7,093	2%	7,093	1.87%	
"	TAIWAN FORESIGHT CO., LTD.	"	"	380	4,310	2%	4,310	2.24%	
"	Long Time Technology Co., Ltd.	"	"	346	16,422	-%	16,422	0.29%	
"	PARADIGM I VENTURE CAPITAL COMPANY	"	"	77	1,126	4%	1,126	3.50%	
"	TAIWAN SPECIALITY CHEMICALS CORPORATION.	"	"	2,269	88,451	2%	88,451	1.64%	
"	ATECH TOTALSOLUTION CO., LTD.	"	"	128	-	-%	-	0.23%	
"	EAST WIND LIFE SCIENCE SYSTEMS CO., LTD.	"	"	124	-	13%	-	12.87%	
"	Ecoland Corporation	"	"	311	-	14%	-	13.51%	
"	KCASHIN TECHNOLOGY CORPORATION	"	"	643	320	19%	320	19.01%	
"	Radisen Co. Ltd	"	"	88	-	18%	-	18.49%	
"	FORESIGHT ENERGY TECHNOLOGIES CO., LTD.	"	"	675	1,626	3%	1,626	3.00%	
"	Mycopore Corporation	"	"	1,471	26,954	8%	26,954	8.44%	
"	STEK CO., LTD.	"	"	507	24,006	6%	24,006	6.34%	
"	Sum Capital Healthcare Investment Corp.	"	"	943	9,393	7%	9,393	7.44%	
"	Forward Science Corp.	"	"	2,650	34,117	8%	34,117	9.80%	



Held company	Marketable securities Type and name	Marketable securities Relationship with issuers	Financial Statement Account	Ending				Mid-term maximum Shareholding %	Remarks
				Number of shares/Units	Book value	Shareholding %	Fair value		
Marketech International Corp.	SHARPCON OPTICAL CO., LTD.	Entities controlled or significantly influenced by the main management	Financial assets at FVTPL-Non-Current	667	7,192	3%	7,192	3.67%	
"	Everlasting Digital ESG Co., Ltd.	"	"	100	1,000	6%	1,000	5.88%	
"	Artfil, Inc.	"	"	-	23,812	7%	23,812	8.60%	
"	TAIWAN TRUEWIN TECHNOLOGY CO., LTD.	"	"	500	31,750	3%	31,750	2.85%	
	Convertible corporate bonds:			-	767,836		767,836		
Marketech International Corp.	Kinestral Technologies, Inc.	None	Financial assets at FVTPL-Non-Current	-	-	-	-	-	
"	Radisen Co. Ltd	"	"	-	-	-	-	-	
"	Nitride Solutions Inc.	"	"	-	-	-	-	-	
"	HALLYS CORPORATION	"	"	-	-	-	-	-	
	Preferred shares:			-	-		-		
Marketech International Corp.	Adant Technologies Inc.	None	Financial assets at FVTPL-Non-Current	175	-	-	-	-	
"	Kinestral Technologies, Inc.	"	Financial assets at FVTPL-Non-Current	502	-	-	-	-	
	Fund beneficiary certificates:			-	-		-		
Marketech International Corp.	Vertex Growth(SG) LP	None	Financial assets at FVTPL-Non-Current	-	20,347	-%	20,347	-%	
"	Zhuo Yi II Investment Limited Partnership	"	"	-	12,836	-%	12,836	-%	
Ennoconn International Investment Co., Ltd.	Guotai Private Equity Smart Technology Co., Ltd	"	"	-	15,000	-%	15,000	-%	
Goldtek Technology Co., Ltd.	Zhuo Yi II Investment Limited Partnership	"	"	-	114,028	-%	109,415	-%	
CASWELL, INC.	Zhuo Yi II Investment Limited Partnership	"	"	-	26,473	-%	26,473	-%	
	Less: Evaluation adjustment to financial assets measured at fair value through profit or loss			-	(4,613)		-		
				-	184,071	-%	184,071	-%	

Note1: The above mentioned securities were not restricted for use due to guarantees, pledges, or other agreements as of the end of December2021.

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

Note 3: It refers to preferred shares.

**Ennoconn Technology Co., Ltd. and Subsidiaries****Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of paid-in capital or more****For the Year Ended December 31, 2021**

Table IV

Unit: thousand shares/NT\$ thousand

The purchasing/selling Company	Type and name of securities	Ledger account	Transaction Counterpart	Relationship	Beginning		Purchasing		Selling				Ending	
					Shares	cash	Shares	cash	Shares	Selling price	Book costs	Disposal profits/losses	Shares	cash
Ennoconn Technology Co., Ltd.	Stock AIS Cayman Technology	Investments accounted for using the equity method	Former shareholders of AIS Cayman Technology	Subsidiary	-	-	-	-	-	-	-	-	-	-
					-	-	4,028	922,170	-	-	-	-	4,028	922,170
Goldtek Technology Co., Ltd.	Keenest Electronic Corp.	Investments accounted for using the equity method	Keenest Electronic Corp.	Subsidiary	20,500	510,287	3,500	96,757	-	-	-	-	24,000	376,265

Note: The ending amount includes evaluation profits/losses.

# Ennoconn Technology Co., Ltd. and Subsidiaries

## Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the Year Ended December 31, 2021

Table V

Unit: NT\$ thousand

Purchases or Sales  Company	Counterparty	Relationship	Transaction circumstances				The situation and reason for the difference between the trading terms and the general trading		Accounts/Notes Receivable or Payable		Remarks
			Purchases or Sales	Amount	Ratio to Total Purchase (Sales)	Payment term	Unit price	Payment term	Balance	% to Total Notes/Accounts Receivable or Payable	
Ennoconn Technology Co., Ltd.	Victor Plus Holdings Ltd.	Parent company to sub-subsidiary	Purchases	2,275,328	72.78 %	60 days monthly settlement	-	No significant discrepancy	(104,736)	(26.00) %	
Ennoconn Technology Co., Ltd.	Kontron Canada Inc.	Parent company to sub-subsidiary	Sales	(114,078)	(3.41) %	120 days monthly settlement	-	No significant discrepancy	16,533	2.00 %	
Ennoconn Technology Co., Ltd.	Kontron America Inc.	Parent company to sub-subsidiary	Sales	(180,693)	(5.40) %	120 days monthly settlement	-	No significant discrepancy	55,134	7.00 %	
Ennoconn Technology Co., Ltd.	Kontron Europe Gmbh	Parent company to sub-subsidiary	Sales	(506,794)	(15.16) %	120 days monthly settlement	-	No significant discrepancy	171,546	22.00 %	
Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Asia Technology Inc.	Sub-subsidiary company to sub-subsidiary	Purchases	437,638	11.58 %	120 days monthly settlement	-	No significant discrepancy	(124,446)	(15.00) %	
Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Europe Gmbh	Sub-subsidiary company to sub-subsidiary	Purchases	232,677	6.16 %	120 days monthly settlement	-	No significant discrepancy	(398,488)	(49.00) %	
Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	225,441	5.97 %	90 days monthly settlement	-	No significant discrepancy	(56,433)	(7.00) %	
Ennoconn (Suzhou) Technology Co., Ltd.	Kang zhun Electronic Technology (Kunshan) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	139,377	3.69 %	90 days monthly settlement	-	No significant discrepancy	(16,540)	(2.00) %	

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Purchases or Sales  Company	Counterparty	Relationship	Transaction circumstances				The situation and reason for the difference between the trading terms and the general trading		Accounts/Notes Receivable or Payable		Remarks
			Purchases or Sales	Amount	Ratio to Total Purchase (Sales)	Payment term	Unit price	Payment term	Balance	% to Total Notes/Accounts Receivable or Payable	
Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Europe Gmbh	Sub-subsidiary company to sub-subsidiary	Sales	(116,506)	(3.00)%	120 days monthly settlement	-	No significant discrepancy	59,985	9.00%	
Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(3,051,025)	(78.54)%	60 days monthly settlement	-	No significant discrepancy	56,433	9.00%	
Caswell Ltd.	Victor Plus Holdings Ltd.	Subsidiary company to sub-subsidiary	Purchases	129,547	4.58%	60 days monthly settlement	-	No significant discrepancy	(70,485)	(8.00)%	
Caswell Ltd.	Beijing Caswell Ltd.	Subsidiary company to sub-subsidiary	Sales	(168,970)	(5.19)%	O/A 90 days	-	No significant discrepancy	74,539	12.00%	
Caswell Ltd.	CASO, inc.	Subsidiary company to sub-subsidiary	Sales	(177,449)	(5.45)%	O/A 70 days	-	No significant discrepancy	26,624	4.00%	
Caswell Ltd.	Caswell Americas Inc.	Subsidiary company to sub-subsidiary	Sales	(186,436)	(5.72)%	O/A 90 days	-	No significant discrepancy	41,464	6.00%	
Caswell Americas Inc.	Caswell Ltd.	Sub-subsidiary company to subsidiary	Purchases	186,436	99.41%	O/A 90 days	-	No significant discrepancy	(41,464)	(96.00)%	
CASO, inc.	Caswell Ltd.	Sub-subsidiary company to subsidiary	Purchases	177,449	89.16%	O/A 70 days	-	No significant discrepancy	(26,624)	(76.00)%	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

APLIGO Gmbh	American Industrial Systems Inc.	Sub-subsidiary company to sub-subsidiary	Sales	(262,841)	(65.74) %	O/A 60 days	-	No significant discrepancy	34,380	46.00%	
Victor Plus Holdings Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	3,056,688	97.31%	90 days monthly settlement	-	No significant discrepancy	(353,474)	(97.00) %	

Purchases or Sales  Company	Counterparty	Relationship	Transaction circumstances				The situation and reason for the difference between the trading terms and the general trading		Accounts/Notes Receivable or Payable		Remarks
			Purchases or Sales	Amount	Ratio to Total Purchase (Sales)	Payment term	Unit price	Payment term	Balance	% to Total Notes/Accounts Receivable or Payable	
Victor Plus Holdings Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(225,637)	(7.89) %	90 days monthly settlement	-	No significant discrepancy	56,433	19.00%	
Victor Plus Holdings Ltd.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Sales	(2,567,098)	(89.81) %	60 days monthly settlement	-	No significant discrepancy	131,935	44.00%	
Shenzhen Asiatek INC.	Nanjing Asiatek Inc.	Sub-subsidiary company to sub-subsidiary	Purchases	513,953	23.89%	60 days monthly settlement	-	No significant discrepancy	-	- %	
Shenzhen Asiatek INC.	Shenzhen pictographic Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	123,425	5.74%	60 days monthly settlement	-	No significant discrepancy	(28,282)	(3.00) %	
Shenzhen Asiatek INC.	HeNan FuChi Technology Co., Ltd.	Sub-subsidiary to affiliated companies	Sales	(154,596)	(6.06) %	60 days monthly settlement	-	No significant discrepancy	146,329	17.00%	
Shenzhen Asiatek INC.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Sub-subsidiary to affiliated companies	Sales	(381,807)	(14.97) %	90 days monthly settlement	-	No significant discrepancy	5,633	1.00%	
Shenzhen Asiatek INC.	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Sub-subsidiary to affiliated companies	Sales	(387,172)	(15.18) %	60 days monthly settlement	-	No significant discrepancy	284,480	33.00%	
Shenzhen Asiatek INC.	Futaihua Industry (Shenzhen) Co., Ltd.	Sub-subsidiary to affiliated companies	Sales	(637,429)	(25.00) %	60 days monthly settlement	-	No significant discrepancy	61,636	7.00%	
HighAim Technology Inc.	ANDRIX INTERNATIONAL LIMITED	Sub-subsidiary company to sub-subsidiary	Sales	(141,193)	(12.34) %	90 days monthly settlement	-	No significant discrepancy	59,479	13.00%	
HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary company to sub-subsidiary	Sales	(359,919)	(31.46) %	90 days monthly settlement	-	No significant discrepancy	154,883	35.00%	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(527,029)	(13.84) %	60 days monthly settlement	-	No significant discrepancy	511,189	39.00%	
T-Paragon Precision Die Casting Co., Ltd.	T-Paragon Hardware (Shenzhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	245,368	68.46%	90 days monthly settlement	-	No significant discrepancy	(238,579)	(89.00) %	
Beijing Caswell Ltd.	Caswell Ltd.	Sub-subsidiary company to subsidiary	Purchases	168,970	38.30%	O/A 90 days	-	No significant discrepancy	(74,539)	(41.00) %	



Purchases or Sales  Company	Counterparty	Relationship	Transaction circumstances				The situation and reason for the difference between the trading terms and the general trading		Accounts/Notes Receivable or Payable		Remarks
			Purchases or Sales	Amount	Ratio to Total Purchase (Sales)	Payment term	Unit price	Payment term	Balance	% to Total Notes/Accounts Receivable or Payable	
SUNLIT PRECISION TECHNOLOGY CO., LTD.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	486,807	73.39%	60 days monthly settlement	-	No significant discrepancy	-	- %	
SUNLIT PRECISION TECHNOLOGY CO., LTD.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(182,907)	(26.80) %	60 days monthly settlement	-	No significant discrepancy	132,485	42.00%	
MIC-Tech Global Corp.	Marketch International Corp.	Sub-subsidiary company to sub-subsidiary	Sales	(164,320)	89.59%	30-60 days monthly settlement	-	No significant discrepancy	49,199	88.00%	
S&T IT Services S.R.L.	S&T Mold srl.	Sub-subsidiary company to sub-subsidiary	Sales	(151,921)	57.45%	90 days monthly settlement	-	No significant discrepancy	-	- %	
Kontron Transportation GmbH	Kontron Transportation France S.A.S.	Sub-subsidiary company to sub-subsidiary	Sales	(102,750)	8.66%	90 days monthly settlement	-	No significant discrepancy	64,054	17.21%	
Kontron Transportation France S.A.S.	Kontron Transportation Austria AG	Sub-subsidiary company to sub-subsidiary	Sales	(151,117)	15.96%	90 days monthly settlement	-	No significant discrepancy	146,334	68.17%	
Kontron Europe GmbH	Kontron America Inc.	Sub-subsidiary company to sub-subsidiary	Sales	(992,962)	15.26%	90 days monthly	-	No significant	398,558	22.58%	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Kontron Europe Gmbh	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Purchases	541,916	10.94%	settlement 120 days monthly settlement	-	discrepancy No significant discrepancy	(237,054)	8.69%	
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Purchases or Sales	Counterparty	Relationship	Transaction circumstances				The situation and reason for the difference between the trading terms and the general trading		Accounts/Notes Receivable or Payable		Remarks
			Purchases or Sales	Amount	Ratio to Total Purchase (Sales)	Payment term	Unit price	Payment term	Balance	% to Total Notes/Accounts Receivable or Payable	
Kontron Europe Gmbh	Kontron Technology Beijing Co. Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(132,767)	2.04%	90 days monthly settlement	-	No significant discrepancy	8,303	0.47%	
Kontron Europe Gmbh	RTSoft	Sub-subsidiary company to sub-subsidiary	Sales	(132,930)	2.04%	90 days monthly settlement	-	No significant discrepancy	44,974	2.55%	
Kontron Europe Gmbh	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(233,477)	3.59%	120 days monthly settlement	-	No significant discrepancy	136,026	7.71%	
Kontron Europe Gmbh	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	116,938	2.36%	120 days monthly settlement	-	No significant discrepancy	(59,927)	2.20%	
Kontron Electronics Kft.	Kontron Electronics GmbH	Sub-subsidiary company to sub-subsidiary	Sales	(143,803)	89.00%	90 days monthly settlement	-	No significant discrepancy	4,304	67.49%	
Kontron Canada Inc.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Purchases	117,960	16.12%	120 days monthly settlement	-	No significant discrepancy	(17,683)	(12.16)%	
Kontron Canada Inc.	Kontron America Inc.	Sub-subsidiary company to sub-subsidiary	Sales	(275,419)	22.03%	90 days monthly settlement	-	No significant discrepancy	51,943	26.35%	
Kontron Austria GmbH	Kontron Electronics AG	Sub-subsidiary company to sub-subsidiary	Sales	(140,677)	10.72%	90 days monthly settlement	-	No significant discrepancy	6,165	3.33%	
Kontron Austria GmbH	Kontron Europe Gmbh	Sub-subsidiary company to sub-subsidiary	Sales	(320,300)	24.40%	90 days monthly settlement	-	No significant discrepancy	74,535	40.29%	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Kontron Asia Inc.	Kontron Europe Gmbh	Sub-subsidiary company to sub-subsidiary	Sales	(283,134)	15.13%	90 days monthly settlement	-	No significant discrepancy	34,252	10.32%	
Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(438,583)	23.44%	120 days monthly settlement	-	No significant discrepancy	124,325	37.44%	
Kontron Asia Inc.	Kontron Austria GmbH	Sub-subsidiary company to sub-subsidiary	Sales	(134,074)	7.17%	90 days monthly settlement	-	No significant discrepancy	36,652	11.04%	
Kontron Asia Inc.	Kontron Canada Inc.	Sub-subsidiary company to sub-subsidiary	Sales	(116,770)	6.24%	90 days monthly settlement	-	No significant discrepancy	4,110	1.24%	
Kontron America Inc.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Purchases	174,321	8.06%	120 days monthly settlement	-	No significant discrepancy	(80,089)	11.41%	

Purchases or Sales  Company	Counterparty	Relationship	Transaction circumstances				The situation and reason for the difference between the trading terms and the general trading		Accounts/Notes Receivable or Payable		Remarks
			Purchases or Sales	Amount	Ratio to Total Purchase (Sales)	Payment term	Unit price	Payment term	Balance	% to Total Notes/Accounts Receivable or Payable	
Iskratel d.o.o.	AO IskraUralTel Yekaterinburg	Sub-subsidiary company to sub-subsidiary	Sales	(275,541)	11.69%	90 days monthly settlement	-	No significant discrepancy	117,892	24.72%	
HighAim Technology INC.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary company to sub-subsidiary	Purchases	364,537	68.86%	90 days monthly settlement	-	No significant discrepancy	(157,289)	59.41%	
HighAim Technology INC.	ANDRIX INTERNATIONAL LIMITED	Sub-subsidiary company to sub-subsidiary	Purchases	141,275	26.69%	90 days monthly settlement	-	No significant discrepancy	(58,614)	22.14%	

Note: All transactions related to consolidated entities have been written off when preparing the consolidated financial statements.

**Ennoconn Technology Co., Ltd. and Subsidiaries**  
**Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more**  
**As of December 31, 2021**

Table VI

Unit: NT\$ thousand

Accounts receivable from companies	Counterparty	Relationship	Balance due from related party	Turnover rate	Overdue receivables from related parties		Accounts receivable from related parties Allowance for bad debts recognized	Loss
					Amount	Treatment		
Ennoconn Technology Co., Ltd.	Kontron Europe GmbH	Parent company to sub-subsidiary	171,546	4.23%	-	-	-	-
Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary company to sub-subsidiary	353,609	2.06%	-	-	-	-
Victor Plus Holdings Ltd.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	131,935	2.65%	-	-	-	-
Shenzhen Asiatek INC.	Shenzhen Shiyi Precision Technology Co., Ltd.	Sub-subsidiary to affiliated companies	284,480	1.36%	-	-	-	-
Shenzhen Asiatek INC.	HeNan FuChi Technology Co., Ltd.	Sub-subsidiary to affiliated companies	146,329	1.06%	-	-	-	-
HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary company to sub-subsidiary	155,194	2.24%	-	-	-	-
Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	511,189	2.05%	-	-	437,856	-
Marketch International Corp.	MIC-Tech Viet Nam Co., Ltd.	Sub-subsidiary company to sub-subsidiary	111,729	-%	-	-	-	-
SUNLIT PRECISION TECHNOLOGY CO., LTD.	Techno Hardware (Shenzhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	132,485	1.23%	-	-	-	-
S&T AG	Kontron Europe GmbH	Sub-subsidiary company to sub-subsidiary	1,823,944	-%	-	-	-	-
S&T AG	Kontron Beteiligungs GmbH	Sub-subsidiary company to sub-subsidiary	1,284,120	-%	-	-	-	-
S&T AG	S&T CEE Holding s.r.o.	Sub-subsidiary company to sub-subsidiary	475,890	-%	-	-	-	-
S&T AG	Kontron Transportation GmbH	Sub-subsidiary company to sub-subsidiary	445,348	-%	-	-	-	-
S&T AG	Kontron America Inc.	Sub-subsidiary company to sub-subsidiary	411,251	-%	-	-	-	-
S&T AG	Kontron Austria GmbH	Sub-subsidiary company to sub-subsidiary	323,765	-%	-	-	-	-
S&T AG	Kontron Electronics GmbH	Sub-subsidiary company to sub-subsidiary	311,451	-%	-	-	-	-
S&T AG	S&T Romania srl.	Sub-subsidiary company to sub-subsidiary	185,724	-%	-	-	-	-
S&T AG	RT Soft	Sub-subsidiary company to sub-subsidiary	115,217	-%	-	-	-	-
S&T AG	Kontron Modular Computers S.A.S.	Sub-subsidiary company to sub-subsidiary	105,705	-%	-	-	-	-

Accounts receivable from companies  company	Counterparty  Name	Relationship	Receivable related parties  Balance	Turnover rate	Overdue receivables from related parties		Accounts receivable from related parties Recovery amount	Allowance for bad debts recognized Loss
					Amount	Treatment		
Kontron Transportation GmbH	Kontron Transportation Sp .z.o.o.	Sub-subsidiary company to sub-subsidiary	106,477	-%	-	-	-	-
Kontron Transportation Deutschland GmbH	Kontron Transportation GmbH	Sub-subsidiary company to sub-subsidiary	193,963	-%	-	-	-	-
Kontron Europe GmbH	Kontron America Inc.	Sub-subsidiary company to sub-subsidiary	387,782	-%	-	-	-	-
Kontron Europe GmbH	Kontron Electronics GmbH	Sub-subsidiary company to sub-subsidiary	249,924	-%	-	-	-	-
Kontron Europe GmbH	ENNOCONN(SUZHOU) TECHNOLOGY CO., LTD.	Sub-subsidiary company to sub-subsidiary	136,026	-%	-	-	-	-
Kontron Europe GmbH	Kontron Asia Pacific Design Sdn Bhd	Sub-subsidiary company to sub-subsidiary	135,288	-%	-	-	-	-
Kontron Beteiligungs GmbH	Kontron Europe GmbH	Sub-subsidiary company to sub-subsidiary	1,292,196	-%	-	-	-	-
Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co. Ltd	Sub-subsidiary company to sub-subsidiary	124,325	-%	-	-	-	-
Iskratel d.o.o.	AO IskraUralTel Yekaterinburg	Sub-subsidiary company to sub-subsidiary	340,373	-%	-	-	-	-
Iskratel d.o.o.	S&T AG	Sub-subsidiary company to sub-subsidiary	150,317	-%	-	-	-	-

Note1: All transactions related to consolidated entities have been written off when preparing the consolidated financial statements.

**Ennoconn Technology Co., Ltd. and Subsidiaries**  
**Written-off major transactions between parent and subsidiaries and between subsidiaries**  
**For the Year Ended December 31, 2021**

Table VII

Unit: NT\$ thousand

No. (Note1)	Company Name	Counterparty	Relationship with the Trader (Note2)	Situations of Transactions			
				Account	Amount	Transaction Terms	% to Total Revenue or Assets (Note 3 and Note 4)
0	Ennoconn Technology Co., Ltd.	Victor Plus Holdings Ltd.	Parent company to sub-subsidiary	Purchase + processing fee	2,275,328	By reference to general conditions	2.37%
0	Ennoconn Technology Co., Ltd.	Victor Plus Holdings Ltd.	Parent company to sub-subsidiary	Notes payable	121,154	By reference to general conditions	0.10%
0	Ennoconn Technology Co., Ltd.	Kontron Europe Gmbh	Parent company to sub-subsidiary	Sales	506,794	By reference to general conditions	0.53%
0	Ennoconn Technology Co., Ltd.	Kontron Europe Gmbh	Parent company to sub-subsidiary	Accounts receivable	171,546	By reference to general conditions	0.14%
0	Ennoconn Technology Co., Ltd.	Kontron America Inc.	Parent company to sub-subsidiary	Sales	180,693	By reference to general conditions	0.19%
0	Ennoconn Technology Co., Ltd.	Kontron America Inc.	Parent company to sub-subsidiary	Accounts receivable	55,134	By reference to general conditions	0.05%
0	Ennoconn Technology Co., Ltd.	Kontron Canada Inc.	Parent company to sub-subsidiary	Sales	114,078	By reference to general conditions	0.12%
0	Ennoconn Technology Co., Ltd.	Kontron Canada Inc.	Parent company to sub-subsidiary	Accounts receivable	16,533	By reference to general conditions	0.01%
1	Goldtek Technology Co., Ltd.	SUNLIT PRECISION TECHNOLOGY CO., LTD.	Sub-subsidiary company to sub-subsidiary	Purchases	8,398	By reference to general conditions	0.20%
1	Goldtek Technology Co., Ltd.	SUNLIT PRECISION TECHNOLOGY CO., LTD.	Sub-subsidiary company to sub-subsidiary	Notes payable	1,423	By reference to general conditions	0.10%
1	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	527,029	By reference to general conditions	11.90%
1	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Accounts receivable	511,189	By reference to general conditions	11.00%
1	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	22,139	By reference to general conditions	0.50%
1	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Other receivables	69,200	By reference to general conditions	1.50%
1	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Advance payment	46,837	By reference to general conditions	1.00%
1	Goldtek Technology Co., Ltd.	Keenest Electronic Corp.	Sub-subsidiary company to sub-subsidiary	Purchases	15,350	By reference to general conditions	0.30%
1	Goldtek Technology Co., Ltd.	Keenest Electronic Corp.	Sub-subsidiary company to sub-subsidiary	Notes payable	15,073	By reference to general conditions	0.30%
2	SUNLIT PRECISION TECHNOLOGY CO., LTD.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	182,907	By reference to general conditions	4.10%



No. (Note 1)	Company Name	Counterparty	Relationship with the Trader (Note2)	Situations of Transactions			
				Account	Amount	Transaction Terms	% to Total Revenue or Assets (Note 3 and Note 4)
2	SUNLIT PRECISION TECHNOLOGY CO., LTD.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Accounts receivable	132,485	By reference to general conditions	2.80%
2	SUNLIT PRECISION TECHNOLOGY CO., LTD.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	486,807	By reference to general conditions	11.00%
2	SUNLIT PRECISION TECHNOLOGY CO., LTD.	T-Paragon Precision Die Casting Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	56,488	By reference to general conditions	1.30%
2	SUNLIT PRECISION TECHNOLOGY CO., LTD.	T-Paragon Precision Die Casting Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Notes payable	19,208	By reference to general conditions	0.40%
3	Techno Hardware (ShenZhen) Co., Ltd.	T-Paragon Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Other receivables	29,947	By reference to general conditions	0.60%
3	Techno Hardware (ShenZhen) Co., Ltd.	Shenzhen Shengrong Plastic Co., Ltd	Sub-subsidiary company to sub-subsidiary	Purchases	20,262	By reference to general conditions	0.50%
3	Techno Hardware (ShenZhen) Co., Ltd.	Shenzhen Shengrong Plastic Co., Ltd	Sub-subsidiary company to sub-subsidiary	Notes payable	4,097	By reference to general conditions	0.10%
3	Techno Hardware (ShenZhen) Co., Ltd.	T-MAXX Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	33	By reference to general conditions	0.10%
3	Techno Hardware (ShenZhen) Co., Ltd.	T-MAXX Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Accounts receivable	775	By reference to general conditions	0.10%
3	Techno Hardware (ShenZhen) Co., Ltd.	T-MAXX Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Other receivables	208	By reference to general conditions	0.10%
4	T-Paragon Precision Die Casting Co., Ltd.	T-Paragon Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	41,391	By reference to general conditions	0.90%
4	T-Paragon Precision Die Casting Co., Ltd.	T-Paragon Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	245,368	By reference to general conditions	5.50%
4	T-Paragon Precision Die Casting Co., Ltd.	T-Paragon Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Notes payable	238,579	By reference to general conditions	5.10%
4	T-Paragon Precision Die Casting Co., Ltd.	T-Paragon Industrial (THAILAND) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Other receivables	13,840	By reference to general conditions	0.30%
5	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	Sub-subsidiary company to sub-subsidiary	Revenue from sales contracts	34,880	The transaction price and collection terms of commodity sales are not significantly different from those of non related parties	0.10%

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

5	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	Sub-subsidiary company to subsidiary	Revenue from engineering contracts	10,521	The project price of the Group to related parties and non related parties is subject to the general project contract or individual agreement conditions. In addition, the collection conditions of the Group to related parties are not significantly different from those of general customers, subject to the project contract or individual agreement, about 2 to 3 months after the project acceptance.	0.03%
5	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	Sub-subsidiary company to subsidiary	Accounts receivable	11,720	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.04%
5	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	Sub-subsidiary company to subsidiary	Non-operating revenue	6,483	Subject to the transaction contract	0.02%
5	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	Sub-subsidiary company to subsidiary	Other receivables	9,559	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.03%
5	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	Sub-subsidiary company to subsidiary	Non-operating revenue	20,363	Subject to the transaction contract	0.06%
5	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Sub-subsidiary company to subsidiary	Accounts receivable	16,184	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.06%
5	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Sub-subsidiary company to subsidiary	Other receivables	27,892	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.10%
5	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Sub-subsidiary company to subsidiary	Revenue from sales contracts	65,501	The transaction price and collection terms of commodity sales are not significantly different from those of non related parties	0.19%

No. (Note 1)	Company Name	Counterparty	Relationship with the Trader (Note 2)	Situations of Transactions			
				Account	Amount	Transaction Terms	% to Total Revenue or Assets (Note 3 and Note 4)
5	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Sub-subsidiary company to sub-subsidiary	Revenue from engineering contracts	14,055	The project price of the Group to related parties and non related parties is subject to the general project contract or individual agreement conditions. In addition, the collection conditions of the Group to related parties are not significantly different from those of general customers, subject to the project contract or individual agreement, about 2 to 3 months after the project acceptance.	0.04%
5	Marketech International Corp.	Marketech International Sdn. Bhd.	Sub-subsidiary company to sub-subsidiary	Other receivables	25,296	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.09%
5	Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Other receivables	111,729	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.40%
5	Marketech International Corp.	MIC-Tech Global Corp.	Sub-subsidiary company to sub-subsidiary	Advance payment	7,624	Subject to the transaction contract	0.03%
6	Ezoom Information, Inc.	Marketech International Corp.	Sub-subsidiary company to sub-subsidiary	Revenue from labor service contracts	53,545	The sales of labor services refers to a certain sales profit agreed with related parties.	0.16%
6	Ezoom Information, Inc.	Marketech International Corp.	Sub-subsidiary company to sub-subsidiary	Revenue from engineering contracts	11,292	The project price of the Group to related parties and non related parties is subject to the general project contract or individual agreement conditions. In addition, the collection conditions of the Group to related parties are not significantly different from those of general customers, subject to the project contract or individual agreement, about 2 to 3 months after the project acceptance.	0.03%
7	MIC-Tech Global Corp.	Marketech International Corp.	Sub-subsidiary company to sub-subsidiary	Revenue from sales contracts	164,320	The transaction price and collection terms of commodity sales are not significantly different from those of non related parties	0.48%

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

7	MIC-Tech Global Corp.	Marketech International Corp.	Sub-subsidiary company to sub-subsidiary	Accounts receivable	49,199	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.18%
8	Spiro Technology Systems Inc.	Marketech International Corp.	Sub-subsidiary company to sub-subsidiary	Accounts receivable	9,782	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.04%
8	Spiro Technology Systems Inc.	Marketech International Corp.	Sub-subsidiary company to sub-subsidiary	Revenue from sales contracts	46,361	The transaction price and collection terms of commodity sales are not significantly different from those of non related parties	0.13%
9	Marketech Netherlands B.V.	Marketech International Corp.	Sub-subsidiary company to sub-subsidiary	Revenue from sales contracts	8,273	The transaction price and collection terms of commodity sales are not significantly different from those of non related parties	0.02%
10	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp.	Sub-subsidiary company to sub-subsidiary	Accounts receivable	8,388	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.03%
10	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp.	Sub-subsidiary company to sub-subsidiary	Revenue from engineering contracts	8,886	The project price of the Group to related parties and non related parties is subject to the general project contract or individual agreement conditions. In addition, the collection conditions of the Group to related parties are not significantly different from those of general customers, subject to the project contract or individual agreement, about 2 to 3 months after the project acceptance.	0.03%
10	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Other receivables	26,064	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.09%
11	Shanghai Maohua Electronics Engineering Co., Ltd.	MIC-Tech Electronics Engineering Corp.	Sub-subsidiary company to sub-subsidiary	Accounts receivable	52,708	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.19%

No. (Note 1)	Company Name	Counterparty	Relationship with the Trader (Note 2)	Situations of Transactions			
				Account	Amount	Transaction Terms	% to Total Revenue or Assets (Note 3 and Note 4)
11	Shanghai Maohua Electronics Engineering Co., Ltd.	MIC-Tech Electronics Engineering Corp.	Sub-subsidiary company to sub-subsidiary	Revenue from engineering contracts	78,914	The project price of the Group to related parties and non related parties is subject to the general project contract or individual agreement conditions. In addition, the collection conditions of the Group to related parties are not significantly different from those of general customers, subject to the project contract or individual agreement, about 2 to 3 months after the project acceptance.	0.23%
11	Shanghai Maohua Electronics Engineering Co., Ltd.	MIC-Tech Electronics Engineering Corp.	Sub-subsidiary company to sub-subsidiary	Revenue from sales contracts	26,849	The transaction price and collection terms of commodity sales are not significantly different from those of non related parties	0.08%
12	MIC-Tech (Shanghai) Corp.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Other receivables	13,032	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.05%
13	HighAim Technology INC.	ANDRIX INTERNATIONAL LIMITED	Sub-subsidiary company to sub-subsidiary	Trade receivables- related parties	52,531	By reference to general conditions	0.04%
13	HighAim Technology INC.	ANDRIX INTERNATIONAL LIMITED	Sub-subsidiary company to sub-subsidiary	Cost of goods purchased	141,275	By reference to general conditions	0.15%
13	HighAim Technology INC.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary company to sub-subsidiary	Trade receivables- related parties	157,289	By reference to general conditions	0.13%
13	HighAim Technology INC.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary company to sub-subsidiary	Cost of goods purchased	364,537	By reference to general conditions	0.38%
14	HighAim Technology Inc.	ANDRIX INTERNATIONAL LIMITED	Sub-subsidiary company to sub-subsidiary	Trade receivables - related parties	59,598	By reference to general conditions	0.05%
14	HighAim Technology Inc.	ANDRIX INTERNATIONAL LIMITED	Sub-subsidiary company to sub-subsidiary	Sales revenue	141,193	By reference to general conditions	0.15%
14	HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary company to sub-subsidiary	Trade receivables - related parties	155,194	By reference to general conditions	0.13%

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

14	HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary company to subsidiary	Sales revenue	359,919	By reference to general conditions	0.37%
15	Shenzhen Asiatek INC.	Futaihua Industry (Shenzhen) Co., Ltd.	Sub-subsidiary to affiliated companies	Sales revenue	637,429	By reference to general conditions	0.66%
15	Shenzhen Asiatek INC.	Nanjing Asiatek Inc.	Sub-subsidiary company to subsidiary	Cost of goods purchased	513,953	By reference to general conditions	0.53%
15	Shenzhen Asiatek INC.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Sub-subsidiary to affiliated companies	Sales revenue	387,172	By reference to general conditions	0.40%
15	Shenzhen Asiatek INC.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Sub-subsidiary to affiliated companies	Sales revenue	381,807	By reference to general conditions	0.40%
15	Shenzhen Asiatek INC.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Sub-subsidiary to affiliated companies	Trade receivables - related parties	284,480	By reference to general conditions	0.30%
15	Shenzhen Asiatek INC.	HeNan FuChi Technology Co., Ltd.	Sub-subsidiary to affiliated companies	Sales revenue	154,596	By reference to general conditions	0.16%
15	Shenzhen Asiatek INC.	HeNan FuChi Technology Co., Ltd.	Sub-subsidiary to affiliated companies	Trade receivables - related parties	146,329	By reference to general conditions	0.15%
15	Shenzhen Asiatek INC.	Shenzhen pictographic Technology Co., Ltd.	Sub-subsidiary company to subsidiary	Cost of goods purchased	123,425	By reference to general conditions	0.13%
16	Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary company to subsidiary	Other operating revenues	3,051,025	By reference to general conditions	3.18%
16	Ennoconn (Suzhou) Technology Co., Ltd.	Kang zhun Electronic Technology (Kunshan) Co.,Ltd.	Sub-subsidiary company to subsidiary	Cost of goods purchased	139,377	By reference to general conditions	0.15%
16	Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Asia Technology Inc.	Sub-subsidiary company to subsidiary	Cost of goods purchased	437,638	By reference to general conditions	0.46%
16	Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary company to subsidiary	Other receivables - related parties	353,609	By reference to general conditions	0.37%
16	Ennoconn (Suzhou) Technology Co., Ltd.	Ennoconn Investment Co., Ltd.	Sub-subsidiary company to subsidiary	Other payable - related parties	381,851	By reference to general conditions	0.40%
16	Ennoconn (Suzhou) Technology Co., Ltd.	Kang zhun Electronic Technology (Kunshan) Co.,Ltd.	Sub-subsidiary company to subsidiary	Other operating revenues	44,795	By reference to general conditions	0.05%
16	Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Europe GmbH	Sub-subsidiary company to subsidiary	Cost of goods purchased	232,677	By reference to general conditions	0.24%
16	Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary company to subsidiary	Cost of goods purchased	225,441	By reference to general conditions	0.23%

No. (Note 1)	Company Name	Counterparty	Relationship with the Trader (Note2)	Situations of Transactions			
				Account	Amount	Transaction Terms	% to Total Revenue or Assets (Note 3 and Note 4)
16	Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Europe Gmbh	Sub-subsidiary company to sub-subsidiary	Trade payable - related parties	129,410	By reference to general conditions	0.13%
16	Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Asia Technology Inc.	Sub-subsidiary company to sub-subsidiary	Trade payable - related parties	126,048	By reference to general conditions	0.13%
16	Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Europe Gmbh	Sub-subsidiary company to sub-subsidiary	Other operating revenues	116,506	By reference to general conditions	0.12%
17	Victor Plus Holdings Ltd.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Trade receivables - related parties	131,935	By reference to general conditions	0.11%
17	Victor Plus Holdings Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Trade receivables- related parties	353,474	By reference to general conditions	0.37%
17	Victor Plus Holdings Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Cost of goods purchased	3,056,688	By reference to general conditions	3.18%
17	Victor Plus Holdings Ltd.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Other operating revenues	2,567,098	By reference to general conditions	2.67%
17	Victor Plus Holdings Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Other operating revenues	225,637	By reference to general conditions	0.23%
18	Caswell Ltd.	Beijing Caswell Ltd.	Subsidiary company to sub-subsidiary	Sales	168,970	By reference to general conditions	0.18%
18	Caswell Ltd.	CASO, inc.	Subsidiary company to sub-subsidiary	Sales	177,449	By reference to general conditions	0.18%
18	Caswell Ltd.	Caswell Americas Inc.	Subsidiary company to sub-subsidiary	Sales	186,436	By reference to general conditions	0.19%
18	Caswell Ltd.	Victor Plus Holdings Ltd.	Subsidiary company to sub-subsidiary	Purchases	129,547	By reference to general conditions	0.13%
19	Beijing Caswell Ltd.	Caswell Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	168,970	By reference to general conditions	0.18%
20	CASO, inc.	Caswell Ltd.	Sub-subsidiary company to subsidiary	Purchases	177,449	By reference to general conditions	0.18%
21	Caswell Americas Inc.	Caswell Ltd.	Sub-subsidiary company to subsidiary	Purchases	186,436	By reference to general conditions	0.19%
22	APLIGO Gmbh	American Industrial Systems Inc.	Sub-subsidiary company to sub-subsidiary	Sales	262,841	By reference to general conditions	0.27%
23	Kontron Europe Gmbh	Kontron America Inc.	Sub-subsidiary company to sub-subsidiary	Sales	937,963	By reference to general conditions	0.98%
23	Kontron Europe Gmbh	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Purchases	511,900	By reference to general conditions	0.53%
23	Kontron Europe Gmbh	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Notes payable	237,054	By reference to general conditions	0.25%
23	Kontron Europe Gmbh	Kontron America Inc.	Sub-subsidiary company to sub-subsidiary	Accounts receivable	387,782	By reference to general conditions	0.40%
23	Kontron Europe Gmbh	Kontron Asia Pacific Design Sdn Bhd	Sub-subsidiary company to sub-subsidiary	Accounts receivable	135,288	By reference to general conditions	0.14%

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

23	Kontron Europe GmbH	Kontron Technology Beijing Co. Ltd.	Sub-subsidiary company to subsidiary	Sales	125,413	By reference to general conditions	0.13%
23	Kontron Europe GmbH	Kontron Electronics GmbH	Sub-subsidiary company to subsidiary	Accounts receivable	249,924	By reference to general conditions	0.26%
23	Kontron Europe GmbH	RT Soft	Sub-subsidiary company to subsidiary	Sales	125,567	By reference to general conditions	0.13%
23	Kontron Europe GmbH	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to subsidiary	Trade receivables - related parties	136,026	By reference to general conditions	0.14%
23	Kontron Europe GmbH	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to subsidiary	Sales	220,545	By reference to general conditions	0.23%
23	Kontron Europe GmbH	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to subsidiary	Purchases	110,461	By reference to general conditions	0.11%
24	Kontron Asia Inc.	Kontron Europe GmbH	Sub-subsidiary company to subsidiary	Sales	267,451	By reference to general conditions	0.28%
24	Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to subsidiary	Sales	414,290	By reference to general conditions	0.43%
24	Kontron Asia Inc.	Kontron Austria GmbH	Sub-subsidiary company to subsidiary	Sales	126,648	By reference to general conditions	0.13%
24	Kontron Asia Inc.	Kontron Canada Inc.	Sub-subsidiary company to subsidiary	Sales	110,303	By reference to general conditions	0.11%
24	Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to subsidiary	Trade receivables - related parties	124,325	By reference to general conditions	0.13%
25	Kontron Canada Inc.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Purchases	111,426	By reference to general conditions	0.12%
25	Kontron Canada Inc.	Kontron America Inc.	Sub-subsidiary company to subsidiary	Sales	260,163	By reference to general conditions	0.27%
26	Kontron America Inc.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Purchases	164,666	By reference to general conditions	0.17%
27	Kontron Transportation GmbH	Kontron Transportation Sp.z.o.o.	Sub-subsidiary company to subsidiary	Accounts receivable	106,477	By reference to general conditions	0.11%
27	Kontron Transportation GmbH	Kontron Transportation UK Ltd.	Sub-subsidiary company to subsidiary	Other Payables	276,418	By reference to general conditions	0.29%
27	Kontron Transportation GmbH	Kontron Transportation France S.A.S.	Sub-subsidiary company to subsidiary	Other Payables	113,958	By reference to general conditions	0.12%
27	Kontron Transportation GmbH	Kontron Transportation France S.A.S.	Sub-subsidiary company to subsidiary	Sales	97,058	By reference to general conditions	0.10%
28	S&T AG	S&T Romania srl.	Sub-subsidiary company to subsidiary	Accounts receivable	185,724	By reference to general conditions	0.19%
28	S&T AG	S&T CEE Holding s.r.o.	Sub-subsidiary company to subsidiary	Accounts receivable	475,890	By reference to general conditions	0.50%
28	S&T AG	Kontron Europe GmbH	Sub-subsidiary company to subsidiary	Accounts receivable	1,823,944	By reference to general conditions	1.90%



No. (Note 1)	Company Name	Counterparty	Relationship with the Trader (Note2)	Situations of Transactions			
				Account	Amount	Transaction Terms	% to Total Revenue or Assets (Note 3 and Note 4)
28	S&T AG	Kontron Austria GmbH	Sub-subsiary company to sub-subsidiary	Accounts receivable	323,765	By reference to general conditions	0.34%
28	S&T AG	Kontron Transportation GmbH	Sub-subsiary company to sub-subsidiary	Accounts receivable	445,348	By reference to general conditions	0.46%
28	S&T AG	Kontron America Inc.	Sub-subsiary company to sub-subsidiary	Accounts receivable	411,251	By reference to general conditions	0.43%
28	S&T AG	RT Soft	Sub-subsiary company to sub-subsidiary	Accounts receivable	115,217	By reference to general conditions	0.12%
28	S&T AG	Kontron Modular Computers S.A.S.	Sub-subsiary company to sub-subsidiary	Accounts receivable	105,705	By reference to general conditions	0.11%
28	S&T AG	Kontron Electronics GmbH	Sub-subsiary company to sub-subsidiary	Accounts receivable	311,451	By reference to general conditions	0.32%
28	S&T AG	Kontron Beteiligungs GmbH	Sub-subsiary company to sub-subsidiary	Accounts receivable	1,284,120	By reference to general conditions	1.34%
29	Kontron Austria GmbH	Kontron Electronics AG	Sub-subsiary company to sub-subsidiary	Sales	132,885	By reference to general conditions	0.14%
29	Kontron Austria GmbH	Kontron Europe GmbH	Sub-subsiary company to sub-subsidiary	Sales	302,559	By reference to general conditions	0.31%
30	Kontron Transportation France S.A.S.	Kontron Transportation GmbH	Sub-subsiary company to sub-subsidiary	Other Payables	292,860	By reference to general conditions	0.30%
30	Kontron Transportation France S.A.S.	Kontron Transportation GmbH	Sub-subsiary company to sub-subsidiary	Accounts receivable	82,281	By reference to general conditions	0.09%
30	Kontron Transportation France S.A.S.	Kontron Transportation GmbH	Sub-subsiary company to sub-subsidiary	Sales	142,747	By reference to general conditions	0.15%
31	Kontron Transportation Deutschland GmbH	Kontron Transportation GmbH	Sub-subsiary company to sub-subsidiary	Accounts receivable	193,963	By reference to general conditions	0.20%
32	S&T IT Services S.R.L.	S&T Mold srl.	Sub-subsiary company to sub-subsidiary	Sales	143,506	By reference to general conditions	0.15%
33	Iskratel d.o.o.	AO IskraUralTel Yekaterinburg	Sub-subsiary company to sub-subsidiary	Sales	260,280	By reference to general conditions	0.27%
33	Iskratel d.o.o.	AO IskraUralTel Yekaterinburg	Sub-subsiary company to sub-subsidiary	Accounts receivable	340,373	By reference to general conditions	0.35%

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

33	Iskratel d.o.o.	S&T AG	Sub-subsidiary company to sub-subsidiary	Accounts receivable	150,317	By reference to general conditions	0.16%
34	Kontron Electronics Kft.	Kontron Electronics GmbH	Sub-subsidiary company to sub-subsidiary	Sales	135,838	By reference to general conditions	0.14%
35	Kontron Beteiligungs GmbH	Kontron Europe GmbH	Sub-subsidiary company to sub-subsidiary	Accounts receivable	1,292,196	By reference to general conditions	1.34%

Note1: The information on business interaction between the parent company and subsidiaries should be remarked in the column of No., and the instructions for filling out No. are as below:

(1) Fill in 0 for parent company.

(2) The subsidiary is coded in sequence starting from Arabic number 1 by company.

Note 2: For calculation on the ratio of transaction amount to consolidated total revenue or total assets, ending balance to consolidated total assets is used to calculate for those belongs to accounts on the balance sheet; mid-term cumulative balance to consolidated total revenue is used to calculate for those belongs to accounts on the income statement.

Note 3: All transactions herein refer to transactions which consolidated revenue or total assets reach 1%.

**Ennoconn Technology Co., Ltd. and Subsidiaries**  
**Re-investment information (excluding investees in Mainland China)**  
**For the Year Ended December 31, 2021**

Table VIII

Unit: NT\$ thousand

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Mid-term maximum Shares held	Profit or loss of the investee for the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value				
Ennoconn Technology Co., Ltd.	Innovative Systems Integration Limited	Hong Kong	Professional investment	1,785,425	1,845,779	518,216,530	100.00%	2,119,539	518,216,530	(3,683)	(3,683)	
Ennoconn Technology Co., Ltd.	Ennoconn International Investment Co., Ltd.	Taiwan	Professional investment	7,010,000	7,010,000	711,735,000	100.00%	8,403,724	711,735,000	921,419	921,419	
Ennoconn Technology Co., Ltd.	CASWELL, INC.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	1,031,800	1,031,800	20,000,000	27.33%	1,081,045	20,000,000	219,556	40,995	Note 2
Ennoconn Technology Co., Ltd.	Ennoconn Investment Holdings Co., Ltd.	Samoa	Manufacturing and marketing of industrial computers	6,625,485	6,816,973	239,360,000	100.00%	7,738,960	239,360,000	453,344	453,343	
Ennoconn Technology Co., Ltd.	AIS Cayman Technology	Cayman Islands	Professional investment	230,586	-	4,028,217	37.64%	280,666	4,028,217	166,431	62,652	
Innovative Systems Integration Limited	ENGA Technology Co., Ltd.	Hong Kong	Wholesale, manufacturing, service, import and export of software and hardware related to industrial computers and industrial control systems	97,475	99,680	3,500,000	100.00%	100,096	3,500,000	417	417	
Innovative Systems Integration Limited	Victor Plus Holdings Ltd.	Seychelles	Import and export trading	-	-	500,000	100.00%	12,030	500,000	(23)	(23)	
Ennoconn Investment Holdings Co., Ltd.	AIS Cayman Technology	Cayman Islands	Professional investment	264	271,514	6,672,469	62.36%	16,796	6,672,469	166,431	103,786	
Ennoconn Investment Holdings Co., Ltd.	S&T AG	Austria	Information system software and hardware integration service	4,399	5,565,694	16,835,008	26.41%	125,302	16,835,008	1,573,198	415,482	Note 2
Ennoconn Investment Holdings Co., Ltd.	Ennoconn Hungary Kft.	Hungary	Manufacturing and marketing of industrial computers	-	-	3,000,000	100.00%	274	3,000,000	(20)	(20)	
AIS Cayman Technology	American Industrial Systems Inc.	USA	Human-machine interface and industry 4.0 and other related products	1,500	42,720	1,500,000	100.00%	8,786	1,500,000	3,847	3,847	
AIS Cayman Technology	Vecow Co., Ltd.	Taiwan	Manufacturing, processing, trading, import and export of communication machinery and equipment, electronic equipment and electronic devices	3,229	91,962	20,000,000	100.00%	11,028	20,000,000	2,276	2,276	
Ennoconn International Investment Co., Ltd.	Goldtek Technology Co., Ltd.	Taiwan	Wholesale and retail of telecommunications control RF equipment input and information software	492,221	492,221	17,022,831	56.74%	1,024,011	17,022,831	158,527	89,952	Note 2

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Name of investor	Name of investee	Location	Primary  Business	Original Investment Amount		Held at the end of the period			Mid-term maximum	Profit or loss of the investee for the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value	Shares held			
Ennoconn International Investment Co., Ltd.	CASWELL, INC.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	149,500	1,031,800	3,250,000	4.44%	144,581	3,250,000	219,556	9,750	
Ennoconn International Investment Co., Ltd.	EnnoMech Precision (Cayman) Co., Ltd.	Cayman Islands	Professional investment	13,800	393,024	13,800,000	100.00%	577,929	13,800,000	17,859	17,859	
Ennoconn International Investment Co., Ltd.	SyS-P Co., Ltd.	Taiwan	International trade, information software wholesale and services	-	30,000	-	- %	-	-	(1,472)	(1,472)	Note 2
Ennoconn International Investment Co., Ltd.	TAIWAN APPLIED MODULE CORPORATION	Taiwan	Research, design and sales of mobile payment, electronic signature and information security products	95,029	75,029	10,400,000	100.00%	50,236	10,400,000	(20,877)	(20,877)	Note 2
Ennoconn International Investment Co., Ltd.	Thecus Technology Corp.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	102,000	102,000	10,200,000	60.00%	(4,080)	10,200,000	(12,697)	(7,618)	Note 2
Ennoconn International Investment Co., Ltd.	Dexatek Technology Ltd.	Taiwan	Multimedia product R&D and design and manufacturing business	236,862	236,862	12,600,000	60.00%	307,737	12,600,000	104,162	62,497	Note 2
Ennoconn International Investment Co., Ltd.	S&T AG	Austria	Information system software and hardware integration service	7,523	263,455	750,000	1.17%	154,515	750,000	1,590,537	18,649	Note 2
Ennoconn International Investment Co., Ltd.	DIVA Laboratories. Ltd.	Taiwan	Research, development, manufacturing and sales of medical equipment and computer peripherals.	-	228,626	-	- %	-	-	22,276	22,276	
Ennoconn International Investment Co., Ltd.	Marketch International Corp.	Taiwan	High tech industry plant services and process system planning integration service	4,924,648	4,924,648	83,468,613	44.04%	5,643,304	83,468,613	1,547,480	681,510	
Ennoconn International Investment Co., Ltd.	POSLAB TECHNOLOGY CORPORATION	Taiwan	Manufacturing, wholesale and sales of electronic and its peripheral equipment	132,317	132,317	9,100,000	70.00%	125,958	9,100,000	1,536	1,075	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Ennoconn International Investment Co., Ltd.	RIGO GLOBAL CO., LTD.	Taiwan	Manufacturing, wholesale and sales of electronic and its peripheral equipment	32,000	32,000	1,066,667	26.23%	30,900	1,066,667	989	259	
Ennoconn International Investment Co., Ltd.	Renown Information Technology Corp.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	24,000	30,000	2,000,000	23.76%	16,352	2,000,000	(17,351)	(4,123)	Note 2
EnnoMech Precision (Cayman) Co., Ltd.	HighAim Technology INC.	Samoa	Professional investment	10,843	308,809	3,302,618	67.65%	397,531	3,302,618	32,251	21,818	
EnnoMech Precision (Cayman) Co., Ltd.	DOMINATE UNITED ENTERPRISE LTD.	Samoa	Professional investment	2,100	59,808	2,100,000	100.00%	59,444	2,100,000	(25)	(25)	

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Mid-term maximum Shares held	Profit or loss of the investee for the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value				
EnnoMech Precision (Cayman) Co., Ltd.	ENNOMECH PRECISION CO., LTD.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	10,000	10,000	1,000,000	100.00%	28,830	1,000,000	(3,447)	(3,447)	
HighAim Technology INC.	FUNOLOGY INVESTMENT INC.	Samoa	Import and export trading	28	28	1,000	100.00%	9,737	1,000	4,560	4,560	
HighAim Technology INC.	ANDRIX INTERNATIONAL LIMITED	Anquila	Import and export trading	28	28	900	100.00%	9,826	900	40	40	
Caswell Ltd.	CASO Inc.	Japan	Netcom product selling	27,062	27,062	2,000	99.00%	82,197	2,000	27,402	27,128	
Caswell Ltd.	Caswell International investment Co., Ltd.	Samoa	Overseas investments	101,135	101,135	3,206,000	100.00%	206,356	3,206,000	36,902	36,902	
Caswell Ltd.	Caswell Americas, Inc	U.S.A.	Netcom product selling	92,460	92,460	3,000,000	100.00%	55,610	3,000,000	4,870	4,870	
Caswell Ltd.	Hawkeye Tech Co., Ltd.	Germany	Computer and peripheral commodity wholesale	602,041	602,041	24,000	60.64%	470,676	24,000	33,178	20,119	
Caswell Ltd.	APLIGO GMBH	Taiwan	Hub and SI Service	60,275	60,275	9,097,000	66.67%	63,990	9,097,000	4,311	2,874	Note 2
Thecus Technology Corp.	Thecus USA., Inc.	U.S.A.	Network storage device	23	23,367	750,000,000	100.00%	4,906	750,000,000	(71)	(71)	Note 2
Goldtek Technology Co., Ltd.	Keenest Electronic Corp.	Samoa	Professional investment	664,320	567,440	24,000,000	100.00%	376,265	24,000,000	(198,164)	(198,164)	
Keenest Electronic Corp.	SUNLIT PRECISION TECHNOLOGY CO., LTD.	Hong Kong	Metal stamping and casting industry	282,679	282,679	7,500,000	40.30%	183,392	7,500,000	(7,536)	(3,212)	
SUNLIT PRECISION TECHNOLOGY CO., LTD.	T-Paragon Precision Die Casting Co., Ltd.	Hong Kong	Finance/Logistics	26,618	26,618	7,500,000	50.00%	75,954	7,500,000	(12,675)	(6,337)	
T-Paragon Precision Die Casting Co., Ltd.	T-Paragon Industrial (THAILAND) Co., Ltd.	Thailand	Metal stamping and casting industry	133,008	99,826	159,888,000	100.00%	117,777	159,888,000	(11,997)	(11,997)	
TAIWAN APPLIED MODULE CORPORATION	Hua Qun Venture Management Corporation	Taiwan	General investment and investment consultancy	400,000	-	40,000	40.00%	324,005	40,000	(190)	(76)	
Marketch International Corp.	Marketch Integrated Pte. Ltd.	Singapore	Contracting of automation supply system business in semiconductor industry	233,306	233,306	10,085,678	100.00%	(43,049)	10,085,678	(7,915)	(7,915)	
Marketch International Corp.	Market Go Profits Ltd.	British Virgin Islands	Share holding and reinvestment business	1,328,547	1,328,547	41,069,104	100.00%	1,665,661	41,069,104	295,070	295,070	
Marketch International Corp.	MIC-Tech Global Corp.	Republic of Korea	General international trade	19,147	19,147	131,560	100.00%	11,571	131,560	409	409	
Marketch International Corp.	Headquarter International Ltd.	British Virgin Islands	Share holding and reinvestment business	42,475	42,475	1,289,367	100.00%	33,757	1,289,367	(586)	(586)	
Marketch International Corp.	Tiger United Finance Ltd.	British Virgin Islands	Share holding and reinvestment business	46,475	46,475	1,410,367	100.00%	31,391	1,410,367	(1,983)	(1,983)	
Marketch International Corp.	Marketch Engineering Pte. Ltd.	Singapore	Contracting of mechanical and electrical installation and other engineering business	21,804	21,804	937,533	100.00%	(128)	937,533	(2,105)	(2,105)	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Mid-term maximum	Profit or loss of the investee for the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value				
Marketech International Corp.	Marketech Integrated Manufacturing Company Limited	Myanmar	Design, manufacture, assembly and other services of automatic production machinery, equipment and components.	478,985	478,985	1,535,600	100.00%	192,376	1,535,600	(76,361)	(76,361)	
Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Vietnam	Trade, installation and maintenance of various factory machinery and equipment and peripheral consumables; consultancy services and software execution services related to the installation of computer hardware	131,060	110,696	-	100.00%	123,939	-	11,394	11,394	
Marketech International Corp.	Marketech Co., Ltd.	Vietnam	Professional engineering contracting and related maintenance services; trading and repair of tools and machines, trading of cosmetics and daily necessities; software production, development, implementation and programming services; providing installation services for industrial machinery and equipment	72,596	72,596	-	100.00%	13,123	-	(4,778)	(4,778)	
Marketech International Corp.	Ezoom Information, Inc.	Taiwan	R&D, trading, consulting and other services of information system software and hardware applications	225,737	195,737	23,000,000	100.00%	93,588	23,000,000	(37,275)	(37,275)	
Marketech International Corp.	Marketech International Sdn.Bhd.	Malaysia	Professional engineering contracting and related maintenance services; medical equipment sales	77,803	77,803	12,242,750	100.00%	53,279	12,242,750	(1,563)	(1,563)	
Marketech International Corp.	Marketech International Corporation USA	USA	Engineering professional contracting and related maintenance services	110,309	23,086	3,750,000	100.00%	97,807	3,750,000	3,408	3,408	
Marketech International Corp.	Spiro Technology Systems Inc.	USA	General international trade	54,074	23,936	1,000,000	100.00%	50,535	1,000,000	2,656	2,656	
Marketech International Corp.	ADAT Technology Co., Ltd.	Taiwan	Development, application and service of information software, supply of electronic information and trading of equipment	64,119	50,000	4,205,940	26.00%	26,756	4,205,940	(50,475)	(13,419)	
Marketech International Corp.	PT Marketech International Indonesia	Indonesia	Trading of machinery, equipment and spare parts	38,042	38,042	1,199,000	99.92%	31,867	1,199,000	(447)	(447)	
Marketech International Corp.	Marketech Netherlands B.V.	Netherlands	International trade business and technical services of machinery, equipment and components	31,253	31,253	900,000	100.00%	3,288	900,000	(8,397)	(8,397)	
Marketech International Corp.	Glory Technology Service Inc.	Taiwan	Trading and installation services of information and communication devices	42,714	42,714	5,968,371	29.24%	65,340	5,968,371	6,374	1,864	
Marketech International	MIC Techno Co., Ltd.	Taiwan	Panel equipment and material	2,000	2,000	200,000	20.00%	1,814	200,000	(46)	(10)	



Corp.			sales									
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## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Mid-term maximum Shares held	Profit or loss of the investee for the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value				
Marketech International Corp.	Smart Health Corp.	Taiwan	Smart medical consulting services and investment	500	500	50,000	100.00%	418	50,000	(58)	(58)	
Marketech International Corp.	Vertex Corporation	Taiwan	Trading of equipment used in 5G wireless communication private network (micro base station and core network) and IoT intelligent control gateway; maintaining the DMP cloud object management platform and providing integration services of software management platform, vertical domain IT and communication system CT	50,000	20,000	5,000,000	61.35%	45,080	5,000,000	(6,894)	(2,967)	
Marketech International Corp.	MIC Healthcare Korea Co., Ltd.	Republic of Korea	R&D, sales and professional technical services of medical devices and components; general international trade and import and export business.	8,321	-	700,000	100.00%	5,880	700,000	(2,465)	(2,465)	
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Cayman	Share holding and reinvestment business	1,323,049	1,323,049	40,966,604	100.00%	1,664,389	40,966,604	295,166	-	
Marketech Engineering Pte. Ltd.	Marketech Integrated Construction Co., Ltd.	Myanmar	Share holding and reinvestment business	19,342	19,342	63,500	97.69%	(854)	63,500	(1,987)	-	
MIC-Tech Ventures Asia Pacific Inc.	Russky H.K. Limited	Hong Kong	Share holding and reinvestment business	34,551	34,551	833,000	100.00%	21,451	833,000	22,121	-	
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co. Limited	Hong Kong	Share holding and reinvestment business	31,422	31,422	2,337,608	100.00%	3,153	2,337,608	(1,760)	-	
MIC-Tech Ventures Asia Pacific Inc.	MICT International Limited	Hong Kong	Share holding and reinvestment business	132,282	132,282	5,400,000	60.00%	30,409	5,400,000	(11,932)	-	
MIC-Tech Ventures Asia Pacific Inc.	Leader Fortune Enterprise Co., Ltd.	Samoa	Share holding and reinvestment business	8,990	8,990	303,000	31.43%	(3,067)	303,000	1,090	-	
MIC-Tech Ventures Asia Pacific Inc.	Fortune Blessing Co., Limited	Hong Kong	Share holding and reinvestment business	45,985	45,985	500,000	27.78%	8,233	500,000	(9,742)	-	
Russky H.K. Limited	PT Marketech International Indonesia	Indonesia	Trading of machinery, equipment and spare parts	32	32	1,000	0.08%	28	1,000	(447)	-	
S&T AG, Austria	S&T CEE Holding s.r.o., Slovakia	Bratislava, SK	IT Services	(167,393)	(187,182)	1,881,565	100.00%	15,485,786	1,881,565	208,753	208,753	
S&T CEE Holding s.r.o., Slovakia	S&T CZ s.r.o., Czech Republic	Prague, CZ	IT Services	256,419	286,709	49,500,000	99.00%	6,560,605	49,500,000	35,725	35,368	
S&T CEE Holding s.r.o., Slovakia	S&T Plus s.r.o., Czech Republic	Prague, CZ	IoT Solutions Europe	14,756	16,494	9,900,000	99.00%	2,817,064	9,900,000	29,285	28,992	
S&T CEE Holding s.r.o., Slovakia	S&T Services Polska Sp.z.o.o., Poland	Warsaw, PL	IT Services	83,040	92,838	2,120	100.00%	2,257,869	2,120	10,788	10,788	

Name of investor	Name of investee	Location	Primary  Business	Original Investment Amount		Held at the end of the period			Mid-term maximum	Profit or loss of the investee for the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value	Shares held			
S&T CEE Holding s.r.o., Slovakia	S&T Crna Gora d.o.o., Montenegro	Podgoriza, ME	IT Services	1,037	1,156	25,000	100.00%	1,033,899	25,000	4,895	4,895	
S&T CEE Holding s.r.o., Slovakia	S&T Bulgaria e.o.o.d., Bulgaria	Sofia, BG	IoT Solutions Europe	39,806	44,510	13,126	100.00%	2,846,095	13,126	26,357	26,357	
S&T CEE Holding s.r.o., Slovakia	S&T Poland Sp.z.o.z., Poland	Warsaw, PL	IT Services	-	-	26,974	100.00%	19,678,595	26,974	223,231	223,231	
S&T CEE Holding s.r.o., Slovakia	S&T Slovenija d.d., Slovenia	Ljubljana, SL	IT Services	485,970	543,370	31,410	100.00%	9,651,431	31,410	184,493	184,493	
S&T Slovenija d.d., Slovenia	S&T Hrvatska d.o.o., Croatia	Zagreb, HR	IT Services	34,267	38,312	221,300	100.00%	14,523,550	221,300	75,011	75,011	
S&T Slovenija d.d., Slovenia	S&T Macedonia d.o.o.e.l., Macedonia	Skopje, MK	IT Services	2,676	2,977	568,000	100.00%	4,365,908	568,000	15,695	15,695	
S&T AG, Austria	S&T Plus s.r.o., Czech Republic	Prague, CZ	IoT Solutions Europe	2,872	3,222	100,000	1.00%	28,455	100,000	29,285	293	
S&T AG, Austria	S&T CZ s.r.o., Czech Republic	Prague, CZ	IT Services	1,923	2,136	500,000	1.00%	66,269	500,000	35,725	357	
S&T AG, Austria	S&T Romania S.R.L., Romania	Bucharest, RO	IT Services	101,073	113,010	2,461	31.00%	2,283,138	2,461	45,084	13,976	
S&T AG, Austria	S&T Serbia d.o.o., Serbia	Belgrade, RS	IT Services	111,586	124,776	8,786	100.00%	2,916,847	8,786	21,238	21,238	
S&T AG, Austria	S&T Albania Sh.p.k., Albania	Tirana, AL	IT Services	8,821	9,876	100	100.00%	759,483	100	7,794	7,794	
S&T AG, Austria	S&T Mold srl., Moldova	Chisinau, MD	IT Services	56,376	63,036	578,898	51.00%	4,841,281	578,898	7,042	3,591	
S&T Mold srl., Moldova	S&T IT Technologie srl., Moldova	Chisinau, MD	IT Services	76	70	50,000	100.00%	5,237	50,000	3,203	3,203	
S&T AG, Austria	S&T Consulting Hungary Kft., Hungary	Budapest, HU	IT Services	374,169	418,384	100,000	100.00%	6,425,204	100,000	13,236	13,236	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

S&T Consulting Hungary Kft., Hungary	S&T Services Kft., Hungary	Budapest, HU	IT Services	113,608	127,018	268,000	100.00%	2,398,846	268,000	14,620	14,620
S&T AG, Austria	S&T Deutschland GmbH, Germany	Mendig, DE	IT Services	266,227	297,670	25,000	100.00%	9,136,603	25,000	29,684	29,684
Kontron S&T AG, Germany	Kontron Asia Inc., Taiwan	Taipei, TW	IoT Solutions Europe	87,605	97,951	13,000	100.00%	2,690,671	13,000	21,311	21,311
S&T Deutschland GmbH, Germany	XTRO AG, Germany	Ismaning, DE	IT Services	-	87,550	-	100.00%	-	-	-	-
S&T AG, Austria	Computer Betting Company GmbH, Austria	Linz, AT	IoT Solutions Europe	1,181,946	1,321,585	36,336	100.00%	17,956,598	36,336	76,915	76,915
computer betting company gmbh, Austria	S&T Romania S.R.L., Romania	Bucharest, RO	IT Services	52,923	59,184	5,460	69.00%	5,065,230	5,460	45,084	31,108

Name of investor	Name of investee	Location	Primary  Business	Original Investment Amount		Held at the end of the period			Mid-term maximum	Profit or loss of the investee for the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value	Shares held			
computer betting company gmbh, Austria	S&T Slovakia s.r.o., Slovakia	Bratislava, SK	IT Services	218,323	244,124	1,659,696	100.00%	4,704,665	1,659,696	(8,257)	(8,257)	
S&T AG, Austria	SecureGUARD GmbH, Austria	Linz, AT	IoT Solutions Europe	74,260	83,032	92,460	69.00%	1,000,393	92,460	(3,246)	(2,240)	
Kontron Europe GmbH, Germany	Kontron Austria GmbH, Austria	Engerwitzdorf, AT	IoT Solutions Europe	2,212	2,486	3,634	10.00%	1,009,678	3,634	(5,166)	(517)	
S&T AG, Austria	S&T Smart Energy GmbH, Austria	Linz, AT	IoT Solutions Europe	-	248,852	-	100.00%	-	-	-	-	
S&T AG, Austria	Amanox Solutions AG; Switzerland	Bern, CH	IT Services	487,900	545,542	105,000	100.00%	6,331,910	105,000	21,964	21,964	
S&T AG, Austria	Hamcos IT Service GmbH, Germany	Sigmaringen, DE	IT Services	56,445	63,106	98,000	49.00%	1,054,328	98,000	9,603	4,705	
Kontron Austria GmbH, Austria	Kontron Electronics AG, Switzerland	Rotkreuz, CH	IoT Solutions Europe	-	-	1,000	100.00%	(2,339,354)	1,000	(9,583)	(9,583)	
S&T AG, Austria	Kontron Austria GmbH, Austria	Engerwitzdorf, AT	IoT Solutions Europe	230,039	147,854	32,702	90.00%	9,087,101	32,702	(5,166)	(4,649)	
S&T AG, Austria	Kontron Technologies GmbH(Original: S&T Technologies GmbH), Austria	Linz, AT	IoT Solutions Europe	387,694	132,130	35,000	100.00%	11,093,469	35,000	494	494	
S&T AG, Austria	S&T MEDTECH SRL(Original: GADA GROUP ROMANIA SRL), Romania	Bucharest, RO	IoT Solutions Europe	365,656	408,859	105,000	100.00%	9,334,064	105,000	(23,433)	(23,433)	
S&T AG, Austria	S&T Services Bel LLC	Minsk, BYN	IT Services	16,857	18,841	113,267	100.00%	554,924	113,267	(9,288)	(9,288)	
Kontron Europe GmbH, Germany	Kontron Electronics GmbH, Germany	Grosbettling, DE	IoT Solutions Europe	603,270	674,555	102,150	100.00%	20,647,432	102,150	20,989	20,989	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Kontron electronics GmbH, Germany	Kontron Electronics Kft.	Kapoly, HU	IoT Solutions Europe	4,541	5,078	3,000,000	100.00%	2,050,748	3,000,000	(9,716)	(9,716)	
Kontron Beteiligungs GmbH	Kontron Europe GmbH	Ismaning, DE	IoT Solutions Europe	6,557,617	7,332,313	23,600,000	100.00%	105,397,250	23,600,000	23,503	23,503	Note IV
Kontron Europe GmbH, Germany	Kontron America Inc.	SAN DIEGO / USA	IoT Solutions America	557,191	623,006	2,036,040	100.00%	6,853,760	2,036,040	(293,141)	(293,141)	
Kontron Europe GmbH, Germany	Kontron Canada Inc.	BOISBRI ND / CANADA	IoT Solutions America	1,885,863	2,108,659	50,000,200	100.00%	33,235,304	50,000,200	(15,453)	(15,453)	
Kontron Europe GmbH, Germany	Kontron Asia Pacific Design Sdn. Bhd.	PENANG / MALAYSI A	IoT Solutions Europe	158,833	177,586	44,581,102	100.00%	(3,652,908)	44,581,102	(3,090)	(3,090)	

Name of investor	Name of investee	Location	Primary  Business	Original Investment Amount		Held at the end of the period			Mid-term maximum	Profit or loss of the investee for the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value	Shares held			
Kontron Europe GmbH, Germany	Kontron Technology Beijing Co. Ltd.	BEIJING / CHINA	IoT Solutions Europe	28,760	32,148	15,398,961	100.00%	13,273,465	15,398,961	47,909	47,909	
Kontron Europe GmbH, Germany	Kontron Modular Computers S.A.S.	Toulon / France	IoT Solutions Europe	161,557	180,633	344,503	100.00%	5,500,561	344,503	(2,311)	(2,311)	
Kontron Europe GmbH, Germany	Kontron UK Ltd.	Chichester / UK	IoT Solutions Europe	53,609	59,954	172,550	100.00%	4,068,904	172,550	2,758	2,758	
Kontron Europe GmbH, Germany	Kontron ECT design s.r.o.	Pilsen / Czech Republic	IoT Solutions Europe	-	-	500,000	100.00%	-	500,000	(6,152)	(6,152)	
S&T AG, Austria	Affair OOO, Russia	Moscow, RU	IoT Solutions Europe	183,848	205,567	4,800,000	48.00%	3,720,595	4,800,000	66	32	
Affair OOO, Russia	RTSoft Project OOO, Russia	Moscow, RU	IoT Solutions Europe	207,828	232,393	372,500	74.50%	5,669,668	372,500	4,156	3,096	
S&T AG, Austria	Kontron Transportation GmbH	Vienna, AT	IoT Solutions Europe	341,447	381,788	10,000,000	100.00%	11,743,427	10,000,000	346,505	346,505	
Kontron Transportation Austria AG	Kapsch CarrierCom Sp. z o.o.	Warsaw, PL	IoT Solutions Europe	-	-	100,000	100.00%	(1,311,158)	100,000	38,797	38,797	
Kontron Transportation Austria AG	Kontron Transportation Espana, S.L.	Madrid, Spain	IoT Solutions Europe	-	-	250,000	100.00%	298,410	250,000	(1,244)	(1,244)	
Kontron Transportation Austria AG	Kontron Transportation Portugal - Unipessoal LDA	Lisboa, Portugal	IoT Solutions Europe	-	-	5,000	100.00%	1,222,174	5,000	(1,123)	(1,123)	
Kontron Asia Inc.	Kontron Transportation Taiwan Co., Ltd	Taipei, TW	IoT Solutions Europe	-	-	50,000,000	100.00%	105,566	50,000,000	5,221	5,221	
Kontron Transportation Austria AG	Kontron Transportation s.r.o.	Prague, CZ	IoT Solutions Europe	-	-	30,400,000	100.00%	2,200,020	30,400,000	5,410	5,410	Note IV

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Kontron Transportation Austria AG	Kontron Transportation Hungary Kft.	Budapest, HU	IoT Solutions Europe	-	-	67,000,000	100.00%	(1,021,166)	67,000,000	(11,539)	(11,539)
Kontron Transportation Austria AG	Kapsch CarrierCom Saudi Arabia LLC	Riyadh, SA	IoT Solutions Europe	-	-	475,000	95.00%	163,142	475,000	(1,809)	(1,719)
Kontron Transportation France S.A.S.	Kontron Transportation Saudi for Comstraction LLC	Riyadh, SA	IoT Solutions Europe	-	-	25,000	5.00%	8,586	25,000	(1,809)	(90)
Kontron Transportation Austria AG	Kontron Transportation Deutschland GmbH	Neu-Isenbur g, GE	IoT Solutions Europe	-	-	25,000	100.00%	(3,425,358)	25,000	7,755	7,755
Kontron Technology Beijing Co. Ltd.	Kontron (Beijing) Information and communication Technology Co., Ltd	BEIJING / CHINA	IoT Solutions Europe	-	-	1,000,000	100.00%	-	1,000,000	(5,351)	(5,351)



Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Mid-term maximum	Profit or loss of the investee for the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value	Shares held			
Kontron Transportation Austria AG	Kontron Transportation France S.A.S	Paris, FR	IoT Solutions Europe	-	-	8,600,000	100.00%	5,779,702	8,600,000	115,416	115,416	
Kontron Transportation Austria AG	Kontron Transportation UK Ltd.	Harrow, UK	IoT Solutions Europe	-	-	415,950	100.00%	2,693,183	415,950	12,429	12,429	
S&T AG, Austria	Kontron Public Transportation(Original: Kontron Transportation Belgium NV)	Diegem, BE	IoT Solutions Europe	-	-	11,318,887	99.97%	(1,784,372)	11,318,887	6,400	6,398	
S&T AG, Austria	S&T IT Services S.R.L.	Chisinau, MD	IT Services	-	456,276	-	51.00%	-	-	41,478	21,154	
S&T AG, Austria	Kontron AIS GmbH	Dresden, Germany	IoT Solutions Europe	412,644	461,389	51,000	100.00%	11,828,609	51,000	18,022	18,022	
S&T AG, Austria	Kontron Beteiligungs GmbH	Augsburg, DE	IoT Solutions Europe	6,581,759	7,335,254	25,001	100.00%	209,657,367	25,001	1,314,663	1,314,663	
S&T AG, Austria	CITYCOMP Service GmbH	Ostfildern, DE	IoT Solutions Europe	532,460	210,120	255,900	100.00%	18,907,532	255,900	42,158	42,158	
S&T AG, Austria	FinTel Holding d.o.o. & co k.d., holdinska družba	Kranj, SI	IoT Solutions Europe	938,578	1,049,444	2,179,070	100.00%	2,233,219	2,179,070	(9)	(9)	
S&T AG, Austria	FinTel holding d.o.o.	Kranj, SI	IoT Solutions Europe	957,131	1,072,211	601,838	100.00%	1,238,623	601,838	(150)	(150)	
FinTel Holding d.o.o. & co k.d., holdin?ka dru?ba / FinTel holding d.o.o.	Iskratel d.o.o.	Kranj, SI	IoT Solutions Europe	67,861	75,888	109,275	100.00%	60,012,999	109,275	(17,996)	(17,996)	
Iskratel d.o.o.	ITS Skopje	Skopje, MK	IoT Solutions Europe	12,424	13,903	309,200	100.00%	150,672	309,200	52	52	
ITS Skopje	ITS Softver d.o.o.	Skopje, MK	IoT Solutions Europe	157	175	309,000	100.00%	234,609	309,000	1,173	1,173	
Iskratel d.o.o.	IskraCom	Almaty, KZ	IoT Solutions Europe	-	-	15,365,000	100.00%	42,108	15,365,000	(2,043)	(2,043)	
Iskratel d.o.o.	OOO Iskratel Tashkent	Tashkent,	IoT Solutions Europe	60	70	8,798,207	76.00%	226,206	8,798,207	(1,605)	(1,220)	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Iskratel d.o.o.	AO Iskra Ura Tel Yekaterinburg	UZ Yekaterinburg, RU	IoT Solutions Europe	35,422	39,608	760,000	48.40%	3,128,118	760,000	12,811	6,201
Iskratel d.o.o.	Iskratel Ukrain LTD	Kiew, UA	IoT Solutions Europe	5,638	6,304	10,938,820	100.00%	211,785	10,938,820	5,000	5,000
Kontron Technologies GmbH	HC Solutions GesmbH	Linz, AT	IoT Solutions Europe	-	-	-	100.00%	-	-	-	-
S&T Deutschland GmbH, Germany	Axino Solutions GmbH	Aachen, DE	IT Services	52,801	-	2,300,000	100.00%	2,956,145	2,300,000	40,459	40,459
CITYCOMP Service GmbH	PSB IT-Service GmbH	Ober-Morlen, DE	IT Services	-	-	255,646	100.00%	(121,925)	255,646	(3,883)	(3,883)

Name of investor	Name of investee	Location	Primary  Business	Original Investment Amount		Held at the end of the period			Mid-term maximum	Profit or loss of the investee for the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value	Shares held			
S&T AG, Austria	S&T Austria GmbH	Wien, AT	IT Services	1,096	-	35,000	100.00%	33,164	35,000	(58)	(58)	
S&T Romania srl.	Enterprise Concept S.R.L	Bukarest, RO	IT Services	78,300	-	1,010	100.00%	2,492,745	1,010	(1,058)	(1,058)	
Iskratel d.o.o.	BeelN d.o.o.	Kranj, SI	IoT Solutions Europe	235	-	7,500	75.00%	(392,717)	7,500	(16,996)	(12,747)	

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 by Kontron Beteiligungs GmbH, Germany through the establishment of Kontron S&T AG, Germany.

**Ennoconn Technology Co., Ltd. and Subsidiaries**  
**Information on Investments in Mainland China**  
**For the Year Ended December 31, 2021**

Table VIII

Unit: NT\$ thousand

## (I) Name, major businesses and related information about investees in Mainland China:

Name of the investee in Mainland China  Company name	Primary Business  Item	Paid-in  Capital	Investment  mode	Accumulated investment amount remitted out of Taiwan at the beginning of the period  Accumulated investment amount	Investment amount of outward remittance or collection for the period		Accumulated investment amount remitted out of Taiwan at the end of the period  Accumulated investment amount	Current gain (loss) of the investee company during the period  Profit or loss of the investee for the period	The Company's shareholding ratio of direct or indirect investment  Shareholdings (%)	Mid-term maximum  Shareholdings (%)	Investment recognized for the period  Profits/losses	Carrying amount of the investment at the end of the period  Value	Repatriated investment income by year end  Investment profits
					Outflow	Inflow							
Nanjing Asiatek Inc.	Engage in the research, development and sales of software and hardware products, and provide installation, commissioning and technical consultation.	83,550	(2)	29,094	-	-	29,040	452	100.00%	100.00%	452	249,113	-
Shenzhen Asiatek INC.	Engage in R&D, production and sales of electronic materials required for software and hardware products	110,780	(3)	-	-	-	-	27,143	70.00%	70.00%	19,000	114,630	-
Shenzhen pictographic Technology Co., Ltd.	Sales of mechanical equipment and accessories, molds, etc.	64,650	(3)	-	-	-	-	(21,174)	20.00%	20.00%	(4,235)	36,093	-
Ennoconn (Foshan) Investment Co., Ltd.	Professional investment	483,087	(2)	271,524	-	-	271,524	(93)	100.00%	100.00%	(93)	502,540	-
Ennoconn (Suzhou) Technology Co., Ltd.	R&D, production and sales of industrial computers	835,500	(2)	835,800	-	-	835,800	(27,056)	100.00%	100.00%	(27,056)	854,771	-
Ennoconn (Kunshan) Technology Co., Ltd.	Intelligent technology development and hardware sales	2,155	(3)	-	-	-	-	3,042	70.00%	70.00%	2,129	13,616	-
Ennoconn Investment Co., Ltd.	Professional investment	557,000	(2)	557,200	-	-	557,200	(1,243)	100.00%	100.00%	(1,243)	574,932	-
Beijing Caswell Ltd.	Production of electronic monitoring products and network communication products.	105,830	(1)	86,781	-	-	86,781	30,489	26.05%	26.05%	6,513	56,247	-
HighAim Technology Inc.	Design, development and production of various molds, servers and communication equipment.	278,500	(2)	302,086	-	-	302,086	(9,990)	66.05%	66.05%	(6,599)	356,594	-
Kunshan HiaiM Intelligent Equipment Co., Ltd.	Leasing, sales and after-sales service of intelligent machines, equipment and their accessories.	4,310	(3)	-	-	-	-	(9,990)	66.05%	66.05%	(6,598)	(2,319)	-
HighAim Technology (Shenzhen) Inc.	Automatic fixtures, inspection tools and molds	11,637	(3)	-	-	-	-	(2,361)	66.05%	66.05%	(1,599)	(2,349)	-
Goldtek Technology	R&D, wholesale and processing of	359,840	(2)	262,960	96,880	-	359,840	(267,644)	56.74%	56.74%	(151,861)	24,405	-

(Shenzhen) Co., Ltd.	electronic products and intelligent home security system equipment.												
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## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Name of the investee in Mainland China  Company name	Primary Business  Item	Paid-in  Capital	Investment  mode	Accumulated investment amount remitted out of Taiwan at the beginning of the period  Accumulated investment amount	Investment amount of outward remittance or collection for the period		Accumulated investment amount remitted out of Taiwan at the end of the period  Accumulated investment amount	Current gain (loss) of the investee company during the period  Profit or loss of the investee for the period	The Company's shareholding ratio of direct or indirect investment  Shareholdings (%)	Mid-term maximum  Shareholdings (%)	Investment recognized for the period  Profits/losses	Carrying amount of the investment at the end of the period  Value	Repatriated investment income by year end  Investment profits
					Outflow	Inflow							
Techno Hardware (Shenzhen) Co., Ltd.	Stamping / assembly	81,627	(3)	-	-	-	-	(2,659)	22.87%	22.87%	(608)	10,706	-
T-Paragon Hardware (Shenzhen) Co., Ltd.	Zinc / aluminum alloy die casting	17,745	(3)	-	-	-	-	4,696	11.43%	11.43%	537	16,144	-
Shenzhen Shengrong Plastic Co., Ltd.	Plastic, metal mold manufacturing, production and marketing	34,752	(3)	-	-	-	-	(1,319)	16.01%	16.01%	(211)	5,871	-
T-MAXX Technology Co., Ltd.	Intelligent home security system equipment	10,647	(3)	-	-	-	-	(950)	22.87%	22.87%	(217)	2,451	-
MIC-Tech (WuXi) Co., Ltd.	Design, manufacturing, installation and maintenance services of semiconductor components and crystal special equipment, electronic components special equipment and environmental pollution prevention and control equipment; assembly of special packaging equipment and refrigeration equipment; barbecue oven assembly	705,840	(2)	567,440	-	-	567,440	40,207	44.04%	44.55%	17,939	25,267	-
MIC-Tech (Shanghai) Corp.	Semiconductor production, maintenance of semiconductor equipment, testing equipment and consumables, wholesale, commission agency, import and export of power generation boilers and other related supporting businesses; warehousing and distribution business focusing on chemical and boiler products	228,111	(2)	13,840	-	-	13,840	146,165	44.04%	44.55%	64,371	281,913	-
Fuzhou Jiwei System Integrated Co., Ltd.	Dust-free room and power system equipment, piping system equipment installation and related supporting services	8,304	(2)	8,304	-	-	8,304	(346)	44.04%	44.55%	(152)	(944)	-
Shanghai Maohua Electronics Engineering Co., Ltd.	Design, installation, debugging and technical services of pesticide control and regeneration, pipeline system and related facilities for semiconductor manufacturing industry, equipment maintenance for semiconductor manufacturing industry, and technical consultation of electronic and medical devices	16,608	(2)	16,691	-	-	16,691	25,468	38.31%	38.76%	9,758	8,329	-

Name of the investee in Mainland China  Company name	Primary Business  Item	Paid-in  Capital	Investment  mode	Accumulated investment amount remitted out of Taiwan at the beginning of the period  Accumulated investment amount	Investment amount of outward remittance or collection for the period		Accumulated investment amount remitted out of Taiwan at the end of the period  Accumulated investment amount	Current gain (loss) of the investee company during the period  Profit or loss of the investee for the period	The Company's shareholding ratio of direct or indirect investment  Shareholdings (%)	Mid-term maximum  Shareholdings (%)	Investment recognized for the period  Profits/losses	Carrying amount of the investment at the end of the period  Value	Repatriated investment income by year end  Investment profits
					Outflow	Inflow							
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	487,694	(2)	235,834	-	-	235,834	72,327	44.04%	44.55%	31,853	266,761	-
Frontken-MIC (Wuxi) Co., Ltd.	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;	63,885	(2)	25,554	-	-	25,554	(1,755)	44.04%	44.55%	(773)	-	-
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.	193,760	(2)	107,952	-	-	107,952	(11,932)	26.42%	26.73%	(3,153)	13,087	-
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 business	41,520	(2)	41,520	-	-	41,520	27,645	44.04%	44.55%	12,175	26,544	-

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Name of the investee in Mainland China	Primary Business	Paid-in	Investment	Accumulated investment amount remitted out of Taiwan at the beginning of the period	Investment amount of outward remittance or collection for the period		Accumulated investment amount remitted out of Taiwan at the end of the period	Current gain (loss) of the investee company during the period	The Company's shareholding ratio of direct or indirect investment	Mid-term maximum	Investment recognized for the period	Carrying amount of the investment at the end of the period	Repatriated investment income by year end
Company name	Item	Capital	mode	Accumulated investment amount	Outflow	Inflow	Accumulated investment amount	Profit or loss of the investee for the period	Shareholdings (%)	Shareholdings (%)	Profits/losses	Value	Investment profits
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 business; international trade, entrepot trade, trade between enterprises in the bonded area and trade agents in the area	26,487	(2)	8,325	-	-	8,325	1,090	13.84%	14.00%	151	(1,352)	-
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	33,216	(2)	13,840	-	-	13,840	(9,728)	12.23%	12.38%	(1,190)	1,596	-



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## (II) Investment quota in Mainland China:

	<b>Accumulated Outward Remittance for Investment from Taiwan to Mainland China - End of the Period</b>	<b>Investment Amount Approved by the Investment Commission of the Ministry of Economic Affairs</b>	<b>Investment Amount Approved by the Investment Commission of the Ministry of Economic Affairs</b>
Ennoconn Technology Co., Ltd.	1,692,966	2,606,446	
Goldtek Technology Co., Ltd.	644,195	644,195	
CASWELL, INC.	86,781	86,781	
Ennoconn International Investment Co., Ltd.	301,978	301,978	
Marketech International Corp.	1,084,773	1,807,973	

Note1: 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.

Note2: 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 accountant in Taiwan.

C. Others.

Note 3: The conversion rate is the spot average exchange rate of the Bank of Taiwan on December 31, 2021.

Note4: It is a non-significant associate, and its financial statements not audited by certified public accountants shall not have a significant impact.

Stock Code: 6414

**Ennoconn Technology Co., Ltd.**  
**Parent Company Only Financial**  
**Statements and Independent Auditors'**  
**Report**  
**2021 and 2020**

**Address : 3F. ~ 6F., No. 10, Jiankang Rd., Zhonghe Dist., New Taipei City**  
**Tel: (02)5590-8050**



## Table of Contents

Item	PAGE
1.Cover	1
2.Table of Contents	2
3.Independent Auditors' Report	3
4.Balance Sheets	4
5.Statements of comprehensive income	5
6.Statements of changes in equity	6
7.Statements of Cash Flows	7
8.Notes to parent company only financial statements	
(a)Company Overview	8
(b)Date and Procedure of Authorization of Financial Statements	8
(c)Application of New and Amended Standards and Interpretations	8～9
(d) Summary of Significant Accounting Policies	10～24
(e) Significant Accounting Judgments, Estimates, and Key Sources of Uncertainty over Assumptions	24～25
(f)Details of Significant Accounts	25～55
(g) Related Party Transactions	55～59
(h) Pledged Assets	59
(i) Significant Contingent Liabilities and Unrecognized Contract Commitments	59
(j) Significant Disaster Loss	59
(k)Significant Events after the Balance Sheet Date	60
(l) Others	60～61
(m) Supplementary Disclosure	
1. Information on Significant Transactions	61～62, 63～81
2.Information on Reinvestment	62, 82～90
3. Information on Investments in Mainland China	62, 91～94
4. Information on Major Shareholders	62
(n) Segment Information	62
9.Statements of Major Accounting Subjects	95～105

## **Independent Auditors' Report**

To Ennoconn Corporation      For general public information:

### **Audit Opinion**

We have audited the accompanying parent company only balance sheets of Ennoconn Corporation ("the Company") as of December 31, 2021 and the parent company only statements of comprehensive income, changes in equity and cash flows, and notes to parent company only financial statements (including summary on significant accounting policies) for the years then ended.

In our opinions, based on our audit results and the audit reports of other auditors (please refer to the Other Matters section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with the Regulations Governing Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

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

### **OTHER MATTERS**

The Corporation's parent company only financial statements for the year ended December 31, 2020 were audited by other auditors, who then issued a review report containing the unqualified opinion and the Other Matters section on March 29, 2021.

However, as stated in Note 6 (1) to the financial statements, Ennoconn Corporation announced a major message on March 23, 2022, stating that Ennoconn Corporation found an employee suspected of forging documents and misappropriating the Company's assets, resulting in a shortage of cash and equivalent cash as of December 31, 2020. However, Ennoconn Corporation did not revise and restate the parent only company financial statements for the year of 2020, and the former CPA did not re-audit and certify the parent company only financial statements. If Ennoconn Corporation correctly recognized related accounting subjects in 2020, the cash and cash equivalent as of December 31, 2020 was reduced by NT\$64,209 thousand, other current assets increased by NT\$2,768 thousand and undistributed surplus decreased by NT\$61,441 thousand. Ennoconn Corporation has adjusted relevant asset accounts and undistributed earnings at the beginning of 2021.

In the 2021 parent company only financial statements, some of the financial statements evaluated by the equity method of the invested companies are reviewed by other certified accountants. Therefore, our opinion on the parts in relation to the amounts specified in the 2021 parent company only financial statements of such company was solely based on the audit reports of other auditors. The investment balance of these investees under the equity method on December 31, 2021 were NT\$7,505,534 thousand, accounting for 32.33% of the total consolidated assets; the comprehensive income recognized under the equity method from Jan 1, 2021 to Dec 31, 2021 were NT \$366,507 thousand, accounting for 26.47% of net profit before tax.

### **Key Audit Matters**

In our professional judgment, key audit matters are ones that were of most significance in our audit

of the parent company only financial statements of Ennoconn Corporation for the year ended December 31, 2021. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters. In our judgement, key audit matters that shall be communicated on the audit report are as follows:

**Investment impairment by the equity method**

Please refer to note 4 (12) impairment of non-financial assets in the parent company only financial statements for the accounting policy of impairment of investment by the equity method; for the uncertainty of accounting estimates and assumptions of investments by the equity method, please refer to note 5 (3) impairment assessment of investments by the equity method in the parent company only financial statements; please refer to note 6 (6) of the parent company only financial statements for information disclosure related to investments by the equity method.

**Description of major audit items:**

Ennoconn Corporation reinvests in related companies using the equity method to expand marketing places and increase product lines. In accordance with IAS 36 "Impairment of Assets", the management has impairment evaluation tests, and adopts the fair value less the cost of sale as the recoverable amount. As the impairment assessment has a significant impact on the financial statements and involves a high degree of uncertainty in the measurement and calculation by the management, the impairment assessment of investments by the equity method is a focus for our CPA in the audit of financial statements.

**Corresponding audit procedures:**

The CPA's main audit procedures for the above key audit matters include understanding the design and implementation of relevant internal control of the management, reviewing and checking the correctness of the calculation of recoverable amount and book value, performing sensitivity analysis, and comprehensively evaluating the rationality of the impairment evaluation of investment based on the equity method.

**Responsibilities of management and governance body for the parent company only financial statements**

The responsibility of the management is to prepare a properly expressed parent company only financial statements in accordance with the standards for the preparation of financial reports of securities issuers, and to maintain the necessary internal control related to the preparation of the parent company only financial statements, so as to ensure that there are no material misstatements in the parent company only financial statements due to fraud or error.

When preparing the parent company only financial statements, the responsibility of the management also includes evaluating the ability of Ennoconn Corporation to continue as a going concern, the disclosure of relevant matters, and the adoption of the accounting basis for continuing its business, unless the management intends to liquidate Ennoconn Corporation or suspend its business, or there is no viable scheme outside of liquidation or suspension of business.

Those in charge with Ennoconn Corporation's governance (including the Audit Committee) are responsible for overseeing its financial reporting process.

### **Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements**

The purpose of our audit is to provide reasonable assurance that the parent company only financial statements as a whole do not contain material misstatements arising from fraud or errors, and to issue an independent auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Generally Accepted Auditing Standards in the Republic of China will always detect a material misstatement in parent company only financial statements when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial reports.

We have utilized our professional judgment and maintained professional skepticism when exercising auditing work according to GAAS. We perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the parent company only financial statements; design and execute counter-measures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of failing to detect a material misstatement resulting from fraud is higher than for one resulting from error.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If the CPA concludes that a material uncertainty exists in such events or circumstances, the CPA is required to draw attention in the auditor's report to the related disclosures in the parent company only financial statements, or if such disclosures are inadequate, the CPA will modify the auditor's opinion. The CPA's conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future vents or conditions may cause Ennoconn Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements fairly represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to Ennoconn Corporation.

Matters communicated between us and the governing bodies include the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).



From the matters communicated with governing bodies, we determine the key audit matters within the audit of the Company's parent company only financial statements for the year ended December 31, 2021. We have clearly indicated such matters in the independent auditors' report. Unless legal regulations prohibit the public disclosure of specific items, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

KPMG

CPAs:

Securities and	Taiwan-Finance-Securities-VI-
Futures	: 0930106739
Commission	Financial Supervisory
Approval No.	Commission No.1040003949
March 31, 2022	

		December 31, 2021		December 31, 2020					
Assets		Amount	%	Amount	%				
<b>Current assets:</b>									
1100	Cash and cash equivalents (Notes 6(1) and (21))	\$ 1,355,059	6	531,134	3				
1110	Financial assets measured at fair value through profit and loss - current (see Note 6(2)(21))	4,343	-	-	-				
1136	Financial assets measured at amortized cost - current (see Note 6(3)(21))	4,225	-	289,873	1				
1170	Accounts receivable, net (Notes 6(4)(18)(21))	540,586	2	209,649	1				
1180	Accounts receivable - related parties (Notes 6(4)(18)(21) and 7)	246,805	1	460,062	2				
130X	Inventories (Note 6(5))	457,845	2	222,104	1				
1470	Other current assets (Note 6(10))	380,434	2	143,980	1				
<b>Total Current Assets</b>		2,989,297	13	1,856,802	9				
<b>Non-Current Assets:</b>									
1510	Financial assets measured at fair value through profit and loss - non-current (see Note 6(2)(21))	300	-	9,016	-				
1550	Investments accounted for using equity method (Notes 6(6))	19,623,935	85	19,065,111	89				
1600	Property, plant and equipment (Notes 6 (7))	504,566	2	517,081	2				
1755	Right-of-use assets (Notes 6(8))	-	-	11,440	-				
1821	Intangible assets (Notes 6(9))	44,485	-	1,052	-				
1840	Deferred tax assets (Note 6(15))	52,222	-	59,844	-				
1990	Other non-current assets (Notes 6(10)(14))	1,042	-	2,186	-				
<b>Total non-current assets</b>		20,226,550	87	19,665,730	91				

**Ennoconn Technology Co., Ltd.**  
**Statements of comprehensive income**  
**For the Years Ended December 31, 2021 and 2020**

**Unit: NT\$ 1,000**

		<b>2021</b>		<b>2020</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4100	<b>Net sales revenue (Notes 6(18) and 7))</b>	\$ 3,343,018	100	2,547,970	100
5110	<b>Sales costs (Notes 6(4)(7)(8)(9)(14) and 7)</b>	2,970,816	89	2,238,998	88
5900	<b>Gross profit</b>	372,202	11	308,972	12
5910	Less: Unrealized gain from sales	5,842	-	10,890	-
5920	Add: Realized gains from sales	10,890	-	29,694	1
	<b>Gross profit, net</b>	377,250	11	327,776	13
	<b>Operating Expenses (Notes 6(3)(7)(8)(9)(14) and 7):</b>				
6100	Selling Expenses	81,302	2	74,785	3
6200	General and administrative expenses	138,273	4	77,606	3
6300	Research and development expense	88,537	3	85,725	3
6450	Expected credit gains (losses)	11	-	25,620	1
	<b>Total operational expenses</b>	308,123	9	263,736	10
6900	<b>Net operating profit</b>	69,127	2	64,040	3
	<b>Non-operating income and expenses (Notes 6(6)(20)):</b>				
7100	Interest income	577	-	3,417	-
7010	Other income	3,755	-	3,336	-
7020	Other gains and losses	(38,000)	(1)	30,013	1
7050	Financial costs	(125,599)	(4)	(136,875)	(5)
7070	Profit or loss of subsidiaries under equity method	1,474,726	44	1,191,081	47
	<b>Total non-operating revenue and expenses</b>	1,315,459	39	1,090,972	43
7900	<b>Net profit before tax</b>	1,384,586	41	1,155,012	46
7950	<b>Less: Income tax expense (Note 6 (15))</b>	49,642	1	43,488	2
8200	<b>Net income for the year</b>	1,334,944	40	1,111,524	44
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Remeasurement of defined benefit plan	27	-	(24)	-
8330	Other comprehensive income/(loss) of subsidiaries under equity method	(13,876)	-	(8,730)	(1)
8349	Less: Income tax relating to items that will not be reclassified to profit or loss	5	-	(5)	-
	<b>Total of components of other comprehensive income that will not be reclassified subsequently to profit or loss</b>	(13,854)	-	(8,749)	(1)
8360	<b>Components of other comprehensive income that will be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(738,853)	(22)	(156,815)	(6)
8380	Other comprehensive income/(loss) of subsidiaries under equity method	(212)	-	301	-
8399	Less: Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	<b>Total of components of other comprehensive income that will be reclassified subsequently to profit or loss</b>	(739,065)	(22)	(156,514)	(6)
8300	<b>Other comprehensive income of the period</b>	(752,919)	(22)	(165,263)	(7)
	<b>Total comprehensive income for the period</b>	<b>\$ 582,025</b>	<b>18</b>	<b>946,261</b>	<b>37</b>
9750	<b>Basic earnings per share (Unit: NT\$) (Notes 6(17))</b>	<b>\$ 13.91</b>		<b>12.13</b>	
9850	<b>Diluted earnings per share (Unit: NT\$) (Notes 6(17))</b>	<b>\$ 11.05</b>		<b>9.64</b>	

(Please refer to Notes to the Parent Company Only Financial Statements)

Chairman: Chu, Fu-Chuan

Manager: Neng-Chi Tsai

Chief Accountant: You-Mei Wu

**Ennoconn Technology Co., Ltd.**  
**Statements of changes in equity**  
**For the Years Ended December 31, 2021 and 2020**

Unit: NT\$ 1,000

	Share Capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Other Equity Interest		Total	Treasury stock	Total equity
							Exchange differences on translating the financial statements of foreign operations	Unrealized valuation gain or loss of financial assets measured at fair value through other comprehensive income			
<b>Balance as of January 1, 2020</b>	\$ 835,745	6,339,752	535,830	384,452	1,211,091	2,131,373	(777,744)	(72,370)	(850,114)	(236,232)	8,220,524
Net income for the year	-	-	-	-	1,111,524	1,111,524	-	-	-	-	1,111,524
Other comprehensive income of the period	-	-	-	-	(8,247)	(8,247)	(156,514)	(502)	(157,016)	-	(165,263)
Total comprehensive income for the period	-	-	-	-	1,103,277	1,103,277	(156,514)	(502)	(157,016)	-	946,261
Earnings appropriation and distribution:											
Provision for Legal reserve	-	-	108,024	-	(108,024)	-	-	-	-	-	-
Provision for Special reserve	-	-	-	465,662	(465,662)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(331,678)	(331,678)	-	-	-	-	(331,678)
Stock dividends of common stock	82,919	-	-	-	(82,919)	(82,919)	-	-	-	-	-
Conversion of convertible corporate bonds	14,056	335,001	-	-	-	-	-	-	-	-	349,057
Treasury stock buyback	-	-	-	-	-	-	-	-	-	2,624	2,624
Changes in ownership interests in subsidiaries	-	63,337	-	-	-	-	-	-	-	-	63,337
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	3,794	3,794	-	(3,794)	(3,794)	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as of December 31, 2020</b>	932,720	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
Effect of retrospective application and retrospective restatement	-	-	-	-	(61,441)	(61,441)	-	-	-	-	(61,441)
Beginning Amount After Restatement	932,720	6,738,090	643,854	850,114	1,268,438	2,762,406	(934,258)	(76,666)	(1,010,924)	(233,608)	9,188,684
Net income for the year	-	-	-	-	1,334,944	1,334,944	-	-	-	-	1,334,944
Other comprehensive income of the period	-	-	-	-	4,647	4,647	(739,065)	(18,501)	(757,566)	-	(752,919)
Total comprehensive income for the period	-	-	-	-	1,339,591	1,339,591	(739,065)	(18,501)	(757,566)	-	582,025
Earnings appropriation and distribution:											
Provision for Legal reserve	-	-	110,707	-	(110,707)	-	-	-	-	-	-
Provision for Special reserve	-	-	-	160,810	(160,810)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(480,785)	(480,785)	-	-	-	-	(480,785)
Convertible corporate bonds converted to common shares	-	84,825	-	-	-	-	-	-	-	-	84,825
Compensation costs of employee stock options	-	15,345	-	-	-	-	-	-	-	-	15,345
Capital increase by cash	50,000	925,000	-	-	-	-	-	-	-	-	975,000
Changes in ownership interests in subsidiaries	-	215,750	-	-	-	-	-	-	-	-	215,750
Issuance of new shares by the transferred companies	35,400	886,770	-	-	(698,556)	(698,556)	-	-	-	-	223,614
<b>Balance as of December 31, 2021</b>	<b>\$ 1,018,120</b>	<b>8,865,780</b>	<b>754,561</b>	<b>1,010,924</b>	<b>1,157,171</b>	<b>2,922,656</b>	<b>(1,673,323)</b>	<b>(95,167)</b>	<b>(1,768,490)</b>	<b>(233,608)</b>	<b>10,804,458</b>

**Ennoconn Technology Co., Ltd.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2021 and 2020**

**Unit: NT\$ 1,000**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from (used in) operating activities:</b>		
Profit before income tax	\$ 1,384,586	1,155,012
<b>Adjustments:</b>		
Adjustments for:		
Depreciation expenses	13,870	20,262
Amortization expense	3,400	1,001
Expected credit gains (losses)	11	25,621
Net loss (profit) from financial assets and liabilities at fair value through loss (profit)	4,405	(34,985)
Interest costs	125,599	136,875
Interest income	(577)	(3,417)
Share-based payment compensation	15,345	-
Profit or loss of subsidiaries and associates under equity method	(1,474,726)	(1,191,081)
Inventory price loss (recovery gain)	39,436	(37,346)
Unrealized sales profits	5,842	10,890
Realized gains from sales	(10,890)	(29,694)
Unrealized loss on foreign exchange	10,984	35,305
Loss on buyback of corporate bonds	2,189	-
Gain on revised lease	(28)	-
Error correction	(61,441)	-
Total adjustments to reconcile profit (loss)	(1,326,581)	(1,066,569)
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	(120,414)	(69,153)
Inventory	(275,176)	(35,874)
Other current assets	(239,023)	1,735
Notes payable	(102,954)	118,132
Other Payables	197,104	42,412
Other current liabilities	112,559	(29,305)
Others	-	(5)
Total adjustments	(1,754,485)	(1,038,627)
Cash generated from/(used in) operations	(369,899)	116,385
Interest received	577	3,033
Interest paid	(105,931)	(40,610)
Income taxes paid	(8,930)	(263)
<b>Net cash inflow (outflow) from/to operating activities</b>	(484,183)	78,545

(Please refer to Notes to the Parent Company Only Financial Statements)

Chairman: Chu, Fu-Chuan

Manager: Neng-Chi Tsai

Chief Accountant: You-Mei Wu

**Cash flows from investing activities:**

Purchase of financial assets at amortized cost	\$ -	(287,698)
Proceeds from sale of financial assets at amortized cost	285,648	-
Acquiring property, plant and equipment	(1,835)	(7,676)
Disposal of property, plant and equipment	3,593	-
Decrease (increase) in refundable deposits	1,173	(119)
Acquired intangible assets	(46,833)	(520)
Increase (decrease) in equipment prepayment	(2)	3,150
Dividends received	607,373	724,648

**Cash flows from investing activities, net**

	849,117	431,785
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**Cash flows from financing activities:**

Increase (decrease) in short-term borrowings	(2,366,000)	46,000
Proceeds from issuance of convertible corporate bonds	2,501,355	-
Repayment of corporate bonds payables	(205,283)	-
Increase (decrease) in guarantee deposits	48,647	(21)
Repayment of lease principal	(3,419)	(6,791)
Issuance of common shares for cash	(480,785)	(331,678)
Capital increase by cash	975,000	-

**Net cash inflow (outflow) from financing activities**

	469,515	(292,490)
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EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH and cash equivalents HELD IN FOREIGN CURRENCIES

	(10,524)	(28,365)
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NET INCREASE IN CASH AND CASH EQUIVALENTS

	823,925	189,475
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Cash and cash equivalents, beginning of period

	531,134	341,659
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Ending balance of cash and cash equivalents

\$	1,355,059	531,134
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**Ennoconn Technology Co., Ltd.**  
**Notes to parent company only financial statements**  
**2021 and 2020**

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

**I. GENERAL INFORMATION**

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, Jiangkang 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.

**II. Date and Procedure of Authorization of Financial Statements**

The parent company only financial statements were approved by the Board of Directors and authorized for issue on March 31, 2022.

**III. Application of New and Amended Standards and Interpretations**

(a) The Standards endorsed and issued into effect by the Financial Supervisory Commission (FSC) and interpretations adopted

The Company adopts the amendments to the International Financial Reporting Standards (IFRS) from January 1, 2021, which did not result in significant changes on the parent company only financial reports.

- Amendment to IFRS4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS 39, IFRS7, IFRS4, and IFRS 16 - "Interest Rate Benchmark Reform - Phase 2"
- Amendment to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

(b) IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

The Company adopts the amendments to the International Financial Reporting Standards (IFRS) from January 1, 2022, which did not result in significant changes on the parent company only financial reports.

- Amendment to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"
- Amendment to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018--2020
- Amendments to IFRS3 "Reference to the Conceptual Framework"

- (c) Newly-released amendments and interpretations but not yet endorsed and issued into effect by the FSC

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

The influence to the Company is summarized below:

<b>New, Revised or Amended Standards and Interpretations</b>	<b>Major amendments</b>	<b>Effective Date Issued by IASB</b>
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, and if the above assets or former subsidiaries meet the definition of "business", the consolidated company shall fully recognize the profit or loss arising from such transactions; if the above assets or former subsidiary do not comply with the definition of "business", the unrealized profits and losses shall be calculated according to the shareholding ratio, and part of the profits or losses shall be deferred.	To be decided by IASB
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping the Company determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.  The amendments include clarifying the classification requirements for debt the Company might settle by converting it into equity.	January 1, 2023
Amendment to IAS 1, Disclosure of Accounting Policies	Major amendments to IAS1 include: · This amendment prescribes that the company shall disclose its "significant" accounting policies, instead of "material" accounting policies. · Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed by the Company; and · Not all accounting policy information relating to material transactions, other events or conditions is itself material to financial reports.	January 1, 2023



**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

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 amendment also stipulates that the company shall establish accounting estimates to achieve the purpose of its applicable accounting policies, so as to clarify the relationship between accounting policies and accounting estimates.	January 1, 2023
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The Company is 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.

The Company expects that the following other newly issued and revised standards that have not been recognized will not have a significant impact on the parent company only financial statements.

- IFRS 17 Insurance Contracts and its amendments
- Amendments to IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

#### **IV. Summary of Significant Accounting Policies**

Significant accounting policies adopted during the preparation of the parent company only financial statements are described as follows: The following accounting policies have been consistently applied to all expression periods of this parent company only financial statement.

##### **(a) Statement of Compliance**

The parent company only financial statements have been prepared in conformity with the Regulation of Financial Reports by Securities Issuers.

##### **(b) Basis of Preparation**

###### **1. Measurement bases**

The parent company only financial statements have been prepared on the historical cost basis except for significant items in the balance statement:

- (1) Financial assets measured at fair value through profit or loss;
- (2) Financial assets at fair value through other comprehensive profit or loss measured at fair value;
- (3) Net defined benefit liabilities are measured by deducting the present value of defined benefit obligations from the fair value of retirement fund assets and the upper limit impact amount described in notes 4 (15).

###### **2. Functional currency and expressive currency**

Each entity under the Company takes the currency of the primary economic environment in which each operation is located as its functional currency. This parent company only financial report is expressed in the functional currency of the Company, i.e. new Taiwan dollars. All financial information expressed in New Taiwan dollars refers to New Taiwan dollars.

##### **(c) Foreign Currency**

###### **1. Transactions in foreign currency**

Foreign currency is converted into functional currency according to exchange rate on the date of transaction. At the end of each subsequent reporting period (hereinafter referred to as the Reporting Date), foreign currency monetary items are converted into functional currency at the exchange rate prevailing on that day. Non-monetary items measured at fair value in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of fair value measurement, while non-monetary items measured at historical cost in foreign currency are translated at the exchange rate prevailing on the date of the transaction.

The foreign currency exchange difference resulting from the conversion is recognized to be other comprehensive income excepting for the following situations, otherwise, recognized to be gains and losses.

- (1) Equity instruments designated as measured at fair value through other comprehensive income.
- (2) Financial liabilities designated as a net investment hedge for a foreign operating entity are within the effective range of the hedge; or
- (3) Eligible cash flow hedges are within the effective range of the hedge.

###### **2. Foreign operating organizations**

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

The assets and liabilities of foreign operating organizations, including the business reputation and fair value adjustment during the acquisition, are converted to be NTD according to exchange rate on the report day; gains and losses are converted into NTD according to exchange rate in the current period, and the resultant conversion difference is recognized to be other comprehensive income.

In case of the loss of control, joint control or material influences arising from the disposal of foreign operating organizations, the accumulated conversion differences related to the foreign operating organizations shall be fully reclassified as gains and losses. In case of subsidiary company of foreign operating organizations involved in the disposal, the related accumulated conversion differences shall be reclassified as non-controlling interests in proportion. In case of affiliated company or joint ventures of foreign operating organizations involved in some of the disposal, related accumulated conversion differences shall be fully reclassified as gains and losses in proportion.

As to the receivable and payable monetary items of foreign operating organizations, if without the repayment plan or the possibility of repayment in foreseeable future, the resultant gains and losses from foreign currency conversion shall be regarded as a part of net investments to the foreign operating organizations as recognized as other comprehensive income.

(d) Standards for classifying current and non-current assets and liabilities

Assets meeting one of the following conditions are recognized as current assets, and other assets not belonging to current assets are recognized as non-current assets:

1. Those that are expected to be realized during the normal operating period of the consolidated company or intended to be sold or consumed;
2. Those held mainly for the purpose of transaction;
3. Those expected to be realized within 12 months after the balance sheet; or
4. The asset is cash or a cash equivalent, unless the asset is to be used for an exchange or to settle a liability, or otherwise remains restricted, at more than 12 months after the balance sheet date.

Assets meeting one of the following conditions are recognized as current liabilities, and other liabilities not belonging to current liabilities are recognized as non-current liabilities:

1. Those expected to be paid off during the normal operating period of the Company;
2. Those held mainly for the purpose of transaction;
3. Those expected to be realized within 12 months after the balance sheet; or
4. Those that shall not allow the consolidated company to unconditionally extend the liquidation period to at least 12 months. Liabilities for liquidation arising from the issuing of equity instruments in accordance with the clauses chosen by the transaction counterpart will not affect their classification.

(e) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents are the

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and short-term high liquidity. Certificate of deposit which satisfy the foregoing definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**(f) Financial Instrument**

Accounts receivable are recognized at the time of generation. All other financial assets and financial liabilities were initially recognized when the company became a party to the terms of the financial instrument agreement. Financial assets that are not measured at fair value through profit or loss (except for accounts receivable, which do not contain a significant financial component) or financial liabilities are measured at fair value plus the transaction cost directly attributable to the acquisition or issuance. Accounts receivable, which do not contain significant financial components, are initially measured at transaction prices.

## 1. Financial assets

The purchase or sale of financial assets by a conventional trader, the company shall treat all purchases and sales of financial assets classified in the same manner in accordance with the transaction date or the settlement date.

At the time of the initial recognition, financial assets were classified as : financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, equity instrument investments measured at fair value through other comprehensive income, or financial assets measured at fair value through gains and losses. The Company will only change its business model for managing financial assets from the first day of the next reporting period to classify all affected financial assets.

### (1) Financial assets as measured at amortized cost

Financial assets are measured at amortized cost when they simultaneously meet the following conditions and are not specified to be measured at fair value through profit or loss:

- The financial asset is held under a business model for the purpose of collecting contractual cash flow.
- The cash flow generated by the terms of the contract on the financial asset at the specific date is solely for the payment of the principal and the interest on the outstanding principal amount.

The cumulative amortization of such assets is subsequently calculated by the effective interest method plus or minus the initial amount recognized, and the amortized cost of any loss allowance is adjusted. Interest income, foreign exchange gains and losses and impairment losses are recognized as gains and losses. When derecognized, the profit or loss shall be included in the profit or loss.

### (2) Financial assets measured at fair value through other comprehensive income

When the debt instrument investment simultaneously meets the following conditions and is not specified to be measured at fair value through profit and loss, it is measured at fair value through other consolidated profit and loss:

- The financial asset is held under a business model for the purpose of collecting contractual cash flow and selling.
- The cash flow generated by the terms of the contract on the financial asset at the specific date is solely for the payment of the principal and the interest on the outstanding principal amount.

The Company holds part of the accounts receivable under the "hold to collect and sell" business model to collect and sell the contractual cash flow, so these

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

accounts are measured at fair value through other comprehensive profits and losses. However, it is reported under accounts receivable.

The Company may, at the time of its initial recognition, irrevocably choose to report the subsequent changes in their fair value of its non-tradable equity instrument investments to other consolidated profits and losses. The foregoing selection is made on an item-by-item tool basis.

Debt instrument investors are measured by fair value afterwards. Interest income, foreign exchange gains and losses and impairment losses calculated by the effective interest method are recognized as gains and losses calculated by the effective interest method are recognized as gains and losses, while the remaining net gains or losses are recognized as other comprehensive income. When derecognizing, the accumulated amount of other comprehensive income shall be reclassified into comprehensive income.

Equity instrument investors are measured by fair value afterwards. Dividend income (unless it clearly represents the recovery of a portion of the investment cost) is recognized as a profit or loss. The remaining net benefits or losses are recognized as other comprehensive income and are not reclassified into gains and losses.

Dividend income from equity investments is recognized on the date (usually ex-dividend date) when the Company becomes entitled to receive dividends.

(3) Financial assets measured at fair value through profit and loss

Financial assets that are not measured at fair value at the above amortized cost or through other comprehensive income are measured at fair value through gains and losses, including derivative financial assets. The Company intends to sell accounts receivable immediately or in the near term is measured at fair value through profit or loss, but included in accounts receivable. The Company may, at the time of its initial recognition, irrevocably designate financial assets that meet the criteria of measuring at fair value according to the amortized cost or through other comprehensive income as financial assets measured at fair value through gains and losses in order to eliminate or substantially reduce improper accounting matching.

Such assets are subsequently measured at fair value and their net gains or losses (including any dividends and interest income) are recognized as gains or losses.

(4) Evaluate whether the cash flow of the contract is fully paid for the interest on the payment of the principal and the amount of outstanding principal

For evaluation purposes, the principal is the fair value of the financial asset at the time of its initial recognition, and the interest is made up of the following considerations: the time value of the money, the credit risk associated with the amount of outstanding principal in circulation during a particular period, and other basic lending risks and costs and profit margins.

To evaluate whether the contract cash flow is fully paid for interest on the principal and the outstanding principal amount, the Company considers the terms of the financial instrument contract, including whether the financial asset contains a contract term that can change the point or amount of the cash flow of the contract, causing it to fail to meet this condition. In the evaluation, the Company considers:

- any contingencies that change the timeliness or amount of the cash flow of the contract;
- the terms of the coupon rate may be adjusted, including the nature of the variable rate;
- the nature of prepayment and extension; and
- claims of the Company are limited to cash flow terms derived from specific assets (e.g. non-recourse nature).

(5) Impairment of financial assets

The Company recognizes the allowance for credit losses for the financial assets measured at amortized cost (including cash and equivalent cash, financial assets, notes and accounts receivable, other receivables, finance lease receivables, deposits and other financial assets after measured at amortized cost), the expected credit losses of debt instrument investments, receivables



**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

and contract assets measured at fair value through other comprehensive profit or loss.

The following financial assets are measured against losses according to the expected credit loss amount of 12 months, and the rest are measured according to the expected credit loss amount of the existing period:

- determine that the credit risk of the debt securities on the reporting date is low; and
- The credit risk of other debt securities and bank deposits (i.e. the risk of default during the expected life of financial instruments) has not increased significantly since the initial recognition.

The allowance for accounts receivable loss and contract assets is measured in terms of the expected credit loss during the period of existence.

In determining whether credit risk that increased significantly since the initial recognition, the Company considers reasonable and verifiable information (available at no excessive cost or investment), including qualitative and quantitative information, as well as analysis based on the Company's historical experience, credit assessment and forward-looking information.

If the contract payment is overdue for more than 30 days, the Company assumes that the credit risk of financial assets has increased significantly.

If the contract payment is overdue for more than 365 days, or the borrower is unlikely to fulfill its credit obligations and pay the full amount to the company, such financial assets will be deemed as default.

If the credit risk rating of a financial instrument is equivalent to the "investment grade" defined worldwide (Standard & Poor's BBB-, Moody's Baa3 or Taiwan Ratings twA, or higher than those grades), the Company considers such debt securities with a low credit risk.

Expected credit loss during the lifetime of a financial instrument refers to the expected credit losses that result from all possible default events over the life of the financial instrument.

12-month expected credit loss refers to the expected credit loss arising from the possible default of the financial instrument within 12 months after the date of the report (or a shorter period, if the expected duration of the financial instrument is shorter than 12 months).

The longest contract period during which the expected credit loss is measured is the longest contract period during which the Company is exposed to credit risk.

The expected credit loss is the probabilistic weighted estimate of the credit loss during the expected life of the financial instrument. Credit losses are measured in terms of the present value of all cash shortfalls, the difference between the cash flows that the Company can collect under the contract and the cash flows that the Company expects to collect. The expected credit loss is discounted at the effective interest rate of the financial asset.

On each reporting date, the Company evaluates whether there is a credit impairment in the debt securities on which financial assets are measured at amortized cost and on which fair value is measured through other

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

comprehensive income. When one or more events have occurred that adversely affect the estimated future cash flow of a financial asset, the financial asset has suffered a credit impairment. Evidence of credit impairment of financial assets includes observable information relating to:

- major financial difficulties of the borrower or issuer,
- default, such as delay or delay beyond a specified period;
- for economic or contractual reasons related to the borrower's financial difficulties, the Company gives the borrower concessions that the borrower would not have considered;
- The borrower is likely to file for bankruptcy or other financial restructuring; or
- The active market for the financial asset disappears due to financial difficulties.

The loss allowance for a financial asset measured at its amortized cost is deducted from carrying amount of the asset. The allowance for losses on debt instrument investment is measured at fair value through other comprehensive income. It is adjusted and recognized as other comprehensive income (without reducing the carrying amount of the assets).

When the Company cannot reasonably expect to recover the financial assets as a whole or in part, it will directly reduce the total book amount of its financial assets. For individual accounts, the Company's policy is to write off the total book amount when the financial assets are overdue for more than one year based on the past recovery experience of similar assets. For corporate accounts, the Company shall analyze the date and amount of the write-off on the basis of whether it is reasonable to expect recovery. The Company does not expect a significant reversal of the write-off. However, financial assets that have been written off may still be enforced to comply with the procedures of the Company for recovering overdue amounts.

(6) Financial assets de-recognition

When the Company terminates the contractual rights from the cash flow of such assets or has transferred the financial assets and almost all risks and returns of the asset ownership have been transferred to other enterprises, the Company has neither transferred nor retained substantially all the risks and rewards and the control of the financial asset is not retained, the financial assets shall be de-recognized.

Transactions in which the Company enters into transfers of financial assets that retain all or substantially all of the risks and rewards of ownership of the transferred assets continue to be recognized on the balance sheet.

## 2. Financial liabilities and equity instruments

(1) Classification of liabilities or equity

The debt and equity instruments issued by the Company are classified as financial liabilities or equity according to the contract agreement and the definition of financial liabilities and equity instruments.

(2) Equity transaction

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The equity instruments issued by the Company are recognized at the amount of the price obtained after deducting the direct issuance cost.

(3) Treasury stock

When repurchasing the equity instruments recognized by the Company, the consideration paid (including directly attributable costs) is recognized as a decrease in equity. The repurchased shares are classified as treasury stocks. For subsequent sale or reissue of treasury stocks, the amount received is recognized as an increase in equity, and the surplus or loss generated by the transaction is

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

recognized as capital reserve or retained surplus (if the capital reserve is insufficient to offset).

**(4)Compound financial instruments**

The compound financial instruments issued by the Company are convertible corporate bonds (denominated in New Taiwan dollars) with the option to be converted into share capital, and the number of shares issued will not vary with the change of their fair value.

The initially recognized amount of the liability component of composite financial instruments is measured by the fair value of similar liabilities excluding equity conversion rights. The initially recognized amount of the equity component is measured by the difference between the fair value of the overall compound financial instrument and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liabilities and equity components in proportion to the book value of the initial liabilities and equity.

After the initial recognition, the liability component of compound financial instruments is measured at amortized cost using the effective interest method. The equity components of compound financial instruments shall not be re measured after the initial recognition.

Interest related to financial liabilities is recognized as profit or loss. Financial liabilities are reclassified as equity at the time of conversion, and the conversion is not recognized as profit or loss.

(5) Financial liabilities

Financial liabilities are classified as amortized costs or measured at fair value through profit or loss. Financial liabilities which are held for trading, derivatives or specified at the time of their original recognition are classified as being measured at fair value through profit or loss. Financial liabilities, measured at fair value through profit and loss, are measured at fair value, and the associated net benefits and losses, including any interest expense, are recognized as profit and loss.

The effective subsequent interest method for other financial liabilities is measured at the amortized cost. Interest expenses and exchange gains and losses are recognized as gains and losses. Any benefit or loss at the time of discounting is also considered as profit or loss.

(6) De-recognition of financial liabilities

The Company derecognizes financial liabilities when contractual obligations have been fulfilled, cancelled or matured. When the terms of a financial liability are modified and the cash flows of the modified liability differ materially, the original financial liability is derecognized and a new financial liability is recognized at fair value based on the modified terms.

When de-recognizing financial liabilities, the difference between carrying amount and the sum of paid or payable considerations (including any transferred non-cash capital or assumed liabilities) shall be recognized as gains and losses.

(7) Offset between financial assets and liabilities

Financial assets and financial liabilities can be offset with each other and represented on the balance sheet with net value only when the Company has legal rights to offset and has the intention to deliver with net value as well as realize capital and liquidate the liabilities.

(8) Financial guarantee contract

Financial guarantee contract refers to a contract in which the issuer must make

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

specified payments to reimburse the holder for a loss it incurs if a specified debtor fails to repay according to the terms of the debt instrument.

For financial guarantee contracts issued by the Company and not designated as measured at fair value through profit or loss, the initial measurement is based on its fair value minus the directly attributable transaction costs, and the subsequent measurement is based on the higher of the following: (a) Amount of allowance for loss in accordance with IFRS 9; and (b) where appropriate, the amount initially recognized shall be deducted from the amount of accumulated income recognized in accordance with the following income principles.

**3. Derivative financial instruments and hedge accounting**

The Company holds derivative financial instruments to avoid foreign currency and interest rate risks. Embedded derivatives are separated from the main contract when specific conditions are met and the main contract is not a financial asset.

Derivative instruments are initially recognized at fair value and subsequently measured at fair value, and the resulting gain or loss is recognized directly in profit or loss.

(g) Inventory

Inventory shall be measured with the lower of the costs and net realizable value. The costs include the acquisition, production and processing costs enabling them to arrive at the available places and status and other costs, which are calculated based on the first-come, first-out principle. The costs of the inventory of finished products and products in process include the manufacturing costs amortized based on normal production capacity according to proper percentage.

Net realizable value refers to the estimated prices under normal operation deducting estimated costs to be needed for estimated completion and estimated costs to be needed for competing selling.

(g) Investments in associates

Affiliated enterprises refer to those that the Company has a significant impact on its financial and operating policies, but are not controlled or jointly controlled.

The Company adopts the equity method to deal with the equity of related enterprises. Under the equity method, the initial acquisition is recognized at cost, and the investment cost includes the transaction cost. The book amount of investment in affiliated enterprises includes the goodwill recognized at the time of the initial investment, less any accumulated impairment losses.

The parent company only financial statement includes the amount of profit and loss and other comprehensive profit and loss of each investment related enterprise recognized by the Company according to the equity ratio from the date of significant influence to the date of loss of significant influence, after the adjustment consistent with the accounting policies of the Company. When the equity changes of non profit and loss and other comprehensive profits and losses of affiliated companies do not affect the shareholding ratio of the Company, the Company recognizes the equity changes attributable to the company's share of affiliated enterprises as capital reserve according to the shareholding ratio.

Unrealized benefits and losses arising from transactions between the Company and affiliated companies are recognized in the Company's financial statements only to the extent that they are not related to the investors' interests in affiliated companies. When the loss share of the affiliated companies that should be recognized by the Company in proportion is equal to or exceeds its equity in the affiliated companies, the loss will not be recognized, and recognize additional losses and related liabilities only within the scope of legal obligations, constructive obligations or payments



**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

made on behalf of the invested company.

The Company ceases to adopt the equity method from the date when its investment ceases to be an affiliated companies, and measures the retained equity according to the fair value. The difference between the fair value and disposal price of the retained equity and the book amount of the investment on the date when the Company discontinues the use of the equity method is recognized in the current profit and loss. For all amounts previously recognized in other comprehensive profits and losses related to the investment, the basis of accounting treatment is the same as that of affiliated companies if they directly dispose of relevant assets or liabilities. Namely, If the benefit or loss previously recognized in other comprehensive profit or loss is required to be reclassified as profit or loss (or retained earnings) when disposing of relevant assets or liabilities, when the Company discontinues the use of the equity method, the benefit or loss is reclassified from equity to profit or loss (or retained earnings). If the company's ownership interest in affiliated enterprises decreases, but the equity method continues to apply, the consolidated company will reclassify and adjust the interests or losses related to the reduction of ownership interest and previously recognized in other comprehensive profits and losses according to the reduction proportion in the above way.

If the company's investment in affiliated companies becomes an investment in joint ventures or an investment in joint ventures becomes an investment in affiliated companies, the Company will continue to apply the equity method without remeasuring the retained equity.

When an affiliated enterprise issues new shares, if the company fails to subscribe according to the shareholding ratio, resulting in a change in the shareholding ratio, resulting in an increase or decrease in the net equity value of the investment, the increase or decrease shall be adjusted to the capital reserve and the investment using the equity method; if the adjustment is to offset the capital reserve, but the balance of the capital reserve generated by the investment using the equity method is insufficient, the difference will be debited to the retained surplus. However, if the company fails to subscribe according to the shareholding ratio, resulting in the reduction of its ownership interest in the affiliated enterprise, the amount previously recognized in other comprehensive profits and losses related to the affiliated enterprise is reclassified according to the reduction ratio, and its accounting treatment basis is the same as that the affiliated companies must follow if it directly disposes of relevant assets or liabilities.

(h)Property, plant and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

Significant components of property, plant and equipment are treated as separate items (major components) when they have different life cycles.

Gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent costs

Subsequent expenses are capitalized only when it is probable that future economic benefits will flow into the Company.

3. Depreciation

Depreciation is calculated based on the cost of the asset less its residual value and is recognized in profit or loss using the straight-line method over the estimated useful life of each component.

The land is not subject to depreciation.

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

(1)Buildings	2~55 years
(2)Machinery	3~15 years
(3)Leasehold improvement	2~9 years
(4)Other equipment	2~10 years

The Company reviews the method of depreciation, durability and residual value at each reporting date and makes appropriate adjustments as necessary.

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

**(i)Leasing**

The Company shall assess whether the contract is a lease or includes a lease on the date of formation of the contract. If the contract transfers control over the use of the identified assets for a period of time in exchange for consideration, the contract shall be a lease or includes a lease.

**1. The lessee**

The Company recognizes the right-of-use assets and lease liabilities on the beginning date of the lease. Right-of-use are initially measured in terms of cost, which includes the initial measured amount of lease liabilities, adjusts the lease beginning date or before payment of any rent payment, and the initial direct costs, and applied to removing the asset and restoring its locating or the estimated cost of the underlying assets. It minuses the charge of any lease incentives at the same time.

Depreciation of right-of-use assets following the commencement of the lease shall be carried out by the straight-line method at the end of the useful life of right-of-use assets or earlier at the end of the lease term. In addition, the Company will periodically evaluate whether there is any loss of right-of-use assets and deal with any loss that has occurred, and adjust the right-of-use assets in the case of lease liabilities.

Lease liabilities are defined as the present value of lease benefits not yet paid at lease commencement date. If the implied lease rate is easy to determine, the discount rate will be that rate, and if not, the incremental borrowing rate of the Company will be used. Generally speaking, the Company adopts its incremental borrowing rate as the discount rate.

Lease benefits measured in lease liabilities include:

- (1) fixed payments, including substantive fixed payments;
- (2) depending on the variation of a certain index or rate of rent payment, the index or rate on the commencement date of the lease shall be used as the original measurement;
- (3) the guaranteed amount of salvage value expected to be paid.
- (4) the price at which the option to exercise the option to purchase or terminate the lease will be reasonably determined or the penalty to be paid.

Lease liabilities is then calculated using effective interest method, and the amount was measured when:

- (1) changes in the index or rate used to determine lease payments result in changes in future lease payments;
- (2) the guaranteed amount of the residual value expected to be paid has changed;
- (3) the evaluation of the underlying asset purchase option has changed;
- (4) the estimate of whether to exercise the option of extension or termination has changed, which leads to the change of the assessment of the lease period;
- (5) modification of the subject matter, scope or other terms of the lease.

Lease liabilities are remeasured due to the aforementioned changes in the index or rate used to determine lease payments, changes in the residual value guarantee amount, and changes in the evaluation of purchases, extensions or termination options, the book value of right-of-use assets should be adjusted accordingly. When the book value of right-of-use assets is reduced to zero, the remaining re-measured amount is recognized in profit or loss.

For the lease modifications about the reduced coverage, the book amount of right-of-use assets will be reduced to reflect partial or total termination of lease, and the difference between the figure and the remeasured amount of lease liabilities will be included in the profit and loss.

The Company will express the right-of-use assets and lease liabilities that do not conform to the definition of investment real estate in the form of single line items in the balance sheet.

If the agreement includes lease and non lease components, the Company allocates the consideration in the contract to individual lease components based on a relatively separate price. However, when leasing land and buildings, the Company chooses not to distinguish between non-leasing components and treats the leasing components and non-leasing components as a single leasing component.

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

For short-term leases and asset leases with low value targets, the Company chooses not to recognize the right-of-use assets and lease liabilities, but recognized the relevant lease payments as expenses within the lease period on a straight-line basis.

## 2. The lessor

The transaction in which the Company is a lessor shall be classified as a financial lease or an operating lease on the date of establishment of the lease, depending on whether or not the lease contract is transferred to almost all the risks and rewards attached to the ownership of the underlying asset. In the evaluation, the Company shall consider certain indicators, including whether the lease term covers the principal part of the underlying asset's economic life.

If the agreement includes lease and non-lease components, the Company applies the provisions of IFRS 15 to apportion the consideration in the contract.

Assets held under finance leases are expressed as finance lease receivables in the amount of net lease investment. The initially direct costs arising from the negotiation and arrangement of the lease are included in the net investment in the lease. Net lease investment is amortized and recognized as interest income during the lease period in a pattern reflecting a constant periodic rate of return in each period. For operating leases, the Company recognizes the lease payments received as rental income on a straight-line basis during the lease period.

## (j) Intangible assets

### 1. Recognition and measurement

Goodwill arising from the acquisition of subsidiaries is measured at cost less accumulated impairment.

Expenditures related to research activities are recognized as profit or loss as incurred.

Development expenditure is capitalized only when it can be reliably measured, the technical or commercial feasibility of products or processes has been achieved, the future economic benefits are likely to flow into the company, and the company intends and has sufficient resources to complete the development and use or sell the assets. Other development expenditures are recognized in profit or loss as incurred. After the initial recognition, the capitalized development expenditure is measured by the amount of its cost less accumulated amortization and accumulated impairment.

Other intangible assets with a limited useful life obtained by the company, including customer relations, patent rights and trademark rights, are measured by the amount of cost less accumulated amortization and accumulated impairment.

### 2. Subsequent expenditure

The subsequent expenditure can be capitalized only when they can increase the future economic benefits of relevant specific assets. All of other expenditures are recognized as gains and losses when they occur, including the expenses for building goodwill and brand.

Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.  
(Continued)

3. Amortization

Except for goodwill, amortization is calculated based on the cost of the asset less its estimated residual value, and is recognized in profit or loss using the straight-line method over the estimated useful lives of the intangible assets from a ready-for-use condition.

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

(1) Patent rights	5 years
(2) Computer software	3~5 years

The Company reviews the method for amortization of intangible assets, durability and residual value at each reporting date and makes appropriate adjustments as necessary.

(k) Non-financial asset impairment

At each reporting date, the company assesses whether there is any indication that the carrying amount of non-financial assets (other than inventories, deferred income tax assets) may be impaired. If any indication exists, the recoverable amount of the asset is estimated. Goodwill is regularly tested for impairment every year.

For the purpose of impairment test, one group of assets whose cash inflow is largely independent of other individual assets or asset groups is regarded as the smallest identifiable asset group. The goodwill acquired in a business combination to be allocated to each of the acquirer's cash-generating unit or group of cash generating units expected to benefit from the comprehensive effect of the combination.

The recoverable amount is the higher of an asset's or cash generating unit fair value less costs of disposal and its value in use. When assessing the value in use, the estimated future cash flow is converted to the present value at the pre-tax discount rate, which should reflect the current market assessment of the time value of money and the specific risk of the asset or cash generating unit.

If the recoverable amount of an individual asset or cash generating unit is lower than the book amount, an impairment loss is recognized.

The impairment loss is recognized immediately in profit or loss, and the carrying amount of the amortized goodwill of the cash generating unit is reduced first, and then the book amount of each asset is reduced in proportion to the book amount of other assets in the unit.

Goodwill impairment losses shall not be reversed. Non-financial assets other than goodwill are only reversed to the extent that they do not exceed the carrying amount (less depreciation or amortization) determined when the impairment loss of the asset is not recognized in the previous year.

(l) Liability provisions

Liability provisions are recognized as present obligations due to past events that make it probable that the Company will need to expend economically efficient resources in the future to settle the obligation and the amount of the obligation can be reliably estimated. The provision for liabilities is discounted at the pre-tax discount rate reflecting the current market's time value of money and the risks specific to the liabilities, and the amortization of discount is recognized as interest expense.

1. Term of warranty



Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.  
(Continued)

The provision for warranty liabilities is recognized when selling goods or services. The liability provision is weighted by its relevant probability based on historical warranty information and all possible results.

2. Restructuring

The provision for restructuring liabilities is recognized when the Company approves a detailed and formal restructuring plan and begins to implement or publicly publish the restructuring plan. Future operating losses shall not be recognized as provision for liabilities.

3. Onerous contract

When the Company expects that the inevitable cost of performing the obligations of a contract exceeds the expected economic benefits from the contract, the liability provision for the onerous contract shall be recognized. The provision for liabilities is measured by the present value of whichever is lower between the estimated cost of terminating the contract and the estimated net cost of continuing the contract, and all impairment losses of assets related to the contract are recognized before the provision for onerous contract liabilities is recognized.

(m) Income recognition

1. Revenue from customer contracts

Income is measured in consideration for the expected entitlement to transfer goods or services. The Company recognizes revenue from the transfer of control of goods or services. The Company's main revenues are from the following items:

(1) the sales revenue of commodities mainly comes from the sales of industrial motherboards, information system integration products and network communication products. The Company recognizes revenue when control of products is transferred to customers. The transfer of control over the product means that the product has been delivered to the customer, the customer has full discretion over the channel and price to sell the products and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company is liable for refunding the defective products as providing the standard warranty for the goods sold, and the provision for warranty liabilities is recognized for this obligation.

The Company recognizes accounts receivable when delivering goods as the Company has an unconditional right to receive consideration from the customer.

(2) Service revenue

The Company provides product maintenance and services, and recognizes relevant income during the financial reporting period of providing services. Fixed price contracts recognize revenue based on the proportion of services actually provided to the total services as of the reporting date. If the situation changes, the estimates of revenue, cost and degree of completion will be revised, and the increase and decrease changes will be reflected in profit and loss during the period when the management is informed of the change and makes the correction.

Under a fixed price contract, the customer pays a fixed amount of money according to the agreed schedule. When the service provided exceeds the payment, it shall be recognized as contract assets; if the payment exceeds the services provided, it shall be recognized as contract liabilities.

If the contract is priced according to the number of hours of providing services, the revenue is recognized based on the amount that the Company has the right to issue invoices. The company asks for payment from customers every month and can receive consideration after issuing invoices.

(0) Employee benefits

1. Defined contribution plan

The contribution obligation of the defined contribution pension plan is recognized as an expense in the period in which the employees render service to the Company. The

Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.  
(Continued)

amount of advance appropriation will be recognized as an asset to the extent that it will lead to the return of cash or the reduction of future payments.

2. Defined benefit plan

The Company's net obligation to a defined benefit plan is measured by discounting the present value of future benefits earned by the employee's current or prior period of service, less the fair value of the plan assets.

The defined benefit obligation is actuated annually by a qualified actuary using the projected unit benefit method. When the results of the calculation are probable to be favorable to the Company, an asset is recognized to the extent of the present value of any economic benefits that may be obtained by returning a contribution from the plan or reducing future contributions to the plan. Any minimum funding requirement is taken into account in calculating the present value of economic benefits.

The remeasurement of the net defined benefit obligation, including actuarial gains and losses, compensation for plan assets (excluding interest), and any change in the impact of asset limits (excluding interest) is recognized immediately in other comprehensive income and accumulated in retained earnings. The Company determines net interest expense (income) for net defined benefit liabilities (assets) using the net defined benefit liabilities (assets) and discount rate determined at the beginning of the annual reporting period. Net interest expense and other costs for defined benefit plans are recognized in profit or loss.

When a plan is revised or curtailed, changes in benefits related to prior period service costs or curtailment gains or losses are recognized immediately in profit or loss. The Company recognizes gain or loss on the settlement of defined benefit plans when the settlement occurs.

### 3. Short-term employee benefits

Short-term employee benefit obligations are recognized as an expense when services are provided. If the Company has a present legal or constructive obligation to pay for services rendered by employees in the past and the obligation can be estimated reliably, the amount is recognized as a liability.

#### (o) Income tax

Income taxes include current and deferred income tax. Except for those related to enterprise consolidation and items directly recognized as equities or other comprehensive income, current tax and deferred income tax asset shall be recognized as gains and losses.

The Company determines that the interest or penalty related to income tax (including uncertain tax treatment) does not meet the definition of income tax, so the accounting treatment of IAS 37 is applicable.

Current income taxes include estimated income taxes payable or refund receivable based on current year taxable income (loss) and any adjustments to prior years' income taxes payable or refund receivable. The amounts that reflect the uncertainty (if any) related to income tax are measured at the best estimate of the amount

expected to be paid or received at the statutory or substantive legislative rates in effect on the reporting date.

Deferred income tax is measured and recognized according to the temporary difference between the carrying amount and taxation basis of assets and liabilities with financial report objectives. In case of any of the following situations, the temporary differences will not be recognized as deferred income tax:

1. Those not belong to the assets or liabilities originally recognized in the transaction of enterprise consolidation, and not influencing accounting profits and taxation incomes (losses) during the transaction.
2. Those generated due to investment subsidiary company and joint equities, controlled by the Company and likely to not to be reversed in the foreseeable future; and
3. Taxable temporary differences arising from the original recognition of goodwill.

For unused tax losses and unused income tax credits at the later stage of transfer, and deductible temporary differences, to the extent that there is likely to be future taxable income available for use, they are recognized as deferred income tax assets. It shall be reassessed on each reporting day, and the relevant income tax benefits shall be reduced if they are not likely to be realized; or the reduced amount shall be reversed to the extent that there is likely to be sufficient taxable income.

Deferred income tax is measured at the tax rate when the expected temporary difference is reversed, based on the statutory tax rate or substantive legislative tax rate on the reporting date, and has reflected the uncertainty related to income tax (if any).

Only when the Company meets the following conditions, the deferred income tax can offset the deferred tax liabilities:

1. Having the legal execution right to make the current income tax assets and the current tax liabilities offset with each other; and
2. Deferred income tax assets and deferred tax liabilities are related to one of the subjects of tax payment from which the same tax authority levies income tax;

(1) Same subject of tax payment; or

(2) Different subjects of tax payment, but all subjects intend to liquidate the current tax liabilities and assets based on net amount or at the same time realize assets and liquidate liabilities in each of the future periods when deferred income tax assets of major amounts are expected to be recovered and deferred tax liabilities expected to be liquidated.

(p) Earnings per share

The Company lists the basic and diluted earnings per share of holders of common stock equity of the Company. The basic earnings per share of the Company shall be calculated with the gains and losses of the holders of common stock equity of the Company divided by the weighted mean of current outstanding common shares. Diluted earnings per share shall be calculated after adjusting the influence of all potential diluted common shares of the gains and losses of the holders of common stock equity of the Company and the weighted mean of current outstanding common shares. The potential diluted common shares of the Company include convertible corporate bonds and stock options for employees.

## **V. Primary Sources of Major Accounting Judgment, Estimate and Assumption Uncertainties**

When the management prepares the parent company only financial statements, the management is required to make judgments, estimates and assumptions in preparing this parent company only financial statements, which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from estimates.

The management continuously inspects the estimate and undertaking assumption, and

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

accounting changes are recognized both the current revised period and the future period to be influenced.

The uncertainty of the following assumptions and estimates has a significant risk of causing significant adjustments to the book amounts of assets and liabilities in the next financial year, and has reflected the impact of the COVID-19 outbreak. The relevant information is as follows:

(a) Allowance for loss of accounts receivable

The allowance loss of the Company's accounts receivable is estimated based on the assumption of default risk and expected loss rate. The Company considers the historical experience, current market conditions and forward-looking estimates on each reporting day to judge the assumptions and selected input values to be used in calculating impairment.

## (b) Inventory evaluation

Since inventory must be measured at the lower of cost or net realizable value, the Company estimates the reported amount of inventory due to normal wear and tear, obsolescence, or no market sale value on a daily basis and reduces the cost of inventory to net realizable value. The inventory is evaluated mainly based on the product demand in a specific period in the future, and may change significantly due to rapid changes in the industry and the introduction of new products.

## (3) Investment impairment evaluation by the equity method

The impairment assessment process of investments using the equity method relies on the subjective judgment of the Company, including identifying cash generating units and determining the recoverable amount of relevant cash generating units.

**VI. Descriptions for important accounting items**

## (a) Cash and cash equivalents

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Cash on hand	\$ 1,746	1,865
Demand deposits and check deposits	1,353,313	529,269
Cash and cash equivalents listed on the statement	<b><u>\$ 1,355,059</u></b>	<b><u>531,134</u></b>

1. Please refer to note 6 (21) for the disclosure of interest rate risk and sensitivity analysis of the company's financial assets and liabilities.

2. On March 23, 2022, the Company announced important information stating that the Company found an employee suspected of forging documents and misappropriating the Company's assets, resulting in a shortage of cash and equivalent cash and an increase in other current assets as of December 31, 2020. If the Company recognizes that the relevant items of the year 2020 are correctly listed, the parent company only financial statement as of December 31, 2020 shall be amended and adjusted as follows:

	<b>December 31, 2020</b>	<b>Adjust effects</b>	<b>Dec 31, 2020 Amount after the adjustment</b>
Assets			
Cash and cash equivalents	\$ 531,134	(64,209)	466,925
Other current assets	143,980	2,768	146,748
Asset adjustment	<b><u>\$ 675,114</u></b>	<b><u>(61,441)</u></b>	<b><u>613,673</u></b>
Total equity			
Unappropriated earnings	\$ 1,329,879	(61,441)	1,268,438
Equity adjustment	<b><u>\$ 1,329,879</u></b>	<b><u>(61,441)</u></b>	<b><u>1,268,438</u></b>

Ennoconn Corporation has adjusted relevant asset accounts and undistributed earnings at the beginning of 2021.



**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

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

	<b>December 31,</b>	<b>December 31,</b>
	<b>2021</b>	<b>2020</b>
Financial assets measured at fair value through profit and loss:		
Non-hedging derivatives		
Redemption rights of domestic convertible corporate bonds	<b>\$ 4,643</b>	<b>9,016</b>

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Financial liabilities held for trading:		
Non-hedging derivatives		
Redemption and sale rights of domestic convertible corporate bonds	<b>\$ 598</b>	<b>118</b>

## (c) Financial assets as measured at amortized cost

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Domestic certificate of deposit	<b>\$ 4,225</b>	<b>289,873</b>

The Company's assessment is to hold these assets to the maturity date to collect the contractual cash flow, and the cash flow of these financial assets is entirely the payment of principal and interest on the amount of outstanding principal, so they are reported as financial assets measured at amortized cost.

Please refer to note 8 for details of the above financial assets as guarantees for loans and financing lines.

## (d) Notes receivable and accounts receivable

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Accounts receivable	\$ 602,190	271,242
Trade receivables - related parties	246,805	460,062
Less: Allowance for impairment loss	(61,604)	(61,593)
	<b>\$ 787,391</b>	<b>669,711</b>

The Company adopts a simplified method to estimate the expected credit loss for all notes receivable and accounts receivable, namely, it is measured by the expected credit loss during the duration. For this measurement purpose, these notes receivable and accounts receivable are grouped on the basis of shared credit risk characteristics representing the customer's ability to pay all due amounts in accordance with the terms of the contract, and have been incorporated into forward-looking information. The analysis of the expected credit loss of the Company's notes and accounts receivable is as follows:

	<b>December 31, 2021</b>	
<b>Accounts receivable carrying amount</b>	<b>Weighted average expected credit loss rate</b>	<b>Expected credit loss during the allowance</b>
\$ 698,633	0%	8

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

1~60 days past due	88,808	0.05%	42
61~150 days past due	-	30%	-
151~270 days past due	-	50%	-
271~365 days past due	-	75%	-
Over 1 year past due	34,781	100%	34,781
Default sign of trading partners	<u>26,773</u>	100%	<u>26,773</u>
	<u><b>\$ 848,995</b></u>		<u><b>61,604</b></u>

	<b>December 31, 2020</b>		
	<b>Accounts receivable carrying amount</b>	<b>Weighted average expected credit loss rate</b>	<b>Expected credit loss during the allowance</b>
Not past due	\$ 622,080	0%	-
1~60 days past due	47,581	0%	-
61~150 days past due	44	30%	13
151~270 days past due	37	50%	18
271~365 days past due	-	75%	-
Over 1 year past due	34,758	100%	34,758
Default sign of trading partners	26,804	100%	26,804
	<b><u>\$ 731,304</u></b>		<b><u>61,593</u></b>

The change in the credit loss of the Company's notes and accounts receivable is as follows:

	<b>2021</b>	<b>2020</b>
Beginning Balance	\$ 61,593	35,973
Impairment losses recognized	11	25,620
Ending Balance	<b><u>\$ 61,604</u></b>	<b><u>61,593</u></b>

As of December 31, 2020 and 2021, the Company did not use its accounts receivable asset as collateral on a loan.

Please refer to note 6 (21) for other credit risk information.

(e) Inventory

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Raw materials	\$ 385,736	175,428
Work in progress	61,433	4,757
Semi-finished products	66,422	72,334
Finished goods	43,753	47,315
Stock in hand	11	11
Inventory in transit	19,436	1,769
Less: Allowance for inventory market price decline	(118,946)	(79,510)
	<b><u>\$ 457,845</u></b>	<b><u>222,104</u></b>

The cost of goods sold includes the loss of inventory falling price in 2021 at NT\$ 39,436 thousand and unamortized manufacturing expenses NT\$18,527 thousand. The cost of goods sold includes gains on inventory value recoveries in 2020 at NT\$ 37,346 thousand and unamortized manufacturing expenses NT\$17,309 thousand.

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

As of December 31, 2020 and 2021, the Company had no inventory used as pledge guarantee.

## (f) Investments accounted for using the equity method

The investments of the Company using the equity method on the reporting date are listed as follows:

	December 31, 2021	December 31, 2020
Subsidiary	<u>\$ 19,623,935</u>	<u>19,065,111</u>

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

## (g) Property, plant and equipment

The details of changes in the cost and depreciation of the Company's real estate, plant and equipment in 2020 and 2021 are as follows:

	Land	Buildings and structures	Machiner y and equipmen t	Leasehold improvm ents	Other equipmen t	Total
Cost:						
Balance as of Jan 1, 2021	\$ 251,536	287,996	619	5,448	66,342	611,941
Additions	-	194	-	-	1,322	1,516
Disposal	-	-	(225)	(5,436)	(889)	(6,550)
Balance as of Dec 31, 2021	<u>\$ 251,536</u>	<u>288,190</u>	<u>394</u>	<u>12</u>	<u>66,775</u>	<u>606,907</u>
Balance as of Jan 1, 2020	\$ 251,536	287,996	619	-	63,758	603,909
Additions	-	-	-	5,448	2,584	8,032
Balance as of Dec 31, 2020	<u>\$ 251,536</u>	<u>287,996</u>	<u>619</u>	<u>5,448</u>	<u>66,342</u>	<u>611,941</u>
Depreciation:						
Balance as of Jan 1, 2021	\$ -	34,699	303	1,217	58,641	94,860
Depreciation of the current year	-	5,752	58	1,413	3,215	10,438
Disposal	-	-	(44)	(2,625)	(288)	(2,957)
Balance as of Dec 31, 2021	<u>\$ -</u>	<u>40,451</u>	<u>317</u>	<u>5</u>	<u>61,568</u>	<u>102,341</u>
Balance as of Jan 1, 2020	\$ -	28,881	234	-	52,347	81,462
Depreciation of the current year	-	5,818	69	1,217	6,294	13,398
Balance as of Dec 31, 2020	<u>\$ -</u>	<u>34,699</u>	<u>303</u>	<u>1,217</u>	<u>58,641</u>	<u>94,860</u>
Book value:						
December 31, 2021	<u>\$ 251,536</u>	<u>247,739</u>	<u>77</u>	<u>7</u>	<u>5,207</u>	<u>504,566</u>
December 31, 2020	<u>\$ 251,536</u>	<u>253,297</u>	<u>316</u>	<u>4,231</u>	<u>7,701</u>	<u>517,081</u>

## 1. Guarantee

As of December 31, 2020 and 2021, the Company did not use its real estate, plant and equipment as guarantees for long-term loans and financing limits.

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

(h) Right-of-use assets

The relevant information of the leased houses and buildings of the Company is as follows:

	<b>Buildings and structures</b>
Right-of-use asset costs:	
Balance as of Jan 1, 2021	\$ 20,592
Decrease	<u>(20,592)</u>
Balance as of Dec 31, 2021	<u>\$ -</u>
Balance at Jan 1, 2020 (i.e. ending balance)	<u><u>\$ 20,592</u></u>
Accumulated depreciation of right-of-use assets:	
Balance as of Jan 1, 2021	\$ 9,152
Provision for depreciation	3,432
Decrease	<u>(12,584)</u>
Balance as of Dec 31, 2021	<u>\$ -</u>
Balance as of Jan 1, 2020	\$ 2,288
Provision for depreciation	<u>6,864</u>
Balance as of Dec 31, 2020	<u><u>\$ 9,152</u></u>
Book value:	
December 31, 2021	<u><u>\$ -</u></u>
December 31, 2020	<u><u>\$ 11,440</u></u>

(i) Intangible assets

The details of changes in the cost and depreciation of the Company's intangible assets in 2020 and 2021 are as follows:

	<b>Patents</b>	<b>Computer software</b>	<b>Total</b>
Cost:			
Balance as of Jan 1, 2021	\$ -	9,169	9,169
Acquired separately	<u>42,857</u>	<u>3,976</u>	<u>46,833</u>
Balance as of Dec 31, 2021	<u><u>\$ 42,857</u></u>	<u><u>13,145</u></u>	<u><u>56,002</u></u>
Balance as of Jan 1, 2020	\$ -	8,649	8,649
Acquired separately	<u>-</u>	<u>520</u>	<u>520</u>
Balance as of Dec 31, 2020	<u><u>\$ -</u></u>	<u><u>9,169</u></u>	<u><u>9,169</u></u>
Amortization:			
Balance as of Jan 1, 2021	\$ -	8,117	8,117
Current amortization	<u>2,050</u>	<u>1,350</u>	<u>3,400</u>

Balance as of Dec 31, 2021	\$	<u>2,050</u>	<u>9,467</u>	<u>11,517</u>
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**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

	<b>Patents</b>	<b>Computer software</b>	<b>Total</b>
Balance as of Jan 1, 2020	\$ -	7,116	7,116
Current amortization	-	1,001	1,001
Balance as of Dec 31, 2020	<u>\$ -</u>	<u>8,117</u>	<u>8,117</u>
Book value:			
December 31, 2021	<u>\$ 40,807</u>	<u>3,678</u>	<u>44,485</u>
December 31, 2020	<u>\$ -</u>	<u>1,052</u>	<u>1,052</u>

As of December 31, 2020 and 2021, the Company had no intangible assets used as pledge guarantee.

(j) Other current assets and other non-current assets

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Other receivables	\$ 333,776	79,009
Current income tax assets	296	1,813
Advance payment	45,495	57,098
Refundable deposits	291	1,465
Determination of welfare assets	751	721
Other	867	6,060
	<u><b>\$ 381,476</b></u>	<u><b>146,166</b></u>

On March 23, 2022, the Company announced important information stating that the Company found an employee suspected of forging documents and misappropriating the Company's assets, resulting in a shortage of cash and equivalent cash and an increase in other current assets as of December 31, 2020. Please refer to note 6(1) for related description.

(k) Short-term loan

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Unsecured bank borrowings	\$ 2,300,000	4,410,000
Guaranteed bank loan	-	256,000
	<u><b>\$ 2,300,000</b></u>	<u><b>4,666,000</b></u>
Unused quota	<u><b>\$ 7,800,000</b></u>	<u><b>2,214,000</b></u>
Interest rate	<u><b>0.65%~1.00%</b></u>	<u><b>0.35%~1.00%</b></u>

The Company sets out the assets as pledged collateral for bank borrowings in Note 8.

## (I) Corporate bonds payable

The Company has the following balance of corporate bonds payable:

	December 31, 2021	December 31, 2020
the 2nd domestic unsecured convertible bonds	\$ -	12,135
the 3rd domestic unsecured convertible bonds	5,497,329	5,434,586
the 4th domestic unsecured convertible bonds	952,683	-
the 1st international unsecured convertible bonds	1,137,035	1,379,172
Privately placed first unsecured convertible bonds	1,466,888	-
Less: parts matured or able to exercise redemption rights within one year	(1,137,035)	(1,391,307)
Ending balance of corporate bonds payable	<u><u>\$ 7,916,900</u></u>	<u><u>5,434,586</u></u>

1. 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 conditions are as follows:

- (1) Total issuance: 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 creditors may at any time request that the convertible corporate bonds held be converted into the common shares of the Company from the following day after two months of issuance date (July 14, 2016) to the expiration date May 13, 2021, in accordance with the regulations on corporate bond conversion. The suspension period of conversion is as follows:

- A. During the book closure period, the transfer of common shares is suspended in accordance with the law.
- B. The Company will negotiate with TPEx on the period from 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 common 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 NT\$435. In the event of an increase in the shares of the Company's issued common shares, the conversion price shall be adjusted under Article 12 of the Company's

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of Jan 21, 2021, the conversion price was adjusted to NT\$338.6.

## (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 3 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 common 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, 2021, the measured amount of non-derivative financial liabilities is \$0 thousand at amortized cost, and its effective interest rate initially recognized is 1.4306%.

Issue proceeds (less transaction costs of NT\$3,395 thousand)	\$ 1,796,605
Equity components	<u>(99,172)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$1,676,592 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$20,841 thousand)	1,697,433
Interest calculated at effective interest rate of 1.4306%	59,144
corporate bonds converted into common shares	(558,808)
corporate bonds payable exercised redemption rights	(1,185,451)
Redemption of corporate bonds payable at maturity	(12,200)
Profits of valuation of financial asset	<u>(118)</u>
The liability components as of December 31, 2021	<u><u>\$ -</u></u>

2. 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:

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

- (1) Total issuance: 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 creditors may at any time request that the convertible corporate bonds held be converted into the common shares of the Company from the following day after three months of issuance date (May 27, 2019) to the expiration date February 26, 2024, in accordance with the regulations on corporate bond conversion. The suspension period of conversion is as follows:

- A. During the book closure period, the transfer of common shares is suspended in accordance with the law.
- B. The Company will negotiate with TPEx on the period from 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 common 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 NT\$272.8. In the event of an increase in the shares of the Company's issued common 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, 2021, the conversion price was adjusted to NT\$221.2.

(9) Redemption rights of the creditor:

30 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 3 months (May 27, 2019) to 40 days before the maturity date (January 17, 2024), if the closing price of the Company's common 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

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

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, 2021 and 2020, the fair value of the embedded derivative financial products were NT\$(3,944) thousand and NT\$(9,016) thousand respectively. As of December 2021, the measured amount of non-derivative financial liabilities is NT\$5,497,329 thousand at amortized cost, and its effective interest rate initially recognized is 1.1542%.

Issue proceeds (less transaction costs of NT\$4,852 thousand)	\$ 6,007,148
Equity components	<u>(332,132)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$5,665,424 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$9,592 thousand)	5,675,016
Interest calculated at effective interest rate of 1.1542%	182,331
Loss (gain) on financial commodity evaluation	(14,905)
corporate bonds converted into common shares	<u>(349,057)</u>
The liability components as of December 31, 2021	<u><b>\$ 5,493,385</b></u>

3. 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 US\$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 common shares of the Company from the following day (April 10, 2017) after 30 days of issuance date to 10 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 common 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 common 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, 2021, the conversion price was adjusted to NT\$375.87.

- (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%.



**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

(10) Redemption rights of the creditor:

From 2 years (August 30, 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 options:

After 2 years (August 30, 2019) of issuance of the corporate bonds, if 20 trading days in 30 consecutive business days of the common 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 issuer 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 issuer may redeem all the outstanding bonds in advance at the early redemption price of the issuer.

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, 2021, its measured amount of amortized cost is NT\$1,137,035 thousand, and the effective interest rate initially recognized is 2.4144%.

Issue proceeds (less transaction costs of NT\$29,142 thousand)	\$ 6,301,458
Equity components	<u>(322,635)</u>
Liability components on date of issuance	5,978,823
Interest calculated at effective interest rate of 2.4144%	317,109
corporate bonds converted into common shares	(90,841)
Corporate bonds payable exercised redemption rights	<u>(5,068,056)</u>
The liability components as of December 31, 2021	<u><b>\$ 1,137,035</b></u>

4. To meet the needs of operating development and planning and introduce long-term strategic

investment partners, the Company privately issued the first domestic unsecured convertible corporate bonds on September 2, 2021. The issuance conditions are as follows:

- (1) Total issuance: NT\$1,500,000 thousand
- (2) Face value: NT\$100 thousand each
- (3) Coupon rate: 0%
- (4) Effective interest rate: 0.931%
- (5) Book value at issuance: NT\$1,464,589 thousand
- (6) Duration: September 2, 2021 ~ September 2, 2026

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

(7) Conversion period:

Except for the suspension period of conversion, the creditors may at any time request that the convertible corporate bonds held be converted into the common shares of the Company from the following day after threemonths of issuance date (December 3, 2021) to the expiration date September 2, 2016, in accordance with the regulations on corporate bond conversion. The suspension period of conversion is as follows:

- A. During the book closure period, the transfer of common shares is suspended in accordance with the law.
- B. The Company's period from 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 common shares for cash to the record date of rights distribution.
- C. The date of capital reduction is cut off 1 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 NT\$214.9. In the event of an increase in the shares of the Company's privately issued common shares, the conversion price shall be adjusted under Article 11 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of December 31, 2021, the conversion price was adjusted to NT\$212.9.

(9) Redemption rights of the creditor:

30 days prior to the issuance of corporate bonds for three years (September 2, 2024), 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.

(10) The Company's redemption options:

From the day after the issuance of corporate bonds for 3 years (December 3, 2024) to 40 days before the maturity date (July 24, 2026), if the closing price of the Company's common 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.

(11) 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 cash on the maturity date according to the nominal amount of the bonds.

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, 2021, the fair value of the embedded derivative financial products were NT\$(300). As of December 2021, the measured amount of non-derivative financial liabilities is NT\$1,466,888 thousand at amortized cost, and its effective interest rate initially recognized is 0.9311%.

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

Issue proceeds (less transaction costs of NT\$165 thousand)	\$ 1,499,835
Equity components	<u>(35,396)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$1,464,289 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$150 thousand)	1,464,439
Interest calculated at effective interest rate of 1.1542%	2,299
Profits of valuation of financial asset	<u>(150)</u>
The liability components as of December 31, 2021	<u><b>\$ 1,466,588</b></u>

5. To meet the needs of working capital and repayment for borrowings, the Company issued the domestic fourth unsecured convertible corporate bonds on November 16, 2021. The issuance condition is as follows:

- (1) Total issuance: NT\$1,000,000 thousand
- (2) Face value: NT\$100 thousand each
- (3) Coupon rate: 0%
- (4) Effective interest rate: 1.1542%
- (5) Book value at issuance: NT\$951,494 thousand
- (6) Duration: November 16, 2021 ~ November 16, 2026
- (7) Conversion period:

Except for the suspension period of conversion, the creditors may at any time request that the convertible corporate bonds held be converted into the common shares of the Company from the following day after threemonths of issuance date (February 17, 2022) to the expiration date November 16, 2026, in accordance with the regulations on corporate bond conversion. The suspension period of conversion is as follows:

- A. During the book closure period, the transfer of common shares is suspended in accordance with the law.
- B. The Company will negotiate with TPEx on the period from 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 common 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 NT\$221.1. In the event of an increase in the shares of the Company's issued common 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, 2021, the conversion price was adjusted to NT\$219.1.

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

(9) Redemption rights of the creditor:

30 days prior to the issuance of corporate bonds for three years (November 16, 2024), 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.

(10) The Company's redemption options:

From the day after the issuance of corporate bonds for 3 years (November 17, 2024) to 40 days before the maturity date (Oct. 7, 2026), if the closing price of the Company's common 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.

(11) 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 cash on the maturity date according to the nominal amount of the bonds.

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, 2021, the fair value of the embedded derivative financial products were NT\$(200). As of December 2021, the measured amount of non-derivative financial liabilities is NT\$952,683 thousand at amortized cost, and its effective interest rate initially recognized is 1.1542%.

Issue proceeds (less transaction costs of NT\$3,480 thousand)	\$ 1,001,520
Equity components	<u>(49,428)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$951,494 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$598 thousand)	952,092
Interest calculated at effective interest rate of 1.1542%	1,189

Loss (gain) on financial commodity evaluation	(398)
The liability components as of December 31, 2021	<u><u>\$ 952,883</u></u>

(i)Leasing liabilities

The Company's carrying amount of lease liabilities:

	December 31, 2021	December 31, 2020
Current	<u><u>\$ -</u></u>	<u><u>6,853</u></u>
Non-current	<u><u>\$ -</u></u>	<u><u>4,603</u></u>

Please refer to note 6(21) financial instruments for further information on the maturity analysis of lease liabilities.



**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

Recognized lease profit/loss is below:

	<b>2021</b>	<b>2020</b>
short-term lease expenses	\$ <b>415</b>	<b>128</b>

Recognized lease on the cash flow statement is below:

	<b>2021</b>	<b>2020</b>
Total cash outflow for leases	\$ <b>3,876</b>	<b>7,050</b>

**Lease of buildings and structures**

The Company leases buildings and structures for a period of 2 to 75 years. Some leases include the option to extend the same period as the original contract at the expiration of the lease term. Some contracts also stipulate that the Company will advance the lessor's tax and insurance expenses related to the real estate, which are usually incurred once a year.

In addition, the leases of photocopiers and parking spaces leased by the Company are short-term or low value leases, and the Company chooses to apply the exemption from recognition provisions rather than recognizing relevant use-of-right assets and lease liabilities.

**(n) Employee benefits**

**1. Defined benefit plan**

The adjustment between the present value of benefit obligations and the fair value of plan assets determined by the Company is as follows:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Determine the present value of defined benefit obligations	\$ 1,258	1,252
Fair value of plan assets	(2,009)	(1,973)
Net defined benefit liabilities	\$ <b>(751)</b>	<b>(721)</b>
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Net defined benefit assets (account as other non-current assets)	\$ <b>(751)</b>	<b>(721)</b>

The Company contributes an amount to a retirement fund that is deposited with Bank of Taiwan. 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.

(1) Plan asset composition

The Company contributes the pension fund under the "Labor Standard Act", which is administered by the Bureau of Labor Funds of the Ministry of Labor. In accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the annual return of the Fund shall not be lower than the average interest rate of a 2-year-term time deposit of local banks.

As of the reporting date, the Company's retirement fund had a balance of NT\$2,009 thousand deposited at Bank of Taiwan. Please visit the website of the Bureau of Labor Funds of the Ministry of Labor for the use of labor retirement fund, including fund return and asset allocation.

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

(2) Changes in the present value of defined benefit obligations

The changes in defined benefit liabilities in 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
January 1 Defined benefit liabilities	\$ 1,252	1,215
Current service cost and interest	5	9
— Actuarial gains (losses) - changes in population statistics assumption	15	-
— Actuarial gains (losses) - changes in financial assumptions	(51)	59
— Actuarial gains (losses) - experience adjustments	37	29
Benefits paid by the plan	-	(60)
December 31 Defined benefit liabilities	<u><u>\$ 1,258</u></u>	<u><u>1,252</u></u>

(3) Changes in fair value of plan assets

The changes in the fair value of defined benefit plan in 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Jan1 fair value of plan assets	\$ (1,973)	(1,955)
Interest income	(8)	(14)
— Plan asset remuneration (excluding current interest)	(28)	(64)
Benefits paid by the plan	-	60
December 31 fair value of plan assets	<u><u>\$ (2,009)</u></u>	<u><u>(1,973)</u></u>

(4) Recognized gain (loss) expenses

The details of recognized costs in 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Net interest of net defined benefit liabilities (assets)	\$ (3)	(5)
	<u><u>\$ (3)</u></u>	<u><u>(5)</u></u>
	<u>2021</u>	<u>2020</u>
General and administrative expenses	\$ (3)	(5)

(5) Actuarial assumption

The material actuarial assumptions used by the Company to determine the present value of defined benefit obligations as of the reporting date are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate	0.69%	0.38%

Increase in future salary	3%	3%
Mortality rate	90% of 6th Taiwan Standard Ordinary Experience Mortality	90% of 5th Taiwan Standard Ordinary Experience Mortality
Turnover rate	0%~34%	0%~34%

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

The amount of appropriation for defined benefit plans within 1 year after the reporting date for the year ended on Dec 31, 2021 is NT\$497 thousand.

The weighted average duration of defined benefit plans is 6 years.

(6)Sensitivity analysis

The effects of changes in the main actuarial assumptions adopted on Dec. 31, 2021 and 2020 on the present value of defined benefit obligations are as follows:

	<b>Effects on defined benefit obligations</b>	
	<b>Increased by 0.25%</b>	<b>Decreased by 0.25%</b>
December 31, 2021		
Discount rate	\$ (39)	41
Increase in future salary	37	(36)
December 31, 2020		
Discount rate	\$ (42)	43
Increase in future salary	39	(38)

The sensitivity analysis above was based on the analysis of the effects of changes in a single hypothesis with other assumptions unchanged. Changes in many assumptions in practice may be interlinked. Sensitivity analysis is consistent with the method used to calculate the net pension liabilities on the balance sheet.

The methodology and assumptions used in the sensitivity analysis are the same.

## 2. Defined contribution plan

The Company shall contribute the retirement funds of employees to the individual accounts for labor retirement funds of the Bureau of Labor Insurance according to 6% of the monthly salaries of labors under the provisions of Labor Pension Act. Under this plan, after contributing fixed amount to the Bureau of Labor Insurance, the Company will not assume the legal or constructive obligations of paying extra amount. Foreign subsidiaries contribute pensions to relevant statutory bodies for administration in accordance with relevant local laws and regulations.

The pension expense under the defined contribution retirement funds of the Company in the year of 2021 and 2020 are NT\$8,129 thousand and NT\$7,999 thousand

respectively, which have been contributed to the Bureau of Labor Insurance.

(o)Income tax

1. Income tax expense

The details of the income tax expense of the Company in 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Income tax expense in current year		
Recognized for the period	\$ 22,514	-
Adjustment of the income tax in the previous year	19,506	16,246
	<u>42,020</u>	<u>16,246</u>
Deferred income tax expense		
Occurrence and reversal of temporary differences	7,622	27,242
Income tax expense	<u><u>\$ 49,642</u></u>	<u><u>43,488</u></u>

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

The details of income tax expenses under recognized other comprehensive profits/losses in 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	<u>\$ 5</u>	<u>(5)</u>

The relationship between the Company's income tax expense and net profit before tax in 2021 and 2020 is adjusted as follows:

	<u>2021</u>	<u>2020</u>
Net profit before tax	<u>\$ 1,384,586</u>	<u>1,155,012</u>
Income tax calculated at domestic tax rate	\$ 276,917	231,002
Non-deductible expenses	(172,599)	(130,720)
Income tax difference	(32)	5,020
Changes in unrecognized temporary differences	(102,462)	(78,060)
Underestimate in the previous year	30,080	16,246
Surtax on undistributed retained earnings	17,738	-
Income tax expense	<u>\$ 49,642</u>	<u>43,488</u>

## 2. Deferred income tax assets and liabilities

### (1) Unrecognized deferred income tax liabilities

As for the temporary differences related to investment subsidiaries as of December 31, 2021 and 2022, the Company can control the time point of the reversal of the temporary differences and is likely not to reverse in the foreseeable future, so the deferred income tax liabilities are not recognized. Related amounts are:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Summary amount of temporary differences related to investment in subsidiaries	<u>\$ 533,169</u>	<u>430,706</u>

### (2) Unrecognized deferred income tax assets

The item not recognized as deferred income tax assets by the Company is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Tax loss	<u>\$ -</u>	<u>10,542</u>

The loss due to taxation is subject to the income tax law, and the net profit of the ten years before the loss is deducted by the tax collection authority. These

items are not recognized as deferred income tax assets because it is not likely that the Company will have sufficient tax offices for such temporary differences in the future.



# Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd. (Continued)

## (3) Recognized deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities:

Deferred income tax liabilities:

	Defined benefit plan
<b>January 1, 2021</b>	\$ 611
Debit / (credit) other comprehensive profit and loss	5
<b>December 31, 2021</b>	<b><u>\$ 616</u></b>
<b>January 1, 2020</b>	\$ 616
Debit / (credit) other comprehensive profit and loss	(5)
<b>December 31, 2020</b>	<b><u>\$ 611</u></b>

Deferred income tax assets:

	Defined benefit plan	Convert ible corpora te bonds	Profit and loss of inventor y evaluati on	Loss deductio n	Others	Total
<b>January 1, 2021</b>	\$ 210	12,918	15,902	10,542	20,272	59,844
Debit / (credit) income statement	(1)	1,115	7,887	(10,542)	(6,081)	(7,622)
<b>December 31, 2021</b>	<b><u>\$ 209</u></b>	<b><u>14,033</u></b>	<b><u>23,789</u></b>	<b><u>-</u></b>	<b><u>14,191</u></b>	<b><u>52,222</u></b>
<b>January 1, 2020</b>	\$ 211	9,468	23,371	39,177	14,859	87,086
Debit / (credit) income statement	(1)	3,450	(7,469)	(28,635)	5,413	(27,242)
<b>December 31, 2020</b>	<b><u>\$ 210</u></b>	<b><u>12,918</u></b>	<b><u>15,902</u></b>	<b><u>10,542</u></b>	<b><u>20,272</u></b>	<b><u>59,844</u></b>

## 3. Income tax approval

The approval on the filing of final income tax return of the Company has lasted till the year 2019 as required by the taxing authority.

The Company disagrees with the approved contents of 2015 and 2018, and is currently applying for review. However, the Company has assessed the relevant income tax based on the principle of prudence.

## (p) Capital and other equity

As of December 31, 2021 and 2020, the total authorized share capital of the Company was NT\$2,500,000 thousand with a par value of NT\$10, with 250,000 thousand shares. The total amount of the above-mentioned share capital is common shares, and the issued shares are 101,812 thousand common shares and 93,272 thousand common shares respectively. The share funds of all issued shares have

been received.

1. Issuance of ordinary and preferred shares

On June 23, 2020, the shareholder's meeting approved the resolution for the distribution of earnings for the year of 2019, pursuant to which a stock dividend of NT\$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 common shares of NT\$14,056 thousand, and the paid-in capital after the change was NT\$932,720.

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

On Dec. 1, 2020, the Company's Board of Directors resolved to issue 3,540 thousand as a consideration exchange for the shares of its transferred subsidiary AIS Cayman, with a par value of NT\$10, with Jan 21, 2021 as the base date for the capital increase; On May 13, 2021, the Board resolved to issue 5,000 thousand with a par value of NT\$10, with Dec 31, 2021 as the base date for capital increase. The statutory registration process was completed. The paid-in capital after the change was NT\$1,018,120thousand.

**2. Capital reserve**

The components of the Company's capital reserve are as follows:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Premium of issued shares	\$ 4,635,120	3,694,775
Issuance of new shares by the other transferred companies	1,372,670	485,900
Premium on conversion of convertible corporate bonds	1,797,651	1,797,651
Share options for convertible corporate bonds	454,831	446,546
Expired stock options	326,420	249,881
Changes in percentage of ownership in subsidiaries	<u>279,088</u>	<u>63,337</u>
	<b><u>\$ 8,865,780</u></b>	<b><u>6,738,090</u></b>

In accordance with the Company Act, the capital surplus is required to cover losses first before new shares or cash can be issued in proportion to the shareholders' original shares. Realized capital surplus referred to in the preceding paragraph includes premiums from the issuance of shares in excess of par value and proceeds from gifts received. In accordance with the Regulations Governing the Issuer's Offerings and Issuance of Marketable Securities, the aggregate amount of capital surplus that may be capitalized each year shall not exceed 10% of the paid-in capital.

**3. Retained earnings**

In accordance with the Company's Articles of Incorporation, the Company shall, after the final settlement of each year's earnings, first complete tax contributions, make up for prior years' deficits and set aside 10% as legal reserve, except when the legal reserve has reached the level of total capital; the Company is required by law to set aside or reverse special reserve. In the case of unappropriated earnings for the same period, the Board of Directors shall propose a proposal for the distribution of earnings to the shareholders

for resolution.

The Company will take into account the environment and growth of the Company and the distribution of earnings should take into account the Company's future capital expenditure budget and capital requirements, and pay cash dividends of not less than 10% of the dividends distributed in the current year.

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

(1) Legal reserve

If the Company has no deficit, it may, by resolution of the shareholders in general meeting, issue new shares or cash out of the legal reserve to the extent that such reserve exceeds 25% of the paid-in capital.

(2) Special reserve

When the Company firstly adopted the IFRS recognized by FSC and selected applied exemption items under IFRS1 First-time Adoption of International Financial Reporting Standards, the unrealized revaluation appreciation, cumulative conversion adjustments (benefits) under the recorded shareholders' equity, and the recorded assets were classified as "investment real estate" on the conversion date, and the retained earnings are increased by taking the fair value on the conversion date as the recognized cost in accordance with the regulations. According to FSC No. 1010012865 order issued on April 6, 2012, the special surplus reserves at the same amount is recognized. When using, disposing or reclassifying relevant assets, the Company may reverse the proportion of the initial special surplus reserve to distribute the surplus. As of Dec 31, 2021 and 2020, the balance of such special reserve was NT\$1,010,924 thousand and NT\$850,114 thousand.

In accordance with the above order, when distributing the distributable surplus, the Company shall make up the difference between the net deduction of other shareholders' equity in the account in the current year and the balance of the special surplus reserve referred to in the preceding paragraph, and make up the special surplus reserve from the current profit and loss and the undistributed surplus in the previous period. If there is a subsequent reversal in the amount of other decreases in shareholders' equity, the reversal may be distributed in the form of a surplus.

(3) Earnings distribution

On Aug 3, 2021 and June 23, 2020, the Company's shareholders resolved to distribute earnings for the year 2020 and 2019, respectively, as follows:

	2020		2019	
	Payout ration (NT\$)	Amount	Payout ration (NT\$)	Amount
Distributed to the holders of common shares:				
Cash	\$ 5.00	480,785	3.93	331,678

Shares	-	<u>-</u>	0.98 <u>82,919</u>
Total		<u><b>\$ 480,785</b></u>	<u><b>414,597</b></u>

#### 4. Treasury stock

As of Dec 31, 2021 and 2020, the treasure stock, not cancelled, held by the Company was 655 thousand. Treasury stock held by the Company shall not enjoy the rights of shareholders before being transferred in accordance with the Company Act.

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

5. Other equity (net after tax)

	<b>Exchange differences on translation of foreign financial statements</b>	<b>Unrealized gain on financial assets at FVTOCI</b>	<b>Total</b>
Balance as of Jan 1, 2021	\$ (934,258)	(76,666)	(1,010,924)
Exchange differences on translating the net assets of foreign operations	(738,853)	-	(738,853)
Share of gain of associates accounted for using the equity method	(212)	-	(212)
Unrealized gain or loss from equity instruments for the year	-	(18,501)	(18,501)
Balance as of Dec 31, 2021	<u><u>\$ (1,673,323)</u></u>	<u><u>(95,167)</u></u>	<u><u>(1,768,490)</u></u>
Balance as of Jan 1, 2020	\$ (777,744)	(72,370)	(850,114)
Exchange differences on translating the net assets of foreign operations	(156,200)	-	(156,200)
Share of gain of associates accounted for using the equity method	(314)	-	(314)
Unrealized gain or loss from equity instruments for the year	-	(502)	(502)
The cumulative profit or loss of the disposed equity instrument transferred to retained earnings	-	(3,794)	(3,794)
Balance as of Dec 31, 2020	<u><u>\$ (934,258)</u></u>	<u><u>(76,666)</u></u>	<u><u>(1,010,924)</u></u>

(p) Earnings per share

The Company calculates the basic earnings per share and diluted earnings per share as follows:

1. The basic earnings per share

	<b>2021</b>	<b>2020</b>
(1) Net profit attributable to the Company in the year	<u><u>\$ 1,334,944</u></u>	<u><u>1,111,524</u></u>

(2) Weighted average shares outstanding

	<b>2021</b>	<b>2020</b>
Jan1 common shares issued	\$ 93,272	83,574
Effects of treasury stock	(655)	(655)
Effect of stock dividends and corporate bond conversion	-	8,724
Effect of cash capital increase on the issuance of new shares	3,373	-
Weighted average shares outstanding as of Dec31	<u><u>\$ 95,990</u></u>	<u><u>91,643</u></u>
Basic earnings per share (NT\$)	<u><u>\$ 13.91</u></u>	<u><u>12.13</u></u>

## 2. Diluted earnings per share

	<b>2021</b>	<b>2020</b>
Net profit attributable to the Company in the year (basic)	\$ 1,334,944	1,111,524
After tax interest expense and financial evaluation of convertible corporate bonds	82,709	77,504
Net profit attributable to the Company in the year (diluted)	<b><u>\$ 1,417,653</u></b>	<b><u>1,189,028</u></b>
Weighted average number of common stocks outstanding (basic)	95,990	91,643
Effect of employ remuneration	139	155
Effect of conversion of convertible corporate bonds	32,136	31,605
Weighted average shares outstanding (diluted) as of Dec31	<b><u>128,265</u></b>	<b><u>123,403</u></b>
Diluted earnings per share (NT\$)	<b><u>\$ 11.05</u></b>	<b><u>9.64</u></b>

## (r) Revenue from customer contracts

## 1. Description of revenue

The Company has the following revenues:

	<b>2021</b>	<b>2020</b>
Major service lines		
Sales Revenue of Commodities	\$ 3,342,358	2,547,044
Service revenue	660	926
	<b><u>\$ 3,343,018</u></b>	<b><u>2,547,970</u></b>

## 2. Balance of contracts

	<b>December 31, 2021</b>	<b>December 31, 2020</b>	<b>January 1, 2020</b>
Accounts receivable	<b><u>\$ 787,391</u></b>	<b><u>669,711</u></b>	<b><u>637,176</u></b>
Contract liabilities -Sales contract	<b><u>\$ 15,691</u></b>	<b><u>2,086</u></b>	<b><u>29,380</u></b>

Please refer to note 6 (4) for the disclosure of notes and accounts receivable and their impairment.

Changes in contract assets and contract liabilities are mainly due to the difference between the time when the Company transfers goods or services to customers to meet its performance obligations and the time when customers pay.

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Contract liabilities from beginning</b>		
Sales of Commodities	<b><u>\$ 2,086</u></b>	<b><u>29,380</u></b>

## (s) Remuneration for employees, directors and supervisors



**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

In accordance with the Company's Articles of Incorporation, no less than 2% of the Company's annual profits shall be appropriated to the compensation of employees and no more than 2% to the compensation of directors and supervisors. However, where the Company has accumulated losses, the Company shall first reserve certain amount of the profit to recover the losses. Parties eligible to receive the said compensation in the form of stock or cash shall include employees in the controlling and affiliated companies who met certain conditions.

The estimated amount of compensation of employees for the year ended Dec 31, 2021 and 2021 was NT\$36,000 thousand and NT\$24,000 thousand respectively, and the estimate amount of compensation to directors and supervisors was NT\$3,060 thousand. The Company's net profit before tax for the period is estimated by multiplying the amount of the Company's net profit before issuing the compensation of employees, directors and supervisors by the proportion of the Company's compensation distribution to employees, directors and supervisors as provided in the Company's Articles of Incorporation, and is reported as operating costs or expenses for that period. There was no difference between the amount approved by the board of directors for employees, directors and supervisors' remuneration and the amount estimated in the consolidated financial statements for the year ended Dec 31, 2021 and 2020. The related information is available on the Market Observation Post System (MOPS).

(t) Non-operating revenue and expenses

1. Interest income

The details of the interest income of the Company in 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Interest income from bank deposits	<u>\$ 577</u>	<u>3,417</u>

3. Other income

The details of other income of the Company in 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Rental income	<u>\$ 3,755</u>	<u>3,336</u>

3. Other gains and losses

The details of other gains and losses of the Company in 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Foreign currency exchange loss	\$ (25,933)	(51,281)
Evaluation (losses) profits from financial assets and financial liabilities	(4,405)	34,985
Subsidy income	-	10,641
Other non-operating losses	(19,515)	-
Others	11,853	35,668
Other net gains and losses	<u>\$ (38,000)</u>	<u>30,013</u>

4. Financial costs

The details of the financial costs of the Company in 2021 and 2020 are as follows:

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

	<u>2021</u>	<u>2020</u>
Interest on bank loans	\$ 28,766	39,864
Interest on lease liabilities	42	131
Accrued interest on corporate bonds payable	<u>96,791</u>	<u>96,880</u>
Net financial cost	<u><u>\$ 125,599</u></u>	<u><u>136,875</u></u>

(u) Financial Instrument

1. Credit risk

(1) The maximum credit risk exposure

The carrying amount of a financial asset represents the maximum amount of credit risk.

(2) Credit risk concentration risk

As the Company has a large customer base, does not significantly concentrate transactions with a single customer, and the sales areas are distributed widely, there is no risk of significant concentration of credit risk of accounts receivable. To reduce credit risk, the policies adopted by the Company are to trade only with well-reputed counterparties, the Company regularly and continuously evaluates the financial status of customers, and obtain sufficient guarantee if necessary, so as to reduce the risk of financial losses caused by default.

Please refer to note 6 (4) for details of credit risk exposure information of notes receivable and accounts receivable.

Other financial assets measured at amortized cost include other receivables and certificates of deposit.

The above are financial assets with low credit risk, so the allowance loss in this period is measured according to the expected credit loss amount of 12 months (please refer to note 4(6) for how the consolidated company determines that the credit risk is low).

(3) Credit risk of receivables and debt securities

Please refer to note 6 (4) for details of credit risk exposure information of notes receivable and accounts receivable.

Other financial assets measured at amortized cost include other receivables and investment bonds, ordinary corporate bonds and certificates of deposit.

Debt instrument investments measured at fair value through other comprehensive profit or loss include government bonds, listed and unlisted debt securities, etc.

The above are financial assets with low credit risk, so the allowance loss in this period is measured according to the expected credit loss amount of 12 months (please refer to note 4(6) for how the Company determines that the credit risk is low).

2. Liquidity risk

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

The contracts of financial liabilities are sorted by their maturity dates as follows. The estimated interests are included, but the effect of net value agreement is excluded.

	<u>Book value</u>	<u>Contract cash flow</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>More than 1year</u>
<b>December 31, 2021</b>					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 812,069	(812,069)	(812,069)	-	-
Floating interest rate liabilities	2,300,000	(2,300,896)	(2,300,896)	-	-
Fixed interest rate liabilities	9,053,935	(9,053,935)	-	(1,137,035)	(7,916,900)
	<b><u>\$ 12,166,004</u></b>	<b><u>(12,166,900)</u></b>	<b><u>(3,112,965)</u></b>	<b><u>(1,137,035)</u></b>	<b><u>(7,916,900)</u></b>
<b>December 31, 2020</b>					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 716,938	716,938	716,938	-	-
Leasing liabilities	11,456	11,537	3,461	3,461	4,615
Floating interest rate liabilities	4,666,000	9,335,636	4,667,818	4,667,818	-
Fixed interest rate liabilities	6,825,893	8,217,200	1,391,307	1,391,307	5,434,586
	<b><u>\$ 12,220,287</u></b>	<b><u>18,281,311</u></b>	<b><u>6,779,524</u></b>	<b><u>6,062,586</u></b>	<b><u>5,439,201</u></b>

The Corporation does not expect that the timing of the cash flows for the maturity analysis will occur significantly earlier, or that the actual amounts will be significantly different.

### 3. Exchange rate risks

#### (1) Exposure to exchange rate risk

The Company's financial assets and liabilities exposed to significant foreign currency exchange rate risk are as follows:

	December 31, 2021			December 31, 2020			
	Foreign currency	Rate	NTD	Foreign currency	Rate	NTD	
<u>Financial assets</u>							
<u>Monetary items</u>							
USD	\$	57,873	27.6800	1,601,925	56,197	28.4800	1,600,491
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD		23,423	27.6800	648,349	21,602	28.4800	615,225

#### (2) Sensitivity analysis

The exchange rate risk of the company's monetary items mainly comes from foreign currency-denominated cash and cash equivalent, accounts receivable and other receivables, financial assets measured at fair value through other comprehensive profits and losses, borrowings, accounts payable and other accounts payable, resulting into gains and losses of conversion of foreign currency when exchanging. As of December 31, 2021 and 2020, if NTD had depreciated or appreciated by 1% relative to foreign currencies held by the Company and all other factors remained constant, net income would have increased or decreased by \$9,536 thousand and 9,853 thousand. The same basis is used for both periods of analysis.

#### (3) Exchange gains and losses of monetary items

As the Company transacts in various currencies, the exchange gains and losses from monetary items were disclosed by means of consolidation. The foreign currency exchange gains and losses (including realized and unrealized) in 2021 and 2020 were (25,933) thousand and (51,281) thousand, respectively.

### 4. Interest rate risks

The interest rate exposure to the Company's financial assets and financial liabilities is described in the liquidity risk management of this note.

The following sensitivity analysis is based on the interest rate exposure of derivative and non derivative instruments on the reporting date. For floating rate liabilities, the analysis method assumes that the amount of liabilities outstanding on the reporting date

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

is outstanding throughout the year. The rate of change used by the Company when reporting interest rates to key management personnel is 1% increase or decrease in interest rates, which also represents the management's assessment of the reasonable range of possible changes in interest rates.

If the interest rate increased or decreased by 1%, and other variable were held constant, the Company's net income before tax for the year ended December 31, 2021 and 2020 would have decreased or increased by NT\$23,000 thousand and NT\$46,660 thousand.

## 5. Other price risks

Changes in price of equity securities at the reporting date (on the same basis for both periods and assuming no change in other factors) would have the following effects on the consolidated income statement:

Securities price as of the reporting date	2021		2020	
	Other comprehensive income before tax	Profit after tax	Other comprehensive income before tax	Profit after tax
Increased by 1%	\$ -	40	-	89
Decreased by 1%	\$ -	(40)	-	(89)

## 6. Information on fair value

(1) Classification of financial instruments and at fair value

The fair value of financial assets, liabilities and other hedging assets of the Company are measured at fair value through profit or loss on a recurring basis. The book amount and fair value of various types of financial assets and financial liabilities (including information on the level of fair value, but the book amount of financial instruments not measured at fair value is a reasonable approximation of fair value, and lease liabilities are not required to disclose fair value information according to regulations) are as follows:

	December 31, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL	\$ 4,643	-	4,643	-	4,643
Sub-Total	4,643	-	4,643	-	4,643
Financial Assets at Amortized Cost					
Financial Assets at Amortized Cost	4,225	-	-	-	-
Cash and cash equivalents	1,355,059	-	-	-	-
Notes receivable and accounts receivable	787,391	-	-	-	-
Other receivables	333,776	-	-	-	-
Total	<b>\$ 2,485,094</b>	-	<b>4,643</b>	-	<b>4,643</b>
Financial liabilities at FVTPL	\$ 598	-	598	-	598
Convertible corporate bonds - liability components	9,053,935	-	-	-	-
Bank loans	2,300,000	-	-	-	-
NOTES PAYABLE AND ACCOUNTS	408,198	-	-	-	-



**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

PAYABLE				
Other Payables	403,871	-	-	-
Total	<u><b>\$ 12,166,602</b></u>	<u><b>-</b></u>	<u><b>598</b></u>	<u><b>-</b></u>
				<u><b>598</b></u>

	December 31, 2020				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL	\$ 9,016	-	9,016	-	9,016
Sub-total	9,016	-	9,016	-	9,016
Financial Assets at Amortized Cost					
Financial Assets at Amortized Cost	289,873	-	-	-	-
Cash and cash equivalents	531,134	-	-	-	-
Notes receivable and accounts receivable	669,711	-	-	-	-
Other receivables	79,009	-	-	-	-
Sub-total	1,569,727	-	-	-	-
Total	<b>\$ 1,578,743</b>	-	<b>9,016</b>	-	<b>9,016</b>
Financial liabilities at FVTPL	\$ 118	-	118	-	118
Convertible corporate bonds - liability components	6,825,893	-	-	-	-
Bank loans	4,666,000	-	-	-	-
NOTES PAYABLE AND ACCOUNTS PAYABLE	513,190	-	-	-	-
Other Payables	203,748	-	-	-	-
Leasing liabilities	11,456	-	-	-	-
Sub-total	12,220,287	-	-	-	-
Total	<b>\$ 12,220,405</b>	-	<b>118</b>	-	<b>118</b>

(2) Fair value evaluation techniques for financial instruments measured at fair value

#### A. Non-derivative financial assets

When a market is considered active, the quoted price in the market should be used as the fair value for the financial instrument. The market prices announced by TPEX are the basis for the fair value for equity instruments listed on TWSE/TPEX and debt instruments with open quotations in the active market.

If the public quotation of a financial instrument can be obtained from the exchange, broker, underwriter, industry association, pricing service institution or competent authority in a timely and frequent manner, and the price represents the actual and frequent fair market transactions, the financial instrument has an active market public quotation. If the above conditions are unavailable, this market is deemed as inactive. Generally speaking, a large bid-ask spread, a significant increase in bid-ask spread, or a small trading volume are indicators of an inactive market.

## Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd. (Continued)

If the financial instruments held by the Company have an active market, their fair values are listed as follows by category and attribute:

- Listed redeemable corporate bonds, stocks, bills of exchange and corporate bonds listed on TWSE/TPEX are financial assets and financial liabilities with standard terms and conditions and trade on the active market, and their fair values are determined by reference to the market quotations respectively.

Except for the above-mentioned financial instruments with active market, the fair value of other financial instruments is obtained by using evaluation technique or referring to the quotation of the counterpart. The fair value obtained through the evaluation technique can be calculated by referring to the current fair value of other financial instruments with substantially similar conditions and characteristics, the discounted cash flow method, or other evaluation techniques, including using the model based on the market information available on the consolidated reporting date (for example, the TWSE yield curve) Reuters commercial promissory note interest rate (average quotation).

### B. Derivative financial assets

It is evaluated based on the evaluation model widely accepted by market players, such as discount method and option pricing model. Structured interest rate derivative financial instruments are priced based on an appropriate option pricing model (e.g. Black-Scholes model).

## (22) Financial risk management

### 1. Overview

The Company is exposed to the following risks the use of financial instruments:

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

This note presents the Company's risk information for each of these risks and the Consolidated Company's objectives, policies and procedures for measuring and managing risk.

For further quantitative disclosures, please refer to the respective notes to the parent company only financial statements.

### 2. Risk management structure

The Chairman has the sole responsibility for establishing and overseeing the Company's risk management structure and reports regularly to the Board on its

operation. The board of directors has established a risk management committee to be responsible for developing and controlling the company's risk management policies and reporting its operation to the board of directors on a regular basis.

The Company's risk management policy is designed to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor compliance with the risks and risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's operations. The Company develops a disciplined and constructive control environment through training, management guidelines and operating procedures to enable all employees to understand their roles and responsibilities.

The Board of Directors of the Company oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the appropriateness of the Company's risk management framework in relation to the risks it is exposed to. Internal auditor assist the Company's audit committee in its oversight role. These personnel conduct regular and exceptional reviews of risk management controls and procedures and report the results of these reviews to the audit committee.

## Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd. (Continued)

### 3. Credit risk

Credit risk is the risk of financial loss arising from the failure of the Consolidated Company's customers or trading partners to fulfill their contractual obligations, mainly from the Company's accounts receivable from customers and investments in securities.

#### (1) Accounts receivable and other receivables

The policies adopted by the Company are to trade only with well-reputed counterparties, and, as it is necessary, sufficient collateral must be obtained to reduce the risk of financial losses. The Company only trades with enterprises rated equivalent to investment grade. Such information is provided by an independent rating agency; If such information is not available, the Company will use other publicly available financial information and mutual transaction records to rate major customers. The Company continuously monitors the credit risk and the credit rating of counterparties, distributes the total transaction amount to customers with qualified credit rating, and controls the credit risk through the credit limit of counterparties reviewed and approved by the risk management committee every year.

The Company does not hold any collateral or other credit enhancement to avoid the credit risk of financial assets.

#### (2) Investment

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the financial department of the Company. Since the trading partners and other performing parties of the Company are banks with good credit and financial institutions, corporate organizations and government agencies with investment grade and above, there are no major performance concerns without significant credit risks.

#### (3) Guarantee

The Company's policy stipulates that guarantees are only provided to its wholly-owned subsidiaries. Please refer to note 7 for details of endorsements and guarantees provided by the Company as of December 31, 2021 and 2020.

### 4. Liquidity risk

Liquidity risk refers to the risk that the Company is unable to deliver cash or other financial assets to pay off financial liabilities and fails to perform relevant obligations. To management the liquidity, the Company shall ensure its sufficient working capital

to meet the due liabilities under normal and stressful conditions, without unacceptable loss or risk of damage to the company's reputation.

5. Market risks

Market risk refers to the risk arisen from market price changes, such as exchange rate, interest rate and equity instrument price changes, which will affect the Company's income or the value of financial instruments held. The market risk management aims to control the market risk within an acceptable level and optimize the return on investment.

To manage market risks, the Company engages in derivative instrument transactions, resulting in financial liabilities. All transactions are executed in accordance with the guidelines of risk management committee. Generally speaking, the Company adopts hedge accounting to manage profit and loss fluctuations.

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

(1) Exchange rate risk

The Company uses derivative transactions to hedge exchange rate risk due to its exposure to exchange rate risk arising from sales and purchase transactions that are not denominated in the Company's functional currency. The Company's functional currency is denominated in New Taiwan dollar, along with Euro, USA and RMB. These transactions are traded in NTD, Euro, USA and RMB.

The Company holds accounts receivable denominated in foreign currencies other than functional currencies, and the exchange gains and losses arising from exchange rate changes offset the exchange gains and losses of short-term borrowings denominated in foreign currencies. Therefore, the risk exposed to the Company is reduced due to exchange rate.

The Company keeps abreast of changes in exchange rates at all times, takes a stable and conservative exchange rate as the basis for quotation, carefully considers the changes of current and future exchange rates, and uses hedging instruments in a timely manner such as forward foreign exchange to avoid the impact of exchange rate changes.

(2) Interest rate risks

The company holds assets and liabilities with floating interest rates and exposes to cash flow interest rate. The details of the company's financial assets and financial liabilities with floating interest rates are described in the liquidity risk management of this note.

(w) Capital management

Given the current operating industry and the future development, and considering the changes of the external environment and other factors, the Company plans the working capital and dividend expenditure and other needs required by the company in the future, so as to ensure that the Company can continue to operate and maintain the best capital structure, so as to maximize shareholders' remuneration and enhance shareholders' value in the long run. To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. In addition, the Company is not required to comply with other external capital requirements.

(x) Investment and financing activities of non cash transactions

The Company's non-cash transaction investment and financing activities in 2021

and 2020 are as follows:

1. Please refer to note 6 (16) for details of issuing common shares to acquire subsidiaries.
2. Please refer to note 6 (16) for details of the conversion of convertible corporate bonds into common shares.

## VII. Related Party Transactions

(a) Name and relationship of related party

The related parties that transact with the Company within the coverage of this parent company only financial statements are below:

<u>Relationship</u>	<u>Relationship with the Company</u>
Hon Hai Precision Industry Co., Ltd.	Associates
FOXCONN INTERCONNECT TECHNOLOGY LIMITED TAIWAN BRANCH (CAYMAN)	Associates
FIH (Nanjing) Communications Co., Ltd.	Associates
FIH (Hong Kong) Limited	Associates
RIGO GLOBAL CO., LTD.	Associates
WT Microelectronics Co., Ltd.	Associates
Q.P.T.I Corporation	Associates
Hon-Ling Technology Co., Ltd.	Associates



**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

<b>Relationship</b>	<b>Relationship with the Company</b>
AIS Cayman Technology Group.Taiwan Branch	Associates
Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Associates
Futaihua Industry (Shenzhen) Co., Ltd.	Associates
Shenzhen FuTaiHong Precision Industry Co., Ltd.	Associates
Ever Light Technology Limited Taiwan Branch	Associates
Foxconn European Manufacturing Services	Associates
FORTUNEBAY TECHNOLOGY PTE LTD.	Associates
Vecow Co., Ltd.	Subsidiary
Ennoconn (Suzhou) Technology Co., Ltd.	Subsidiary
TAIWAN APPLIED MODULE CORPORATION	Subsidiary
CASWELL, INC.	Subsidiary
Marketech International Corp.	Subsidiary
Kontron Asia Technology Inc.	Subsidiary
POSLAB TECHNOLOGY CORPORATION	Subsidiary
ENNOMECH PRECISION CO., LTD.	Subsidiary
Ennoconn International Investment Co., Ltd.	Subsidiary
ENGA Technology Co., Limited.	Subsidiary
SyS-P Co., Ltd.	Subsidiary
Goldtek Technology Co., Ltd.	Subsidiary
CASO, Inc.	Subsidiary
Kontron Europe GmbH	Subsidiary
Kontron Canada Inc.	Subsidiary
Kontron Asia Pacific Design Sdn.Bhd	Subsidiary
Kontron America Inc.	Subsidiary
Kontron Electronics GmbH	Subsidiary
Kontron Modular Computers S.A.S.	Subsidiary
American Industrial Systems, Inc.	Subsidiary
HighAim Technology Inc.	Subsidiary
Victor Plus HoldingsLtd.	Subsidiary
S&T AG	Subsidiary
Marketech International Corp.	Subsidiary
AIS Cayman Technology Group	Subsidiary
Former shareholder of AIS Cayman	The key management

## (b) Significant transactions and balance with related parties

## 1. Operating revenue

The Company has the following major sales with related parties:

<b>Accounts Item</b>	<b>Category of related party /Name</b>	<b>2021</b>	<b>2020</b>
Sales revenue	Subsidiary:		
	Kontron Canada Inc.	\$ 114,078	473,492
	Kontron Europe GmbH	506,794	494,087
	Kontron America Inc.	180,225	-
	Others	6,411	200,791
	Associates:		
	Others	1,665	30,563
		<b>\$ 809,173</b>	<b>1,198,933</b>

The sales transaction price of the Company to the related parties is determined according to the agreement of both parties, and the collection policy is the payment term of 2 months.

## 2. Purchase and processing fees

The purchase of the Company from related parties is:

<b>Category of related party /Name</b>	<b>2021</b>	<b>2020</b>
Subsidiary:		
Victor Plus Holdings Ltd.	\$ 2,273,299	1,858,602
Others	37,854	12,045
Associates:		
Others	95,750	47,943
	<b>\$ 2,406,903</b>	<b>1,918,590</b>

The sales transaction price of the Company to the related parties according to the agreement of both parties, and the payment policy is 1-2 months of monthly settlement.

## 3. Receivables from related parties (excluding loans to related parties)

Details of accounts receivable from related parties of the Company are as follows:

<b>Accounts Item</b>	<b>Category of related party /Name</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Trade receivables - related parties	Subsidiary:		
	Kontron Canada Inc.	\$ 16,533	246,966
	Kontron Europe GmbH	171,546	105,985
	Kontron America Inc.	55,134	-
	Others	3,592	79,852

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

<u>Accounts Item</u>	<u>Category of related party /Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Trade receivables - related parties	Associates:		
	Others	\$ -	27,259
Other receivables - related parties	Subsidiary:		
	Kontron Europe GmbH	65,738	3,684
	Kontron America Inc.	5,754	1,276
	Ennoconn (Suzhou) Technology Co., Ltd.	19,638	28,149
	Others	55,089	1,973
	Associates:		
	Hon Hai Precision Industry Co., Ltd.	1,082	500
	Innovative Systems Integration Limited	2,768	-
	Others	2,267	32,771
		<u><u>\$ 399,141</u></u>	<u><u>528,415</u></u>

Guarantees from outstanding accounts receivable of related parties are not collected. No loss allowance was set aside for receivable from related parties for the year ended Dec. 31, 2021 and 2020.

4. Accounts payable to related parties (excluding loans to related parties)

Details of the Company's payables to related parties are as follows:

<u>Accounts Item</u>	<u>Category of related party /Name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes payable	Subsidiary:		
	Victor Plus Holdings Ltd.	\$ 121,154	351,793
	Others	1,564	3,475
	Associates:		
	Hon Hai Precision Industry Co., Ltd.	-	887
	Others	38,970	28,118
Expenses payable (other payables accounts)	Subsidiary	16,380	12,536
	Associates	8,965	34,950
		-	-
		<u><u>\$ 187,033</u></u>	<u><u>431,759</u></u>

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

## 5. Other related party transactions

<b>Accounts Item</b>	<b>Category of related party /Name</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Manufacturing expenses	Subsidiary	\$ 37,198	(22,925)
	Associates	20,100	14,747
Operating expenses	Subsidiary	12,512	5,120
	Associates	1,285	7,552
		<b>\$ 71,095</b>	<b>4,494</b>

## 6. Endorsements/guarantees

<b>Category of related party /Name</b>	<b>2021</b>	<b>2020</b>
Innovative Systems Integration Limited	\$ 830,400	851,700
Ennoconn International Investment Co., Ltd.	1,000,000	1,000,000
Dexatek Technology Ltd.	160,000	160,000
Thecus Technology Corp.	100,000	100,000
HighAim Technology Inc.	664,320	369,070
Highaim Technology Inc.	41,520	184,535
	<b>\$ 2,796,240</b>	<b>2,665,305</b>

## 7. Acquisition of financial assets

The Company issues new shares for the equity of transferred company AIS Cayman Technology, the transaction partners are shareholders of AIS Cayman, including related parties, non-related parties, of which related parties could exchange the Company's shares, calculated on the base date of share exchange (Jan.21, 2021), at an amount of NT\$279million.

## (c) Transactions with major managers

Remuneration for major managers include:

	<b>2021</b>	<b>2020</b>
Short-term employee benefits	\$ 15,278	17,579
Post-employment benefits	108	116
	<b>\$ 15,386</b>	<b>17,695</b>

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

**VIII. Pledged Assets**

The carrying value of the assets pledged as collateral by the Company was as follows:

<b>Name of Asset</b>	<b>Subject of pledge guarantee</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Financial Assets at Amortized Cost	Fixed deposit	<b>\$ 4,225</b>	<b>289,873</b>

**IX. Significant Contingent Liabilities and Unrecognized Contract Commitments: None.****X. Losses due to Major Disasters: None.**

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

**XI. Significant Events after the Balance Sheet Date**

- (a) On Jan 4, 2022, the Company adopted the private placement of ordinary share at the special meeting of shareholders. The placement is targeted at Google International LLC, issues 4,880,000 shares at NT\$226.92 per share. To increase working capital, repay bank loans, repay the third domestic unsecured convertible corporate bonds or the first overseas unsecured convertible corporate bonds, the benchmark date of capital increase is January 11, 2022.
- (b) On Feb 24, 2022, the subsidiary -Hua Cheng International Investment Co., Ltd. subscribed the private placement of new shares of ARBOR Technology, at NT\$18.5 per share, acquired 16,000 thousand shares, held 17.69% of shares and a total amount of NT\$296,000 thousand.
- (c) The subsidiary S&T AG has clarified Viceroy report in Dec 2021 and employs the independent third-party CPA Deloitte to investigate the case. According to the audit report issued by Deloitte on March 15, 2022, Viceroy report is a false statement or has no legal and financial impact. S&T AG keeps stable operation. The Company will monitor the latest news of this case.
- (d) On March 23, 2022, the Company issued important information stating that the Company found an employee suspected of forging documents and misappropriating the Company's assets, and reported the case to the New Taipei City Investigation Office of the investigation Bureau under the Ministry of Justice. The employee is suspected of misappropriating cash and equivalent cash of the Company and its subsidiaries at NT\$101,983 thousand, of which losses attributable to 2020 and 2021 was NT\$61,441 thousand and NT\$37,723 thousand respectively. The amount between Jan 1, 2022 and March 22, 2022 was NT\$2,819 thousand. The Company has adjusted relevant asset accounts and undistributed earnings at the beginning of the year, and recognized relevant losses in the year. Please refer to note 6 (1), note 6 (10) and note 6 (20) for details.

**XXII. Others**

- (a) Summary of employee benefits, depreciation, depletion and amortization expenses by function for the current period:

By function By nature	2021			2020		
	Operation costs	Operation Expenses	Total	Operation costs	Operation Expenses	Total
Employee benefits expense						
Wages and salaries	11,908	116,703	128,611	25,679	149,940	175,619
Labor insurance and National Health Insurance expense	1,377	13,919	15,296	2,072	12,404	14,476
Pension costs	720	7,406	8,126	1,192	6,802	7,994

Remuneration to directors	-	5,195	5,195	-	5,185	5,185
Others Employee Benefits Expenses	1,083	9,010	10,093	1,794	7,190	8,984
Depreciation expenses	5,854	8,016	13,870	10,118	10,144	20,262
Amortization expense	28	3,372	3,400	51	950	1,001

**Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd.**  
**(Continued)**

Additional information about number of employees and employee benefit expenses in 2021 and 2020:

	<u>2021</u>	<u>2020</u>
No. of employees	<u>183</u>	<u>186</u>
Directors who did not concurrently serve as employees.	<u>5</u>	<u>6</u>
Average employee benefits expense	<u>\$ 911</u>	<u>1,150</u>
Average employee salary expense	<u>\$ 723</u>	<u>976</u>
Adjustment to average employee salary expense	<u>(25.92)%</u>	<u>(24.00)%</u>
Supervisor remuneration	<u>\$ -</u>	<u>-</u>

The Company's salary and remuneration policies (including directors, supervisors, managers and employees) are as follows:

The Company's salary policy aims to institutionalize the Company's salary. These salary measure is hereby formulated as the basis. The salary of all colleagues employed by the Company shall be determined according to their educational background, experience, skills, potential and the function of the position. At the end of the year, if there is profit, the employee's remuneration shall be allocated in accordance with the Articles of Incorporation. The remuneration received by the Company's directors is determined following the Company's Articles of Incorporation. The Board of Directors drafts the compensation distribution plan and submits it to the shareholders' meeting. The salary remuneration of directors and managerial officers shall be distributed after being deliberated by the Remuneration Committee and resolved by the Board of Directors. The remuneration for managerial officers of the Company is mainly divided into salary, bonus, and employee compensation. Salary and bonus are deliberated by the Remuneration Committee and then resolved by the Board of Directors. Employee compensation is based on the Company's operating conditions and the allocation proportion stipulated in the Company's Articles of Incorporation, which shall be reported to the shareholders' meeting after the resolution of the Board of Directors. The remuneration evaluation items for the Company's directors and managerial officers include the target achievement rate, the Company's profit margin, contribution, and important aspects such as whether a moral hazard event has occurred.

(b) Seasonality of operation:

The Company's operation is not subject to seasonal or periodical fluctuations.

**XIII. Supplementary Disclosure**

(a) Information on significant transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company shall re disclose the following information on major transactions in the year of 2021:

1. Loans to others: Please refer to Table 1.
2. Provision of endorsements and guarantees to others: Please refer to Table 2.
3. Holding of marketable securities at the end of the period (excluding equity of subsidiaries, associates and joint ventures): Please refer to Table 3.
4. Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of paid-in capital or more: Please refer to Table 4.
5. Acquisition of property reaching NT\$300 million or 20% of paid-in capital or more: None



Notes to Parent Company Only Financial Statements of Ennoconn Technology Co., Ltd. (Continued)

6. Disposal of property reaching NT\$300 million or 20% of paid-in capital or more: None
7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 5.
8. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 6.
9. Derivative financial instrument transactions: None.
- (b) Re-investment information (excluding investees in Mainland China): Please refer to Table 7.
- (c) Information on investments in Mainland China: None.
1. Name, major businesses and related information about investees in Mainland China: please refer to Table 8(1).
2. Investment limit in Mainland China: please refer to Table 8(2).
3. Major transactions with investees in Mainland China:
- (d) Major shareholders' information:

<b>Name of Major Shareholder</b>	<b>Shares</b>	<b>Shareholdings (%)</b>
Baoxin International Investments Ltd.	31,933,417	32.98%
Fubon Life Insurance Co., Ltd.	6,509,761	6.72%
	-	0.00%
	-	0.00%

**XIV. Segment Information**

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

**Ennoconn Technology Co., Ltd.**  
**FINANCING PROVIDED TO OTHERS**  
**For the Year Ended December 31, 2021**

Table I

Unit: NT\$ thousand

Code (Note1)	Grantor	Borrower	Transaction item	Related Party (Y/N)	Maximum balance for the period (Note3)	Ending balance (Note3)	Actual Amount Used	Interest rate interval	Nature of loan (Note2)	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
													Name	Value		
1	CASWELL, INC.	Apligo	Other receivables - related parties	Yes	22,144	22,144	22,144	2.45%	2	-	Business operation	-	None	-	299,176	598,352
2	S&T AG, Austria	S&T CEE Holding s.r.o., Slowakei	Other receivables - related parties	Yes	501,120	469,800	317,898	5%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	S&T Romania S.R.L., Romania	Other receivables - related parties	Yes	375,789	322,279	170,377	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	S&T Mold srl.	Other receivables - related parties	Yes	155,034	151,902	-	4%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	S&T Consulting Hungary Kft., Hungary	Other receivables - related parties	Yes	240,851	227,696	75,794	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	S&T Deutschland GmbH, Germany	Other receivables - related parties	Yes	198,882	198,882	46,980	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	S&T Services Bel LLC	Other receivables - related parties	Yes	158,270	154,303	2,401	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187

2	S&T AG, Austria	Kontron Transportation GmbH	Other receivables - related parties	Yes	762,642	621,702	427,831	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	Kontron electronics GmbH (DE)	Other receivables - related parties	Yes	350,001	318,681	166,779	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	Kontron America Inc.	Other receivables - related parties	Yes	138,266	122,197	122,197	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	Kontron electronics AG	Other receivables - related parties	Yes	34,452	34,452	34,452	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	Kontron Public Transportation	Other receivables - related parties	Yes	479,196	151,902	-	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

2	S&T AG, Austria	Kontron Modular Computers S.A.S.	Other receivables - related parties	Yes	267,786	255,258	103,356	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	Kontron Austria GmbH	Other receivables - related parties	Yes	480,762	480,762	328,860	2%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	Kontron Electronics Kft.	Other receivables - related parties	Yes	171,634	167,405	15,503	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	RTSoft, AO, Russia	Other receivables - related parties	Yes	260,670	255,826	103,924	8%	2	-	Business operation	-	None	-	1,254,773	10,038,187
2	S&T AG, Austria	RTSoft Smart Grid, Russia	Other receivables - related parties	Yes	161,409	161,078	9,176	8%	2	-	Business operation	-	None	-	1,254,773	10,038,187
3	S&T Mazedonien	S&T AG, Austria	Other receivables - related parties	Yes	169,128	169,128	-	1%	2	-	Business operation	-	None	-	266,736	266,736
4	Kontron S&T AG	KONTRON ASIA PACIFIC DESIGN SDN. BHD.	Other receivables - related parties	Yes	281,448	278,396	126,494	1%	2	-	Business operation	-	None	-	403,317	3,226,540
5	EnnoMech Precision (Cayman) Co., Ltd.	Ennoconn Investment Holdings Co., LTD	Other receivables - related parties	Yes	19,376	-	-	- %	2	-	Business operation	-	None	-	571,203	571,203
6	ENGA Technology Co., Ltd.	Ennoconn Investment Holdings Co., LTD	Other receivables - related parties	Yes	91,344	-	-	- %	2	-	Business operation	-	None	-	103,063	103,063
7	Marketch International Corp.	Marketch Integrated Pte. Ltd.	Other receivables	Yes	49,490	27,680	27,680	4%	2	-	Business operation	-	None	-	2,626,116	2,626,116

Code (Note1)	Grantor	Borrower	Transaction item	Related Party (Y/N)	Maximum balance□ for the period (Note3)	Ending Balance (Note3)	Actual Amount Used	Interest rate interval	Nature of□ loan (Note2)	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
													Name	Value		
7	Marketch International Corp.	Marketch International Sdn. Bhd.	Other receivables	Yes	83,040	83,040	24,912	4%	2	-	Business operation	-	None	-	2,626,116	2,626,116
7	Marketch International Corp.	MIC-Tech Viet Nam Co., Ltd.	Other receivables	Yes	166,500	110,720	110,720	4%	2	-	Operating working capital	-	None	-	2,626,116	2,626,116
8	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Other receivables	Yes	65,473	26,064	26,064	4%	2	-	Business operation	-	None	-	235,590	471,180

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

8	MIC-Tech Electronics Engineering Corp.	Fuzhou Jiwei System Integrated Co., Ltd.	Other receivables	Yes	4,344	2,172	2,172	4%	2	-	Business operation	-	None	-	471,180	471,180
9	MIC-Tech (Shanghai) Corp.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Other receivables	Yes	26,063	13,032	13,032	4%	2	-	Business operation	-	None	-	459,552	459,552
9	MIC-Tech (Shanghai) Corp.	MIC-Tech (WuXi) Co., Ltd.	Other receivables	Yes	43,839	-	-	- %	2	-	Business operation	-	None	-	459,552	459,552
10	Marketch Integrated Manufacturing Co., Ltd.	Marketch Integrated Construction Co., Ltd.	Other receivables	Yes	7,134	4,152	4,152	7%	2	-	Business operation	-	None	-	91,679	183,357
11	Marketch Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	Other receivables	Yes	9,600	-	-	- %	2	-	Business operation	-	None	-	11,731	11,731
12	ISKRATEL.,d.o.o.	S&T AG, Austria	Other receivables - related parties	Yes	308,502	308,502	156,600	3%	2	-	Business operation	-	None	-	755,272	1,888,181
13	T-Paragon Die Casting Co., Ltd.	T-Paragon Die Casting (THAILAND) Co., Ltd.	Other receivables - related parties	Yes	13,840	13,840	13,840	2%	2	-	Business operation	-	None	-	35,187	87,968
14	SUNLIT PRECISION TECHNOLOGY CO., LTD.	T-lamma (Guangdong) Tech Co., Ltd.	Other receivables - related parties	Yes	49,700	49,700	49,700	2%	2	-	Business operation	-	None	-	114,801	287,002
15	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Other receivables - related parties	Yes	69,200	69,200	69,200	1%	2	-	Business operation	-	None	-	184,394	921,969
16	Ennoconn Investment Co., Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Other receivables - related parties	Yes	345,446	345,446	345,446	1%	2	-	Business operation	-	None	-	571,473	571,473

Code	Grantor	Borrower	Transaction	Related Party	Maximum balance □ for the period		Actual	Interest rate	Nature of □ loan	Amount of	Reason for	Allowance for bad debts recognized	Collateral		Limit on Loans Granted to a Single Party	Total Loan
(Note1 )	company		item	(Y/N)	(Note3)	(Note3)	Amount Used	interval	(Note2)	Amount	short-term financing		Name	Value		Limit

Note1 : (1) Fill in 0 for issuer.

(2) The investee company is coded in sequence starting from Arabic number 1 by company.

Note2 : 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.

Note3 : Limit to loans is resolved by the Board of Directors.

**Ennoconn Technology Co., Ltd.**  
**ENDORSEMENTS/GUARANTEES PROVIDED**  
**For the Year Ended December 31, 2021**

Table II

Unit: NT\$ thousand

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 □ endorsement s secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Maximum amount of endorsement	Endorsemen t of the parent company to a subsidiary	Endorsemen t of a subsidiary to the Parent company	Endorsemen t for Mainland China
		Company name	Relationship										
0	Ennoconn Technology Co., Ltd.	Innovative Systems Integration Limited	2	13,905,623	830,400	830,400	2,768	-	8.96%	18,540,830	Y	N	Y
0	Ennoconn Technology Co., Ltd.	Ennoconn International Investment Co., Ltd.	2	13,905,623	1,000,000	1,000,000	50,000	-	10.79%	18,540,830	Y	N	N
0	Ennoconn Technology Co., Ltd.	HIGHAIM TECHNOLOGY INC.	2	13,905,623	179,920	41,520	-	-	0.45%	18,540,830	Y	N	N
0	Ennoconn Technology Co., Ltd.	HighAim Technology Inc.	2	13,905,623	664,320	664,320	221,440	-	7.17%	18,540,830	Y	N	Y
0	Ennoconn Technology Co., Ltd.	Thecus Technology Corp.	2	13,905,623	100,000	100,000	75,000	-	1.08%	18,540,830	Y	N	N
0	Ennoconn Technology Co., Ltd.	Dexatek Technology Ltd.	2	13,905,623	160,000	160,000	100,000	-	1.73%	18,540,830	Y	N	N
1	S&T AG, Austria	S&T Slovakia s.r.o.	2	18,821,601	125,280	125,280	54,465	-	1.00%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Plus s.r.o.	2	18,821,601	6,300	6,300	-	-	0.05%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T CZ s.r.o.	2	18,821,601	56,698	56,698	-	-	0.45%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Bulgaria e.o.o.d.	2	18,821,601	29,597	29,597	-	-	0.24%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Consulting Hungary Kft.	2	18,821,601	522,006	522,006	328,910	-	4.16%	25,095,468	Y	N	N



1	S&T AG, Austria	S&T Poland Sp.z.o.o.	2	18,821,601	349,117	340,664	-	-	2.71%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Slovenija d.d.	2	18,821,601	31,320	-	-	-	- %	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Deutschland GmbH	2	18,821,601	12,528	12,528	-	-	0.10%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron Europe GmbH	2	18,821,601	31,320	31,320	-	-	0.25%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Smart Energy GmbH	2	18,821,601	21,924	-	-	-	- %	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron Technologies GmbH	2	18,821,601	2,034	-	-	-	- %	25,095,468	Y	N	N

# Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Code	Maximum amount of of Endorser	of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for the period	Ending Balance of endorsement	Actual Amount Used	Amount of endorsement secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Maximum amount of endorsement	Endorsemen t of the parent company to a subsidiary	Endorsemen t of a subsidiary to the Parent company	Endorsemen t for Mainland China
		Company name	Relationship										
1	S&T AG, Austria	diverse / Factoring CEE	2	18,821,601	563,760	501,120	319,053	-	3.99%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Albania Sh.p.k.	2	18,821,601	9,553	-	-	-	- %	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron Public Transportation	2	18,821,601	118,255	118,255	8,836	-	0.94%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron Transportation Austria AG	2	18,821,601	1,084,455	1,031,945	208,591	-	8.22%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron AIS GmbH(AIS Automation Dresden GmbH)	2	18,821,601	25,056	25,056	-	-	0.20%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Cma Gora d.o.o.	2	18,821,601	9,535	9,535	-	-	0.08%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T AG/ Kontron Transportation Austria AG/ S&T Smart Energy/Kontron s.r.o.	2	18,821,601	392,610	383,204	-	-	3.05%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron Transportation France	2	18,821,601	15,065	7,830	-	-	0.06%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron Austria GmbH	2	18,821,601	7,830	7,830	-	-	0.06%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron America Inc	2	18,821,601	553,064	553,064	193,960	-	4.41%	25,095,468	Y	N	N
1	S&T AG, Austria	Factoring Kontron Europe / Kontron Modular Computer	2	18,821,601	1,064,880	1,064,880	612,859	-	8.49%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron electronics GmbH	2	18,821,601	9,396	9,396	-	-	0.07%	25,095,468	Y	N	N
1	S&T AG, Austria	Kontron S&T AG	2	18,821,601	125,280	125,280	-	-	1.00%	25,095,468	Y	N	N

1	S&T AG, Austria	S&T MEDTECH SRL(GADA GROUP ROMANIA SRL)	2	18,821,601	109,620	109,620	93,523	-	0.87%	25,095,468	Y	N	N
1	S&T AG, Austria	S&T Romania SRL	2	18,821,601	398,166	397,100	38,479	-	3.16%	25,095,468	Y	N	N
1	S&T AG, Austria	diverse / Factoring DACH	2	18,821,601	576,288	576,288	351,453	-	4.59%	25,095,468	Y	N	N
1	S&T AG, Austria	RTSoft Project OOO	2	18,821,601	76,086	73,435	-	-	0.59%	25,095,468	Y	N	N
1	S&T AG, Austria	RTSoft AO	2	18,821,601	18,086	-	-	-	- %	25,095,468	Y	N	N

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Code	Maximum amount of 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 endorsement s secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Maximum amount of endorsement	Endorsemen t of the parent company to a subsidiary	Endorsemen t of a subsidiary to the Parent company	Endorsemen t for Mainland China
		Company name	Relationship										
2	HighAim Technology INC.	HighAim Technology Inc.	2	627,924	27,680	27,680	-	-	4.41%	627,924	Y	N	Y
3	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	2	3,282,645	1,781,943	1,373,105	211,430	-	20.91%	6,565,290	Y	N	Y
3	Marketech International Corp.	Marketech Integrated Pte. Ltd.	2	3,282,645	17,131	14,911	3,603	-	0.23%	6,565,290	Y	N	N
3	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	2	3,282,645	859,442	756,561	34,680	-	11.52%	6,565,290	Y	N	Y
3	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	2	3,282,645	347,506	276,376	157,776	-	4.21%	6,565,290	Y	N	Y
3	Marketech International Corp.	Marketech International Corporation USA	2	3,400,540	1,403,100	1,401,360	1,284,382	-	21.34%	6,565,290	Y	N	N
3	Marketech International Corp.	Marketech International Sdn. Bhd.	2	3,282,645	227,840	166,080	32,843	-	2.53%	6,565,290	Y	N	N
3	Marketech International Corp.	Ezoom Information, Inc.	2	3,282,645	85,000	25,000	-	-	0.38%	6,565,290	Y	N	N
3	Marketech International Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	2	3,282,645	318,971	296,340	207,518	-	4.51%	6,565,290	Y	N	Y
3	Marketech International Corp.	Te Chang Construction Co., Ltd.	5	3,282,645	174,000	174,000	65,248	-	2.65%	6,565,290	N	N	N
4	MIC-Tech Electronics Engineering	Marketech International	3	1,766,926	482,670	-	-	-	- %	2,944,876	N	Y	N

	Corp.	Corp.											
4	MIC-Tech Electronics Engineering Corp.	MIC-Tech (WuXi) Co., Ltd.	4	1,766,926	8,570	-	-	-	- %	2,944,876	N	N	Y
4	MIC-Tech Electronics Engineering Corp.	MIC-Tech Viet Nam Co., Ltd.	4	1,766,926	413,406	409,990	409,990	-	69.61%	2,944,876	N	N	N
4	MIC-Tech Electronics Engineering Corp.	The Fourth Construction Co., Ltd. of China Electronics System Engineering	5	1,766,926	808,756	801,400	778,920	-	136.07%	2,944,876	N	N	Y

Code	Maximum amount of  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
		Company name	Relationship										
5	Marketch Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	4	146,643	126,166	-	-	-	- %	146,643	N	N	N

Note 1: The No. column is filled as follows:

(1) Fill in 0 for issuer.

(2) The investee companies are numbered in order starting from 1. One company shall have an identical number.

Note2: The relationship between the endorsement and the endorsed object is as follows:

(1) A company with which it does business.

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

(3) A company that directly and indirectly holds more than 50% of the Company's voting shares.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Based on the needs of the contracted project, the business in the same industry or joint manufacturers mutually insure each other in accordance with the contract.

(6) A company that is endorsed and guaranteed by all contributing shareholders according to their shareholding ratio due to joint investment.

(7) The performance guarantee and joint guarantee in the industry engaged in the pre-sale house sales contract in accordance with the consumer protection law.

Note3: The total external endorsement and guarantee shall not exceed 150% of the Company's net worth in recent financial statements.

Note4: The total endorsement and guarantee to a single company shall not exceed 200% of the Company's net worth in recent financial statements.

# Ennoconn Technology Co., Ltd.

## Holding of marketable securities at the end of the period (excluding equity of subsidiaries, associates and joint ventures)

As of December 31, 2021

Table III

Unit: thousand shares/NT\$ thousand

Held company	Marketable securities Type and name	Marketable securities Relationship with issuers	Financial Statement Account	Ending				Remarks
				Number of shares/Units	Book value	Shareholding %	Fair value	
Ennoconn International Investment Co., Ltd.	Q.P.T.I Corporation	None	Unrealized gain on financial assets at FVTOCI-non-current	726	38,039	20%	38,039	
"	SERVTECH Co., Ltd.	"	"	400	8,708	7%	8,708	
"	Augentix Inc.	"	"	667	50,025	5%	50,025	
TAIWAN APPLIED MODULE CORPORATION	SERVTECH Co., Ltd.	"	"	340	24,566	11%	24,566	
Goldtek Technology Co., Ltd.	Cloudtalk Inc.	"	"	484	123,501	-%	-	
"	EMBER TECHNOLOGIES, INC.	"	"	862	140,700	2%	140,700	
"	Augentix Inc.	"	"	333	24,975	3%	24,975	
SUNLIT PRECISION TECHNOLOGY CO., LTD.	LINKA GROUP LIMITED	"	"	143	27,693	8%	-	
Techno Precision ShenZhen Co., Ltd.	T-lamma (Guangdong) Tech Co., Ltd.	Other related parties	"	9,408	82,569	16%	28,214	
Ennoconn (Foshan) Investment Co., Ltd.	Foshan Zhaoke Innovative Intelligent Industry Investment Fund Partnership	None	"	RMB 65,000	279,240	19%	279,240	
"	Guangdong Hongfu Xinghe Hongtu Venture Capital Fund Partnership	"	"	RMB 50,000	214,800	10%	214,800	
APLIGO GmbH	Shares in Volksbank Karlsruhe	"	"	-	9	-%	9	
CASWELL, INC.	ADVANTIO TECHNOLOGY CO., LTD.	"	"	1,045	-	19%	-	
NanJing Asiatek INC.	Shenzhen Executive Power System Technology Co., Ltd.	"	"	RMB 900	3,866	10%	3,866	
HighAim Technology Inc.	Shenzhen Tianlin Precision Technology Co., Ltd.	"	"	RMB 1,190	5,110	20%	5,110	
Dexatek Technology Ltd.	Eve Systems GmbH	"	"	53	78,875	19%	78,875	
S&T Hrvatska doo	Optima Telekom	"	"	EURO 68,093	2,133	-%	2,133	
SecureGuard GmbH	Erste Immobilienfonds Fonds	"	"	EURO 236,457	7,406	-%	7,406	
Iskratel d.o.o.	Others	"	"	EURO 158,812	4,974	-%	4,974	
Diverse	Diverse	"	"	EURO 1,085	34	-%	34	
S&T AG	Others	"	"	EURO 324,638	10,168	-%	10,168	
AO IskraUralTel Yekaterinburg	Others	"	"	EURO 491	15	-%	15	
	Less: Unrealized gain on financial assets at FVTOCI			-	(205,549)		-	
				-	921,857		921,857	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Held company	Marketable securities Type and name	Marketable securities Relationship with issuers	Financial Statement Account	Ending				Remarks
				Number of shares/Units	Book value	Shareholding %	Fair value	
Marketech International Corp.	Lasertec Corporation	None	Financial assets at FVTPL-Current	20	169,745	1%	169,745	
"	Aerospace Industrial Development Corporation	"	"	51	1,495	1%	1,495	
				-	171,240		171,240	
Marketech International Corp.	TAIWAN COLOUR AND IMAGING TECHNOLOGY CORPORATION	None	Financial assets at FVTPL-Non-Current	1,700	-	12%	-	
"	Chung Hsin Electric & Machinery Manufacturing Corp.	"	"	581	26,290	-%	26,290	
"	WINGS GLOBAL TECHNOLOGY INC.	"	"	750	9,096	19%	9,096	
"	ProMOS TECHNOLOGIES INC.	"	"	250	-	1%	-	
"	Taiwan Puritic Corp.	"	"	5,352	405,427	9%	405,427	
"	SOPOWER TECHNOLOGY CORP.	"	"	189	-	1%	-	
"	VEEV Interactive Pte. Ltd.	"	"	840	-	6%	-	
"	Taiwan Intelligent Fiber Optic Network Co., Ltd.	"	"	3,868	25,145	1%	25,145	
"	CIVIL TECH HOLDINGS LTD.	"	"	336	-	1%	-	
"	Probeleader Co., Ltd.	Entities controlled or significantly influenced by the main management	"	966	16,315	3%	16,315	
"	TOP GREEN ENERGY TECHNOLOGIES INC.	"	"	1,111	-	1%	-	
"	Zhi-Yuan Venture Capital Co., Ltd.	"	"	818	7,991	2%	7,991	
"	Innorich Venture Capital Corp.	"	"	1,000	7,093	2%	7,093	
"	TAIWAN FORESIGHT CO., LTD.	"	"	380	4,310	2%	4,310	
"	Long Time Technology Co., Ltd.	"	"	346	16,422	-%	16,422	
"	PARADIGM I VENTURE CAPITAL COMPANY	"	"	77	1,126	4%	1,126	
"	TAIWAN SPECIALITY CHEMICALS CORPORATION.	"	"	2,269	88,451	2%	88,451	
"	ATECH TOTALSOLUTION CO., LTD.	"	"	128	-	-%	-	
"	EAST WIND LIFE SCIENCE SYSTEMS CO., LTD.	"	"	124	-	13%	-	
"	Ecoland Corporation	"	"	311	-	14%	-	
"	KCASHIN TECHNOLOGY CORPORATION	"	"	643	320	19%	320	
"	Radisen Co. Ltd	"	"	88	-	18%	-	
"	FORESIGHT ENERGY TECHNOLOGIES CO., LTD.	"	"	675	1,626	3%	1,626	
"	Mycropore Corporation	"	"	1,471	26,954	8%	26,954	
"	STEK CO., LTD.	"	"	507	24,006	6%	24,006	
"	Sum Capital Healthcare Investment Corp.	"	"	943	9,393	7%	9,393	



Held company	Marketable securities Type and name	Marketable securities Relationship with issuers	Financial Statement Account	Ending				Remarks
				Number of shares/Units	Book value	Shareholding %	Fair value	
Marketech International Corp.	Forward Science Corp.	Entities controlled or significantly influenced by the main management	Financial assets at FVTPL-Non-Current	2,650	34,117	8%	34,117	
"	SHARPCON OPTICAL CO., LTD.	"	"	667	7,192	3%	7,192	
"	Everlasting Digital ESG Co., Ltd.	"	"	100	1,000	6%	1,000	
"	Artfil, Inc.	"	"	-	23,812	7%	23,812	
"	TAIWAN TRUEWIN TECHNOLOGY CO., LTD.	"	"	500	31,750	3%	31,750	
	Convertible corporate bonds:			-	767,836		767,836	
Marketech International Corp.	Kinestral Technologies, Inc.	None	Financial assets at FVTPL-Non-Current	-	-	-	-	
"	Radisen Co. Ltd	"	"	-	-	-	-	
"	Nitride Solutions Inc.	"	"	-	-	-	-	
"	HALLY'S CORPORATION	"	"	-	-	-	-	
	Preferred shares:			-	-		-	
Marketech International Corp.	Adant Technologies Inc.	None	Financial assets at FVTPL-Non-Current	175	-	-	-	
"	Kinestral Technologies, Inc.	"	Financial assets at FVTPL-Non-Current	502	-	-	-	
	Fund beneficiary certificates:			-	-	-%	-	
Marketech International Corp.	Vertex Growth(SG) LP	None	Financial assets at FVTPL-Non-Current	-	20,347	-%	20,347	
"	Zhuo Yi II Investment Limited Partnership	"	"	-	12,836	-%	12,836	
Ennoconn International Investment Co., Ltd.	Guotai Private Equity Smart Technology Co., Ltd	"	"	-	15,000	-%	15,000	
Goldtek Technology Co., Ltd.	Zhuo Yi II Investment Limited Partnership	"	"	-	114,028	-%	109,415	
CASWELL, INC.	Zhuo Yi II Investment Limited Partnership	"	"	-	26,473	-%	26,473	
	Less: Evaluation adjustment to financial assets measured at fair value through profit or loss			-	(4,613)		-	
				-	184,071	-%	184,071	

Note1: The above mentioned securities were not restricted for use due to guarantees, pledges, or other agreements as of the end of December 2021.

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

Note 3: It refers to preferred shares.

**Ennoconn Technology Co., Ltd.**

**Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of paid-in capital or more**

**For the Year Ended December 31, 2021**

Table IV

Unit: thousand shares/NT\$ thousand

The purchasing/s elling  Company	Type and name of securities	Ledger  account	Transaction  Counterpart	Relation ship	Beginning		Purchasing		Selling				Ending	
					Shares	cash	Shares	cash	Shares	Selling price	Book costs	Disposal profits/lo sses	Shares	cash
Ennoconn Technology Co., Ltd.	Stock AIS Cayman Technology	Investments accounted for using the equity method	Former shareholders of AIS Cayman Technology	Subsidiar y	- -	- -	- 4,028	- 922,170	- -	- -	- -	- -	- 4,028	- 922,170
Goldtek Technology Co., Ltd.	Keenest Electronic Corp.	Investments accounted for using the equity method	Keenest Electronic Corp.	Subsidiar y	20,500	510,287	3,500	96,757	-	-	-	-	24,000	376,265

Note: The ending amount includes evaluation profits/losses.

**Ennoconn Technology Co., Ltd.**  
**Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more**  
**For the Year Ended December 31, 2021**

Table V

Unit: NT\$ thousand

Purchases or Sales  Company	Counterparty	Relationship	Transaction circumstances				The situation and reason for the difference between the trading terms and the general trading		Accounts/Notes Receivable or Payable		Remarks
			Purchases or Sales	Amount	Ratio to Total Purchase (Sales)	Payment term	Unit price	Payment term	Balance	% to Total Notes/Accounts Receivable or Payable	
Ennoconn Technology Co., Ltd.	Victor Plus Holdings Ltd.	Parent company to sub-subsidiary	Purchases	2,275,328	72.78 %	60 days monthly settlement	-	No significant discrepancy	(104,736)	(26.00) %	
Ennoconn Technology Co., Ltd.	Kontron Canada Inc.	Parent company to sub-subsidiary	Sales	(114,078)	(3.41) %	120 days monthly settlement	-	No significant discrepancy	16,533	2.00 %	
Ennoconn Technology Co., Ltd.	Kontron America Inc.	Parent company to sub-subsidiary	Sales	(180,693)	(5.40) %	120 days monthly settlement	-	No significant discrepancy	55,134	7.00 %	
Ennoconn Technology Co., Ltd.	Kontron Europe Gmbh	Parent company to sub-subsidiary	Sales	(506,794)	(15.16) %	120 days monthly settlement	-	No significant discrepancy	171,546	22.00 %	
Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Asia Technology Inc.	Sub-subsidiary company to sub-subsidiary	Purchases	437,638	11.58 %	120 days monthly settlement	-	No significant discrepancy	(124,446)	(15.00) %	
Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Europe Gmbh	Sub-subsidiary company to sub-subsidiary	Purchases	232,677	6.16 %	120 days monthly settlement	-	No significant discrepancy	(398,488)	(49.00) %	
Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	225,441	5.97 %	90 days monthly settlement	-	No significant discrepancy	(56,433)	(7.00) %	
Ennoconn (Suzhou) Technology Co., Ltd.	Kang zhun Electronic Technology (Kunshan) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	139,377	3.69 %	90 days monthly settlement	-	No significant discrepancy	(16,540)	(2.00) %	

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## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Europe Gmbh	Sub-subsidiary company to sub-subsidiary	Sales	(116,506)	(3.00)%	120 days monthly settlement	-	No significant discrepancy	59,985	9.00%
Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(3,051,025)	(78.54)%	60 days monthly settlement	-	No significant discrepancy	56,433	9.00%
Caswell Ltd.	Victor Plus Holdings Ltd.	Subsidiary company to sub-subsidiary	Purchases	129,547	4.58%	60 days monthly settlement	-	No significant discrepancy	(70,485)	(8.00)%
Caswell Ltd.	Beijing Caswell Ltd.	Subsidiary company to sub-subsidiary	Sales	(168,970)	(5.19)%	O/A 90 days	-	No significant discrepancy	74,539	12.00%
Caswell Ltd.	CASO, inc.	Subsidiary company to sub-subsidiary	Sales	(177,449)	(5.45)%	O/A 70 days	-	No significant discrepancy	26,624	4.00%
Caswell Ltd.	Caswell Americas Inc.	Subsidiary company to sub-subsidiary	Sales	(186,436)	(5.72)%	O/A 90 days	-	No significant discrepancy	41,464	6.00%
Caswell Americas Inc.	Caswell Ltd.	Sub-subsidiary company to subsidiary	Purchases	186,436	99.41%	O/A 90 days	-	No significant discrepancy	(41,464)	(96.00)%
CASO, inc.	Caswell Ltd.	Sub-subsidiary company to subsidiary	Purchases	177,449	89.16%	O/A 70 days	-	No significant discrepancy	(26,624)	(76.00)%
APLIGO Gmbh	American Industrial Systems Inc.	Sub-subsidiary company to sub-subsidiary	Sales	(262,841)	(65.74)%	O/A 60 days	-	No significant discrepancy	34,380	46.00%

Purchases or Sales  Company	Counterparty	Relationship	Transaction circumstances				The situation and reason for the difference between the trading terms and the general trading		Accounts/Notes Receivable or Payable		Remarks
			Purchases or Sales	Amount	Ratio to Total Purchase (Sales)	Payment term	Unit price	Payment term	Balance	% to Total Notes/Accounts Receivable or Payable	
Victor Plus Holdings Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	3,056,688	97.31 %	90 days monthly settlement	-	No significant discrepancy	(353,474)	(97.00) %	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Victor Plus Holdings Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(225,637)	(7.89)%	90 days monthly settlement	-	No significant discrepancy	56,433	19.00 %
Victor Plus Holdings Ltd.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Sales	(2,567,098)	(89.81)%	60 days monthly settlement	-	No significant discrepancy	131,935	44.00 %
Shenzhen Asiatek INC.	Nanjing Asiatek Inc.	Sub-subsidiary company to sub-subsidiary	Purchases	513,953	23.89 %	60 days monthly settlement	-	No significant discrepancy	-	- %
Shenzhen Asiatek INC.	Shenzhen pictographic Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	123,425	5.74 %	60 days monthly settlement	-	No significant discrepancy	(28,282)	(3.00) %
Shenzhen Asiatek INC.	HeNan FuChi Technology Co., Ltd.	Sub-subsidiary to affiliated companies	Sales	(154,596)	(6.06) %	60 days monthly settlement	-	No significant discrepancy	146,329	17.00 %
Shenzhen Asiatek INC.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Sub-subsidiary to affiliated companies	Sales	(381,807)	(14.97) %	90 days monthly settlement	-	No significant discrepancy	5,633	1.00 %
Shenzhen Asiatek INC.	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Sub-subsidiary to affiliated companies	Sales	(387,172)	(15.18) %	60 days monthly settlement	-	No significant discrepancy	284,480	33.00 %
Shenzhen Asiatek INC.	Futaihua Industry (Shenzhen) Co., Ltd.	Sub-subsidiary to affiliated companies	Sales	(637,429)	(25.00) %	60 days monthly settlement	-	No significant discrepancy	61,636	7.00 %
HighAim Technology Inc.	ANDRIX INTERNATIONAL LIMITED	Sub-subsidiary company to sub-subsidiary	Sales	(141,193)	(12.34) %	90 days monthly settlement	-	No significant discrepancy	59,479	13.00 %
HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary company to sub-subsidiary	Sales	(359,919)	(31.46) %	90 days monthly settlement	-	No significant discrepancy	154,883	35.00 %



Purchases or Sales  Company	Counterparty	Relationship	Transaction circumstances				The situation and reason for the difference between the trading terms and the general trading		Accounts/Notes Receivable or Payable		Remarks
			Purchases or Sales	Amount	Ratio to Total Purchase (Sales)	Payment term	Unit price	Payment term	Balance	% to Total Notes/Accounts Receivable or Payable	
Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(527,029)	(13.84)%	60 days monthly settlement	-	No significant discrepancy	511,189	39.00 %	
T-Paragon Precision Die Casting Co., Ltd.	T-Paragon Hardware (Shenzhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	245,368	68.46 %	90 days monthly settlement	-	No significant discrepancy	(238,579)	(89.00)%	
Beijing Caswell Ltd.	Caswell Ltd.	Sub-subsidiary company to subsidiary	Purchases	168,970	38.30 %	O/A 90 days	-	No significant discrepancy	(74,539)	(41.00)%	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

SUNLIT PRECISION TECHNOLOGY CO., LTD.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	486,807	73.39%	60 days monthly settlement	-	No significant discrepancy	-	-	%
SUNLIT PRECISION TECHNOLOGY CO., LTD.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(182,907)	(26.80)%	60 days monthly settlement	-	No significant discrepancy	132,485	42.00%	
MIC-Tech Global Corp.	Marketch International Corp.	Sub-subsidiary company to sub-subsidiary	Sales	(164,320)	(89.59)%	30-60 days monthly settlement	-	No significant discrepancy	49,199	88.00%	
S&T IT Services S.R.L.	S&T Mold srl.	Sub-subsidiary company to sub-subsidiary	Sales	(151,921)	(57.45)%	90 days monthly settlement	-	No significant discrepancy	-	-	%
Kontron Transportation GmbH	Kontron Transportation France S.A.S.	Sub-subsidiary company to sub-subsidiary	Sales	(102,750)	(8.66)%	90 days monthly settlement	-	No significant discrepancy	64,054	17.21%	
Kontron Transportation France S.A.S.	Kontron Transportation Austria AG	Sub-subsidiary company to sub-subsidiary	Sales	(151,117)	(15.96)%	90 days monthly settlement	-	No significant discrepancy	146,334	68.17%	
Kontron Europe GmbH	Kontron America Inc.	Sub-subsidiary company to sub-subsidiary	Sales	(992,962)	(15.26)%	90 days monthly settlement	-	No significant discrepancy	398,558	22.58%	
Kontron Europe GmbH	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Purchases	541,916	10.94%	120 days monthly settlement	-	No significant discrepancy	(237,054)	(8.69)%	

Purchases or Sales	Counterparty	Relationship	Transaction circumstances				The situation and reason for the difference between the trading terms and the general trading		Accounts/Notes Receivable or Payable		Remarks
			Purchases or Sales	Amount	Ratio to Total Purchase (Sales)	Payment term	Unit price	Payment term	Balance	% to Total Notes/Accounts Receivable or Payable	
Kontron Europe Gmbh	Kontron Technology Beijing Co. Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(132,767)	(2.04) %	90 days monthly settlement	-	No significant discrepancy	8,303	0.47 %	
Kontron Europe Gmbh	RTSoft	Sub-subsidiary company to sub-subsidiary	Sales	(132,930)	(2.04) %	90 days monthly settlement	-	No significant discrepancy	44,974	2.55 %	
Kontron Europe Gmbh	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(233,477)	(3.59) %	120 days monthly settlement	-	No significant discrepancy	136,026	7.71 %	
Kontron Europe Gmbh	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	116,938	2.36 %	120 days monthly settlement	-	No significant discrepancy	(59,927)	(2.20) %	
Kontron Electronics Kft.	Kontron Electronics GmbH	Sub-subsidiary company to sub-subsidiary	Sales	(143,803)	(89.00) %	90 days monthly settlement	-	No significant discrepancy	4,304	67.49 %	
Kontron Canada Inc.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Purchases	117,960	16.12 %	120 days monthly settlement	-	No significant discrepancy	(17,683)	(12.16) %	
Kontron Canada Inc.	Kontron America Inc.	Sub-subsidiary company to sub-subsidiary	Sales	(275,419)	(22.03) %	90 days monthly settlement	-	No significant discrepancy	51,943	26.35 %	
Kontron Austria GmbH	Kontron Electronics AG	Sub-subsidiary company to sub-subsidiary	Sales	(140,677)	(10.72) %	90 days monthly settlement	-	No significant discrepancy	6,165	3.33 %	
Kontron Austria GmbH	Kontron Europe Gmbh	Sub-subsidiary company to sub-subsidiary	Sales	(320,300)	(24.40) %	90 days monthly settlement	-	No significant discrepancy	74,535	40.29 %	
Kontron Asia Inc.	Kontron Europe Gmbh	Sub-subsidiary company to sub-subsidiary	Sales	(283,134)	(15.13) %	90 days monthly settlement	-	No significant discrepancy	34,252	10.32 %	
Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	(438,583)	(23.44) %	120 days monthly settlement	-	No significant discrepancy	124,325	37.44 %	
Kontron Asia Inc.	Kontron Austria GmbH	Sub-subsidiary company to sub-subsidiary	Sales	(134,074)	(7.17) %	90 days monthly settlement	-	No significant discrepancy	36,652	11.04 %	
Kontron Asia Inc.	Kontron Canada Inc.	Sub-subsidiary company to sub-subsidiary	Sales	(116,770)	(6.24) %	90 days monthly settlement	-	No significant discrepancy	4,110	1.24 %	

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Kontron America Inc.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Purchases	174,321	8.06 %	120 days monthly settlement	-	No significant discrepancy	(80,089)	(11.41) %
Iskratel d.o.o.	AO IskraUralTel Yekaterinburg	Sub-subsidiary company to sub-subsidiary	Sales	(275,541)	(11.69) %	90 days monthly settlement	-	No significant discrepancy	117,892	24.72 %
HighAim Technology INC.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary company to sub-subsidiary	Purchases	364,537	68.86 %	90 days monthly settlement	-	No significant discrepancy	(157,289)	(59.41) %
HighAim Technology INC.	ANDRIX INTERNATIONAL LIMITED	Sub-subsidiary company to sub-subsidiary	Purchases	141,275	26.69 %	90 days monthly settlement	-	No significant discrepancy	(58,614)	(22.14) %

**Ennoconn Technology Co., Ltd.**  
**Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more**  
**As of December 31, 2021**

Table VI

Unit: NT\$ thousand

Accounts receivable from companies	Counterparty Name	Relationship	Balance due from related party	Turnover rate	Overdue receivables from related parties		Accounts receivable from related parties Allowance for bad debts recognized	Loss
					Amount	Treatment		
Ennoconn Technology Co., Ltd.	Kontron Europe Gmbh	Parent company to sub-subsidiary	171,546	4.23%	-	-	-	-
Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary company to sub-subsidiary	353,609	2.06%	-	-	-	-
Victor Plus Holdings Ltd.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	131,935	2.65%	-	-	-	-
Shenzhen Asiatek INC.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Sub-subsidiary to affiliated companies	284,480	1.36%	-	-	-	-
Shenzhen Asiatek INC.	HeNan FuChi Technology Co., Ltd.	Sub-subsidiary to affiliated companies	146,329	1.06%	-	-	-	-
HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary company to sub-subsidiary	155,194	2.24%	-	-	-	-
Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	511,189	2.05%	-	-	437,856	-
Marketch International Corp.	MIC-Tech Viet Nam Co., Ltd.	Sub-subsidiary company to sub-subsidiary	111,729	-%	-	-	-	-
SUNLIT PRECISION TECHNOLOGY CO., LTD.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary company to sub-subsidiary	132,485	1.23%	-	-	-	-
S&T AG	Kontron Europe Gmbh	Sub-subsidiary company to sub-subsidiary	1,823,944	-%	-	-	-	-
S&T AG	Kontron Beteiligungs GmbH	Sub-subsidiary company to sub-subsidiary	1,284,120	-%	-	-	-	-
S&T AG	S&T CEE Holding s.r.o.	Sub-subsidiary company to sub-subsidiary	475,890	-%	-	-	-	-
S&T AG	Kontron Transportation GmbH	Sub-subsidiary company to sub-subsidiary	445,348	-%	-	-	-	-
S&T AG	Kontron America Inc.	Sub-subsidiary company to sub-subsidiary	411,251	-%	-	-	-	-
S&T AG	Kontron Austria GmbH	Sub-subsidiary company to sub-subsidiary	323,765	-%	-	-	-	-
S&T AG	Kontron Electronics GmbH	Sub-subsidiary company to sub-subsidiary	311,451	-%	-	-	-	-
S&T AG	S&T Romania srl.	Sub-subsidiary company to sub-subsidiary	185,724	-%	-	-	-	-
S&T AG	RT Soft	Sub-subsidiary company to sub-subsidiary	115,217	-%	-	-	-	-
S&T AG	Kontron Modular Computers S.A.S.	Sub-subsidiary company to sub-subsidiary	105,705	-%	-	-	-	-

Accounts receivable from companies	Counterparty  Name	Relationship	Balance due from related party	Turnover rate	Overdue receivables from related parties		Accounts receivable from related parties Allowance for bad debts recognized	Loss
					Transaction	Treatment		
Kontron Transportation GmbH	Kontron Transportation Sp .z.o.o.	Sub-subsidiary company to sub-subsidiary	106,477	-%	-	-	-	-
Kontron Transportation Deutschland GmbH	Kontron Transportation GmbH	Sub-subsidiary company to sub-subsidiary	193,963	-%	-	-	-	-
Kontron Europe GmbH	Kontron America Inc.	Sub-subsidiary company to sub-subsidiary	387,782	-%	-	-	-	-
Kontron Europe GmbH	Kontron Electronics GmbH	Sub-subsidiary company to sub-subsidiary	249,924	-%	-	-	-	-
Kontron Europe GmbH	ENNOCONN(SUZHOU) TECHNOLOGY CO., LTD.	Sub-subsidiary company to sub-subsidiary	136,026	-%	-	-	-	-
Kontron Europe GmbH	Kontron Asia Pacific Design Sdn Bhd	Sub-subsidiary company to sub-subsidiary	135,288	-%	-	-	-	-
Kontron Beteiligungs GmbH	Kontron Europe GmbH	Sub-subsidiary company to sub-subsidiary	1,292,196	-%	-	-	-	-
Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co. Ltd	Sub-subsidiary company to sub-subsidiary	124,325	-%	-	-	-	-
Iskratel d.o.o.	AO IskraUralTel Yekaterinburg	Sub-subsidiary company to sub-subsidiary	340,373	-%	-	-	-	-
Iskratel d.o.o.	S&T AG	Sub-subsidiary company to sub-subsidiary	150,317	-%	-	-	-	-

**Ennoconn Technology Co., Ltd.**  
**Re-investment information (excluding investees in Mainland China)**  
**For the Year Ended December 31, 2021**

Table VII

Unit: NT\$ thousand

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Profit or loss of the investee for the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value			
Ennoconn Technology Co., Ltd.	Innovative Systems Integration Limited	Hong Kong	Professional investment	1,785,425	1,845,779	518,216,530	100.00%	2,119,539	(3,683)	(3,683)	
Ennoconn Technology Co., Ltd.	Ennoconn International Investment Co., Ltd.	Taiwan	Professional investment	7,010,000	7,010,000	711,735,000	100.00%	8,403,724	921,419	921,419	
Ennoconn Technology Co., Ltd.	CASWELL, INC.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	1,031,800	1,031,800	20,000,000	27.33%	1,081,045	219,556	40,995	Note 2
Ennoconn Technology Co., Ltd.	Ennoconn Investment Holdings Co., Ltd	Samoa	Manufacturing and marketing of industrial computers	6,625,485	6,816,973	239,360,000	100.00%	7,738,960	453,344	453,343	
Ennoconn Technology Co., Ltd.	AIS Cayman Technology	Cayman Islands	Professional investment	230,586	-	4,028,217	37.64%	280,666	166,431	62,652	
Innovative Systems Integration Limited	ENGA Technology Co., Ltd.	Hong Kong	Wholesale, manufacturing, service, import and export of software and hardware related to industrial computers and industrial control systems	97,475	99,680	3,500,000	100.00%	100,096	417	417	
Innovative Systems Integration Limited	Victor Plus Holdings Ltd.	Seychelles	Import and export trading	-	-	500,000	100.00%	12,030	(23)	(23)	
Ennoconn Investment Holdings Co., Ltd	AIS Cayman Technology	Cayman Islands	Professional investment	264	271,514	6,672,469	62.36%	16,796	166,431	103,786	
Ennoconn Investment Holdings Co., Ltd	S&T AG	Austria	Information system software and hardware integration service	4,399	5,565,694	16,835,008	26.41%	125,302	1,573,198	415,482	Note 2
Ennoconn Investment Holdings Co., Ltd	Ennoconn Hungary Kft.	Hungary	Manufacturing and marketing of industrial computers	-	-	3,000,000	100.00%	274	(20)	(20)	
AIS Cayman Technology	American Industrial Systems Inc.	USA	Human-machine interface and industry 4.0 and other related products	1,500	42,720	1,500,000	100.00%	8,786	3,847	3,847	
AIS Cayman Technology	Vecow Co., Ltd.	Taiwan	Manufacturing, processing, trading, import and export of communication machinery and equipment, electronic equipment and electronic devices	3,229	91,962	20,000,000	100.00%	11,028	2,276	2,276	
Ennoconn International Investment Co., Ltd.	Goldtek Technology Co., Ltd.	Taiwan	Wholesale and retail of telecommunications control RF equipment input and information software	492,221	492,221	17,022,831	56.74%	1,024,011	158,527	89,952	Note 2
Ennoconn International Investment Co., Ltd.	CASWELL, INC.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software	149,500	1,031,800	3,250,000	4.44%	144,581	219,556	9,750	

			services								
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Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Current gain (loss) of the investee company during the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value			
Ennoconn International Investment Co., Ltd.	EnnoMech Precision (Cayman) Co., Ltd.	Cayman Islands	Professional investment	13,800	393,024	13,800,000	100.00%	577,929	17,859	17,859	
Ennoconn International Investment Co., Ltd.	SyS-P Co., Ltd.	Taiwan	International trade, information software wholesale and services	-	30,000	-	- %	-	(1,472)	(1,472)	Note 2
Ennoconn International Investment Co., Ltd.	TAIWAN APPLIED MODULE CORPORATION	Taiwan	Research, design and sales of mobile payment, electronic signature and information security products	95,029	75,029	10,400,000	100.00%	50,236	(20,877)	(20,877)	Note 2
Ennoconn International Investment Co., Ltd.	Thecus Technology Corp.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	102,000	102,000	10,200,000	60.00%	(4,080)	(12,697)	(7,618)	Note 2
Ennoconn International Investment Co., Ltd.	Dexatek Technology Ltd.	Taiwan	Multimedia product R&D and design and manufacturing business	236,862	236,862	12,600,000	60.00%	307,737	104,162	62,497	Note 2
Ennoconn International Investment Co., Ltd.	S&T AG	Austria	Information system software and hardware integration service	7,523	263,455	750,000	1.17%	154,515	1,590,537	18,649	Note 2
Ennoconn International Investment Co., Ltd.	DIVA Laboratories. Ltd.	Taiwan	Research, development, manufacturing and sales of medical equipment and computer peripherals.	-	228,626	-	- %	-	22,276	22,276	
Ennoconn International Investment Co., Ltd.	Marketch International Corp.	Taiwan	High tech industry plant services and process system planning integration service	4,924,648	4,924,648	83,468,613	44.04%	5,643,304	1,547,480	681,510	
Ennoconn International Investment Co., Ltd.	POSLAB TECHNOLOGY CORPORATION	Taiwan	Manufacturing, wholesale and sales of electronic and its peripheral equipment	132,317	132,317	9,100,000	70.00%	125,958	1,536	1,075	
Ennoconn International Investment Co., Ltd.	RIGO GLOBAL CO., LTD.	Taiwan	Manufacturing, wholesale and sales of electronic and its peripheral equipment	32,000	32,000	1,066,667	26.23%	30,900	989	259	
Ennoconn International Investment Co., Ltd.	Renown Information Technology Corp.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	24,000	30,000	2,000,000	23.76%	16,352	(17,351)	(4,123)	Note 2
EnnoMech Precision (Cayman) Co., Ltd.	HighAim Technology INC.	Samoa	Professional investment	10,843	308,809	3,302,618	67.65%	397,531	32,251	21,818	
EnnoMech Precision (Cayman) Co., Ltd.	DOMINATE UNITED ENTERPRISE LTD.	Samoa	Professional investment	2,100	59,808	2,100,000	100.00%	59,444	(25)	(25)	
EnnoMech Precision (Cayman) Co., Ltd.	ENNOMECH PRECISION CO., LTD.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	10,000	10,000	1,000,000	100.00%	28,830	(3,447)	(3,447)	
HighAim Technology INC.	FUNOLOGY INVESTMENT INC.	Samoa	Import and export trading	28	28	1,000	100.00%	9,737	4,560	4,560	

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HighAim Technology INC.	ANDRIX INTERNATIONAL LIMITED	Anquila	Import and export trading	28	28	900	100.00%	9,826	40	40	
Caswell Ltd.	CASO Inc.	Japan	Netcom product selling	27,062	27,062	2,000	99.00%	82,197	27,402	27,128	
Caswell Ltd.	Caswell International investment Co., Ltd.	Samoa	Overseas investments	101,135	101,135	3,206,000	100.00%	206,356	36,902	36,902	
Caswell Ltd.	Caswell Americas, Inc.	U.S.A.	Netcom product selling	92,460	92,460	3,000,000	100.00%	55,610	4,870	4,870	
Caswell Ltd.	Hawkeye Tech Co., Ltd.	Germany	Computer and peripheral commodity wholesale	602,041	602,041	24,000	60.64%	470,676	33,178	20,119	
Caswell Ltd.	APLIGO GMBH	Taiwan	Hub and SI Service	60,275	60,275	9,097,000	66.67%	63,990	4,311	2,874	Note 2
Thecus Technology Corp.	Thecus USA, Inc.	U.S.A.	Network storage device	23	23,367	750,000,000	100.00%	4,906	(71)	(71)	Note 2
Goldtek Technology Co., Ltd.	Keenest Electronic Corp.	Samoa	Professional investment	664,320	567,440	24,000,000	100.00%	376,265	(198,164)	(198,164)	
Keenest Electronic Corp.	SUNLIT PRECISION TECHNOLOGY CO., LTD.	Hong Kong	Metal stamping and casting industry	282,679	282,679	7,500,000	40.30%	183,392	(7,536)	(3,212)	
SUNLIT PRECISION TECHNOLOGY CO., LTD.	T-Paragon Precision Die Casting Co., Ltd.	Hong Kong	Finance/Logistics	26,618	26,618	7,500,000	50.00%	75,954	(12,675)	(6,337)	
T-Paragon Precision Die Casting Co., Ltd.	T-Paragon Industrial (THAILAND) Co., Ltd.	Thailand	Metal stamping and casting industry	133,008	99,826	159,888,000	100.00%	117,777	(11,997)	(11,997)	
TAIWAN APPLIED MODULE CORPORATION	Hua Qun Venture Management Corporation	Taiwan	General investment and investment consultancy	400,000	-	40,000	40.00%	324,005	(190)	(76)	
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Singapore	Contracting of automation supply system business in semiconductor industry	233,306	233,306	10,085,678	100.00%	(43,049)	(7,915)	(7,915)	
Marketech International Corp.	Market Go Profits Ltd.	British Virgin Islands	Share holding and reinvestment business	1,328,547	1,328,547	41,069,104	100.00%	1,665,661	295,070	295,070	
Marketech International Corp.	MIC-Tech Global Corp.	Republic of Korea	General international trade	19,147	19,147	131,560	100.00%	11,571	409	409	
Marketech International Corp.	Headquarter International Ltd.	British Virgin Islands	Share holding and reinvestment business	42,475	42,475	1,289,367	100.00%	33,757	(586)	(586)	
Marketech International Corp.	Tiger United Finance Ltd.	British Virgin Islands	Share holding and reinvestment business	46,475	46,475	1,410,367	100.00%	31,391	(1,983)	(1,983)	
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Singapore	Contracting of mechanical and electrical installation and other engineering business	21,804	21,804	937,533	100.00%	(128)	(2,105)	(2,105)	
Marketech International Corp.	Marketech Integrated Manufacturing Company Limited	Myanmar	Design, manufacture, assembly and other services of automatic production machinery, equipment and components.	478,985	478,985	1,535,600	100.00%	192,376	(76,361)	(76,361)	
Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Vietnam	Trade, installation and maintenance of various factory machinery and equipment and peripheral consumables; consultancy services and software execution services related to the installation of computer hardware	131,060	110,696	-	100.00%	123,939	11,394	11,394	

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Marketech International Corp.	Marketech Co., Ltd.	Vietnam	Professional engineering contracting and related maintenance services; trading and repair of tools and machines, trading of cosmetics and daily necessities; software production, development, implementation and programming services; providing installation services for industrial machinery and equipment	72,596	72,596	-	100.00%	13,123	(4,778)	(4,778)	
Marketech International Corp.	Ezoom Information, Inc.	Taiwan	R&D, trading, consulting and other services of information system software and hardware applications	225,737	195,737	23,000,000	100.00%	93,588	(37,275)	(37,275)	
Marketech International Corp.	Marketech International Sdn.Bhd.	Malaysia	Professional engineering contracting and related maintenance services; medical equipment sales	77,803	77,803	12,242,750	100.00%	53,279	(1,563)	(1,563)	
Marketech International Corp.	Marketech International Corporation USA	USA	Engineering professional contracting and related maintenance services	110,309	23,086	3,750,000	100.00%	97,807	3,408	3,408	
Marketech International Corp.	Spiro Technology Systems Inc.	USA	General international trade	54,074	23,936	1,000,000	100.00%	50,535	2,656	2,656	
Marketech International Corp.	ADAT Technology Co., Ltd.	Taiwan	Development, application and service of information software, supply of electronic information and trading of equipment	64,119	50,000	4,205,940	26.00%	26,756	(50,475)	(13,419)	
Marketech International Corp.	PT Marketech International Indonesia	Indonesia	Trading of machinery, equipment and spare parts	38,042	38,042	1,199,000	99.92%	31,867	(447)	(447)	
Marketech International Corp.	Marketech Netherlands B.V.	Netherlands	International trade business and technical services of machinery, equipment and components	31,253	31,253	900,000	100.00%	3,288	(8,397)	(8,397)	
Marketech International Corp.	Glory Technology Service Inc.	Taiwan	Trading and installation services of information and communication devices	42,714	42,714	5,968,371	29.24%	65,340	6,374	1,864	
Marketech International Corp.	MIC Techno Co., Ltd.	Taiwan	Panel equipment and material sales	2,000	2,000	200,000	20.00%	1,814	(46)	(10)	
Marketech International Corp.	Smart Health Corp.	Taiwan	Smart medical consulting services and investment	500	500	50,000	100.00%	418	(58)	(58)	
Marketech International Corp.	Vertex Corporation	Taiwan	Trading of equipment used in 5G wireless communication private network (micro base station and core network) and IoT intelligent control gateway; maintaining the DMP cloud object management platform and providing integration services of software management platform, vertical domain IT and communication system	50,000	20,000	5,000,000	61.35%	45,080	(6,894)	(2,967)	

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Marketech International Corp.	MIC Healthcare Korea Co., Ltd.	Republic of Korea	R&D, sales and professional technical services of medical devices and components; general international trade and import and export business.	8,321	-	700,000	100.00%	5,880	(2,465)	(2,465)	
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Cayman	Share holding and reinvestment business	1,323,049	1,323,049	40,966,604	100.00%	1,664,389	295,166	-	
Marketech Engineering Pte. Ltd.	Marketech Integrated Construction Co., Ltd.	Myanmar	Share holding and reinvestment business	19,342	19,342	63,500	97.69%	(854)	(1,987)	-	
MIC-Tech Ventures Asia Pacific Inc.	Russky H.K. Limited	Hong Kong	Share holding and reinvestment business	34,551	34,551	833,000	100.00%	21,451	22,121	-	
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co. Limited	Hong Kong	Share holding and reinvestment business	31,422	31,422	2,337,608	100.00%	3,153	(1,760)	-	
MIC-Tech Ventures Asia Pacific Inc.	MICT International Limited	Hong Kong	Share holding and reinvestment business	132,282	132,282	5,400,000	60.00%	30,409	(11,932)	-	
MIC-Tech Ventures Asia Pacific Inc.	Leader Fortune Enterprise Co., Ltd.	Samoa	Share holding and reinvestment business	8,990	8,990	303,000	31.43%	(3,067)	1,090	-	
MIC-Tech Ventures Asia Pacific Inc.	Fortune Blessing Co., Limited	Hong Kong	Share holding and reinvestment business	45,985	45,985	500,000	27.78%	8,233	(9,742)	-	
Russky H.K. Limited	PT Marketech International Indonesia	Indonesia	Trading of machinery, equipment and spare parts	32	32	1,000	0.08%	28	(447)	-	
S&T AG, Austria	S&T CEE Holding s.r.o., Slovakia	Bratislava, SK	IT Services	(167,393)	(187,182)	1,881,565	100.00%	15,485,786	208,753	208,753	
S&T CEE Holding s.r.o., Slovakia	S&T CZ s.r.o., Czech Republic	Prague, CZ	IT Services	256,419	286,709	49,500,000	99.00%	6,560,605	35,725	35,368	
S&T CEE Holding s.r.o., Slovakia	S&T Plus s.r.o., Czech Republic	Prague, CZ	IoT Solutions Europe	14,756	16,494	9,900,000	99.00%	2,817,064	29,285	28,992	
S&T CEE Holding s.r.o.,	S&T Services Polska	Warsaw, PL	IT Services	83,040	92,838	2,120	100.00%	2,257,869	10,788	10,788	

Slovakia	Sp.z.o.o., Poland										
S&T CEE Holding s.r.o., Slovakia	S&T Crna Gora d.o.o., Montenegro	Podgoriza, ME	IT Services	1,037	1,156	25,000	100.00%	1,033,899	4,895	4,895	
S&T CEE Holding s.r.o., Slovakia	S&T Bulgaria e.o.o.d., Bulgaria	Sofia, BG	IoT Solutions Europe	39,806	44,510	13,126	100.00%	2,846,095	26,357	26,357	
S&T CEE Holding s.r.o., Slovakia	S&T Poland Sp.z.o.z., Poland	Warsaw, PL	IT Services	-	-	26,974	100.00%	19,678,595	223,231	223,231	
S&T CEE Holding s.r.o., Slovakia	S&T Slovenija d.d., Slovenia	Ljubljana, SL	IT Services	485,970	543,370	31,410	100.00%	9,651,431	184,493	184,493	
S&T Slovenija d.d., Slovenia	S&T Hrvatska d.o.o., Croatia	Zagreb, HR	IT Services	34,267	38,312	221,300	100.00%	14,523,550	75,011	75,011	
S&T Slovenija d.d., Slovenia	S&T Macedonia d.o.o.e.l., Macedonia	Skopje, MK	IT Services	2,676	2,977	568,000	100.00%	4,365,908	15,695	15,695	

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S&T AG, Austria	S&T Plus s.r.o., Czech Republic	Prague, CZ	IoT Solutions Europe	2,872	3,222	100,000	1.00%	28,455	29,285	293	
S&T AG, Austria	S&T CZ s.r.o., Czech Republic	Prague, CZ	IT Services	1,923	2,136	500,000	1.00%	66,269	35,725	357	
S&T AG, Austria	S&T Romania S.R.L., Romania	Bucharest, RO	IT Services	101,073	113,010	2,461	31.00%	2,283,138	45,084	13,976	
S&T AG, Austria	S&T Serbia d.o.o., Serbia	Belgrade, RS	IT Services	111,586	124,776	8,786	100.00%	2,916,847	21,238	21,238	
S&T AG, Austria	S&T Albania Sh.p.k., Albania	Tirana, AL	IT Services	8,821	9,876	100	100.00%	759,483	7,794	7,794	
S&T AG, Austria	S&T Mold srl., Moldova	Chisinau, MD	IT Services	56,376	63,036	578,898	51.00%	4,841,281	7,042	3,591	
S&T Mold srl., Moldova	S&T IT Technologie srl., Moldova	Chisinau, MD	IT Services	76	70	50,000	100.00%	5,237	3,203	3,203	
S&T AG, Austria	S&T Consulting Hungary Kft., Hungary	Budapest, HU	IT Services	374,169	418,384	100,000	100.00%	6,425,204	13,236	13,236	
S&T Consulting Hungary Kft., Hungary	S&T Services Kft., Hungary	Budapest, HU	IT Services	113,608	127,018	268,000	100.00%	2,398,846	14,620	14,620	
S&T AG, Austria	S&T Deutschland GmbH, Germany	Mendig, DE	IT Services	266,227	297,670	25,000	100.00%	9,136,603	29,684	29,684	
Kontron S&T AG, Germany	Kontron Asia Inc., Taiwan	Taipei, TW	IoT Solutions Europe	87,605	97,951	13,000	100.00%	2,690,671	21,311	21,311	
S&T Deutschland GmbH, Germany	XTRO AG, Germany	Ismaning, DE	IT Services	-	87,550	-	100.00%	-	-	-	
S&T AG, Austria	Computer Betting Company GmbH, Austria	Linz, AT	IoT Solutions Europe	1,181,946	1,321,585	36,336	100.00%	17,956,598	76,915	76,915	
computer betting company gmbh, Austria	S&T Romania S.R.L., Romania	Bucharest, RO	IT Services	52,923	59,184	5,460	69.00%	5,065,230	45,084	31,108	
computer betting company gmbh,	S&T Slovakia s.r.o., Slovakia	Bratislava, SK	IT Services	218,323	244,124	1,659,696	100.00%	4,704,665	(8,257)	(8,257)	



Austria											
S&T AG, Austria	SecureGUARD GmbH, Austria	Linz, AT	IoT Solutions Europe	74,260	83,032	92,460	69.00%	1,000,393	(3,246)	(2,240)	
Kontron Europe GmbH, Germany	Kontron Austria GmbH, Austria	Engerwitzdorf, AT	IoT Solutions Europe	2,212	2,486	3,634	10.00%	1,009,678	(5,166)	(517)	
S&T AG, Austria	S&T Smart Energy GmbH, Austria	Linz, AT	IoT Solutions Europe	-	248,852	-	100.00%	-	-	-	
S&T AG, Austria	Amanox Solutions AG; Switzerland	Bern, CH	IT Services	487,900	545,542	105,000	100.00%	6,331,910	21,964	21,964	
S&T AG, Austria	Hamcos IT Service GmbH, Germany	Sigmaringen, DE	IT Services	56,445	63,106	98,000	49.00%	1,054,328	9,603	4,705	

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Kontron Austria GmbH, Austria	Kontron Electronics AG, Switzerland	Rotkreuz, CH	IoT Solutions Europe	-	-	1,000	100.00%	(2,339,354)	(9,583)	(9,583)	
S&T AG, Austria	Kontron Austria GmbH, Austria	Engerwitzdorf, AT	IoT Solutions Europe	230,039	147,854	32,702	90.00%	9,087,101	(5,166)	(4,649)	
S&T AG, Austria	Kontron Technologies GmbH(Original: S&T Technologies GmbH), Austria	Linz, AT	IoT Solutions Europe	387,694	132,130	35,000	100.00%	11,093,469	494	494	
S&T AG, Austria	S&T MEDTECH SRL(Original: GADA GROUP ROMANIA SRL), Romania	Bucharest, RO	IoT Solutions Europe	365,656	408,859	105,000	100.00%	9,334,064	(23,433)	(23,433)	
S&T AG, Austria	S&T Services Bel LLC	Minsk, BYN	IT Services	16,857	18,841	113,267	100.00%	554,924	(9,288)	(9,288)	
Kontron Europe GmbH, Germany	Kontron Electronics GmbH, Germany	Grosbettlingen, DE	IoT Solutions Europe	603,270	674,555	102,150	100.00%	20,647,432	20,989	20,989	
Kontron electronics GmbH, Germany	Kontron Electronics Kft.	Kapoly, HU	IoT Solutions Europe	4,541	5,078	3,000,000	100.00%	2,050,748	(9,716)	(9,716)	
Kontron Beteiligungs GmbH	Kontron Europe GmbH	Ismaning, DE	IoT Solutions Europe	6,557,617	7,332,313	23,600,000	100.00%	105,397,250	23,503	23,503	Note IV
Kontron Europe GmbH, Germany	Kontron America Inc.	SAN DIEGO / USA	IoT Solutions America	557,191	623,006	2,036,040	100.00%	6,853,760	(293,141)	(293,141)	
Kontron Europe GmbH, Germany	Kontron Canada Inc.	BOISBRIAND / CANADA	IoT Solutions America	1,885,863	2,108,659	50,000,200	100.00%	33,235,304	(15,453)	(15,453)	
Kontron Europe GmbH, Germany	Kontron Asia Pacific Design Sdn. Bhd.	PENANG / MALAYSIA	IoT Solutions Europe	158,833	177,586	44,581,102	100.00%	(3,652,908)	(3,090)	(3,090)	
Kontron Europe GmbH, Germany	Kontron Technology Beijing Co. Ltd.	BEIJING / CHINA	IoT Solutions Europe	28,760	32,148	15,398,961	100.00%	13,273,465	47,909	47,909	
Kontron Europe GmbH, Germany	Kontron Modular Computers	Toulon / France	IoT Solutions Europe	161,557	180,633	344,503	100.00%	5,500,561	(2,311)	(2,311)	

	S.A.S.										
Kontron Europe GmbH, Germany	Kontron UK Ltd.	Chichester / UK	IoT Solutions Europe	53,609	59,954	172,550	100.00%	4,068,904	2,758	2,758	
Kontron Europe GmbH, Germany	Kontron ECT design s.r.o.	Pilsen / Czech Republic	IoT Solutions Europe	-	-	500,000	100.00%	-	(6,152)	(6,152)	
S&T AG, Austria	Affair OOO, Russia	Moscow, RU	IoT Solutions Europe	183,848	205,567	4,800,000	48.00%	3,720,595	66	32	
Affair OOO, Russia	RTSoft Project OOO, Russia	Moscow, RU	IoT Solutions Europe	207,828	232,393	372,500	74.50%	5,669,668	4,156	3,096	
S&T AG, Austria	Kontron Transportation GmbH	Vienna, AT	IoT Solutions Europe	341,447	381,788	10,000,000	100.00%	11,743,427	346,505	346,505	
Kontron Transportation Austria AG	Kapsch CarrierCom Sp. z o.o.	Warsaw, PL	IoT Solutions Europe	-	-	100,000	100.00%	(1,311,158)	38,797	38,797	

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Kontron Transportation Austria AG	Kontron Transportation Espana, S.L.	Madrid, Spain	IoT Solutions Europe	-	-	250,000	100.00%	298,410	(1,244)	(1,244)	
Kontron Transportation Austria AG	Kontron Transportation Portugal - Unipessoal LDA	Lisboa, Portugal	IoT Solutions Europe	-	-	5,000	100.00%	1,222,174	(1,123)	(1,123)	
Kontron Asia Inc.	Kontron Transportation Taiwan Co., Ltd	Taipei, TW	IoT Solutions Europe	-	-	50,000,000	100.00%	105,566	5,221	5,221	
Kontron Transportation Austria AG	Kontron Transportation s.r.o.	Prague, CZ	IoT Solutions Europe	-	-	30,400,000	100.00%	2,200,020	5,410	5,410	Note IV
Kontron Transportation Austria AG	Kontron Transportation Hungary Kft.	Budapest, HU	IoT Solutions Europe	-	-	67,000,000	100.00%	(1,021,166)	(11,539)	(11,539)	
Kontron Transportation Austria AG	Kapsch CarrierCom Saudi Arabia LLC	Riyadh, SA	IoT Solutions Europe	-	-	475,000	95.00%	163,142	(1,809)	(1,719)	
Kontron Transportation France S.A.S.	Kontron Transportation Saudi for Comstraction LLC	Riyadh, SA	IoT Solutions Europe	-	-	25,000	5.00%	8,586	(1,809)	(90)	
Kontron Transportation Austria AG	Kontron Transportation Deutschland GmbH	Neu-Isenburg, GE	IoT Solutions Europe	-	-	25,000	100.00%	(3,425,358)	7,755	7,755	
Kontron Technology Beijing Co. Ltd.	Kontron (Beijing) Information and communication Technology Co., Ltd	BEIJING / CHINA	IoT Solutions Europe	-	-	1,000,000	100.00%	-	(5,351)	(5,351)	
Kontron Transportation Austria AG	Kontron Transportation France S.A.S	Paris, FR	IoT Solutions Europe	-	-	8,600,000	100.00%	5,779,702	115,416	115,416	
Kontron Transportation Austria AG	Kontron Transportation UK Ltd.	Harlow, UK	IoT Solutions Europe	-	-	415,950	100.00%	2,693,183	12,429	12,429	

S&T AG, Austria	Kontron Public Transportation(Original: Kontron Transportation Belgium NV)	Diegem, BE	IoT Solutions Europe	-	-	11,318,887	99.97%	(1,784,372)	6,400	6,398
S&T AG, Austria	S&T IT Services S.R.L.	Chisinau, MD	IT Services	-	456,276	-	51.00%	-	41,478	21,154
S&T AG, Austria	Kontron AIS GmbH	Dresden, Germany	IoT Solutions Europe	412,644	461,389	51,000	100.00%	11,828,609	18,022	18,022
S&T AG, Austria	Kontron Beteiligungs GmbH	Augsburg, DE	IoT Solutions Europe	6,581,759	7,335,254	25,001	100.00%	209,657,367	1,314,663	1,314,663
S&T AG, Austria	CITYCOMP Service GmbH	Ostfildern, DE	IoT Solutions Europe	532,460	210,120	255,900	100.00%	18,907,532	42,158	42,158
S&T AG, Austria	FinTel Holding d.o.o. & co k.d., holdinska druzba	Kranj, SI	IoT Solutions Europe	938,578	1,049,444	2,179,070	100.00%	2,233,219	(9)	(9)
S&T AG, Austria	FinTel holding d.o.o.	Kranj, SI	IoT Solutions Europe	957,131	1,072,211	601,838	100.00%	1,238,623	(150)	(150)

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Profit or loss of the investee for the period	Investment profit or loss recognized in the current period	Remarks
				End of the period	End of previous year	Shares	%	Book value			
FinTel Holding d.o.o. & co k.d., holdin?ka dru?ba / FinTel holding d.o.o.	IskrateL d.o.o.	Kranj, SI	IoT Solutions Europe	67,861	75,888	109,275	100.00%	60,012,999	(17,996)	(17,996)	
IskrateL d.o.o.	ITS Skopje	Skopje, MK	IoT Solutions Europe	12,424	13,903	309,200	100.00%	150,672	52	52	
ITS Skopje	ITS Softver d.o.o.	Skopje, MK	IoT Solutions Europe	157	175	309,000	100.00%	234,609	1,173	1,173	
IskrateL d.o.o.	IskraCom	Almaty, KZ	IoT Solutions Europe	-	-	15,365,000	100.00%	42,108	(2,043)	(2,043)	
IskrateL d.o.o.	OOO IskrateL Tashkent	Tashkent, UZ	IoT Solutions Europe	60	70	8,798,207	76.00%	226,206	(1,605)	(1,220)	
IskrateL d.o.o.	AO Iskra Ura Tel Yekaterinburg	Yekaterinburg, RU	IoT Solutions Europe	35,422	39,608	760,000	48.40%	3,128,118	12,811	6,201	
IskrateL d.o.o.	IskrateL Ukrain LTD	Kiew, UA	IoT Solutions Europe	5,638	6,304	10,938,820	100.00%	211,785	5,000	5,000	
Kontron Technologies GmbH	HC Solutions GesmbH	Linz, AT	IoT Solutions Europe	-	-	-	100.00%	-	-	-	
S&T Deutschland GmbH, Germany	Axino Solutions GmbH	Aachen, DE	IT Services	52,801	-	2,300,000	100.00%	2,956,145	40,459	40,459	
CITYCOMP Service GmbH	PSB IT-Service GmbH	Ober-Morlen, DE	IT Services	-	-	255,646	100.00%	(121,925)	(3,883)	(3,883)	
S&T AG, Austria	S&T Austria GmbH	Wien, AT	IT Services	1,096	-	35,000	100.00%	33,164	(58)	(58)	
S&T Romania srl.	Enterprise Concept S.R.L	Bukarest, RO	IT Services	78,300	-	1,010	100.00%	2,492,745	(1,058)	(1,058)	
IskrateL d.o.o.	BeeIN d.o.o.	Kranj, SI	IoT Solutions Europe	235	-	7,500	75.00%	(392,717)	(16,996)	(12,747)	

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% ofKontron S&T AG, Germany directly. Due to the adjustment of the organizational structure, it indirectly held by Kontron Beteiligungs GmbH, Germany through the establishment of Kontron S&T AG, Germany.

**Ennoconn Technology Co., Ltd.**  
**Information on Investments in Mainland China**  
**For the Year Ended December 31, 2021**

Table VIII

Unit: NT\$ thousand

(I) Name, major businesses and related information about investees in Mainland China:

Name of the investee in Mainland China	Primary Business  Item	Paid-in  Capital	Investment  mode	Accumulated investment amount remitted out of Taiwan at the beginning of the period	Investment amount of outward remittance or collection for the period		Accumulated investment amount remitted out of Taiwan at the end of the period	Current gain (loss) of the investee company during the period	The Company's shareholding ratio of direct or indirect investment	Investment recognized for the period	Carrying amount of the investment at the end of the period	Repatriated investment income by year end
					Outflow	Inflow						
Nanjing Asiatek Inc.	Engage in the research, development and sales of software and hardware products, and provide installation, commissioning and technical consultation.	83,550	(2)	29,094	-	-	29,040	452	100.00%	452	249,113	-
Shenzhen Asiatek INC.	Engage in R&D, production and sales of electronic materials required for software and hardware products	110,780	(3)	-	-	-	-	27,143	70.00%	19,000	114,630	-
Shenzhen pictographic Technology Co., Ltd.	Sales of mechanical equipment and accessories, molds, etc.	64,650	(3)	-	-	-	-	(21,174)	20.00%	(4,235)	36,093	-
Ennoconn (Foshan) Investment Co., Ltd.	Professional investment	483,087	(2)	271,524	-	-	271,524	(93)	100.00%	(93)	502,540	-
Ennoconn (Suzhou) Technology Co., Ltd.	R&D, production and sales of industrial computers	835,500	(2)	835,800	-	-	835,800	(27,056)	100.00%	(27,056)	854,771	-
Ennoconn (Kunshan) Technology Co., Ltd.	Intelligent technology development and hardware sales	2,155	(3)	-	-	-	-	3,042	70.00%	2,129	13,616	-
Ennoconn Investment Co., Ltd.	Professional investment	557,000	(2)	557,200	-	-	557,200	(1,243)	100.00%	(1,243)	574,932	-
Beijing Caswell Ltd.	Production of electronic monitoring products and network communication products.	105,830	(1)	86,781	-	-	86,781	30,489	26.05%	6,513	56,247	-
HighAim Technology Inc.	Design, development and production of various molds, servers and communication equipment.	278,500	(2)	302,086	-	-	302,086	(9,990)	66.05%	(6,599)	356,594	-
Kunshan HiaiM Intelligent Equipment Co., Ltd.	Leasing, sales and after-sales service of intelligent machines, equipment and their accessories.	4,310	(3)	-	-	-	-	(9,990)	66.05%	(6,598)	(2,319)	-
HighAim Technology (Shenzhen) Inc.	Automatic fixtures, inspection tools and molds	11,637	(3)	-	-	-	-	(2,361)	66.05%	(1,599)	(2,349)	-
Goldtek Technology (Shenzhen) Co., Ltd.	R&D, wholesale and processing of electronic products and intelligent home security system equipment.	359,840	(2)	262,960	96,880	-	359,840	(267,644)	56.74%	(151,861)	24,405	-
Techno Hardware (ShenZhen) Co.,	Stamping / assembly	81,627	(3)	-	-	-	-	(2,659)	22.87%	(608)	10,706	-

Ltd.												
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Name of the investee in Mainland China	Primary Business  Item	Paid-in  Capital	Investment  mode	Accumulated investment amount remitted out of Taiwan at the beginning of the period  Accumulated investment amount	Investment amount of outward remittance or collection for the period		Accumulated investment amount remitted out of Taiwan at the end of the period	Current gain (loss) of the investee company during the period	The Company's shareholding ratio of direct or indirect investment	Investment recognized for the period	Carrying amount of the investment at the end of the period	Repatriated investment income by year end
					Outflow	Inflow						
T-Paragon Hardware (ShenZhen) Co., Ltd.	Zinc / aluminum alloy die casting	17,745	(3)	-	-	-	-	4,696	11.43%	537	16,144	-
Shenzhen Shengrong Plastic Co., Ltd	Plastic, metal mold manufacturing, production and marketing	34,752	(3)	-	-	-	-	(1,319)	16.01%	(211)	5,871	-
T-MAXX Technology Co., Ltd.	Intelligent home security system equipment	10,647	(3)	-	-	-	-	(950)	22.87%	(217)	2,451	-
MIC-Tech (WuXi) Co., Ltd.	Design, manufacturing, installation and maintenance services of semiconductor components and crystal special equipment, electronic components special equipment and environmental pollution prevention and control equipment; assembly of special packaging equipment and refrigeration equipment; barbecue oven assembly	705,840	(2)	567,440	-	-	567,440	40,207	44.04%	17,939	25,267	-
MIC-Tech (Shanghai) Corp.	Semiconductor production, maintenance of semiconductor equipment, testing equipment and consumables, wholesale, commission agency, import and export of power generation boilers and other related supporting businesses; warehousing and distribution business focusing on chemical and boiler products	228,111	(2)	13,840	-	-	13,840	146,165	44.04%	64,371	281,913	-
Fuzhou Jiwei System Integrated Co., Ltd.	Dust-free room and power system equipment, piping system equipment installation and related supporting services	8,304	(2)	8,304	-	-	8,304	(346)	44.04%	(152)	(944)	-
Shanghai Maohua Electronics Engineering Co., Ltd.	Design, installation, debugging and technical services of pesticide control and regeneration, pipeline system and related facilities for semiconductor manufacturing industry, equipment maintenance for semiconductor manufacturing industry, and technical consultation of electronic and medical devices	16,608	(2)	16,691	-	-	16,691	25,468	38.31%	9,758	8,329	-
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	487,694	(2)	235,834	-	-	235,834	72,327	44.04%	31,853	266,761	-

## Chapter 9 Matters Having Significant Impact on Shareholders' Interests or the Price of Securities

Name of the investee in Mainland China	Primary Business  Item	Paid-in  Capital	Investment  mode	Accumulated investment amount remitted out of Taiwan at the beginning of the period	Investment amount of outward remittance or collection for the period		Accumulated investment amount remitted out of Taiwan at the end of the period	Current gain (loss) of the investee company during the period	The Company's shareholding ratio of direct or indirect investment	Investment recognized for the period	Carrying amount of the investment at the end of the period	Repatriated investment income by year end
					Outflow	Inflow						
Frontken-MIC (Wuxi) Co., Ltd.	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;	63,885	(2)	25,554	-	-	25,554	(1,755)	44.04%	(773)	-	-
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.	193,760	(2)	107,952	-	-	107,952	(11,932)	26.42%	(3,153)	13,087	-
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 business	41,520	(2)	41,520	-	-	41,520	27,645	44.04%	12,175	26,544	-
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 business; international trade, entrepot trade, trade between enterprises in the bonded area and trade agents in the area	26,487	(2)	8,325	-	-	8,325	1,090	13.84%	151	(1,352)	-
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	33,216	(2)	13,840	-	-	13,840	(9,728)	12.23%	(1,190)	1,596	-

(II) Investment quota in Mainland China:

<b>Company name</b>	<b>Accumulated Outward Remittance for Investment from Taiwan to Mainland China - End of the Period</b>	<b>Investment Amount Approved by the Investment Commission of the Ministry of Economic Affairs</b>	<b>Investment Quota in Mainland China in Accordance with the Regulations of the Investment Commission of the Ministry of Economic Affairs</b>
Ennoconn Technology Co., Ltd.	1,692,966	2,606,446	5,640,777
Goldtek Technology Co., Ltd.	644,195	644,195	1,057,111
CASWELL, INC.	86,781	86,781	1,895,019
Ennoconn International Investment Co., Ltd.	301,978	301,978	5,046,527
Marketch International Corp.	1,084,773	1,807,973	4,681,284

Note1: 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.

Note2: 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 accountant in Taiwan.

C. Others.

Note 3: The conversion rate is the spot average exchange rate of the Bank of Taiwan on December 31, 2021.

Note4: It is a non-significant associate, and its financial statements not audited by certified public accountants shall not have a significant impact.



**Ennoconn Technology Co., Ltd.**

**Statement of Cash and Cash Equivalents**

**As of December 31, 2021**

**Unit: NT\$ 1,000**

<u>Item</u>	<u>Summary (exchange rate)</u>	<u>Original currency</u>	<u>Amount</u>
Cash on hand	NTD-	\$ -	240
Cash	USD (27.68)	1.99	55
	Euro (31.32)	10.24	321
	RMB (4.34)	4.57	20
	HKD (3.55)	9.32	33
	JPY (0.24)	414.00	99
	CAD (21.62)	42.56	920
	GBP (37.30)	1.33	50
	SGD (22.55)	0.37	8
Demand deposit	NTD-	-	990,268
Foreign currency demand deposits	USD (27.68)	13,106.65	362,792
	HKD (3.55)	25.10	89
	JPY (0.24)	354.55	85
	GBP (37.30)	2.06	77
Checks and demand deposits		-	2
			<u><u>\$ 1,355,059</u></u>

**Ennoconn Technology Co., Ltd.**

**Statement of Financial Assets Measured at Amortized Cost - Current**

**As of December 31, 2021**

**Unit: NT\$ 1,000**

<b><u>Bank</u></b>	<b><u>Summary</u></b>	<b><u>Amount</u></b>
First Bank Zhonghe Branch	Fixed deposit	<b><u>\$ 4,225</u></b>

**Ennoconn Technology Co., Ltd.****Statement of Trade Receivable****As of December 31, 2021****Unit: NT\$ 1,000**

<b>Name of clients</b>	<b>Summary</b>	<b>Amount</b>
Non-related party		
Company A	Revenue	\$ 155,154
Company B	Revenue	121,849
Company C	Revenue	55,514
Company D	Revenue	45,186
Company E	Revenue	43,996
Others (less than 5% of the balance of this account)	Revenue	<u>180,491</u>
Sub-total		602,190
Less: Allowance for impairment loss		<u>61,604</u>
Total		<u><b>\$ 540,586</b></u>
Related party		
Kontron Europe Gmbh	Revenue	\$ 171,546
Kontron America Inc.	Revenue	55,134
Kontron Canada Inc.	Revenue	16,533
Others (less than 5% of the balance of this account)	Revenue	<u>3,592</u>
		<u><b>\$ 246,805</b></u>

**Ennoconn Technology Co., Ltd.****Statement of Inventories****As of December 31, 2021****Unit: NT\$ 1,000**

<u>Item</u>	<u>Amount</u>	
	<u>Costs</u>	<u>Net Realizable Value</u>
Stock in hand	\$ 11	-
Finished goods	43,753	39,901
Semi-finished products	66,422	53,003
Raw materials	385,736	284,072
Work in progress	61,433	61,433
Inventory in transit	19,436	19,436
Less: Allowance for market price decline	(118,946)	-
Total	<u>\$ 457,845</u>	<u>457,845</u>



**Ennoconn Technology Co., Ltd.**

**Statement of Changes in Investments accounted for using the equity method**

**As of December 31, 2021**

**Unit: NT\$ 1,000**

Name	Opening balance		Increase in the period		Decrease in the period		Investment Profit (Loss)	Conversion adjustment	Recognized in other comprehensive income	Others (note 1)	Ending balance			Net Worth of Shareholding	Conditions of Guarantee or Pledge Provided
	Number of Shares (thousand)	Amount	Number of Shares (thousand)	Amount	Number of Shares (thousand)	Amount	Amount	Amount	Amount	Amount	Number of Shares (thousand)	Shareholdings (%)	Amount		Pledge
Non-publicly traded company															
Innovative Systems Integration Limited	518,217	\$ 2,139,276	-	-	-	-	(3,683)	(16,277)	-	223	518,217	100.00%	2,119,539	2,119,539	None
Ennoconn International Investment Co., Ltd.	711,735	7,895,696	-	-	-	-	921,419	(77,775)	(14,656)	(320,959)	711,735	100.00%	8,403,725	8,421,933	None
CASWELL, INC.	20,000	1,112,372	-	-	-	-	40,995	(5,691)	-	(66,631)	20,000	27.33%	1,081,045	832,833	None
ENNOCONN Samoa	239,360	7,917,767	-	-	-	-	453,343	(633,722)	780	792	239,360	100.00%	7,738,960	7,738,690	None
AIS	-	-	4,028	922,170	-	-	62,652	(5,600)	-	(698,556)	4,028	37.64%	280,666	280,632	None
		<u>\$ 19,065,111</u>		<u>922,170</u>		<u>-</u>	<u>1,474,726</u>	<u>(739,065)</u>	<u>(13,876)</u>	<u>(1,085,131)</u>			<u>19,623,935</u>	<u>19,393,627</u>	

Note 1: It refers to received cash dividend \$(607,373) thousand, adjustment to net equity \$(482,806) thousand and unrealized sales gross margin \$5,048thousand.

**Ennoconn Technology Co., Ltd.**  
**Statements of Short-term Borrowings**  
**As of December 31, 2021**

Unit: NT\$ 1,000

<u>Type of loans</u>	<u>Description</u>	<u>Ending Balance</u>	<u>Contract period</u>	<u>Interest rate</u>	<u>Unused quota</u>	<u>Collateral or pledge</u>
Credit borrowings	First Bank Zhonghe Branch	\$ 1,000,000	December 27, 2021- December 27, 2022	0.70%	-	None
Credit borrowings	Bank SinoPac	-	September 29, 2021- September 30, 2022		1,000,000	None
Credit borrowings	Shanghai Commercial Bank	300,000	December 24, 2021- December 24, 2022	0.70%	-	None
Credit borrowings	Land Bank of Taiwan	-	July 20, 2021- July 20, 2022		600,000	None
Credit borrowings	E.SUN Commercial Bank, Liancheng Branch	-	March 22, 2021- March 22, 2022		1,000,000	None
Credit borrowings	Taishin International Bank	-	August 31, 2021- August 31, 2022		800,000	None
Credit borrowings	Cathay United Bank	800,000	November 30, 2021- November 30, 2022	0.65%	800,000	None
Credit borrowings	KGI Bank	-	January 28, 2021- January 28, 2022		1,500,000	None

Credit borrowings	Citibank Taiwan	-	Undated		700,000	None
Credit borrowings	CTBC Bank	-	January 31, 2021- January 31, 2022		800,000	None
Credit borrowings	Chang Hwa Bank	<u>200,000</u>	December 24, 2021- December 24, 2022	1.00%	<u>600,000</u>	None
		<u><b>\$ 2,300,000</b></u>			<u><b>7,800,000</b></u>	

**Ennoconn Technology Co., Ltd.****Statement of Trade Payable****As of December 31, 2021****Unit: NT\$ 1,000**

<u>Name of clients</u>	<u>Summary</u>	<u>Amount</u>
Non-related party		
Company A	Loan	\$ 45,370
Company B	Loan	29,410
Company C	Loan	19,865
Company D	Loan	15,322
Others (less than 5% of the balance of this account)	Loan	<u>136,543</u>
Total		<b><u>\$ 246,510</u></b>
Related party		
Victor Plus Holdings Ltd.	Loan	\$ 121,154
FIH (Hong Kong) Limited	Loan	30,907
Others (less than 5% of the balance of this account)	Loan	<u>9,627</u>
		<b><u>\$ 161,688</u></b>

**Ennoconn Technology Co., Ltd.**

**Statement of corporate bonds Payable**

**As of December 31, 2021**

**Unit: NT\$ 1,000**

Bond name	Turstee	Date of issuance	Interest rate	Amount					Repayment	Status of guarantee
				Issued amount	Repaid amount	Ending Balance	Unamortized discount	Book value		
Second domestic unsecured convertible corporate bonds in 2016	Bank SinoPac	May 13, 2016	- %	\$ 1,800,000	1,800,000	-	-	-	Note 6(12)	None
Third domestic unsecured convertible corporate bonds in 2019	Yuanta Securities	February 26, 2019	- %	6,000,000	364,900	5,635,100	137,771	5,497,329	Note 6(12)	None
Fourth domestic unsecured convertible corporate bonds in 2021	Bank SinoPac	November 16, 2021	- %	1,000,000	-	1,000,000	47,317	952,683	Note 6(12)	None
First foreign unsecured convertible corporate bonds in 2017	Citicorp international limited	March 10, 2017	- %	6,330,600	5,191,092	1,139,508	2,473	1,137,035	Note 6(12)	None
First unsecured privately placed convertible corporate bonds in 2021		September 2, 2021	- %	1,500,000	-	1,500,000	33,112	1,466,888	Note 6(12)	None
Less: parts able to exercise redemption rights within one year			- %	-	-	-	-	(1,137,035)		
				<b>\$ 16,630,600</b>	<b>7,355,992</b>	<b>9,274,608</b>	<b>220,673</b>	<b>7,916,900</b>		

To be modified

**Ennoconn Technology Co., Ltd.**  
**Statement of Operating Revenue**  
**For the Year Ended December 31, 2021**      **Unit: NT\$ 1,000**

<b>Item</b>	<b>Amount</b>
Motherboard	\$ 3,405,286
Repairs and maintenance	660
Operating return and allowance	(62,928)
	<u><b>\$ 3,343,018</b></u>

**Ennoconn Technology Co., Ltd.**  
**Statement of Operating Cost**  
**For the Year Ended December 31, 2021** **Unit: NT\$ 1,000**

<u>Item</u>	<u>Amount</u>
Raw materials, beginning	\$ 177,197
Materials purchased in the period	727,247
Transferred costs and others	(43,727)
Raw materials, ending (including inventory in transit)	<u>(405,172)</u>
Materials consumed in the period	455,545
Manufacturing expenses	<u>147,197</u>
Manufacturing cost	602,742
Work in progress, beginning	4,757
Work in progress, ending	<u>(61,433)</u>
Manufacturing cost of finished goods	546,066
Semi-finished goods, beginning	72,334
Semi-finished goods purchased in the period	785,640
Transferred costs and others	(3,549)
Semi-finished goods, ending	<u>(66,422)</u>
Cost of semi-finished goods and finished goods	1,334,069
Finished goods, beginning	47,315
Finished goods purchased in the period	1,576,658
Transferred costs and others	(1,473)
Finished goods, ending	<u>(43,753)</u>
Cost of finished goods sold	<u>2,912,816</u>
Merchandise cost	
Inventory, beginning	11
Commodity purchased in the period	37
Inventory, ending	<u>(11)</u>
Cost of purchase and sale	<u>37</u>
Gains on price recovery of inventory	<u>39,436</u>
Manufacturing overheads	<u>18,527</u>
Operating costs	<u>2,970,816</u>
Operating cost in this period	<u><u>\$ 2,970,816</u></u>

**Ennoconn Technology Co., Ltd.**  
**Statement of Operating Expense**  
**For the Year Ended December 31, 2021**

<b>Item</b>	<b>Selling Expenses</b>	<b>General and administrative expenses</b>	<b>Research and development expense</b>	<b>Expected credit losses</b>
Salary and bonus	\$ 45,629	97,342	70,919	-
Expected credit gains (losses)	-	-	-	11
Insurance expense	3,405	5,232	5,282	-
Testing fees	5,862	-	-	-
Miscellaneous purchases	5,291	-	-	-
Labor service expenses	-	14,563	-	-
Other (Note)	21,115	21,136	12,336	-
<b>Total</b>	<b>\$ 81,302</b>	<b>138,273</b>	<b>88,537</b>	<b>11</b>

Note: the amount of each item does not exceed 5% of the balance of this account.