

**Ennoconn Technology Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements and
Independent Auditors' Report**

2021 and 2020

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Declaration of Consolidated Financial Statements of Affiliated Enterprises

The entities of the Company that are required to be included in the 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 Futures Commission Approval No. March 31, 2022	:	Taiwan-Finance-Securities-VI- 0930106739 Financial Supervisory Commission No.1040003949
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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	<u>20,482,953</u>	21	<u>19,593,183</u>	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	<u>17,289,653</u>	18	<u>15,919,158</u>	19
6900 Net operating profit	<u>3,193,300</u>	3	<u>3,674,025</u>	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	<u>1,055,953</u>	1	<u>302,542</u>	-
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	<u>3,352,124</u>	3	<u>3,155,383</u>	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	<u>(9,386)</u>	-	<u>(26,733)</u>	-
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	<u>(2,284,225)</u>	(2)	<u>44,561</u>	-
8300 Other comprehensive income of the period	<u>(2,293,611)</u>	(2)	<u>17,828</u>	-
Total comprehensive income for the period	<u>\$ 1,058,513</u>	<u>1</u>	<u>\$ 3,173,211</u>	<u>3</u>
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
	<u>\$ 3,352,124</u>	<u>3</u>	<u>\$ 3,155,383</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOM ATTRIBUTABLE TO:				
owners of parent company	\$ 582,025	1	946,261	-
non-controlling interests	476,488	-	2,226,950	3
	<u>\$ 1,058,513</u>	<u>1</u>	<u>\$ 3,173,211</u>	<u>3</u>
9750 Basic earnings per share (Unit: NT\$) (Notes 6(18))	<u>\$ 13.91</u>		<u>12.13</u>	
9850 Diluted earnings per share (Unit: NT\$) (Notes 6(18))	<u>\$ 11.05</u>		<u>9.64</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
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.

	Retained earnings					Other Equity Interest		Total	Treasury stock	Equity Attributable to Owners of parent	Non-controlling Interests	Total equity	
	Share Capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	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 ordinary 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
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 4,249,253	3,976,567
Adjustments:		
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
Changes in operating assets and liabilities:		
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
Cash flows from operating activities:	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)
Net cash generated from operating activities	1,593,532	5,316,585

(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 (Continued)
For the Years Ended December 31, 2021 and 2020

Unit: NT\$ 1,000

	<u>2021</u>	<u>2020</u>
Cash flows from investing activities:		
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)
Net cash used in investing activities	<u>(1,113,961)</u>	<u>(5,951,993)</u>
Cash flows from financing activities:		
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 ordinary 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)
Net cash inflow (outflow) from financing activities	<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>\$ 17,522,321</u>	<u>16,020,641</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:

New, Revised or Amended Standards and Interpretations	Major amendments	Effective Date Issued by IASB
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,	January 1,2023

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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 Company name	Subsidiary name	Business Nature	Proportion of Ownership (%)		Remarks
			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%	

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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 (Shenzhen) 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 equipment, electronic equipment and electronic devices	100.00%	100.00%	
EnnoMech Cayman	DOMINATE UNITED ENTERPRISE LTD.	Professional investment	100.00%	100.00%	
EnnoMech Cayman	ENNOMECH PRECISION CO., LTD.	Electronic components, computer and	100.00%	100.00%	

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

		peripheral equipment manufacturing, electronic material wholesale and information software services			
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 ordinary 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 USD 336,000, 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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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- 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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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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.

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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	2~55 years
(2)Machinery	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.

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

(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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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.

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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.

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

(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

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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.

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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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

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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

	December 31, 2021	December 31, 2020
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	\$ 17,522,321	16,020,641

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:

	December 31, 2020	Adjust effects	Dec 31, 2020 Amount after the adjustment
Assets			
Cash and cash equivalents	\$ 16,020,641	(61,441)	15,959,200
Asset adjustment	\$ 16,020,641	(61,441)	15,959,200
Total equity			
Unappropriated earnings	\$ 1,329,879	(61,441)	1,268,438
Equity adjustment	\$ 1,329,879	(61,441)	1,268,438

The Consolidated Company has adjusted relevant asset accounts and undistributed earnings at the beginning of 2021.

(b) Notes receivable and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable - Arising from operations	\$ 60,171	53,888

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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>\$ 17,380,353</u>	<u>15,040,116</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:

	December 31, 2021		
	Accounts receivable and carrying amount of notes	Weighted average expected credit loss rate	Expected credit loss during the allowance
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
	\$ 18,277,848		897,495

	December 31, 2020		
	Accounts receivable and carrying amount of notes	Weighted average expected credit loss rate	Expected credit loss during the allowance
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
	\$ 16,127,008		1,086,892

The change in the credit loss of the Consolidated Company's notes and accounts

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

receivable is as follows:

	<u>2021</u>	<u>2020</u>
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	<u>\$ 897,495</u>	<u>1,086,892</u>

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)
	\$ 15,971,415	12,836,330

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	\$ 57,491	253,253

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	\$ 128,693	462,086

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, 2021	December 31, 2020
Ending summary book amount of equity of individual insignificant affiliated enterprises	\$ 128,693	462,086

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	\$ (6,741)	10,845

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\$362,898 thousand, the disposal income was NT\$104,364 thousand 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.

	<u>Main operating activities</u>	<u>Acquisition date</u>	<u>Proportion of Purchases</u>	<u>Fair value of transfer consideration</u>
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.

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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:

	<u>HC Solutions GmbH</u>	<u>Anixo Solutions GmbH</u>	<u>PSB IT-Service GmbH</u>	<u>Enterprise Concept S.R.L</u>	<u>Ultraschalltechnik Halle GmbH</u>
Transfer consideration					
Cash	\$ 40,716	6,264	-	78,300	39,147
Contingent consideration agreement	3,915	15,217	-	-	15,660
	\$ 44,631	21,481	-	78,300	54,807

2020:

	<u>Poslab Technology</u>	<u>CRONUS eBUSINESS</u>	<u>Spiro Technology Systems</u>	<u>CITYCOMP GROUP</u>	<u>Iskratel Group</u>	<u>Kapsch Traffic Com Construction & Realization spol</u>
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	\$ 132,317	58,593	23,936	595,362	2,119,658	56,700

2. Fair value of identifiable net assets (liabilities) acquired:

2021:

	<u>HC Solutions GmbH</u>	<u>Anixo Solutions GmbH</u>	<u>PSB IT-Service GmbH</u>	<u>Enterprise Concept S.R.L</u>	<u>Ultraschalltechnik Halle GmbH</u>
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)	-	-	-	-
	\$ (9,657)	(30,447)	(104,004)	46,658	54,054

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)	-

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

	Poslab Technology	CRONUS eBUSINESS	Spiro Technology Systems	CITYCOMP GROUP	Iskratel Group	Kapsch Traffic Com Construction & Realization spol
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)	-
Total	\$ 130,894	41,961	24,245	368,641	2,223,423	23,551

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:

	HC Solutions GmbH	Anixo Solutions GmbH	PSB IT-Service GmbH	Enterprise Concept S.R.L	Ultraschalltec hnik Halle GmbH
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
Goodwill generated from the acquisition	\$ 54,288	51,928	104,004	31,642	753

2020:

	Poslab Technology	CRONUS eBUSINESS	Spiro Technology Systems	CITYCOMP GROUP	Iskratel Group	Kapsch Traffic Com Construction & Realization spol
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)	\$	<u>40,691</u>	<u>16,632</u>	<u>(309)</u>	<u>226,721</u>	<u>(64,418)</u>
					<u>33,149</u>	

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.

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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 USD 336,000, 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&T AG</u>	<u>Shenzhen Asiatic</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&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&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&T IT Service S.R.L</u>	<u>Kontron ECT desing s.r.o.</u>	<u>Kontron (Beijing)</u>
Cash and cash equivalents	\$ 91,614	4,175	-
Accounts receivable	66,977	10,244	-
Property, plant and equipment	171	18,613	-

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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	\$ (6,575)	(14,615)	420

(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	\$ (68,117)	2,715	-

(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	\$ 3,226,401	3,716,536
Ending book amount of non-controlling interests	\$ 179,801	2,285,167

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

	2021	2020
Turnover	<u>\$ 4,673,944</u>	<u>5,465,855</u>
Net income for the year	240,065	347,164
Other comprehensive income	(23,576)	3,954
Total comprehensive income	<u>\$ 216,489</u>	<u>351,118</u>
Current net profit (loss) attributable to non-controlling interests	<u>\$ 20,509</u>	<u>202,187</u>
Total comprehensive profit and loss attributable to non-controlling interests	<u>\$ 17,737</u>	<u>204,135</u>
	2021	2020
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	<u>\$ (106,931)</u>	<u>56,275</u>
Dividends paid on non-controlling interests	<u>\$ 181,977</u>	<u>137,825</u>

2. Financial information of S&T AG and its subsidiary

	December 31, 2021	December 31, 2020
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	<u>\$ 13,256,594</u>	<u>21,287,064</u>
Ending book amount of non-controlling interests	<u>\$ 144,403</u>	<u>13,132,477</u>
	2021	2020
Turnover	<u>\$ 44,494,457</u>	<u>42,402,384</u>
Net income for the year	\$ 1,613,864	1,587,819
Other comprehensive income	(236,069)	(442,666)
Total comprehensive income	<u>\$ 1,377,795</u>	<u>1,145,153</u>
Current net profit (loss) attributable to non-controlling interests	<u>\$ 23,327</u>	<u>1,180,190</u>
Total comprehensive profit and loss attributable to non-controlling interests	<u>\$ 173,365</u>	<u>882,113</u>
	2021	2020
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)

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

Effect of exchange rate changes on cash	<u>133,739</u>	<u>(307,970)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ 461,362</u>	<u>(1,063,732)</u>
Dividends paid on non-controlling interests	<u>\$ 11,280</u>	<u>81,480</u>

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

3. Financial information of MIC INC. and its subsidiary

	December 31, 2021	December 31, 2020
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	<u>\$ 7,802,140</u>	<u>8,742,938</u>
Ending book amount of non-controlling interests	<u>\$ 129,583</u>	<u>3,565,332</u>
	2021	2020
Turnover	<u>\$ 34,458,674</u>	<u>25,119,857</u>
Net income for the year	\$ 1,508,422	827,408
Other comprehensive income	(80,714)	(5,215)
Total comprehensive income	<u>\$ 1,427,708</u>	<u>822,193</u>
Current net profit (loss) attributable to non-controlling interests	<u>\$ (39,057)</u>	<u>479,431</u>
Total comprehensive profit and loss attributable to non-controlling interests	<u>\$ (39,244)</u>	<u>476,336</u>
	2021	2020
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	<u>\$ 1,195,276</u>	<u>431,436</u>
Dividends paid on non-controlling interests	<u>\$ 363,344</u>	<u>269,084</u>

(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:

	Land	Buildings and structures	Machinery and equipment	Leasehold improvements	Other equipment	Total
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)

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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)
Balance as of Dec 31, 2021	<u>\$ 592,113</u>	<u>6,004,696</u>	<u>3,526,732</u>	<u>56,363</u>	<u>769,179</u>	<u>10,949,083</u>

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Total</u>
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	\$ 626,395	6,838,304	5,538,002	97,303	803,508	13,903,512
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	\$ -	1,881,964	1,894,118	29,668	445,340	4,251,090
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	\$ -	2,601,757	4,148,346	32,044	397,763	7,179,910
Book value:						
December 31, 2021	\$ 592,113	4,122,732	1,632,614	26,695	323,839	6,697,993
December 31, 2020	\$ 626,395	4,236,547	1,389,656	65,259	405,745	6,723,602

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:

	<u>Goodwill</u>	<u>Trademark</u>	<u>Patents</u>	<u>Computer software</u>	<u>Customer relationship</u>	<u>Others</u>	<u>Total</u>
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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machiner y and equipmen t</u>	<u>Leasehold improvem ents</u>	<u>Other equipmen t</u>	<u>Total</u>	
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)
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	<u>\$ 13,347,834</u>	<u>2,165,186</u>	<u>621,691</u>	<u>4,954,251</u>	<u>1,964,731</u>	<u>2,527,167</u>	<u>12,233,026</u>

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

	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	\$ 13,850,405	2,459,261	593,269	4,439,746	2,185,790	2,572,235	26,100,706
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	\$ 61,835	627,328	378,377	2,207,176	1,010,259	1,635,737	5,858,877
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	\$ 62,786	633,201	358,393	1,681,951	1,026,254	1,274,813	5,037,398
Book value:							
December 31, 2021	\$ 13,285,999	1,537,858	243,314	2,747,075	954,472	891,430	19,660,148
December 31, 2020	\$ 13,787,619	1,826,060	234,876	2,757,795	1,159,536	1,297,422	21,063,308

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
	\$ 6,167,002	6,414,668

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

	December 31, 2021	December 31, 2020
Current	\$ 4,917,814	5,044,191
Non-current	1,249,188	1,370,477
	\$ 6,167,002	6,414,668

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

	December 31, 2021	December 31, 2020
Unsecured bank borrowings	\$ 8,534,442	8,122,357
Guaranteed bank loan	942,512	726,295
	\$ 9,476,954	8,848,652
Unused quota	\$ 19,411,317	21,167,488
Interest rate	0.25%~5.5%	0.35%~9.25%

The Consolidated Company sets out the assets as pledged collateral for bank borrowings in Note 8.

(l) Long-term loan

	December 31, 2021		
	Currency	Interest rate(%)	Maturity year
Unsecured bank borrowings		1.00%~1.44%	112~135
Guaranteed bank loan		0.44%~1.5	120~1
Sub-Total			7,845,024
Less: Those mature within one year			(11,926)
Total			\$ 7,833,098
	December 31, 2020		
	Currency	Interest rate(%)	Maturity year
Unsecured bank borrowings		0.18%~4.85%	121
Guaranteed bank loan		0.65%~2.75%	127
Sub-total			8,087,004
Less: Those mature within one year			(701,921)
Total			\$ 7,385,083

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>\$ 8,967,735</u>	<u>7,065,064</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 ordinary 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 ordinary 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 ordinary shares for cash to the record date of rights distribution.
- C. The date of capital reduction is cut off one day before the commencement of capital reduction.

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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 ordinary shares, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of 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 ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may notify the bondholders in accordance with the regulations of conversion method and call back all the corporate bonds by cash at par value.

This convertible corporate bonds comprise liabilities and equity component. The equity component is presented in equity as a capital surplus - stock warrants. The liability components are the liabilities of embedded derivative financial products and non-derivative financial products. The 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 ordinary 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:

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (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

**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 ordinary 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 ordinary 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 ordinary shares for cash to the record date of rights distribution.
- C. The date of capital reduction is cut off one day before the commencement of capital reduction.
- D. Other suspension periods of stock transfer by law.

(8) Conversion price and adjustment:

The conversion price at the time of initial issuance is set at NT\$272.8. In the event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of December 31, 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 ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may notify the bondholders in accordance with the regulations of conversion method and call back all the corporate bonds by cash at par value.

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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 ordinary shares	<u>(349,057)</u>
The liability components as of December 31, 2021	<u>\$ 5,493,385</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 ordinary 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 ordinary shares of the Company at a fixed exchange rate of NT\$31.653 and the conversion price of NT\$488 per share. In the event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 13 of the Company's regulations on issuance and conversion of foreign unsecured convertible corporate bonds. As of December 31, 2021, the conversion price was adjusted to NT\$375.87.

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

(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 Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (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 ordinary shares of the issuing company, the closing price of the corporate bonds on the TWSE converted to USD at the exchange rate at that time, when the total amount of the early redemption price multiplied by the conversion price at that time divided by the nominal amount of the corporate bonds is 130% and above, the 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 ordinary shares	(90,841)
corporate bonds payable exercised redemption rights	<u>(5,068,056)</u>
The liability components as of December 31, 2021	<u>\$ 1,137,035</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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

(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 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 ordinary 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 ordinary 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 ordinary 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 ordinary 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 ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may notify the bondholders in accordance with the regulations of conversion method and call back all the corporate bonds by cash at par value.

(11) Repayment upon maturity of bonds:

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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 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 Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (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\$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>\$ 1,466,588</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 ordinary shares of the Company from the following day after three months 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 ordinary 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 ordinary shares for cash to the record date of rights distribution.
 - C. The date of capital reduction is cut off one day before the commencement of capital reduction.
 - D. Other suspension periods of stock transfer by law.
- (8) Conversion price and adjustment:

The conversion price at the time of initial issuance is set at NT\$221.1. In the

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

event of an increase in the shares of the Company's issued ordinary shares, the conversion price shall be adjusted under Article 12 of the Company's regulations on domestic issuance and conversion of unsecured convertible corporate bonds. As of December 31, 2021, the conversion price was adjusted to NT\$219.1.

(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.

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

(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 ordinary shares exceeds the current conversion price for 30 consecutive business days for up to 30%, or the outstanding balance of the convertible corporate bonds is less than 10% of the original total amount of the issuance, the Company may notify the bondholders in accordance with the regulations of conversion method and call back all the corporate bonds by cash at par value.

(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>\$ 952,883</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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

the end of the maturity date. Except for the period during which the transfer of ordinary 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 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 ordinary shares in accordance with laws.

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

(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 ordinary 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 ordinary shares of the subsidiary. The rights and obligations of the ordinary shares after conversion are the same as those of the originally issued ordinary 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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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.

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 ordinary 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.

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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:

	December 31, 2021	December 31, 2020
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	\$ 474,939	536,472
	December 31, 2021	December 31, 2020
Defined benefit assets (account as other non-current assets)	\$ (751)	(722)
Defined benefit liabilities	475,690	537,194
Net defined benefit liabilities	\$ 474,939	536,472

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:

	2021	2020
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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	\$	<u>659,932</u>	<u>731,106</u>

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

(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:

	<u>2021</u>	<u>2020</u>
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	<u><u>\$ 184,993</u></u>	<u><u>194,634</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>
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)
	<u><u>\$ 13,344</u></u>	<u><u>12,901</u></u>

(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:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
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	90% of 5th Taiwan Standard Ordinary
	Experience Mortality	Experience Mortality
Turnover rate	0%~34%	0%~34%

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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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:

	Effects on defined benefit obligations	
	Increased by 0.25%	Decreased by 0.25%
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:

	2021	2020
Income tax expense in current year		

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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>897,129</u>	<u>821,184</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:

	2021	2020
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plan	\$ 3,894	(4,037)

The relationship between the Consolidated Company's income tax expense and net profit before tax in 2021 and 2020 is adjusted as follows:

	2021	2020
Net profit before tax	\$ 4,249,253	3,976,567
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
Surtax 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	\$ 897,129	821,184

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:

	December 31, 2021	December 31, 2020
Summary amount of temporary differences related to investment in subsidiaries	\$ 533,169	430,706

(2) Unrecognized deferred income tax assets

The item not recognized as deferred income tax assets by the Consolidated Company is as follows:

	December 31, 2021	December 31, 2020
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**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

Tax loss	\$ 1,564,708	<u>1,944,582</u>
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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:

Loss not deducted	Last year that can be deducted
\$ 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
6,123,109	Undated
\$ 8,089,061	

(3) Recognized deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities:

Deferred income tax liabilities:

	Defined benefit plan	Fiscal and tax differenc es	Asset re-measu rement	Other	Total
January 1, 2021	\$ 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
December 31, 2021	\$ 617	465,958	69,354	-	535,929
January 1, 2020	\$ 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	(4)	-	-	-	(4)

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

comprehensive profit and loss					
Exchange differences on translation of foreign financial statements	-	(32,810)	(57,509)	-	(90,319)
December 31, 2020	\$ 612	458,936	69,354	-	528,902

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
January 1, 2021	\$ 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)
December 31, 2021	<u>\$ 59,090</u>	<u>1,157,935</u>	<u>35,792</u>	<u>294,786</u>	<u>17,106</u>	<u>1,564,709</u>
January 1, 2020	\$ 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)
December 31, 2020	<u>\$ 251,104</u>	<u>826,738</u>	<u>73,365</u>	<u>285,205</u>	<u>199,120</u>	<u>1,635,532</u>

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 ordinary shares, and the issued shares are 101,812 thousand ordinary shares and 93,272 thousand ordinary shares respectively. The share funds of all issued shares have been received.

1. Issuance of ordinary 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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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into ordinary 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:

	December 31, 2021	December 31, 2020
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	279,088	63,337
	\$ 8,865,780	6,738,090

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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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 ordinary shares:				
Cash	\$ 5.00	480,785	3.93	331,678
Shares	-	-	0.98	82,919
Total		\$ 480,785		414,597

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-control ling 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
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	\$ (1,673,323)	(95,167)	20,565,729	18,797,239

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-control ling 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	210 thousand 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.

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

(2) Information on treasury stock transfer regulations

Details of the above treasury share transfer regulations are as follows:

	(in thousand)	
	<u>2021</u>	
	<u>Treasury shares transferred to employees</u>	
	<u>Weighted average performance price (NT\$)</u>	<u>Stock option quantity</u>
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\$7,764 thousand.

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:

<u>Issuer</u>	<u>Category of agreements</u>	<u>Granting day</u>	<u>Number granted shares (in thousand)</u>	<u>Contract period</u>	<u>Vested conditions</u>
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.:

<u>2021</u>		<u>2020</u>	
<u>Weighted average</u>	<u>Stock</u>	<u>Weighted average</u>	<u>Stock</u>

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

	<u>performanc e price (NT\$)</u>	<u>option quantity</u>	<u>performan ce price (NT\$)</u>	<u>option quantity</u>
Outstanding warrants as of Jan 1	\$ 15.20	169	15.70	548
Exercise of stock options in the current period	15.11	(169)	15.57	(379)
Outstanding warrants as of Dec 31	-	<u>-</u> (Note)	15.20	<u>169</u>
Exercisable options as of Dec 31		<u>-</u> (Note)		<u>169</u>
Approved but not yet issued share options as of Dec 31		<u>-</u> (Note)		<u>44</u>

Note: the company's employee stock option scheme expired on September 10, 2021.

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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:

Issuer	Approved issue date	Maturity Date	December 31, 2021	
			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

Issuer	Approved issue date	Maturity Date	December 31, 2020	
			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	Risk-free interest rate	Fair value per unit (NT\$)
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**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

							<u>rate</u>		
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
"	"	May 1, 2020	10.00	10.00	38.58%	3.550 years	0%	0.38%	10.4014
"	"	September 1, 2020	10.00	10.00	38.10%	3.550 years	0%	0.29%	9.9910

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

(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

	2021	2020
(1) Net profit attributable to the Company in the year	<u>\$ 1,334,944</u>	<u>1,111,524</u>
(2) Weighted average shares outstanding		
	2021	2020
Jan1 ordinary 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>\$ 95,990</u>	<u>91,643</u>
Basic earnings per share (NT\$)	<u>\$ 13.91</u>	<u>12.13</u>

2. Diluted earnings per share

	2021	2020
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)	<u>\$ 1,417,653</u>	<u>1,189,028</u>
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	<u>128,265</u>	<u>123,403</u>
Diluted earnings per share (NT\$)	<u>\$ 11.05</u>	<u>9.64</u>

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

(s) Revenue from customer contracts

1. Description of revenue

The Consolidated Company has the following revenues:

	<u>2021</u>	<u>2020</u>
Sales Revenue of Commodities	\$ 77,792,532	58,034,448
Service revenue	39,482	14,628,482
Project income	<u>18,724,632</u>	<u>11,428,555</u>
	<u>\$ 96,556,646</u>	<u>84,091,485</u>

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

2. Balance of contracts

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable	<u>\$ 17,320,182</u>	<u>14,986,228</u>	<u>17,116,947</u>
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	<u>\$ 9,538,944</u>	<u>6,131,461</u>	<u>5,009,480</u>
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	<u>\$ 7,682,344</u>	<u>6,522,566</u>	<u>6,158,429</u>

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 2020 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'

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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:

	<u>2021</u>	<u>2020</u>
Rental income	\$ 23,305	19,611
Dividend income	10,038	16,798
Total other income	<u>\$ 33,343</u>	<u>36,409</u>

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:

	<u>2021</u>	<u>2020</u>
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	<u>1,165,269</u>	<u>689,680</u>
Other net gains and losses	<u>\$ 1,520,997</u>	<u>715,575</u>

3. Financial costs

The details of the financial costs of the Consolidated Company in 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Interest on bank loans	\$ 313,006	355,358
Interest on lease liabilities	119,790	79,004
Accrued interest on corporate bonds payable	<u>113,238</u>	<u>102,344</u>
Net financial cost	<u>\$ 546,034</u>	<u>536,706</u>

(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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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.

	Book value	Contract cash flow	Within 6 months	6-12 months	More than 1 year
December 31, 2021					
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)
	\$ 57,233,948	(57,620,915)	(33,233,945)	(4,740,765)	(19,646,205)
December 31, 2020					
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)
	\$ 47,767,538	(48,237,994)	(29,965,248)	(2,592,782)	(15,679,964)

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
Financial assets						
<u>Monetary items</u>						
USD	\$ 642,351	27.68 (USD: NTD)	17,780,276	327,575	28.48 (USD: NTD)	9,329,336
USD	80,385	0.8838 (USD: EUR)	2,225,106	64,631	0.8132 (USD: EUR)	1,840,680
USD	35,321	6.3779 (USD:RMB)	978,589	38,448	6.5060 (USD:RMB)	1,094,990
Financial liabilities						
<u>Monetary items</u>						
USD	595,317	27.68 (USD: NTD)	16,478,375	123,981	28.48 (USD: NTD)	3,530,966
USD	71,939	0.8838 (USD: EUR)	1,991,316	59,475	0.8132 (USD: EUR)	1,693,855
USD	35,321	6.3779 (USD:RMB)	978,589	19,359	6.5060 (USD:RMB)	551,345

Note: the exchange rates of Euro and RMB against Taiwan dollar listed above are as follows:

	December 31, 2021	December 31, 2020
Euro: Taiwan	31.32	35.02
RMB:NTD	4.344	4.377

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

(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:

<u>Securities price as of the reporting date</u>	2021		2020	
	Other comprehensive income before tax	Profit after tax	Other comprehensive income before tax	Profit after tax
Increased by 1%	<u>\$ 9,268</u>	<u>11,744</u>	<u>6,319</u>	<u>7,581</u>
Decreased by 1%	<u>\$ (9,268)</u>	<u>(11,744)</u>	<u>(6,319)</u>	<u>(7,581)</u>

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	\$ 48,552,102	197,530	-	1,903,580	2,101,110
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			
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
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	\$ 64,386,065	-	10,105,483	-	10,105,483
		December 31, 2020			
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
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	-	-	-	-

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

	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	\$ 57,785,668	-	685	964,002	964,687

(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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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.

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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'

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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 ordinary 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:

<u>Relationship</u>	<u>Relationship with the Group</u>
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 Ennopower 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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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., Ltd.	Associates
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)

<u>Relationship</u>	<u>Relationship with the Group</u>
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 Competition Team Ireland Limited	The key management
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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

<u>Relationship</u>	<u>Relationship with the Group</u>
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)

<u>Relationship</u>	<u>Relationship with the Group</u>
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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

<u>Relationship</u>	<u>Relationship with the Group</u>
Lankao YuFu Precision Technology Co., Ltd.	Associates
LanKao YuDe Environment Material Technology Inc.	Associates
HEBI YUZHAN PRECISION TECHNOLOGY CO., LTD.	Associates

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

(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	<u>76,592</u>	<u>20,772</u>
		<u>\$ 1,729,907</u>	<u>2,078,794</u>

The sales transaction price of the Consolidated Company to the related parties is determined according to the agreement of both parties, and the collection policy is the payment term of 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	<u>1,052,110</u>	<u>1,178,875</u>
	<u>\$ 2,067,415</u>	<u>3,151,606</u>

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:

<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:		
	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
		<u>\$ 769,363</u>	<u>493,067</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

Details of accounts payable to related parties of the Consolidated Company 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	Associates:		
	Hon Hai Precision Industry Co., Ltd.	\$ 382,837	452,148
	Dongguan Oyu Precision Technology Co.,	11,440	181,409

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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	Ltd.		
	Shenzhen pictographic Technology Co., Ltd.	28,282	259,150
	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	131,948	134,829
	Others	154,835	150,288
		\$ 709,342	1,177,824
Expenses payable (other payables accounts)	Associates	\$ 79,561	22,982

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
	<u>\$ 14,637,274</u>	<u>13,958,964</u>

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
	<u>\$ 312,257</u>	<u>256,637</u>

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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

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	2021			2020		
	Operation costs	Operation Expenses	Total	Operation costs	Operation Expenses	Total
By nature						
Employee benefits						

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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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:

Name of Major Shareholder	Shares	Shares	Shareholdings (%)
Baoxin International Investments Ltd.		31,933,417	32.98%
Fubon Life Insurance Co., Ltd.		6,509,761	6.72%

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

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						Total
	Industrial computer software and hardware sales department	Information system department	Production and marketing of network communication department	Facility system and electromechanical service department	Other departments	Adjustment and cancellation	
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 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

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
Subsidiaries (Continued)**

The Consolidated Company shall report the measured amount of segment assets / 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:

	<u>2021</u>	<u>2020</u>
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	<u>\$ 96,556,646</u>	<u>84,091,485</u>

Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its Subsidiaries (Continued)

(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:

By regions	2021	2020
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	<u>\$ 96,556,646</u>	<u>84,091,485</u>

By regions	December 31, 2021	December 31, 2020
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	<u>\$ 17,230,090</u>	<u>18,334,872</u>

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 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 - 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
2	S&T AG, Austria	Kontron Public Transportation	Other receivables - relate d parties	Yes	479,196	151,902	-	3%	2	-	Business operation	-	None	-	1,254,773	10,038,187

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 - 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	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
7	Marketech 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	Marketech Integrated Manufacturing Co., Ltd.	Marketech Integrated Construction Co., Ltd.	Other receivables	Yes	7,134	4,152	4,152	7%	2	-	Business operation	-	None	-	91,679	183,357
11	Marketech 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 endorsements 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

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	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the Parent company	Endorsement 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 Crna 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

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	Investment profit or loss recognized in the current period 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	Marketch 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	Marketch International Corp.	Marketch Integrated Pte. Ltd.	2	3,282,645	17,131	14,911	3,603	-	0.23%	6,565,290	Y	N	N
3	Marketch 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	Marketch 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	Marketch International Corp.	Marketch 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	Marketch International Corp.	Marketch International Sdn. Bhd.	2	3,282,645	227,840	166,080	32,843	-	2.53%	6,565,290	Y	N	N
3	Marketch International Corp.	Ezoom Information, Inc.	2	3,282,645	85,000	25,000	-	-	0.38%	6,565,290	Y	N	N
3	Marketch 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	Marketch 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 Corp.	Marketch International Corp.	3	1,766,926	482,670	-	-	-	- %	2,944,876	N	Y	N
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	Marketech 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.	Cloudtalk 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.	ADVANIO 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	-%	
Iskratek 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		

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		
Marketch 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	-%	
Marketch 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%	
"	Probeleader Co., Ltd.	Entities controlled or sigt	"	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%	
"	Mycropore 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.	SHARP CON OPTICAL CO., LTD.	Entities controlled or significant influence	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%	
				-	767,836		767,836		
	Convertible corporate bonds:			-	-		-		
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	-%	

Note 1: 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. 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	Relation ship	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-subsiary	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-subsiary	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-subsiary	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-subsiary	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-subsiary company to sub-subsiary	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-subsiary company to sub-subsiary	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-subsiary company to sub-subsiary	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-subsiary company to sub-subsiary	Purchases	139,377	3.69%	90 days monthly settlement	-	No significant discrepancy	(16,540)	(2.00) %	

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	
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%	
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
			Purchase 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%	
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.	Marketech 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%	
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	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-subsiary	171,546	4.23%	-	-	-	-
Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsiary company to sub-subsiary	353,609	2.06%	-	-	-	-
Victor Plus Holdings Ltd.	Ennoconn Technology Co., Ltd.	Sub-subsiary company to parent company	131,935	2.65%	-	-	-	-
Shenzhen Asiatek INC.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Sub-subsiary to affiliated companies	284,480	1.36%	-	-	-	-
Shenzhen Asiatek INC.	HeNan FuChi Technology Co., Ltd.	Sub-subsiary to affiliated companies	146,329	1.06%	-	-	-	-
HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsiary company to sub-subsiary	155,194	2.24%	-	-	-	-
Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsiary company to sub-subsiary	511,189	2.05%	-	-	437,856	-
Marketch International Corp.	MIC-Tech Viet Nam Co., Ltd.	Sub-subsiary company to sub-subsiary	111,729	-%	-	-	-	-
SUNLIT PRECISION TECHNOLOGY CO., LTD.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsiary company to sub-subsiary	132,485	1.23%	-	-	-	-
S&T AG	Kontron Europe Gmbh	Sub-subsiary company to sub-subsiary	1,823,944	-%	-	-	-	-
S&T AG	Kontron Beteiligungs GmbH	Sub-subsiary company to sub-subsiary	1,284,120	-%	-	-	-	-
S&T AG	S&T CEE Holding s.r.o.	Sub-subsiary company to sub-subsiary	475,890	-%	-	-	-	-
S&T AG	Kontron Transportation GmbH	Sub-subsiary company to sub-subsiary	445,348	-%	-	-	-	-
S&T AG	Kontron America Inc.	Sub-subsiary company to sub-subsiary	411,251	-%	-	-	-	-
S&T AG	Kontron Austria GmbH	Sub-subsiary company to sub-subsiary	323,765	-%	-	-	-	-
S&T AG	Kontron Electronics GmbH	Sub-subsiary company to sub-subsiary	311,451	-%	-	-	-	-
S&T AG	S&T Romania srl.	Sub-subsiary company to sub-subsiary	185,724	-%	-	-	-	-
S&T AG	RT Soft	Sub-subsiary company to sub-subsiary	115,217	-%	-	-	-	-
S&T AG	Kontron Modular Computers S.A.S.	Sub-subsiary company to sub-subsiary	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: NTS thousand

No. (Note1)	Company Name	Counterparty	Relationship with the Trader (Note2)	Situations of Transactions			% to Total Revenue or Assets (Note 3 and Note 4)
				Account	Amount	Transaction Terms	
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			% to Total Revenue or Assets (Note 3 and Note 4)
				Account	Amount	Transaction Terms	
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%

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)
5	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	Sub-subsidiary company to sub-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 sub-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 sub-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 sub-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 sub-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 sub-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 sub-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 sub-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 (Note2)	Situations of Transactions			% to Total Revenue or Assets (Note 3 and Note 4)
				Account	Amount	Transaction Terms	
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%

No. (Note 1)	Company Name	Counterparty	Relationship with the Trader (Note2)	Situations of Transactions			% to Total Revenue or Assets (Note 3 and Note 4)
				Account	Amount	Transaction Terms	
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 (Note2)	Situations of Transactions			% to Total Revenue or Assets (Note 3 and Note 4)
				Account	Amount	Transaction Terms	
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%

No. (Note 1)	Company Name	Counterparty	Relationship with the Trader (Note2)	Situations of Transactions			% to Total Revenue or Assets (Note 3 and Note 4)
				Account	Amount	Transaction Terms	
14	HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary company to sub-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 sub-subsidiary	Cost of goods purchased	513,953	By reference to general conditions	0.53%
15	Shenzhen Asiatek INC.	Shenzhenshi 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.	Shenzhenshi 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 sub-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 sub-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 sub-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 sub-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 sub-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 sub-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 sub-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 sub-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 sub-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			% to Total Revenue or Assets (Note 3 and Note 4)
				Account	Amount	Transaction Terms	
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%

No. (Note 1)	Company Name	Counterparty	Relationship with the Trader (Note2)	Situations of Transactions			% to Total Revenue or Assets (Note 3 and Note 4)
				Account	Amount	Transaction Terms	
23	Kontron Europe Gmbh	Kontron Technology Beijing Co. Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	125,413	By reference to general conditions	0.13%
23	Kontron Europe Gmbh	Kontron Electronics GmbH	Sub-subsidiary company to sub-subsidiary	Accounts receivable	249,924	By reference to general conditions	0.26%
23	Kontron Europe Gmbh	RT Soft	Sub-subsidiary company to sub-subsidiary	Sales	125,567	By reference to general conditions	0.13%
23	Kontron Europe Gmbh	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-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 sub-subsidiary	Sales	220,545	By reference to general conditions	0.23%
23	Kontron Europe Gmbh	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Purchases	110,461	By reference to general conditions	0.11%
24	Kontron Asia Inc.	Kontron Europe Gmbh	Sub-subsidiary company to sub-subsidiary	Sales	267,451	By reference to general conditions	0.28%
24	Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-subsidiary	Sales	414,290	By reference to general conditions	0.43%
24	Kontron Asia Inc.	Kontron Austria GmbH	Sub-subsidiary company to sub-subsidiary	Sales	126,648	By reference to general conditions	0.13%
24	Kontron Asia Inc.	Kontron Canada Inc.	Sub-subsidiary company to sub-subsidiary	Sales	110,303	By reference to general conditions	0.11%
24	Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary company to sub-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 sub-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 sub-subsidiary	Accounts receivable	106,477	By reference to general conditions	0.11%
27	Kontron Transportation GmbH	Kontron Transportation UK Ltd.	Sub-subsidiary company to sub-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 sub-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 sub-subsidiary	Sales	97,058	By reference to general conditions	0.10%
28	S&T AG	S&T Romania srl.	Sub-subsidiary company to sub-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 sub-subsidiary	Accounts receivable	475,890	By reference to general conditions	0.50%
28	S&T AG	Kontron Europe Gmbh	Sub-subsidiary company to sub-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			% to Total Revenue or Assets (Note 3 and Note 4)
				Account	Amount	Transaction Terms	
28	S&T AG	Kontron Austria GmbH	Sub-subsidiary company to sub-subsidiary	Accounts receivable	323,765	By reference to general conditions	0.34%
28	S&T AG	Kontron Transportation GmbH	Sub-subsidiary company to sub-subsidiary	Accounts receivable	445,348	By reference to general conditions	0.46%
28	S&T AG	Kontron America Inc.	Sub-subsidiary company to sub-subsidiary	Accounts receivable	411,251	By reference to general conditions	0.43%
28	S&T AG	RT Soft	Sub-subsidiary 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-subsidiary company to sub-subsidiary	Accounts receivable	105,705	By reference to general conditions	0.11%
28	S&T AG	Kontron Electronics GmbH	Sub-subsidiary company to sub-subsidiary	Accounts receivable	311,451	By reference to general conditions	0.32%
28	S&T AG	Kontron Beteiligungs GmbH	Sub-subsidiary company to sub-subsidiary	Accounts receivable	1,284,120	By reference to general conditions	1.34%
29	Kontron Austria GmbH	Kontron Electronics AG	Sub-subsidiary company to sub-subsidiary	Sales	132,885	By reference to general conditions	0.14%
29	Kontron Austria GmbH	Kontron Europe GmbH	Sub-subsidiary 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-subsidiary 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-subsidiary 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-subsidiary company to sub-subsidiary	Sales	142,747	By reference to general conditions	0.15%
31	Kontron Transportation Deutschland GmbH	Kontron Transportation GmbH	Sub-subsidiary 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-subsidiary company to sub-subsidiary	Sales	143,506	By reference to general conditions	0.15%
33	Iskratel d.o.o.	AO IskraUralTel Yekaterinburg	Sub-subsidiary company to sub-subsidiary	Sales	260,280	By reference to general conditions	0.27%
33	Iskratel d.o.o.	AO IskraUralTel Yekaterinburg	Sub-subsidiary company to sub-subsidiary	Accounts receivable	340,373	By reference to general conditions	0.35%

No. (Note 1)	Company Name	Counterparty	Relationship with the Trader (Note2)	Situations of Transactions			% to Total Revenue or Assets (Note 3 and Note 4)
				Account	Amount	Transaction Terms	
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: NTS 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%	
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

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				
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	
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%	
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)	

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 Corp.	MIC Techno Co., Ltd.	Taiwan	Panel equipment and material sales	2,000	2,000	200,000	20.00%	1,814	200,000	(46)	(10)	

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.	Rusky 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)	-	
Rusky 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 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				
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	
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 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				
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	Grosbettlingen, DE	IoT Solutions Europe	603,270	674,555	102,150	100.00%	20,647,432	102,150	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	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.	BOISBRIAND / 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 / MALAYSIA	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 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				
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
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-Isenburg, 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 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				
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	Ostfilden, 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 druzba	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, UZ	IoT Solutions Europe	60	70	8,798,207	76.00%	226,206	8,798,207	(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	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 (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%	56.74%	(151,861)	24,405	-

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	-

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							
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	-

(II) Investment quota in Mainland China:

	Accumulated Outward Remittance for Investment from Taiwan to Mainland China - End of the Period	Investment Amount Approved by the Investment Commission of the Ministry of Economic Affairs	Investment Quota in Mainland China in Accordance with the Regulations of the Investment Commission of the Ministry of Economic Affairs
Ennoconn 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
Marketech 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.