

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

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

For the Three Months Ended March 31, 2022 and 2021

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Independent Auditors' Review Report

To the Board of Directors of Ennoconn Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Ennoconn Corporation and its subsidiaries (the “Group”) as of March 31, 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards 65, “Review of Financial Information Performed by the Independent Auditor of the Entity,” except for the effects of the matter(s) described in the Basis for Qualified Conclusion paragraph, a review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Qualified Conclusion

As stated in Note 4 (b) to the consolidated financial statements, it has included part of its insignificant subsidiaries in the aforesaid consolidated financial statements based on the financial statements of these invested companies not reviewed by the independent auditors for the same period. As of March 31, 2022, these subsidiaries had the total assets of NT\$2,715,674, representing 2.65% of the consolidated total assets, and the total liabilities of NT\$1,741,389, representing 2.55% of the consolidated total liabilities, and they realized the comprehensive profit (loss) of NT\$(6,206) thousand for the three months ended March 31, 2022, representing (0.48)% of the consolidated comprehensive profit (loss).

Besides the above-mentioned in the previous paragraph, as stated in Note 6 (d) of the consolidated financial statements, investments accounted for under the equity method of Ennoconn Technology Co., Ltd. and its subsidiaries amounted to NT\$428,475 thousand as of March 31, 2022. The profit or loss of associates under equity method were NT\$2,460 thousand for the three months ended March 31, 2022. Those amounts were recognized based on financial statements of the investees for the same period and have not been reviewed by the independent auditors.

Qualified Conclusion

Based on our reviews and other independent auditors' review reports (please refer to the paragraph titled "Other Matters"), except for possible effects from financial statements of these investees mentioned in the paragraph titled "Basis for Qualified Conclusion" if they were reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Ennoconn Corporation and its subsidiaries as of March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matters

Among the subsidiaries listed in Ennoconn Corporation and its subsidiaries' 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 for the three months ended March 31, 2022 consolidated financial statements of such company one based on the review reports of other auditors. The total assets of these subsidiaries as of March 31, 2022 was NT\$40,961,322 thousand, accounting for 40.01% of the total consolidated assets; the net operating revenue of these subsidiaries for the three months ended March 31, 2022 was NT\$10,179,940 thousand, accounting for 41.94% of the net consolidated operating revenue.

The consolidated financial statements of Ennoconn Technology Co., Ltd. and its subsidiaries for the three months ended March 31, 2021 were reviewed by other independent auditors. Due to the financial statements of some subsidiaries are reviewed by other independent auditors as well as some of the non-material subsidiaries and investments accounted for using the equity method included in the consolidated financial statements are prepared based on the financial statements of each of these investee companies that have not been reviewed by independent auditors during the same period, the review report of the qualified conclusion plus other matters paragraph was issued on May 13, 2021

However, as stated in Note 6 (a) 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 March 31, 2021. However, Ennoconn Corporation did not revise and restate the consolidated financial statements for the three months ended March 31, 2021, and the former CPA did not re-audit and certify the consolidated financial statements. If Ennoconn Corporation and its subsidiaries correctly recognized related accounting subjects for the three months ended March 31, 2021, the cash and cash equivalent as of March 31, 2021 was reduced by NT\$67,226 thousand and undistributed surplus decreased by NT\$67,226 thousand. The Ennoconn Corporation and its subsidiaries have adjusted beginning relevant asset accounts and undistributed earnings for the year ended December 31, 2021.

KPMG

CPA:

Securities and Futures
Commission Approval No.

: Taiwan-Finance-Securities-VI
No.0930106739
Financial Supervisory
Commission No.1040003949

May 13, 2022

Reviewed only, not audited in accordance with the generally accepted auditing standards as of
March 31, 2022 and 2021
Ennoconn Technology Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2022, December 31 and March 31, 2021

Unit: NT\$ 1,000

Assets	March 31, 2022		December 31, 2021		March 31, 2021			Liabilities and equity	March 31, 2022		December 31, 2021		March 31, 2021	
	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities						
1100 Cash and cash equivalents (Notes 6 (a) and (v))	\$ 14,824,393	14	17,522,321	17	17,570,800	19	2100 Short-term loans (Notes 6 (k) and (v))	\$ 10,196,476	10	9,476,954	9	9,000,559	10	
1110 Financial assets measured at fair value through profit and loss - current (Note 6 (v))	111,023	-	189,816	-	159,365	-	2120 Financial liabilities measured at fair value through profit and loss - current (Note 6 (v))	1,375	-	713	-	192	-	
1120 Financial assets measured at fair value through other comprehensive income - current (Note 6 (v))	-	-	96,772	-	-	-	2130 Contract liabilities - current (Notes 6 (s) and (v))	9,151,908	9	7,151,404	7	6,157,513	7	
1136 Financial assets measured at amortized cost - current (Note 6 (v))	25,173	-	864,112	1	132,408	-	2150 Notes payables (Note 6 (v))	1,763,761	2	1,721,962	2	965,345	1	
1140 Contract assets - current (Notes 6 (s) and (v))	9,835,315	10	9,538,944	10	6,078,277	7	2160 Notes payables - related parties (Notes 6 (v) and 7)	2,898	-	15,218	-	1,235	-	
1150 Notes receivable, net (Notes 6 (b), (s) and (v))	70,253	-	60,171	-	73,200	-	2170 Accounts payables (Note 6 (v))	16,525,105	16	18,718,569	19	13,624,986	15	
1170 Accounts receivable, net (Notes 6 (b), (s) and (v))	16,579,781	16	16,550,819	16	13,640,486	15	2180 Accounts payables - related parties (Notes 6 (v) and 7)	202,320	-	709,342	1	935,095	1	
1180 Accounts receivable - related parties, net (Notes 6 (b), (s), (v) and 7)	395,954	-	769,363	1	1,229,753	1	2200 Other payables (Notes 6 (v) and 7)	4,750,040	5	5,181,431	5	4,929,927	5	
130X Inventories (Note 6 (c))	18,979,663	19	15,971,415	16	13,654,519	15	2230 Current tax liabilities (Note 6 (t))	593,866	1	454,685	-	645,604	1	
1470 Other current assets (Note 6 (j))	6,598,668	7	4,917,814	5	5,080,333	5	2250 Provisions for liabilities - current	1,107,966	1	992,243	1	1,253,303	1	
Total Current Assets	67,420,223	66	66,481,547	66	57,619,141	62	2280 Lease liabilities - current (Note 6 (v))	979,253	1	974,736	1	904,512	1	
Non-Current Assets:							2321 Corporate bonds matured or exercised redemption rights within one year or one operating cycle (Notes 6 (m) and (v))	165,662	-	1,137,035	1	6,654,288	7	
1510 Financial assets measured at fair value through profit and loss - non-current (Note 6 (v))	967,014	1	984,540	1	666,697	1	2322 Long-term loans matured within one year or one operating cycle (Notes 6 (m) and (v))	12,814	-	11,926	-	933,297	1	
1517 Financial assets measured at fair value through other comprehensive income - non-current (Note 6 (v))	882,730	1	829,983	1	680,769	1	2399 Other current liabilities	1,383,657	1	768,632	1	216,120	-	
1550 Investments accounted for using equity method (Note 6 (d))	428,476	-	128,693	-	458,198	1	Total Current Liabilities	46,837,101	46	47,314,850	47	46,221,976	50	
1600 Property, plant and equipment (Note 6 (h))	6,722,184	7	6,697,993	7	6,759,141	7	Non-current liabilities:							
1760 Investment properties, net	51,532	-	51,656	-	-	-	2500 Financial liabilities measured at fair value through profit and loss - non-current (Note 6 (v))	-	-	-	-	943,971	1	
1755 Right-of-use assets	3,054,968	3	2,977,436	3	3,037,602	3	2530 Corporate bonds payable (Notes 6 (m) and (v))	8,577,835	8	8,967,735	9	1,628,729	2	
1805 Goodwill (Note 6 (i))	13,521,094	13	13,285,999	13	13,544,281	15	2540 Long-term loans (Notes 6 (l) and (v))	7,840,255	8	7,833,098	8	8,813,024	9	
1821 Other intangible assets (Note 6 (ii))	6,352,182	6	6,374,149	6	6,902,010	7	2550 Provisions for liabilities - non-current	795,431	1	485,942	-	572,349	1	
1840 Deferred tax assets (Note 6 (o))	1,593,013	2	1,564,709	2	1,564,234	2	2570 Deferred tax liabilities (Note 6 (o))	597,709	-	535,929	1	522,025	-	
1960 Advance payment for investment (Note 6 (j))	28,625	-	27,680	-	47,651	-	2580 Lease liabilities - non-current (Note 6 (v))	2,684,410	3	2,485,942	2	2,535,429	3	
1990 Other non-current assets (Notes 6 (j) and (n))	1,357,165	1	1,221,508	1	1,289,797	1	2640 Net defined benefit liabilities - non-current (Note 6 (n))	162,860	-	475,690	1	523,748	1	
Total non-current assets	34,958,983	34	34,144,346	34	34,950,380	38	2670 Other non-current liabilities	866,644	1	1,156,520	1	779,656	1	
							Total non-current liabilities	21,525,144	21	21,940,856	22	16,318,931	18	
							Total Liabilities	68,362,245	67	69,255,706	69	62,540,907	68	
							Equity attributable to owners of parent (Notes 6 (p), (q) and (cc)):							
							3110 Share capital	1,066,920	1	1,018,120	1	968,120	1	
							3200 Capital surplus	9,945,378	9	8,865,780	9	7,631,173	8	
							Retained earnings:							
							3310 Legal reserve	754,561	1	754,561	1	643,854	-	
							3320 Special reserve	1,010,924	1	1,010,924	1	850,114	1	
							3350 Undistributed surplus (Note 6 (n))	1,470,981	1	1,157,171	1	827,955	1	
							Total Retained Earnings	3,236,466	3	2,922,656	3	2,321,923	2	
							3400 Other equity	(1,508,283)	(1)	(1,768,490)	(2)	(1,278,401)	(1)	
							3500 Treasury stock	(233,608)	-	(233,608)	-	(233,608)	-	
							Total Equity Attributable to Owners of Parent	12,506,873	12	10,804,458	11	9,409,207	10	
							36XX Non-controlling equity (Note 6 (j))	21,510,088	21	20,565,729	20	20,619,407	22	
							Total Equity	34,016,961	33	31,370,187	31	30,028,614	32	
Total Assets	\$ 102,379,206	100	100,625,893	100	92,569,521	100	Total Liabilities and Equity	\$ 102,379,206	100	100,625,893	100	92,569,521	100	

(Please refer to Notes to the Consolidated Financial Statements)

Chairman: Chu, Fu-Chuan

Manager: Neng-Chi Tsai

Chief Accountant: You-Mei Wu

Reviewed only, not audited in accordance with the generally accepted auditing standards

**Ennoconn Technology Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2022 and 2021**

Unit: NT\$ 1,000

	<u>January to March, 2022</u>		<u>January to March, 2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4100 Sales revenue, net (Notes 6 (s) and 7))	\$ 24,272,320	100	20,191,237	100
5000 Operating costs (Notes 6 (c), (h), (i), (n), (t) and 7)	19,168,575	79	15,437,167	76
5900 Gross profit	<u>5,103,745</u>	<u>21</u>	<u>4,754,070</u>	<u>24</u>
	Operating expenses (Notes 6 (b), (h), (i), (n) and (t))			
6100 Selling Expenses	819,819	4	851,671	4
6200 General and administrative expenses	1,276,934	5	1,174,723	6
6300 Research and development expense	2,205,214	9	2,113,200	11
6450 Expected credit losses	72,202	-	15,366	-
	<u>4,374,169</u>	<u>18</u>	<u>4,154,960</u>	<u>21</u>
6900 Net operating profit	<u>729,576</u>	<u>3</u>	<u>599,110</u>	<u>3</u>
	Non-operating income and expenses (Notes 6 (d) and (u)):			
7100 Interest income	12,611	-	14,371	-
7190 Other income	6,057	-	5,992	-
7020 Other gains and losses	423,929	2	241,700	1
7050 Financial costs	(132,890)	(1)	(136,975)	-
7060 Share of profit or loss of associates accounted for using the equity method	2,460	-	(3,304)	-
	<u>312,167</u>	<u>1</u>	<u>121,784</u>	<u>1</u>
	<u>1,041,743</u>	<u>4</u>	<u>720,894</u>	<u>4</u>
7950 Less: Income tax expense (Note 6 (o))	<u>276,895</u>	<u>1</u>	<u>176,898</u>	<u>1</u>
	<u>764,848</u>	<u>3</u>	<u>543,996</u>	<u>3</u>
8300 Other comprehensive income:				
8310 Items that will not be reclassified to profit or loss				
8316 Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(69,580)	-	(821)	-
8320 Share of other comprehensive income from associates and joint venture recognized under equity method	-	-	(223)	-
8349 Less: Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	<u>(69,580)</u>	<u>-</u>	<u>(1,044)</u>	<u>-</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	585,666	2	(745,984)	(4)
8370 Share of other comprehensive income of associates accounted for using the equity method	1,414	-	(18)	-
8399 Less: Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	<u>587,080</u>	<u>2</u>	<u>(746,002)</u>	<u>(4)</u>
8300 Other comprehensive income for period	<u>517,500</u>	<u>2</u>	<u>(747,046)</u>	<u>(4)</u>
	<u>\$ 1,282,348</u>	<u>5</u>	<u>(203,050)</u>	<u>(1)</u>
	Net income attributable to:			
Owners of parent	\$ 313,810	1	196,632	1
Non-controlling interests	451,038	2	347,364	2
	<u>\$ 764,848</u>	<u>3</u>	<u>543,996</u>	<u>3</u>
	Total comprehensive income attributable to:			
Owners of parent	\$ 574,017	2	(70,845)	-
Non-controlling interests	708,331	3	(132,205)	(1)
	<u>\$ 1,282,348</u>	<u>5</u>	<u>(203,050)</u>	<u>(1)</u>
9750 Basic earnings per share (Unit: NT\$) (Note 6 (r))	<u>\$ 2.97</u>		<u>2.06</u>	
9850 Diluted earnings per share (Unit: NT\$) (Note 6 (r))	<u>\$ 2.39</u>		<u>1.75</u>	

(Please refer to Notes to the Consolidated Financial Statements)

Chairman: Chu, Fu-Chuan

Manager: Neng-Chi Tsai

Chief Accountant: You-Mei Wu

Reviewed only, not audited in accordance with the generally accepted auditing standards
Ennoconn Technology Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2022 and 2021

Unit: NT\$ 1,000

Equity attributable to owners of parent

	Equity attributable to owners of parent						Other equity interest			Non-controlling interests	Total equity		
	Share capital	Capital surplus	Legal reserve	Retained earnings	Unappropriated earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets at FVTOCI	Total			Treasury stock	Total equity attributable to owners of parent
Balance as of January 1, 2021	\$ 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
Net income for period	-	-	-	-	196,632	196,632	-	-	-	-	196,632	347,364	543,996
Other comprehensive income for period	-	-	-	-	-	-	(266,433)	(1,044)	(267,477)	-	(267,477)	(479,569)	(747,046)
Total comprehensive income for period	-	-	-	-	196,632	196,632	(266,433)	(1,044)	(267,477)	-	(70,845)	(132,205)	(203,050)
Changes in ownership interests in subsidiaries	-	6,313	-	-	-	-	-	-	-	-	6,313	(6,313)	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(493,300)	(493,300)
Issuance of new shares for other company's shares	35,400	886,770	-	-	(698,556)	(698,556)	-	-	-	-	223,614	-	223,614
Balance as of March 31, 2021	\$ 968,120	7,631,173	643,854	850,114	827,955	2,321,923	(1,200,691)	(77,710)	(1,278,401)	(233,608)	9,409,207	20,619,407	30,028,614
Balance as of January 1, 2022	\$ 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
Net income for period	-	-	-	-	313,810	313,810	-	-	-	-	313,810	451,038	764,848
Other comprehensive income for period	-	-	-	-	-	-	330,550	(70,343)	260,207	-	260,207	257,293	517,500
Total comprehensive income for period	-	-	-	-	313,810	313,810	330,550	(70,343)	260,207	-	574,017	708,331	1,282,348
Capital increase by cash	48,800	1,056,570	-	-	-	-	-	-	-	-	1,105,370	-	1,105,370
Changes in ownership interests in subsidiaries	-	23,028	-	-	-	-	-	-	-	-	23,028	(23,028)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	259,056	259,056
Balance as of March 31, 2022	\$ 1,066,920	9,945,378	754,561	1,010,924	1,470,981	3,236,466	(1,342,773)	(165,510)	(1,508,283)	(233,608)	12,506,873	21,510,088	34,016,961

(Please refer to Notes to the Consolidated Financial Statements)

Chairman: Chu, Fu-Chuan

Manager: Neng-Chi Tsai

Chief Accountant: You-Mei Wu

Reviewed only, not audited in accordance with the generally accepted auditing standards

Ennoconn Technology Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March 31, 2022 and 2021

Unit: NT\$ 1,000

	<u>January to March, 2022</u>	<u>January to March, 2021</u>
Cash flows of operating activities:		
Net profit before income tax	\$ 1,041,743	720,894
Adjustments:		
Adjustments for:		
Depreciation expenses	472,809	438,486
Amortization expenses	308,788	346,635
Expected credit losses	72,202	15,366
Net losses (gains) from financial assets and liabilities at fair value through profit or loss	111,891	(8,351)
Interest expenses	132,890	136,975
Interest income	(12,611)	(14,371)
Dividend income	-	(177)
Share-based payment compensation	-	7,965
Share of (profits) losses of associates accounted for using the equity method	(2,460)	3,304
Gains on disposal of property, plant and equipment	(461)	(4,422)
Gains on disposal of investments	(5,944)	-
Gains on lease modification	(2)	-
Inventory (recovery gains) losses from market declines	(152,022)	41,487
Unrealized (gains) losses on foreign exchange	(22,266)	17,083
Bond recovery losses	-	2,189
Losses on Inventory scrap	5,853	23,693
Total adjustments to reconcile profit (loss)	908,667	1,005,862
Changes in operating assets and liabilities:		
Contract assets	8,418,307	69,968
Notes and accounts receivable	287,751	107,913
Inventories	(2,862,079)	(882,523)
Other current assets	(10,427,517)	(81,674)
Contract liabilities	2,000,504	186,225
Notes payable (including related parties)	29,479	(191,670)
Increase on accounts payable (including related parties)	(2,710,650)	(665,295)
Other payables	(427,088)	(626,976)
Provisions for liabilities	425,212	(114,280)
Other current liabilities	615,025	(150,673)
Other liabilities	(602,705)	(20,744)
Total adjustments	(4,345,094)	(1,363,867)
Cash used in operations	(3,303,351)	(642,973)
Interest received	12,611	12,706
Dividends received	-	177
Interest paid	(108,045)	(110,453)
Income taxes paid	(106,792)	(120,676)
Net cash used in operating activities	(3,505,577)	(861,219)

(Please refer to Notes to the Consolidated Financial Statements)

Chairman: Chu, Fu-Chuan

Manager: Neng-Chi Tsai

Chief Accountant: You-Mei Wu

Reviewed only, not audited in accordance with the generally accepted auditing standards

Ennoconn Technology Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows (Continued)

For the three months ended March 31, 2022 and 2021

Unit: NT\$ 1,000

	January to March, 2022	January to March, 2021
Cash flows of investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	\$ (26,318)	(4,225)
Disposal of financial assets measured at fair value through other comprehensive income	-	2,531
Proceeds from disposal of financial assets at amortized cost	838,939	2,169,959
Acquisition of financial assets at fair value through profit or loss designated on initial recognition	(8,968)	(85,142)
Proceeds from capital reduction of investments accounted for using equity method	(296,000)	-
Increase in prepayments for investments	(945)	(19,116)
Acquisition of subsidiaries (after deduction of cash obtained)	(15,002)	(38,570)
Return of capital from financial assets at FVTPL	-	846
Acquisition of property, plant and equipment	(270,029)	(426,950)
Proceeds from disposal of property, plant and equipment	135,102	22,573
Acquisition of intangible assets	(214,780)	(171,586)
Proceeds from disposal of intangible assets	1,109	-
Increase in other current assets	(135,662)	53,890
Net cash flows generated from investing activities	7,446	1,504,210
Cash flows of financing activities:		
Increase in short-term loans	719,522	151,907
Repayments of corporate bonds payables	(1,139,892)	(206,331)
Proceeds from long-term loans	8,044	-
Repayments of long-term loans	-	1,539,000
Long-term loans transferred into matured within one year	-	(8,146)
Repayments of lease principal	(20,844)	(226,162)
Capital increase by cash	1,105,370	-
Change in non-controlling interests	6,247	(278,035)
Net cash flows generated from financing activities	678,447	972,233
Effect of exchange rate changes on cash and cash equivalents	121,756	(65,065)
Net increase (decrease) in cash and cash equivalents	(2,697,928)	1,550,159
Cash and cash equivalents at the beginning of the period	17,522,321	16,020,641
Cash and cash equivalents at the end of the period	\$ 14,824,393	17,570,800

(Please refer to Notes to the Consolidated Financial Statements)

Chairman: Chu, Fu-Chuan

Manager: Neng-Chi Tsai

Chief Accountant: You-Mei Wu

Reviewed only, not audited in accordance with the generally accepted auditing standards

Ennoconn Technology Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

For the Three Months Ended March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company Overview

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 Company and its subsidiaries ("the Group") 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.

(2) Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved by the Board of Directors and authorized for issue on May 13, 2022.

(3) Application of New and Amended Standards and Interpretations

- (a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has initially adopted the following new amendments from January 1, 2022 with the impact as described below:

1. Others

The following new amendments were effective for annual period beginning on January 1, 2022, and would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 16 "Property, Plant and Equipment—Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

- (b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The impact of IFRS issued by IASB but not yet endorsed by the FSC to the Group is summarized as below:

**New, Revised or Amended
Standards and
Interpretations**

Major amendments

**Effective Date
Issued 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

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

New, Revised or Amended Standards and Interpretations	Major amendments	Effective Date Issued by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	Major amendments to IAS 1 include: <ul style="list-style-type: none"> • This amendment prescribes that an entity is required to disclose its material accounting policy information instead of its significant accounting policies; • Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed by an entity; and • Not all accounting policy information relating to material transactions, other events or conditions is itself material to the financial statements. 	January 1, 2023
Amendments 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

The Group 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 Group 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.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17
- 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)

(4) Summary of Significant Accounting Policies

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2021. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2021.

(b) Basis of Consolidation

1. Subsidiaries included in consolidated financial statements

Subsidiaries included in the consolidated financial statements are as below:

Name of Investor	Name of Subsidiary	Nature of Business	Proportion of Ownership (%)			Remark
			March 31, 2022	December 31, 2021	March 31, 2021	
The Company	Innovative Systems Integration Limited (Innovation System)	Professional investment	100.00%	100.00%	100.00%	
The Company	Ennoconn International Investment Co., Ltd. (Ennoconn International)	Professional investment	100.00%	100.00%	100.00%	
The Company	Ennoconn Investment Holdings Co., Ltd. (EIH)	Professional investment	100.00%	100.00%	100.00%	
The Company and EIH	AIS Cayman Technology	Professional investment	100.00%	100.00%	100.00%	Note 1
EIH	Ennoconn Hungary KFT	Manufacturing and marketing of industrial computers	100.00%	100.00%	- %	Note 2
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%	31.77%	31.84%	Note 3
Innovation System	Nanjing Asiatek Co., Ltd. (Nanjing Asiatek)	Engaged in the research, development and sales of software and hardware products, and provide installation, commissioning and technical consultation.	100.00%	100.00%	100.00%	
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%	100.00%	
Innovation System	Ennoconn (Suzhou) Technology Co., Ltd. (Suzhou Ennoconn)	R&D, production and sales of industrial computers	100.00%	100.00%	100.00%	
Innovation System	Sheng-Li-Jia Holdings Co., Ltd. (Sheng-Li-Jia)	Import and export trading	100.00%	100.00%	100.00%	
Innovation System	Hua-En Investment Co., Ltd. (Hua-En)	Professional investment	100.00%	100.00%	100.00%	
Innovation System and Hua-En	Ennoconn (Foshan) Investment Co., Ltd.	Professional investment	100.00%	100.00%	100.00%	
Suzhou Ennoconn	Ennoconn (Kunshan) Technology Co., Ltd. (Kunshan Ennoconn)	Intelligent technology development and hardware sales	70.00%	70.00%	70.00%	

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

Name of Investor	Name of Subsidiary	Nature of Business	Proportion of Ownership (%)			Remark
			March 31, 2022	December 31, 2021	March 31, 2021	
Nanjing Asiatek	Shenzhen Asiatek Co., Ltd. (Shenzhen Asiatek)	Engage in R&D, production and sales of electronic materials required for software and hardware products	70.00%	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%	56.74%	
Ennoconn International	EnnoMech Precision (Cayman) Co., Ltd.	Professional investment	100.00%	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%	100.00%	
Ennoconn International	Thecus Technology Corp.	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	60.00%	60.00%	60.00%	
Ennoconn International	Dexatek Technology Ltd.	Multimedia product R&D and design and manufacturing business	60.00%	60.00%	60.00%	
Ennoconn International	Marketech International Corp. and its subsidiary (MIC INC.)	High tech industry plant services and process system planning integration service	42.95%	44.04%	44.57%	Note 6
Ennoconn International	Poslab Technology Co. (Poslab)	Manufacturing, wholesale and sales of electronic and its peripheral equipment	70.00%	70.00%	70.00%	
Goldtek Keenest Electronic Corp.	Keenest Electronic Corp. Goldtek Technology (Shenzhen) Co., Ltd.	Professional investment 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%	100.00% 100.00%	100.00% 100.00%	
Keenest Electronic Corp.	Sunlit Precision Technology Co., Ltd. (Sunlit)	Metal stamping and casting industry	40.30%	40.30%	40.30%	
Ennoconn International and EIH	S&T AG and its subsidiaries	Information system software and hardware integration service	27.59%	27.59%	27.45%	Note 7
AIS Cayman	American Industrial Systems Inc. (AIS)	Human-machine interface and industry 4.0 and other related products	100.00%	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%	100.00%	
EnnoMech Cayman	DOMINATE UNITED ENTERPRISE LTD.	Professional investment	100.00%	100.00%	100.00%	
EnnoMech Cayman	Ennomech Precision Co., Ltd.	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	100.00%	100.00%	100.00%	
EnnoMech Cayman	HighAim Technology Inc. (HighAim)	Professional investment	67.65%	67.65%	66.05%	Note 8

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

Name of Investor	Name of Subsidiary	Nature of Business	Proportion of Ownership (%)			Remark
			March 31, 2022	December 31, 2021	March 31, 2021	
HighAim	HighAim Technology Inc. and its subsidiary	Design, development and production of various molds, servers and communication equipment.	100.00%	100.00%	100.00%	
HighAim	Andrix International LTD.	Import and export trading	100.00%	100.00%	100.00%	
HighAim	Funology Investment Inc.	Import and export trading	100.00%	100.00%	100.00%	
Thecus Technology	Thecus U.S.A.,Inc.	Sales of network storage equipment and maintenance services	100.00%	100.00%	100.00%	
Ennowyse Corporation	Hua Qun Venture Management Corporation (Hua Qun)	General investment and investment consultancy	40.00%	40.00%	- %	Note 9

Note 1 : In January 2021, the Company acquired 37.64% of AIS shares, increased the consolidated shares held with EIH .

Note 2 : Incorporated in December 2021 and included in the consolidated financial statements.

Note 3 : The Company and Ennoconn International hold 27.33% and 4.44% of equity, respectively. The Group 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.

Note 4 : Nanjing Asiatek increased investments to Shenzhen Asiatek in October 2021, increased the shareholding ratio. However, the shareholding ratio has decreased due to no participation in the capital increase of Shenzhen Asiatek in January 2022.

Note 5 : At the end of 2021, the company ended its operations and went through dissolution procedures

Note 6 : The Group considered the proportion of voting rights held by other shareholders, and it was judged to have substantial control. Therefore, it was listed as a subsidiary. During the holding period, the shareholding ratio decreased due to the increase of equity due to the exercise of stock options issued by the Company.

Note 7 : This company is a listed company in Frankfurt, Germany, and a group holding company. Due to the decentralized ownership structure of the company, the shareholding ratio of the Group to other shareholders is significant. The Group is the largest shareholder and holds more than half of the total number of directors with substantial control power. Therefore, it is listed as a subsidiary. During the holding period, S&T AG bought back the treasury stock, leading to increasing the consolidated shares held.

Note 8 : In September 2021, EnnoMech Cayman transferred 80,000 non-controlling shares, with an amount of USD336,000, increased shares held.

Note 9 : Incorporated in July 2021 and included in the consolidated financial statements.

The above subsidiaries included in the consolidated financial statements, except for some non-material subsidiaries of MIC INC. which have not been reviewed, the rest were prepared based on the financial statements reviewed by the independent auditors during the same period.

2. Subsidiaries excluded from consolidated financial statements: None.

(c) Employee benefits

The pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34 “Interim Reporting.”

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management, and the current income tax expenses and deferred income tax expenses are apportioned according to the estimated proportion of the current income tax expenses and deferred income tax expenses for the whole year.

The temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and recognized directly in equity or other comprehensive income as tax expense.

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

(5) The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34“Interim Financial Reporting” endorsed by the FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses.

Actual results may differ from estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the Note 5 of the consolidated financial statements for the year ended December 31, 2021.

(6) Details of Significant Accounts

(a) Cash and cash equivalents

	March 31, 2022	December 31, 2021	March 31, 2021
Cash on hand	\$ 33,119	34,944	28,402
Demand deposits and check deposits	13,979,510	17,213,071	14,091,776
Time deposits	811,764	274,306	3,450,622
Cash and cash equivalents listed on the consolidated statement of cash flow	<u>\$ 14,824,393</u>	<u>17,522,321</u>	<u>17,570,800</u>

On March 23, 2022, the Company announced important information stating that the Company found an employee suspected of forging documents and misappropriating the Company's assets, resulting in a shortage of cash and equivalent cash as of March 31, 2021. If the Group recognized the relevant items for the three months ended March 31, 2021 correctly, the consolidated financial statement as of March 31, 2021 shall be amended and adjusted as follows:

	March 31, 2021	Adjust effects	March 31, 2021 Amount after the adjustment
Assets			
Cash and cash equivalents	\$ 17,570,800	(67,226)	17,503,574
Asset adjustment	<u>\$ 17,570,800</u>	<u>(67,226)</u>	<u>17,503,574</u>
Equity			
Unappropriated earnings	\$ 827,955	(67,226)	760,729
Equity adjustment	<u>\$ 827,955</u>	<u>(67,226)</u>	<u>760,729</u>

(b) Notes receivable and accounts receivable

	March 31, 2021	December 31, 2021	March 31, 2021
Notes receivable	\$ 70,194	60,171	73,200
Accounts receivable	17,555,855	17,448,314	14,687,350
Accounts receivable - related parties	396,013	769,363	1,231,894
Less: Allowance for loss	(976,074)	(897,495)	(1,049,005)
	<u>\$ 17,045,988</u>	<u>17,380,353</u>	<u>14,943,439</u>

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

The Group 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 Group's notes and accounts receivable is as follows:

March 31, 2022			
	Carrying amount of accounts and notes receivable	Weighted average expected credit loss rate	Expected credit loss during the allowance
	\$ 14,439,838	0.04%	5,830
1~30 days past due	1,084,163	0.99%	10,828
31~150 days past due	1,022,945	3.79%	38,805
151~270 days past due	190,605	6.62%	12,620
271~365 days past due	188,682	21.96%	41,436
1~2 years past due	543,206	57.79%	313,932
Over 2 years past due	552,623	100%	552,623
	\$ 18,022,062		976,074

December 31, 2021			
	Carrying amount of accounts receivable	Weighted average expected credit loss rate	Expected credit loss during the allowance
	\$ 14,638,212	0.03%	3,887
Not past due	1,190,397	0.48%	5,735
1~30 days past due	942,045	3.30%	31,132
31~150 days past due	250,384	15.37%	38,491
151~270 days past due	169,792	27.14	46,082
271~365 days past due	616,185	48.90%	301,335
1~2 years past due	470,833	100%	470,833
Over 2 years past due	\$ 18,277,848		897,495

March 31, 2021			
	Carrying amount of accounts and notes receivable	Weighted average expected credit loss rate	Expected credit loss during the allowance
	\$ 12,073,087	0.32%	39,083
Not past due	908,963	0.65%	5,945
1~30 days past due	1,425,182	6.72%	95,808
31~150 days past due	229,614	11.92%	27,362
151~270 days past due	147,575	37.26%	54,985
271~365 days past due	604,966	42.79%	258,893
1~2 years past due	603,057	94.01%	566,929
Over 2 years past due	\$ 15,992,444		1,049,005

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

The change in the credit loss of the Group's notes and accounts receivable is as follows:

	January to March, 2022	January to March, 2021
Beginning Balance	\$ 897,495	1,086,892
Impairment losses recognized	72,202	15,366
Write-off due to irrecoverable of this year	(1,125)	(37,206)
Profit/loss from foreign currency translation	7,502	(16,047)
Ending Balance	\$ 976,074	1,049,005

Please refer to Note 8 for details of the pledge set as loan guarantee by the Group as of March 31, 2022, December 31, 2021 and March 31, 2021.

Please refer to Note 6 (v) for other credit risk information.

(c) Inventories

	March 31, 2022	December 31, 2021	March 31, 2021
Raw materials	\$ 11,667,522	6,599,058	6,901,753
Raw materials in transit	140,828	12,048	1,077
Work in progress	1,542,477	1,160,370	1,677,959
Semi-finished products	927,400	481,600	666,458
Finished goods	2,450,279	1,445,242	2,358,539
Stock in hand	2,713,542	6,845,765	2,577,708
Less: Allowance for inventory losses from market declines	(462,385)	(572,668)	(528,975)
	\$ 18,979,663	15,971,415	13,654,519

The inventory related expenses and losses recognized by the Group for the three months ended March 31, 2022 and 2021 were NT\$146,169 thousand and NT\$65,180 thousand, respectively, under the operating costs, and the details are as below:

	January to March, 2022	January to March, 2021
Inventory (recovery gains) losses from market declines	\$ (152,022)	41,487
Losses on Inventory scrap	5,853	23,693
Total	\$ (146,169)	65,180

Inventory costs recognized as operating costs and expenses for the three months ended March 31, 2022 and 2021 were NT\$19,022,406 thousand and NT\$15,371,987 thousand, respectively.

For the Group's use of inventory as pledge guarantees, please refer to Note 8.

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

(d) Investments accounted for using the equity method

The investments of the Group using the equity method on the reporting date are listed as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Associates	\$ 428,476	128,693	458,198

1. Associates

The Group participated in the private placement of new shares of Arbor Technology Corporation on February 24, 2022, and it acquired 16,000 thousand shares of the company for NT\$296,000 thousand with a shareholding ratio of about 17.69%, resulting in the acquisition of significant influence in the company, which engaged in major operating projects of the R&D, manufacturing and sales of industrial computers.

If the affiliated enterprises of the Group 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 Group:

	March 31, 2022	December 31, 2021	March 31, 2021
Ending summary carrying amount of equity of individual insignificant affiliated enterprises	\$ 428,476	128,693	458,198
		January to March, 2022	January to March, 2021
Shares attributable to the Group:			
Net income for period		\$ 2,460	(3,304)
Other comprehensive income		1,444	(241)
Total comprehensive income		\$ 3,904	(3,545)

As of March 31, 2022 and 2021, the affiliated enterprises that the Group adopts the equity method did not provide pledge, guarantee or without the restrictive circumstances.

2. Unreviewed Investments Recognized Through the Equity Method

The shares of profit or loss and other comprehensive income entitled by the Group and investments recognized through the equity method are calculated on the basis of the financial statements which has not been reviewed by the independent auditors, except for those of DIVA Laboratories. Ltd. which were recognized based on the financial statements for the same period which was reviewed by the independent auditors.

(e) Business Combination

The Group expands the Group's business by acquiring the following companies and obtains relevant development, design and production technologies.

	Main operating activities	Acquisition date	Proportion of Purchases	Fair value of transfer consideration
HC Solutions GmbH	IoT industry	January 1, 2021	100.00%	47,709
CNP GmbH/CNT GmbH	Information services	January 1, 2022	100.00%	15,003 (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:

For the three months ended March 31, 2022:

	CNP GmbH/CNT GmbH
Transfer consideration	
Cash	\$ 15,003

For the three months ended March 31, 2021:

	HC Solutions GmbH
Transfer consideration	
Cash	\$ 43,524
Prepayments for investments	4,185
Total	\$ 47,709

2. Fair value of net identifiable assets acquired and liabilities assumed:

For the three months ended March 31, 2022:

	CNP GmbH/CNT GmbH
Property, plant and equipment	\$ 940
Right-of-use assets	11,232
Intangible assets	8,512
Lease liabilities - current	(2,026)
Other payables	(416)
Deferred tax liabilities	(2,553)
Lease liabilities - non-current	(9,206)
	\$ 6,483

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

For the three months ended March 31, 2021:

	HC Solutions GmbH
Cash and cash equivalents	\$ 4,954
Notes and accounts receivable	11,476
Other receivables	644
Inventories	846
Contract assets	16,784
Other current assets	225
Property, plant and equipment	1,858
Intangible assets	13,724
Other non-current assets	2,182
Notes and accounts payable	(13,371)
Provisions for liabilities	(16,806)
Contract liabilities	(8,843)
Other payables	(2,837)
Current income tax liabilities	(5,130)
Other current liabilities	(11,837)
Deferred tax liabilities	(3,481)
Other non-current liabilities	(1,868)
Total	<u>\$ (11,480)</u>

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

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:

For the three months ended March 31, 2022:

	CNP GmbH/CNT GmbH
Transfer consideration	\$ 15,003
Less: fair value of identifiable net assets (liabilities) acquired	6,483
Goodwill arising on acquisition	<u>\$ 8,520</u>

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

For the three months ended March 31, 2021:

	HC Solutions GmbH
Transfer consideration	\$ 47,709
Less: fair value of identifiable net assets (liabilities) acquired	(11,480)
Goodwill arising on acquisition	<u>\$ 59,189</u>

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

4. Since the acquisition date, the income and net profit contributed by the acquired company are as follows:

For the three months ended March 31, 2021:

	HC Solutions GmbH
Operating revenue	<u>\$ 48,794</u>
Net income for period	<u>\$ 2,207</u>

(f) Changes in ownership interests in subsidiaries

1. The transactions in which the Group changed its equity in subsidiaries and did not change its control over the company for the three months ended March 31, 2022 and 2021 are as follows:

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 for the three months ended March 31, 2021, resulted the shares held by the Company and Ennoconn International reduced from 31.91% to 31.84%.

In January 2022, Nanjiang Asiatek did not subscribe Shenzhen Aisatek's capital increase by its shareholding ratio, which shares are increased from 73.51% to 70%.

MIC INC. increased shares through exercising the share option for the three months ended March 31, 2022 and 2021, resulted in Ennoconn International shares reduced from 44.04% to 42.95%, and from 44.59% to 44.57%, respectively.

S&T AG exercised the treasury stock repurchase for the three months ended March 31, 2022 and 2021, resulted in EIH and Ennoconn International's consolidated shareholding increased from 27.22% to 27.45%.

S&T AG increased its investment in its subsidiary for the three months ended March 31, 2022 and 2021, respectively, changed its shareholding ratio.

As the above transaction does not change the control over the company, they are treated as equity transactions.

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

For the three months ended March 31, 2022:

	<u>MIC Tech</u>	<u>S&T AG</u>	<u>Shenzhen Asiatek</u>
Cash consideration received (paid) \$	-	-	-
The amount of non-controlling interests that should be transferred out (in) is calculated by the carrying amount of net assets of subsidiaries calculated by the equity change.	25,525	(825)	(1,672)
Difference in equity transactions	<u>\$ 25,525</u>	<u>(825)</u>	<u>(1,672)</u>

For the three months ended March 31, 2021:

	<u>MIC Tech</u>	<u>S&T AG</u>	<u>Caswell</u>	<u>AIS Cayman</u>
Cash consideration received (paid) \$	-	(269,686)	-	(922,170)
The amount of non-controlling interests that should be transferred out (in) is calculated by the carrying amount of net assets of subsidiaries calculated by the equity change.	(893)	269,338	7,554	223,614
Difference in equity transactions	<u>\$ (893)</u>	<u>(348)</u>	<u>7,554</u>	<u>(698,556)</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.

(g) Subsidiary with significant non-controlling interests

The non-controlling interests of subsidiaries are significant to the Group as follows:

<u>Name of Subsidiary</u>	<u>Country of main business premises/ registration</u>	<u>Proportion of ownership interests and voting rights of non-controlling interests</u>		
		<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
CASWELL, INC.	Taiwan	68.23%	68.23%	68.16%
S&T AG	Austria	72.41%	72.41%	72.55%
MIC INC	Taiwan	57.05%	55.96%	55.43%

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 Group 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 Group and subsidiaries.

1. Summary financial information of CASWELL, INC. and its subsidiary

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Current assets	\$ 4,086,559	4,357,648	4,247,063
Non-current assets	582,243	598,297	1,009,965
Current liabilities	(1,248,340)	(1,446,133)	(1,193,853)
Non-current liabilities	(112,659)	(283,411)	(262,745)
Net assets	<u>\$ 3,307,803</u>	<u>3,226,401</u>	<u>3,800,430</u>
Ending carrying amount of non-controlling interests	<u>\$ 2,445,730</u>	<u>2,400,879</u>	<u>2,516,061</u>

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

	January to March, 2022	January to March, 2021
Operating revenue	\$ 1,126,891	1,241,078
Net income for period	69,349	62,890
Other comprehensive income	12,053	(10,588)
Total comprehensive income	\$ 81,402	52,302
Current net profit (loss) attributable to non-controlling interests	\$ 36,693	45,156
Total comprehensive profit and loss attributable to non-controlling interests	\$ 8,158	37,543
	January to March, 2022	January to March, 2021
Cash flows of operating activities	\$ 14,911	358,263
Cash flows of investing activities	(3,118)	(13,620)
Cash flows of financing activities	(8,729)	15,063
Effect of exchange rate changes on cash	11,625	(9,292)
Increase in Cash and Cash Equivalents	\$ 14,689	350,414
Dividends paid on non-controlling interests	\$ -	-

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

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 24,975,699	26,092,951	24,801,836
Non-current assets	16,382,816	16,255,863	23,699,872
Current liabilities	(16,942,933)	(18,187,780)	(15,901,153)
Non-current liabilities	(10,593,497)	(10,904,440)	(12,022,520)
Net assets	\$ 13,822,085	13,256,594	20,578,035
Ending carrying amount of non-controlling interests	\$ 12,487,948	12,094,778	12,760,740

	January to March, 2022	January to March, 2021
Operating revenue	\$ 10,367,949	10,057,967
Net income for period	\$ 351,413	265,525
Other comprehensive income	46,261	92,642
Total comprehensive income	\$ 397,674	358,167
Current net profit (loss) attributable to non-controlling interests	\$ 206,174	(189,396)
Total comprehensive profit and loss attributable to non-controlling interests	\$ 189,236	(257,569)

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

	January to March, 2022	January to March, 2021
Cash flows of operating activities	\$ (1,935,296)	(951,866)
Cash flows of investing activities	(59,690)	(408,460)
Cash flows of financing activities	(215,718)	1,204,159
Effect of exchange rate changes on cash	(61,279)	38,015
Increase in cash and cash equivalents	<u>\$ (2,271,983)</u>	<u>(118,152)</u>

3. MIC INC

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 26,410,128	22,945,728	16,561,717
Non-current assets	5,000,701	4,914,806	6,910,092
Current liabilities	(20,631,573)	(17,612,523)	(11,681,376)
Non-current liabilities	(2,307,420)	(2,445,871)	(2,886,330)
Net assets	<u>\$ 8,471,836</u>	<u>7,802,140</u>	<u>8,904,103</u>
Ending carrying amount of non-controlling interests	<u>\$ 4,942,544</u>	<u>4,487,298</u>	<u>3,746,107</u>

	January to March, 2022	January to March, 2021
Operating revenue	<u>\$ 9,667,890</u>	<u>6,568,581</u>
Net income for period	\$ 356,230	186,129
Other comprehensive income	67,049	(26,944)
Total comprehensive income	<u>\$ 423,279</u>	<u>159,185</u>
Current net profit (loss) attributable to non-controlling interests	<u>\$ 191,223</u>	<u>98,909</u>
Total comprehensive profit and loss attributable to non-controlling interests	<u>\$ 38,612</u>	<u>83,892</u>

	January to March, 2022	January to March, 2021
Cash flows of operating activities	\$ (1,283,566)	(624,790)
Cash flows of investing activities	113,493	(294,327)
Cash flows of financing activities	986,902	430,215
Effect of exchange rate changes on cash	64,749	(20,587)
Decrease in cash and cash equivalents	<u>\$ (118,422)</u>	<u>(509,489)</u>

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

(h) Property, plant and equipment

The details of changes in the cost, depreciation and impairment losses of the Group's property, plant and equipment are as follows:

	Land	Houses and buildings	Machinery and equipment	Leasehold improvements	Other equipment	Total
Cost:						
Balance as of January 1, 2022	\$ 592,113	6,004,696	3,526,732	56,363	769,179	10,949,083
Additions	-	72,209	144,578	-	53,242	270,029
Acquisition through business combinations	-	483	3,676	-	(3,219)	940
Disposal	-	(121,972)	(129,658)	-	(11,938)	(263,568)
Reclassification	-	2,498	4,274	-	(365)	6,407
Effects of exchange rate changes	1,023	(73,434)	60,578	10,519	59,101	57,787
Balance as of March 31, 2022	\$ 593,136	5,884,480	3,610,180	66,882	866,000	11,020,678
Balance as of January 1, 2021	\$ 626,395	6,838,304	5,538,002	97,303	803,508	13,903,512
Additions	-	200,839	179,942	995	34,221	415,997
Acquisition through business combinations	-	-	4,418	-	-	4,418
Disposal	-	(876)	(57,932)	(1,814)	(6,459)	(67,081)
Reclassification	-	37,310	19,542	13,466	(56,852)	13,466
Effects of exchange rate changes	(743)	(164,829)	(175,820)	(542)	5,287	(336,647)
Balance as of March 31, 2021	\$ 625,652	6,910,748	5,508,152	109,408	779,705	13,933,665
Depreciation:						
Balance as of January 1, 2022	\$ -	1,881,964	1,894,118	29,668	445,340	4,251,090
Depreciation of the current year	-	101,306	123,140	3,167	28,831	256,444
Disposal	-	(52,630)	(62,147)	-	(14,150)	(128,927)
Reclassification	-	(186,048)	122,825	(26)	28,025	(35,224)
Effects of exchange rate changes	-	12,925	(47,789)	(2,586)	(7,439)	(44,889)
Balance as of March 31, 2022	\$ -	1,757,517	2,030,147	30,223	480,607	4,298,494
Balance as of January 1, 2021	\$ -	2,601,757	4,148,346	32,044	397,763	7,179,910
Depreciation of the current year	-	66,149	118,182	4,200	24,086	212,617
Acquisition through business combinations	-	-	2,560	-	-	2,560
Disposal	-	(375)	(41,064)	(1,133)	(6,358)	(48,930)
Reclassification	-	-	-	12,663	-	12,663
Effects of exchange rate changes	-	(60,083)	(124,080)	(104)	(29)	(184,296)
Balance as of March 31, 2021	\$ -	2,607,448	4,103,944	47,670	415,462	7,174,524
Book value:						
January 1, 2022	\$ 592,113	4,122,732	1,632,614	26,695	323,839	6,697,993
March 31, 2022	\$ 593,136	4,126,963	1,580,033	36,659	385,393	6,722,184
March 31, 2021	\$ 625,652	4,303,300	1,404,208	61,738	364,243	6,759,141

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

(i) Intangible assets

The details of changes in the cost, amortization and depreciation of the Group's intangible assets are as follows:

	Goodwill	Trademark	Patents	Computer software	Customer relations	Others	Total
Cost or recognized cost:							
Balance as of January 1, 2022	\$ 13,347,834	2,165,186	621,691	4,954,251	1,964,731	2,527,167	25,580,860
Acquired separately	-	-	-	214,780	-	-	214,780
Acquisition through business combinations	8,520	-	-	-	-	8,512	17,032
Disposal	-	-	-	(1,734)	-	-	(1,734)
Reclassification	-	-	-	-	-	(50,870)	(50,870)
Effects of exchange rate changes	226,126	50,666	4,672	121,375	-	24,647	427,486
Balance as of March 31, 2022	\$ 13,582,480	2,215,852	626,363	5,288,672	1,964,731	2,509,456	26,187,554
Balance as of January 1, 2021	\$ 13,850,405	2,459,261	593,269	4,439,746	2,165,201	2,572,235	26,080,117
Acquired separately	-	-	56	170,030	-	1,500	171,586
Acquisition through business combinations	59,189	-	-	135	-	13,589	72,913
Disposal	-	(33,516)	-	(8,031)	-	(618)	(42,165)
Reclassification	-	-	42,857	-	-	-	42,857
Effects of exchange rate changes	(302,405)	(91,201)	374	(81,327)	(83,439)	(106,968)	(664,966)
Balance as of March 31, 2021	\$ 13,607,189	2,334,544	636,556	4,520,553	2,081,762	2,479,738	25,660,342
Amortization:							
Balance as of January 1, 2022	\$ 61,835	627,328	378,377	2,207,176	1,010,259	1,635,737	5,920,712
Current amortization	-	39,031	20,200	142,406	42,944	64,207	308,788
Disposal	-	-	-	(625)	-	-	(625)
Reclassification	-	-	-	-	-	(12,039)	(12,039)
Effects of exchange rate changes	(449)	7,242	-	69,591	-	21,058	97,442
Balance as of March 31, 2022	\$ 61,386	673,601	398,577	2,418,548	1,053,203	1,708,963	6,314,278
Balance as of January 1, 2021	\$ 62,786	633,201	358,393	1,681,951	855,040	1,425,438	5,016,809
Current amortization	-	25,427	12,022	159,590	62,629	86,967	346,635
Disposal	-	(33,516)	-	(6,950)	-	(618)	(41,084)
Effects of exchange rate changes	122	(19,370)	374	8,050	(33,532)	(63,953)	(108,309)
Balance as of March 31, 2021	\$ 62,908	605,742	370,789	1,842,641	884,137	1,447,834	5,214,051
Book value:							
January 1, 2022	\$ 13,285,999	1,537,858	243,314	2,747,075	954,472	891,430	19,660,148
March 31, 2022	\$ 13,521,094	1,542,251	227,786	2,870,124	911,528	800,493	19,873,276
March 31, 2021	\$ 13,544,281	1,728,802	265,767	2,677,912	1,197,625	1,031,904	20,446,291

1. Intangible assets with indefinite useful life

Part of the trademark rights of the Group can apply for extending the legal life at very little cost. The Group 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 March 31, 2022, December 31, 2021 and March 31, 2021, the Group had no intangible assets used as pledge guarantee.

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

(j) Other current assets, prepayment for investment and other non-current assets

	March 31, 2022	December 31, 2021	March 31, 2021
Other receivables	\$ 2,469,863	1,145,262	2,324,619
Current income tax assets	109,294	92,251	68,309
Prepayments	1,380,652	1,360,349	2,629,167
Other financial assets	43,688	42,119	20,219
Prepayments for investments	28,625	27,680	47,651
Refundable deposits	487,864	340,854	301,683
Prepayments for equipment	14,668	16,210	60,358
Others	3,449,804	3,142,277	965,775
	<u>\$ 7,984,458</u>	<u>6,167,002</u>	<u>6,417,781</u>
Current	\$ 6,598,668	4,917,814	5,080,333
Non-current	1,385,790	1,249,188	1,337,448
	<u>\$ 7,984,458</u>	<u>6,167,002</u>	<u>6,417,781</u>

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 loans

	March 31, 2022	December 31, 2021	March 31, 2021
Unsecured bank borrowings	\$ 9,002,358	8,534,442	8,026,732
Guaranteed bank loan	1,194,118	942,512	973,827
	<u>\$ 10,196,476</u>	<u>9,476,954</u>	<u>9,000,559</u>
Unused quota	<u>\$ 19,706,010</u>	<u>19,411,317</u>	<u>19,616,172</u>
Interest rate	<u>0.25%~5.83%</u>	<u>0.25%~5.5%</u>	<u>0.5%~5.5%</u>

1. Issuance and repayment of loans

For the three months ended March 31, 2022 and 2021, the Group has no significant issuance, re-buyback or repayment of the short-term loans. Please refer to Note 6 (u) for interest expenses. For relevant information, please refer to Note 6 (k) of the consolidated financial statements for the year ended December 31, 2021.

2. Collateral for bank loans

The Group sets out the assets as pledged collateral for bank loans in Note 8.

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

(l) Long-term loans

March 31, 2022			
Currency	Interest rate(%)	Maturity year	Amount
Unsecured bank borrowings	1%~8%	2023~2046	\$ 6,830,288
Guaranteed bank loan	0.44%~1.40%	2031~2038	<u>1,022,781</u>
Subtotal			7,853,069
Less: Those mature within one year			(12,814)
Total			<u><u>\$ 7,840,255</u></u>

December 31, 2021			
Currency	Interest rate(%)	Maturity year	Amount
Unsecured bank borrowings	1%~1.44%	2023~2046	\$ 6,893,258
Guaranteed bank loan	0.44%~1.5%	2031~2032	<u>951,766</u>
Subtotal			7,845,024
Less: Those mature within one year			(11,926)
Total			<u><u>\$ 7,833,098</u></u>

March 31, 2021			
Currency	Interest rate(%)	Maturity year	Amount
Unsecured bank borrowings	0.81%~1.48%	2032	\$ 8,164,110
Guaranteed bank loan	0.4%~3.99%	2038	<u>1,582,221</u>
Subtotal			9,746,331
Less: Those mature within one year			(933,297)
Total			<u><u>\$ 8,813,034</u></u>

(m) Corporate bonds payable

The Group has the following balance of corporate bonds payable:

	March 31, 2022	December 31, 2021	March 31, 2021
The 2nd domestic unsecured convertible bonds	\$ -	-	12,179
The 3rd domestic unsecured convertible bonds	5,513,105	5,497,329	5,450,201
The 4th domestic unsecured convertible bonds	955,060	952,683	-
The 1st oversea unsecured convertible bonds	-	1,137,035	1,191,908
The 1st privately placed unsecured convertible bonds	1,468,642	1,466,888	-
Unsecured convertible corporate bonds of subsidiaries	806,690	1,050,835	1,628,729
Less: parts matured or able to exercise redemption rights within one year	<u>(165,662)</u>	<u>(1,137,035)</u>	<u>(6,654,288)</u>
Ending balance of corporate bonds payable	<u><u>\$ 8,57</u></u>	<u><u>8,967,735</u></u>	<u><u>1,628,729</u></u>

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

1. To meet the needs of working capital and repayment for borrowings, the Company issued the domestic 3rd unsecured convertible corporate bonds on February 26, 2019. The issuance condition is as follows:

- (1) Total issuance: NT\$6,000,000 thousand
- (2) Face value: NT\$100 thousand each
- (3) Coupon rate: 0%
- (4) Effective interest rate: 1.1542%
- (5) Book value at issuance: NT\$5,665,424 thousand
- (6) Duration: 2019.02.26~2024.02.26
- (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 Taipei Exchange on the period from the 15 business days before the book closure date of issuance of bonus shares, the book closure date of cash dividend or the book closure date of the issuance of ordinary shares for cash to the record date of rights distribution.
- C. The date of capital reduction is cut off one day before the commencement of capital reduction.
- D. Other suspension periods of stock transfer by law.

- (8) Conversion price and adjustment:

The conversion price at the time of initial issuance is set at 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 March 31, 2022, 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 option:

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 March 31, 2022, the fair value of the embedded derivative financial products is NT\$(1,690). As of March 31, 2022, the measured amount of non-derivative financial liabilities is NT\$5,513,105 thousand at amortized cost, and its effective interest rate initially recognized is 1.1542%.

Issue proceeds (less transaction costs of NT\$4,852 thousand)	\$ 6,007,148
Equity components	<u>(320,141)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$5,677,415 thousand and financial liabilities at fair value through profit or loss - non-current of NT\$9,592 thousand)	5,687,007
Interest calculated at effective interest rate of 1.1542%	198,107
Gain on financial commodity evaluation	(11,282)
Corporate bonds converted into ordinary shares	<u>(362,417)</u>
The liability components as of December 31, 2021	<u>\$ 5,511,415</u>

2. 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: 2017.03.10~2022.03.10
- (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 March 31, 2022, the conversion price was adjusted to NT\$375.33.

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 issuer will repay the bonds in full on the maturity date according to the nominal amount of the bonds plus the earning rate, the annual interest rate of 1.25%.

(10) Redemption rights of the creditor:

From 2 years (March 10, 2019) to 4 years following the corporate bonds issuance (March 10, 2021), the bondholders may, in accordance with the provisions of the conversion method, notify the company in writing that the Company shall add the interest compensation (corporate bonds denomination plus 1.25% of the annual interest rate) to the denomination of the corporate bonds, and redeem the converted corporate bonds held from the Company.

(11) The Company's redemption option:

After 2 years (March 10, 2019) of issuance of the corporate bonds, if 20 trading days in 30 consecutive business days of the ordinary shares of the issuer, 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 March 31, 2022, its measured amount of amortized cost is NT\$0 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%	351,776
Corporate bonds converted into ordinary shares	(90,841)
corporate bonds payable exercised redemption rights	<u>(6,239,758)</u>
The liability components as of December 31, 2021	<u>\$ -</u>

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

3. To meet the needs of operating development and planning and introduce long-term strategic investment partners, the Company privately issued the first domestic unsecured convertible corporate bonds on September 2, 2021. The issuance conditions are as follows:

- (1) Total issuance: NT\$1,500,000 thousand
- (2) Face value: NT\$100 thousand each
- (3) Coupon rate: 0%
- (4) Effective interest rate: 0.931%
- (5) Book value at issuance: NT\$1,464,589 thousand
- (6) Duration: 2021.09.02~2026.09.02
- (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 (December 3, 2021) to the expiration date September 2, 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'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 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\$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 March 31, 2022, 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 option:

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.

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

(11) Repayment upon maturity of bonds:

Unless the bonds have been redeemed, repurchased, and written-off or the bondholder has exercised the conversion right, the issuer 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 March 31, 2022, the fair value of the embedded derivative financial products is NT\$(300). As of March 31, 2022, the measured amount of non-derivative financial liabilities is NT\$1,468,642 thousand at amortized cost, and its effective interest rate initially recognized is 0.9311%.

Issue proceeds (less transaction costs of NT\$165 thousand)	\$ 1,499,835
Equity components	<u>(35,396)</u>
Liability components on the date of issuance (including corporate bonds payable of NT\$1,464,589 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%	4,053
Gain on valuation of financial asset	<u>(150)</u>
The liability components as of December 31, 2021	<u><u>\$ 1,468,342</u></u>

4. 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: 2021.11.16~2026.11.16
- (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 Taipei Exchange on the period from the 15 business days before the book closure date of issuance of bonus shares, the book closure date of cash dividend or the book closure date of the issuance of ordinary shares for cash to the record date of rights distribution.
- C. The date of capital reduction is cut off one day before the commencement of capital reduction.
- D. Other suspension periods of stock transfer by law.

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

(8) Conversion price and adjustment:

The conversion price at the time of initial issuance is set at NT\$221.1. In the event of an increase in the shares of the Company's issued 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 March 31, 2022, 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.

(10) The Company's redemption option:

From the day after the issuance of corporate bonds for 3 years (November 27, 2024) to 40 days before the maturity date (January 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 issuer 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 March 31, 2022, the fair value of the embedded derivative financial products is NT\$2,900. As of March 31, 2022, the measured amount of non-derivative financial liabilities is NT\$955,060 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%	3,566
Gain on financial commodity evaluation	<u>2,302</u>
The liability components as of December 31, 2021	<u>\$ 957,960</u>

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

5. 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: 2020.02.10~2023.02.10
 - (6) Conversion period: The bondholders may, from the following day after three months from the date of issuance of the convertible corporate bonds to the expiration date, except for the period of ordinary shares are terminated from transferring by law, the period from the 15 business days before the book closure date of issuance of bonus shares, the book closure date of cash dividend or the book closure date of the cash capital increase to the record date of rights distribution of the issuer, or from the record date of the capital reduction to one day before the trading date starting to process the capital reduction for issuance of new shares, which is not allowed to request conversion, file a request at any time to convert the convertible corporate bonds held into the issuer's ordinary shares in accordance with the regulations through the trading securities firms, that will inform the Taiwan Depository & Clearing Corporation, that will inform the issuer's stock affairs agency.
 - (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.
6. 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: 2020.12.15~2023.12.15

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

(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 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.

C. According to the regulations of conversion method, all redeemed, repaid, or converted corporate bonds of all subsidiaries will be written-off, and all the rights and obligations attached to the corporate bonds will be extinguished and will not be issued.

(n) Employee benefits

1. Defined benefit plans

There were no major market fluctuations, significant reduction, liquidation or other one-time-only significant events in the previous fiscal year. Therefore, the Group measures and discloses the interim period pension costs based on the actuated amount on December 31, 2021 and 2020.

The details of recognized benefits (expenses) are as follows:

January to March, 2022	January to March, 2021
\$ (3,951)	10,855

2. Defined contribution plans

The pension expense under the defined contribution retirement funds of the Group were contributed to the Bureau of Labor Insurance or local authorities :

January to March, 2022	January to March, 2021
\$ 81,383	63,542

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

(o) Income taxes

The details of the income tax expense of the Group are as follows:

	January to March, 2022	January to March, 2021
Income tax expense for the period	\$ 248,474	158,741
Deferred income tax expense	28,421	18,157
Income tax expense	\$ 276,895	176,898

There were no income tax expenses recognized under other comprehensive profits/losses of the Group for the three months ended March 31, 2022 and 2021.

The income tax returns of the Company, Ennoconn International, Goldteck Technology, Thecus Technology, 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

Apart from the matters described in the following paragraphs, there were no major changes in the Group's capital and other equity for the three months ended March 31, 2022 and 2021. For relevant information, please refer to Note 6 (p) of the consolidated financial statements for the year ended December 31, 2021.

1. Issuance of ordinary shares

On December 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 January 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 December 30, 2021 as the base date for capital increase. The statutory registration process was completed. The paid-in capital after the change was \$1,018,120 thousand.

The Company passed a resolution on January 4, 2022 at the extraordinary general meeting of shareholders to pass the private placement of ordinary shares, and 4,880 thousand shares were privately offered at NT\$226.92 per share, and the base date for capital increase was January 11, 2022. The relevant statutory registration procedures have been completed, and the paid-in capital after the change is NT\$1,066,920 thousand.

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

2. Capital surplus

The components of the Company's capital reserve are as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Premium of issued shares	\$ 5,690,923	4,634,353	3,694,775
Issuance of new shares for other company's shares	1,372,670	1,372,670	1,372,670
Premium on conversion of convertible corporate bonds	1,797,651	1,797,651	1,797,651
Share options for convertible corporate bonds	396,757	454,831	446,546
Employee share options	-	767	-
Expired stock options	385,261	326,420	249,881
Changes in percentage of ownership in subsidiaries	302,116	279,088	69,650
	<u>\$ 9,945,378</u>	<u>8,865,780</u>	<u>7,631,173</u>

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) 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 March 31, 2022 and 2021, the balance of such special reserve was NT\$1,010,924 thousand and NT\$850,114 thousand.

In accordance with the above order, when distributing the distributable surplus, the Company shall make up the difference between the net deduction of other shareholders' equity in the account in the current year and the balance of the special surplus reserve referred to in the preceding paragraph, and make up the special surplus reserve from the current profit and loss and the undistributed surplus in the previous period. If there is a subsequent reversal in the amount of other decreases in shareholders' equity, the reversal may be distributed in the form of a surplus.

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

(2) Earnings distribution

The Company's Board of Director proposed for the earnings distribution for the year ended December 31, 2021 on March 31, 2022, and its resolved the distribute earnings proposal for the year ended December 31, 2020 in the shareholders' meeting on August 3, 2021, and the amount related to the dividends distributed to the owner are as follows:

	2021		2020	
	Payout (NT\$)	Amount	Payout (NT\$)	Amount
Distributed to owners of ordinary shares:				
Cash	\$ 7	742,259	5	480,785

4. Treasury stock

As of March 31, 2022 and 2021, the treasure stock not canceled and held by the Company were both 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 or loss on financial assets at FVTOCI	Non-control ling interests	Total
Balance as of January 1, 2022	\$ (1,673,323)	(95,167)	20,565,729	18,797,239
Net income for period	-	-	451,038	451,038
Exchange differences on translating the net assets of foreign operations	329,228	-	256,438	585,666
Share of associates accounted for using the equity method	1,322	-	92	1,414
Unrealized gain or loss from equity instruments for period	-	(70,343)	763	(69,580)
Changes in percentage of ownership in subsidiaries	-	-	(23,028)	(23,028)
Other changes	-	-	259,056	259,056
Balance as of March 31, 2022	\$ (1,342,773)	(165,510)	21,510,088	20,001,805

	Exchange differences on translation of foreign financial statements	Unrealized gain or loss on financial assets at FVTOCI	Non-control ling interests	Total
Balance as of January 1, 2021	\$ (934,258)	(76,666)	21,251,225	20,240,301
Net income for period	-	-	347,364	347,364
Exchange differences on translating the net assets of foreign operations	(266,408)	-	(479,576)	(745,984)
Share of associates accounted for using the equity method	(25)	(223)	7	(241)
Unrealized gain or loss from equity instruments for period	-	(821)	-	(821)
Increase in non-controlling interests from acquisition of subsidiaries	-	-	(499,613)	(499,613)
Balance as of March 31, 2021	\$ (1,200,691)	(77,710)	20,619,407	19,341,006

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

(q) Share-based payment

Apart from the matters described in the following paragraphs, there were no major changes in the Group's share-based payment for the three months ended March 31, 2022 and 2021. For relevant information, please refer to Note 6 (q) of the consolidated financial statements for the year ended December 31, 2021.

1. Caswell Inc. had no share-based payment transactions for the three months ended March 31, 2022. The share-based payment transactions for the three months ended March 31, 2021 were as follows:

	Equity settlement
	Treasury shares transferred to employees
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:

	January to March, 2021
	Treasury shares transferred to employees
Fair value at the granting day (NT\$)	\$ 122.00
Share price on the granting day (NT\$)	122.00
Execution price (NT\$)	85.02

The determination of fair value does not take into account the services and non-market performance conditions contained in the transaction.

- (2) Information on treasury stock transfer regulations

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

	(in thousand)	
	January to March, 2021	
	Treasury shares transferred to employees	
	Weighted average performance price (NT\$)	Stock option quantity
Outstanding shares as of January 1	\$ -	-
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 March 31	-	-
Exercisable options as of March 31	-	-

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

(3) Employee expenses

Remuneration expenses recognized by employees of CASWELL, INC. for the transfer of treasury shares for the three months ended March 31, 2021 was NT\$7,764 thousand.

2. MIC INC. and ADAT (a subsidiary of MIC INC.) paid the share-based payment for the three months ended March 31, 2022 and 2021 as below:

<u>Issuer</u>	<u>Category of agreements</u>	<u>Granting day</u>	<u>Number granted shares (in thousand shares)</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 abovementioned share-based payment agreements are equity-settled share-based payment transactions.

- (2) The details of the above share based payment agreement are as follows:

MIC INC.:

	<u>January to March, 2021</u>	
	<u>Weighted average performance price (NT\$)</u>	<u>Stock option quantity</u>
Outstanding stock options as of January 1	\$ 15.20	169
Exercise of stock options for the current period	(15.20)	(119)
Outstanding stock options as of March 31	-	<u>50</u> (Note)

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

ADAT:

	<u>January to March, 2022</u>		<u>January to March, 2021</u>	
	<u>Weighted average performance price (NT\$)</u>	<u>Stock option quantity</u>	<u>Weighted average performance price (NT\$)</u>	<u>Stock option quantity</u>
Outstanding stock options as of January 1	\$ 1.00	122	10.00	446
Exercise of stock options in the current period	1.00	-	-	-
Outstanding stock options as of March 31	1.00	<u>122</u>	10.00	<u>446</u>
Exercisable options as of March 31		<u>64</u>		<u>48</u>
Approved but not yet issued share options as of March 31		<u>-</u>		<u>40</u>

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

(3) The maturity date and strike price of options outstanding on the balance sheet date are as follows:

<u>Issuer</u>	<u>Approved issue date</u>	<u>Maturity Date</u>	<u>January to March, 2022</u>	
			<u>Number of Shares (thousand shares)</u>	<u>Performance price (NT\$)</u>
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

<u>Issuer</u>	<u>Approved issue date</u>	<u>Maturity Date</u>	<u>January to March, 2021</u>	
			<u>Number of Shares (thousand shares)</u>	<u>Performance price (NT\$)</u>
MIC INC.	September 11, 2015	September 10, 2021	50	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:

<u>Issuer</u>	<u>Category of agreements</u>	<u>Granting day</u>	<u>Share price (NT\$)</u>	<u>Performance price (NT\$)</u>	<u>Expected volatility</u>	<u>Expected duration</u>	<u>Expected dividends yield</u>	<u>Risk-free interest rate</u>	<u>Fair value per unit (NT\$)</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%	0.38%	9.9910

(5) MIC INC. did not pay any share-based payment for the three months ended March 31, 2022 and 2021.

(6) ADAT paid NT\$44 thousand and NT\$201 thousand share-based payment for the three months ended March 31, 2022 and 2021, respectively.

The Group adopts the Black-Scholes option pricing model to estimate the fair value of the share-based payment.

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

(r) Earnings per Share

The relevant calculations of the Company's basic earnings per share and diluted earnings per share for the three months ended March 31, 2022 and 2021 are as follows:

1. Basic Earnings per Share

	January to March, 2022	January to March, 2021
(1) Net profit attributable to the holders of ordinary share equity of the Company	\$ 313,810	196,632
(2) Weighted average outstanding ordinary shares		
	January to March, 2022	January to March, 2021
Ordinary shares issued as of January 1	\$ 101,812	93,272
Effects of treasury stock	(655)	(655)
Effect of capital increase on the issuance of new shares	4,338	2,753
Weighted average outstanding ordinary shares as of March 31	\$ 105,495	95,370
Basic earnings per share (NT\$)	\$ 2.97	2.06

2. Diluted Earnings per Share

	January to March, 2022	January to March, 2021
Net profit attributable to the holders of ordinary share equity of the Company (basic)	\$ 313,810	196,632
After tax interest expense and financial evaluation of convertible corporate bonds	24,153	18,780
Net profit attributable to the holders of ordinary share equity of the Company (diluted)	\$ 337,963	215,412
Weighted average number of outstanding ordinary shares (basic)	105,495	95,370
Effect of employ remuneration	105	129
Effect of conversion of convertible corporate bonds	35,945	27,938
Weighted average outstanding ordinary shares (diluted) as of December 31	141,545	123,437
Diluted earnings per share (NT\$)	\$ 2.39	1.75

(s) Revenue from customer contracts

1. Description of revenue

The Group has the following revenues:

	January to March, 2022	January to March, 2021
Sales revenue of commodities	\$ 18,805,992	12,805,191
Service revenue	12,501	4,234,664
Project revenue	5,453,827	3,151,382
	\$ 24,272,320	20,191,237

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

2. Balance of contracts

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Accounts receivable	<u>\$ 16,975,794</u>	<u>17,320,182</u>	<u>14,870,239</u>
Contract assets -construction contract	\$ 8,714,678	8,510,574	5,120,586
Contract assets -Sales contract	323,951	508,464	438,801
Contract assets -labor service contract	<u>796,686</u>	<u>519,906</u>	<u>518,890</u>
Total	<u>\$ 9,835,315</u>	<u>9,538,944</u>	<u>6,078,277</u>
Contract liabilities -construction contract	\$ 5,242,080	3,643,508	2,805,771
Contract liabilities -Sales contract	1,998,427	1,797,413	1,988,139
Contract liabilities - labor service contract	1,828,748	1,731,704	1,419,029
Extended warranty service	608,233	509,719	504,692
Total	<u>\$ 9,677,488</u>	<u>7,682,344</u>	<u>6,717,632</u>

Please refer to Note 6 (b) 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 accrued amount of compensation of employees for the three months ended March 31, 2022 and 2021 were NT\$11,913 thousand and NT\$8,364 thousand, respectively, and the estimate amount of compensation to directors and supervisors were both NT\$765 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. The difference between accrual and actual payment, if any, is treated as the change in accounting estimate and recognized in profit or loss in the following year.

For the years ended December 31, 2021 and 2020, the Company provided its remuneration to employees amounted to NT\$36,000 thousand and NT\$24,000 thousand, respectively, and the remuneration to directors and supervisors both amounted to NT\$3,060 thousand, which was consistent with the actual status of the distribution. The information can be obtained on the TWSE MOPS website.

(u) Non-operating income and expenses

1. Other income

The Group has the following other income:

	<u>January to March, 2022</u>	<u>January to March, 2021</u>
Rental income	\$ 5,793	5,815
Dividend income	264	177
Total other income	<u>\$ 6,057</u>	<u>5,992</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 Group are as follows:

	January to March, 2022	January to March, 2021
Gains on disposal of property, plant and equipment	\$ 461	4,422
Gains on disposal of investments	5,944	-
Bond recovery loss	-	(2,189)
Gain on foreign exchange	158,554	4,244
Net (loss) gain of financial assets and liabilities	(111,891)	8,351
Others	370,861	226,872
Other net gains and losses	\$ 423,929	241,700

3. Financial costs

The Group has the following financial costs:

	January to March, 2022	January to March, 2021
Interest on bank loans	\$ 91,495	89,658
Interest on lease liabilities	17,477	17,820
Accrued interest on corporate bonds payable	23,918	29,497
Net financial cost	\$ 132,890	136,975

(v) Financial instruments

1. Credit Risks

(1) The maximum credit risk exposure

The carrying amount of a financial asset represents the maximum amount of credit risk.

(2) Concentrations at credit risk

As of March 31, 2022, December 31, 2021 and March 31, 2021, the Group had no concentrations at credit risk.

Please refer to Note 6 (b) 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 (g) for how the Group determines that the credit risk is low).

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

2. Liquidity Risks

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
March 31, 2022					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 23,244,124	(23,244,124)	(23,244,124)	-	-
Lease liability	3,663,663	(3,728,557)	(968,215)	(525,576)	(2,234,766)
Instruments with variable interest rates	18,049,545	(18,428,631)	(8,079,039)	(2,239,039)	(8,110,553)
Instruments with fixed interest rates	8,743,497	(8,743,497)	-	(165,662)	(8,577,835)
	\$ 53,700,829	(54,144,809)	(32,291,378)	(2,930,277)	(18,923,154)
December 31, 2021					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 26,346,522	(26,346,522)	(26,346,522)	-	-
Lease liability	3,460,678	(3,804,632)	(493,541)	(489,214)	(2,821,877)
Instruments with variable interest rates	17,321,978	(17,343,725)	(6,393,882)	(3,114,516)	(7,835,327)
Instruments with fixed interest rates	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)
March 31, 2021					
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 20,456,588	(21,088,487)	(21,088,487)	-	-
Lease liability	3,439,941	(3,918,932)	(506,379)	(513,645)	(2,898,908)
Instruments with variable interest rates	18,029,703	(18,771,912)	(8,963,468)	(439,450)	(9,368,994)
Instruments with fixed interest rates	8,283,017	(8,283,017)	(6,654,288)	-	(1,628,729)
	\$ 50,209,249	(52,062,348)	(37,212,622)	(953,095)	(13,896,631)

The Group 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. Market Risks

(1) Exchange Rate Risks

The Group's financial assets and liabilities exposed to significant foreign currency exchange rate risk are as follows:

	March 31, 2022				December 31, 2021				March 31, 2021			
	Foreign currency	Rate	NTD	NTD	Foreign currency	Rate	NTD	NTD	Foreign currency	Rate	NTD	NTD
Financial assets												
Monetary items												
USD	\$ 696,375	28.63 (USD:NTD)	19,937,216	642,351	27.68 (USD:NTD)	17,780,276	267,206	28.54 (USD:NTD)	7,626,051			
USD	77,180	0.8969 (USD:EUR)	2,209,590	80,385	0.8838 (USD:EUR)	2,225,106	57,508	0.8532 (USD:EUR)	1,641,290			
USD	33,808	6.3481 (USD:RMB)	967,921	35,321	6.3779 (USD:RMB)	978,589	44,326	6.5746 (USD:RMB)	1,265,069			
Financial liabilities												
Monetary items												
USD	329,905	28.63 (USD:NTD)	9,445,180	595,317	27.68 (USD:NTD)	16,478,375	97,139	28.54 (USD:NTD)	2,772,339			
USD	72,504	0.8969 (USD:EUR)	2,075,720	71,939	0.8838 (USD:EUR)	1,991,316	55,666	0.8532 (USD:EUR)	1,588,704			
USD	57,852	6.3481 (USD:RMB)	1,656,299	35,321	6.3779 (USD:RMB)	978,589	25,868	6.5746 (USD:RMB)	738,265			

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

	March 31, 2022	December 31, 2021	March 31, 2021
EUR:NTD	31.92	31.32	33.45
RMB:NTD	4.510	4.344	4.341

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

The exchange rate risk of the Group 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 March 31, 2022 and 2021, 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\$99,375 thousand and NT\$54,331 thousand for the three months ended March 31, 2022 and 2021. The same basis is used for both periods of analysis.

As the Group 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) for the three months ended March 31, 2022 and 2021 were NT\$122,861 thousand and NT\$4,244 thousand, respectively.

(2) Interest Rate Risks

The interest rate exposure to the Group'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 Group 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 Group's net income before tax for the three months ended March 31, 2022 and 2021 would have decreased or increased by NT\$173,220 thousand and NT\$180,297 thousand.

(3) Other Price Risks

Changes in price of equity securities at the reporting date (on the same basis for both periods and assuming no change in other factors) would have the following effects on the consolidated income statement:

Securities price as of the reporting date	January to March, 2022		January to March, 2021	
	Other comprehen sive income before tax	Profit after tax	Other comprehensive income before tax	Profit after tax
Increased by 1%	\$ 8,827	10,780	6,808	8,261
Decreased by 1%	\$ (8,827)	(10,780)	(6,808)	(8,261)

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

4. 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 Group are measured at fair value through profit or loss on a recurring basis. The carrying 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:

	March 31, 2022				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL					
Derivative financial assets	\$ 12,014	-	-	12,014	12,014
Investment in equity instruments					
- Publicly traded shares	131,090	131,090	-	-	131,090
- Non-TWSE/TPEX-listed and emerging stocks	742,280	-	-	742,281	742,281
- Fund beneficiary certificates	192,653	-	-	192,653	192,653
Subtotal	1,078,037	131,090	-	946,948	1,078,038
Financial assets at FVTOCI					
Investment in equity instruments					
- Non-publicly traded shares	882,730	-	-	882,730	882,730
Subtotal	882,730	-	-	882,730	882,730
Financial assets at amortized cost					
Cash and cash equivalents	14,824,393	-	-	-	-
Financial assets at amortized cost	25,173	-	-	-	-
Contract assets	9,835,315	-	-	-	-
Notes and accounts receivable (including related parties)	17,045,988	-	-	-	-
Other receivables	2,469,863	-	-	-	-
Subtotal	44,200,732	-	-	-	-
Total	\$ 46,161,499	131,090	-	1,829,678	1,960,768

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

		March 31, 2022				
		Book value	Fair value			Total
			Level 1	Level 2	Level 3	
Financial liabilities at FVTPL						
Derivative financial liabilities	\$	1,375	-	1,375	-	1,375
Subtotal		1,375	-	1,375	-	1,375
Financial liabilities at amortized cost						
Borrowings		18,049,545	-	-	-	-
Contract liabilities		9,151,908	-	-	-	-
Notes and accounts payable (including related parties)		18,494,084	-	-	-	-
Other payables		4,750,040	-	-	-	-
Lease liability		3,663,663	-	-	-	-
Convertible corporate bonds		8,743,497	-	8,743,497	-	8,743,497
Subtotal		62,852,737	-	8,743,497	-	8,743,497
Total		\$ 62,854,112	-	8,744,872	-	8,744,872
		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						
- 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
Subtotal		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
Subtotal		926,755	-	-	926,755	926,755
Financial assets at amortized cost						
Contract assets		17,522,321	-	-	-	-
Financial assets at amortized cost		864,112	-	-	-	-
Contract assets		9,538,944	-	-	-	-
Notes receivable and accounts receivable		17,380,353	-	-	-	-
Other receivables		1,145,262	-	-	-	-
Subtotal		46,450,992	-	-	-	-
Total		\$ 48,552,102	197,530	-	1,903,580	2,101,110

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

	December 31, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at FVTPL					
Derivative financial liabilities	\$ 713	-	713	-	713
Subtotal	713	-	713	-	713
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	-	-	-	-
Lease liability	3,460,678	-	-	-	-
Convertible corporate bonds	10,104,770	-	10,104,770	-	10,104,770
Subtotal	64,385,352	-	10,104,770	-	10,104,770
Total	\$ 64,386,065	-	10,105,483	-	10,105,483
	March 31, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL					
Derivative financial assets	\$ 7,653	-	5,553	2,100	7,653
Investment in equity instruments					
- Publicly traded shares	181,818	181,818	-	-	181,818
- Non-TWSE/TPEX-listed and emerging stocks	480,230	-	-	480,230	480,230
- Fund beneficiary certificates	148,768	571	-	148,197	148,768
Foreign corporate bonds / convertible corporate bonds	7,593	-	-	7,593	7,593
Subtotal	826,062	182,389	5,553	638,120	826,062
Financial assets at FVTOCI					
Investment in equity instruments					
- Non-publicly traded shares	680,769	-	-	680,769	680,769
Financial assets at amortized cost					
Cash and cash equivalents	17,570,800	-	-	-	-
Financial assets at amortized cost	132,408	-	-	-	-
Contract assets	6,078,277	-	-	-	-
Notes and accounts receivable (including related parties)	14,943,439	-	-	-	-
Other receivables	2,324,619	-	-	-	-
Subtotal	41,049,543	-	-	-	-
Total	\$ 42,556,374	182,389	5,553	1,318,889	1,506,831

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

	March 31, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at FVTPL					
Derivative financial liabilities	\$ 192	-	192	-	192
Contingent consideration of business combination	943,971	-	-	943,971	943,971
Subtotal	944,163	-	192	943,971	944,163
Financial liabilities at amortized cost					
Borrowings	18,029,703	-	-	-	-
Contract liabilities	6,157,513	-	-	-	-
Notes and accounts payable (including related parties)	15,526,661	-	-	-	-
Other payables	4,929,927	-	-	-	-
Lease liability	3,439,941	-	-	-	-
Convertible corporate bonds	8,283,017	-	8,283,017	-	8,283,017
Subtotal	56,366,762	-	8,283,017	-	8,283,017
Total	\$ 57,310,925	-	8,283,209	943,971	9,227,180

(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 Group 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 Group have no active market, their fair values are listed as follows by category and attribute:

- Equity instruments without public quotation: the fair value is estimated by using the discounted cash flow model. The main assumption is that the expected future cash flow of the investee is discounted at the rate of return reflecting the time value of money and investment risk.
- Equity instruments without public quotation: the fair value is estimated using the market comparable company method, and its main assumptions are measured based on the estimated pre-tax earnings before interest, depreciation and amortization of the investee and the earnings multiplier derived from the market quotation of comparable listed companies. The estimate has adjusted the discount impact of the lack of market liquidity of the equity securities.

B. Derivative financial assets

It is evaluated based on the evaluation model widely accepted by market players, such as discount method and option pricing model. Forward foreign exchange contracts are usually evaluated based on the current forward exchange rate. Structured interest rate derivative financial instruments adopt the option evaluation model (e.g. Black-Scholes) or other evaluation models (e.g. Monte Carlo simulation).

C. Contingent consideration of business combination

The fair value is estimated by adopting the discounted cash flow method. The main assumption is to estimate the current value after considering the probability of occurrence based on the possible pre-tax earnings before interest, depreciation and amortization under various scenarios, and discounting at the risk adjusted discount rate.

(4) Transfer between level 1 and level 2

There was no transfer for the three months ended March 31, 2022 and 2021.

(5) Quantitative information of fair value measurement using significant unobservable input value (Level 3)

The fair value measurement of the Group 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.

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

Most of the fair values of the Group 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(December 31, 2021 and December 31, 2020 were both 15~25%)	The higher the discount for lack of marketability, the lower the fair value

(w) Financial risk management

There were no significant changes in the objectives and policies of the Group's financial risk management comparing to those disclosed in Note 6 (w) of the consolidated financial statements for the year ended December 31, 2021.

(x) Capital management

The Group's capital management objectives, policies and procedures were consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2021. In addition, there were no significant changes in the aggregate quantitative information of capital management items comparing to the information disclosed in the consolidated financial statements for the year ended December 31, 2021. Please refer to Note 6 (x) of the consolidated financial statements for the year ended December 31, 2021 for relevant information.

(y) Investment and financing activities of non cash transactions

The Group had no non-cash transaction investment and financing activities for the three months ended March 31, 2022 and 2021.

(7) Related Party Transactions

(a) Name and relationship of related party

The related parties that transact with the Group within the coverage of this consolidated financial statements are below:

Name of Related Party	Relationship with the Group
Shenzhen pictographic Technology Co., Ltd.	Associates
SERVTECH Co., Ltd.	Associates
Macrotec Technology Corp.	Associates
WT Microelectronics Co., Ltd.	Associates
Probeleader Co., Ltd.	Associates
Chung Hsin Electric & Machinery Manufacturing Corp.	Associates
Forward Science Corp.	Associates
Fortune International Corporation	Associates
Dongguan Oyu Precision Technology Co., Ltd.	Associates
COILER CORPORATION	Associates
Everlasting Digital ESG Co., Ltd.	Associates

**Notes to Consolidated Financial Statements of Ennoconn Technology Co., Ltd. and its
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Name of Related Party	Relationship with the Group
Arbor Technology Corporation	Associates
Hon Hai Precision Industry Co., Ltd.	Associates
ELECBAY Technology Ltd.	Associates
Fuxiang Precision Industry (Kunshan) Co., Ltd.	Associates
Premier Image Technology (China) Ltd.	Associates
FIH (Hong Kong) Limited	Associates
Shenzhen FuTaiHong Precision Industry Co., Ltd.	Associates
FOXCONN INTERCONNECT TECHNOLOGY LIMITED TAIWAN BRANCH (CAYMAN)	Associates
Hengyang futaihong precision industry Co., Ltd.	Associates
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Associates
Anpinda Precision Industry (Huizhou) Co., Ltd.	Associates
Fuguikang Precision Electronics (Guizhou) Co., Ltd.	Associates
Lankao YuFu Precision Technology Co., Ltd.	Associates
Fujun Precision Electronics (Chongqing) Co., Ltd.	Associates
LanKao YuDe Environment Material Technology Inc.	Associates
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Associates
Futaihua Industry (Shenzhen) Co., Ltd.	Associates
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Associates
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Associates
Wuhan Jusda Supply Chain Management Co., Ltd.	Associates
Shenzhen Fertile Plan international Logistics Co., Ltd.	Associates
Shenzhen Zhunxuntong Technology Co., Ltd.	Associates
Chongqing Hongteng Technology Co., Ltd.	Associates
Competition Team Ireland Limited	Associates
Fujin Precision Industry (Shenzhen) Co., Ltd.	Associates
HeNan FuChi Technology Co., Ltd.	Associates
Hong Fu Sheng Precision Electronics (Zhengzhou) Co., Ltd.	Associates
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Associates
Jincheng Futaihua Precision Electronic Co., Ltd.	Associates
Chongqing Jingmei Precision Electronics Co., Ltd.	Associates
Ur Materials Industry (ShenZhen) Co., Ltd.	Associates

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

Name of Related Party	Relationship with the Group
Foxconn (KunShan) Computer Connector Co., Ltd.	Associates
Fuding Precision Component (Shenzhen) Co., Ltd.	Associates
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Associates
Futaihua Industry (Zhengzhou) Co., Ltd.	Associates
Shenzhen Fulian Fugui Precision Industry Co., Ltd.	Associates
Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Associates
Fulian Technology (Jiyuan) Co., Ltd. (previously known as Futaihua Precision Electronics (Jiyuan) Co., Ltd.)	Associates
HeNan YuZhan Technology Limited	Associates
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Associates
Honfujin Precision Electronics (Yantai) Co., Ltd.	Associates
Ur Hongxin Detection Technology (Shenzhen) Co., Ltd	Associates
ChongQing FuGui Electronics Co., Ltd	Associates
Fulian Technology (Shanxi) Co., Ltd. (previously known as Shanxi Yuding Precision Technology CO., Ltd.)	Associates
Fulian Technology (Wuhan) Co., Ltd. (previously known as Wuhan Yuzhan Precision Technology CO., Ltd.)	Associates
Fulian Technology (Hebi) Co., Ltd. (previously known as Hebi Yuzhan Precision Technology Co., Ltd.)	Associates
Cloud Network Technology Singapore Pte. Ltd.	Associates
Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Associates
Fujin Precision Industry (Jincheng) Co., Ltd.	Associates
Shenzhen Hyper Power Information Technology Co., Ltd.	Associates
Hong Kong Ennpower Information Technology Co., Limited	Associates
Fulian Technology (Lankao) Co., Ltd. (previously known as Lankao Yuzhan Intelligent Manufacturing Technology Co., Ltd.)	Associates
Foxconn Global Network	Associates
Hengyang Yuzhan Precision Technology Co., Ltd.	Associates
Hon Young Semiconductor Corporation	Associates

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

(b) Significant transactions with related parties

1. Operating revenue

The Group has the following major sales with related parties:

<u>Accounts Item</u>	<u>Category of related party /Name</u>	<u>January to March, 2022</u>	<u>January to March, 2021</u>
Sales revenue	Associates:		
	Futaihua Industry (Shenzhen) Co., Ltd.	\$ 478	94,725
	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	19,750	33,398
	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	42,776	47,039
	HeNan YuZhan Technology Limited	12,405	37,163
	Others	38,845	25,978
	Project revenue	Associates	26,257
		<u>\$ 140,511</u>	<u>363,833</u>

The sales transaction price of the Group 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 Group from related parties is:

<u>Category of related party /Name</u>	<u>January to March, 2022</u>	<u>January to March, 2021</u>
Associates:		
Hon Hai Precision Industry Co., Ltd.	\$ 439	162,116
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	1	77,414
Shenzhen pictographic Technology Co., Ltd.	2,772	69,028
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	25,347	61,028
ELECBAY Technology Ltd.	1,817	46,386
COILER CORPORATION	9,391	-
Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	16,895	-
WT Microelectronics Co., Ltd.	11,464	-
Others	7,086	48,330
	<u>\$ 75,212</u>	<u>464,302</u>

The sales transaction price of the Group 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 Group are as follows:

<u>Accounts Item</u>	<u>Category of related party /Name</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Accounts receivable - related parties	Associates:			
	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	\$ 5,364	21,789	76,839
	Futaihua Industry (Shenzhen) Co., Ltd. (Note)	10,568	-	608,860
	Hong Kong Ennower Information Technology Co., Limited	69,239	66,951	152,730
	HeNan YuZhan Technology Limited	23,714	-	41,336
	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	607	330	600
	HeNan FuChi Technology Co., Ltd.	53,373	146,329	-
	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	94,867	284,625	-
	Others	138,222	249,339	349,388
		<u>\$ 395,954</u>	<u>769,363</u>	<u>1,229,753</u>

Note: The accounts receivables due to purchase on behalf of others are included.

Uncollected guarantees from outstanding accounts receivable from related parties
Loss of allowance for accounts receivable from related parties for the three months ended March 31, 2022 and 2021 were NT\$0 thousand and NT\$2,141 thousand, respectively.

4. Accounts payable to related parties

Details of accounts payable to related parties of the Group are as follows:

<u>Accounts Item</u>	<u>Category of related party /Name</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Accounts payable	Associates:			
	Hon Hai Precision Industry Co., Ltd.	\$ 57,846	382,837	220,181
	Dongguan Oyu Precision Technology Co., Ltd.	11,029	11,440	170,754
	Shenzhen pictographic Technology Co., Ltd.	23,558	28,282	201,174
	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	54,482	131,948	120,316
	Others	55,405	154,835	222,670
		<u>\$ 202,320</u>	<u>709,342</u>	<u>935,095</u>
Expenses payable (classified under other accounts payables)	Associates			
		<u>\$ 53,989</u>	<u>79,561</u>	<u>487</u>

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

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

5. Endorsements and Guarantees

<u>Category of related party /Name</u>	<u>January to March, 2022</u>	<u>January to March, 2021</u>
Innovative Systems Integration Limited	\$ 858,750	856,050
Ennoconn International Investment Co., Ltd.	1,000,000	1,000,000
Dexatek Technology Ltd.	160,000	160,000
Thecus Technology Corp.	-	100,000
HighAim Technology Inc.	672,660	713,375
Highaim Technology Inc.	42,038	42,803
S&T AG and its subsidiaries	6,167,853	6,063,175
MIC INC. and its subsidiary	5,321,261	4,804,482
	<u>\$ 14,222,562</u>	<u>13,739,885</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 (January 21, 2021), at an amount of NT\$279 million.

(c) Transactions with major managers

Remuneration for major managers include:

	<u>January to March, 2022</u>	<u>January to March, 2021</u>
Short-term employee benefits	\$ 71,672	59,383
Post-employment benefits	215	341
	<u>\$ 71,887</u>	<u>59,724</u>

Please refer to Note 6 (r) for the description of share based payment.

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

(8) Pledged Assets

The carrying value of the assets pledged as collateral by the Group was as follows:

Name of Asset	Subject of pledge guarantee	March 31, 2022	December 31, 2021	March 31, 2021
Pledged time deposit certificates (classified under financial assets at amortized cost)	Bank loans	\$ 57,585	55,839	117,961
Pledged demand deposits (classified under other financial assets)	Bank loans	22,645	22,219	20,219
Accounts receivable	Bank loans	60,924	59,779	43,227
Inventories	Bank loans	16,714	16,400	50,543
Land	Bank loans	-	-	121,295
Buildings, net	Bank loans	905,992	895,930	904,470
Right-of-use assets		55,390	51,656	38,690
Refundable deposits		274,488	318,636	159,562
Others		-	-	194,258
		\$ 1,393,738	1,420,459	1,650,225

(9) Significant Contingent Liabilities and Unrecognized Contract Commitments: None.

(10) Losses due to Major Disasters: None.

(11) Significant Events after the Balance Sheet Date

- (a) Regarding the case of misappropriation of the Company's assets by the former cashier mentioned in Note 6 (a), the Company's board of directors approved the re-appointment of the former independent auditors to provide financial statement auditing and certifying on the Company's restatement of the financial statements.

(12) Others

- (a) Summary of employee benefits, depreciation and amortization expenses by function for the current period:

By function	January to March, 2022			January to March, 2021		
	Operation costs	Operation expenses	Total	Operation costs	Operation expenses	Total
By nature						
Employee benefits expenses						
Wages and salaries	413,443	3,167,464	3,580,907	334,075	2,976,878	3,310,953
Labor insurance and National Health Insurance expense	30,928	48,169	79,097	23,901	36,772	60,673
Pension costs	26,567	50,865	77,432	23,832	50,565	74,397
Others Employee Benefits Expenses	52,517	47,531	100,048	43,614	38,456	82,070
Depreciation expenses	183,845	288,964	472,809	146,976	291,510	438,486
Amortization expenses	2,876	305,912	308,788	2,816	343,819	346,635

- (b) Seasonality of operation:

The Group's operation is not subject to seasonal or periodical fluctuations.

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

(13) Supplementary Disclosures

(a) Information on Significant Transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Group shall re disclose the following information on major transactions for the three months ended March 31, 2022:

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. Engaged in derivative transactions: None.
10. Business relations and material transactions between parent company and subsidiaries: Please refer to 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) Information on Major Shareholders :

Name of Major Shareholder	Shares	Shares	Shareholdings (%)
Baoxin International Investments Ltd.		33,178,779	31.09%

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

(14) Segment information

Information reported to the chief operating decision maker by the Group for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services provided. The Group was mainly engaged in the manufacturing and sales of data storage, processing equipment and industrial motherboard, network communication and facility electromechanical system services for the three months ended March 31, 2022 and 2021.

(a) Segment revenue and results of operations

The Group shall report the segment revenues and operating results as follows:

January to March, 2022							
Sales of industrial computer hardware and software	Information system segment	Production and marketing department of network communication	Facility system and electromechanical system service department	Other departments	Adjustment and cancellation	Total	
Revenue:							
Revenue from external							
clients	2,130,090	10,367,949	1,126,891	9,667,890	2,567,250	(1,587,750)	24,272,320
Total earnings	<u>\$ 2,130,090</u>	<u>10,367,949</u>	<u>1,126,891</u>	<u>9,667,890</u>	<u>2,567,250</u>	<u>(1,587,750)</u>	<u>24,272,320</u>
Profit and Loss of							
Reporting Segment	<u>\$ 393,626</u>	<u>387,020</u>	<u>90,952</u>	<u>503,028</u>	<u>110,580</u>	<u>(443,463)</u>	<u>1,041,743</u>
January to March, 2021							
Sales of industrial computer hardware and software	Information system segment	Production and marketing department of network communication	Facility system and electromechanical system service department	Other departments	Adjustment and cancellation	Total	
Revenue:							
Revenue from external							
clients	1,622,146	11,315,533	1,369,873	6,676,933	2,660,817	(3,454,065)	20,191,237
Total earnings	<u>\$ 1,622,146</u>	<u>11,315,533</u>	<u>1,369,873</u>	<u>6,676,933</u>	<u>2,660,817</u>	<u>(3,454,065)</u>	<u>20,191,237</u>
Profit and Loss of							
Reporting Segment	<u>\$ 28,284</u>	<u>156,175</u>	<u>88,607</u>	<u>258,029</u>	<u>72,258</u>	<u>117,541</u>	<u>720,894</u>

(b) Segment assets and liabilities

The Group 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.

Ennoconn Technology Co., Ltd. and Subsidiaries
FINANCING PROVIDED TO OTHERS
For the three months ended March 31, 2022

Table I

Unit: NT\$ thousand

No. (Note 1)	Grantor	Borrower	Financial statement account	Related Party (Y/N)	Maximum outstanding balance for period (Note 3)	Ending balance (Note 3)	Actual Amount Used	Interest rate	Nature of financing (Note 2)	Amount of Transaction	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Limit on Loans Granted to a Single Party	Total Loan Limit
													Name	Value		
1	Caswell Inc.	Apligo	Other receivables - r elated parties	Yes	22,900	22,900	22,900	2.45%	2	-	Operating working fund	-	None	-	304,732	609,464
1	Caswell Inc.	Hawkeye Tech Co., Ltd.	Other receivables - r elated parties	Yes	50,000	50,000	-	2%	2	-	Operating working fund	-	None	-	304,732	609,464
2	S&T AG, Austria	S&T CEE Holding s.r.o., Slowakei	Other receivables - r elated parties	Yes	323,988	323,988	323,988	5%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490
2	S&T AG, Austria	S&T Romania S.R.L., Romania	Other receivables - r elated parties	Yes	493,341	493,341	493,341	3%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490
2	S&T AG, Austria	S&T Consulting Hungary Kft., Hungary	Other receivables - r elated parties	Yes	77,246	77,246	77,246	3%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490
2	S&T AG, Austria	S&T Deutschland GmbH, Germany	Other receivables - r elated parties	Yes	47,880	47,880	47,880	3%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490
2	S&T AG, Austria	Kontron electronics AG	Other receivables - r elated parties	Yes	57,296	56,419	56,419	3%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490
2	S&T AG, Austria	Kontron America Inc.	Other receivables - r elated parties	Yes	143,062	128,930	128,930	3%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490
2	S&T AG, Austria	Kontron electronics GmbH (DE)	Other receivables - r elated parties	Yes	402,990	399,000	399,000	2%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490
2	S&T AG, Austria	S&T Services Bel LLC	Other receivables - r elated parties	Yes	2,447	2,447	2,447	3%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490
2	S&T AG, Austria	Kontron Transportation GmbH	Other receivables - r elated parties	Yes	478,800	478,800	436,027	3%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490
2	S&T AG, Austria	Kontron Modular Computers S.A.S.	Other receivables - r elated parties	Yes	98,952	98,952	98,952	3%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490

No. (Note 1)	Grantor	Borrower	Financial statement account	Related Party (Y/N)	Maximum outstanding balance for period (Note 3)	Ending balance (Note 3)	Actual Amount Used	Interest rate	Nature of financing (Note 2)	Amount of Transaction	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Limit on Loans Granted to a Single Party	Total Loan Limit	
													Name	Value			
2	S&T AG, Austria	Kontron Electronics Kft.	Other receivables - related parties	Yes	14,364	12,928	12,928	3%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490	
2	S&T AG, Austria	Kontron Austria GmbH	Other receivables - related parties	Yes	430,920	430,920	430,920	2%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490	
2	S&T AG, Austria	RTSoft, AO, Russia	Other receivables - related parties	Yes	102,544	77,007	77,007	8%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490	
2	S&T AG, Austria	RTSoft Smart Grid, Russia	Other receivables - related parties	Yes	9,054	99	99	8%	2	-	Operating working fund	-	None	-	1,278,811	10,230,490	
3	Kontron S&T AG	KONTRON ASIA PACIFIC DESIGN SDN. BHD.	Other receivables - related parties	Yes	132,028	128,918	128,918	1%	2	-	Operating working fund	-	None	-	404,605	3,236,842	
4	ISKRATEL.,d.o.o.	S&T AG, Austria	Other receivables - related parties	Yes	159,600	159,600	159,600	3%	2	-	Operating working fund	-	None	-	757,684	1,894,209	
5	T-Paragon Die Casting Co., Ltd.	T-Paragon Die Casting (THAILAND) Co., Ltd.	Other receivables - related parties	Yes	14,015	14,015	14,015	2%	2	-	Operating working fund	-	None	-	35,584	88,959	
6	Sunlit Precision Technology Co., Ltd.	T-lamma (Guangdong) Tech Co., Ltd.	Other receivables	Yes	50,260	50,260	50,260	2%	2	-	Operating working fund	-	None	-	97,498	243,744	
7	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	70,075	70,075	70,075	1%	2	-	Operating working fund	-	None	-	184,394	921,969	
8	Ennoconn Investment Co., Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Other receivables - related parties	Yes	349,752	349,752	349,752	1%	2	-	Operating working fund	-	None	-	571,473	571,473	
9	Ennoconn International Investment Co., Ltd.	Thecus Technology Corp.	Other receivables - related parties	Yes	75,000	75,000	75,000	1%	2	-	Operating working fund	-	None	-	830,617	8,306,171	
10	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Other receivables	Yes	64,458	37,213	37,213	4%	2	-	Operating working fund	-	None	-	3,069,023	3,069,023	
10	Marketech International Corp.	Marketech International Sdn. Bhd.	Other receivables	Yes	83,475	28,625	25,763	4%	2	-	Operating working capital	-	None	-	3,069,023	3,069,023	
10	Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Other receivables	Yes	114,500	114,500	114,500	4%	2	-	Operating working fund	-	None	-	3,069,023	3,069,023	
11	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Other receivables	Yes	52,404	27,035	27,035	4%	2	-	Operating working fund	-	None	-	242,290	484,580	
11	MIC-Tech Electronics Engineering Corp.	Fuzhou Jiwei System Integrated Co., Ltd.	Other receivables	Yes	2,219	-	-	-	%	2	-	Operating working fund	-	None	-	484,580	484,580

No. (Note 1)	Grantor	Borrower	Financial statement account	Related Party (Y/N)	Maximum outstanding balance for period (Note 3)	Ending balance (Note 3)	Actual Amount Used	Interest rate	Nature of financing (Note 2)	Amount of Transaction	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Limit on Loans Granted to a Single Party	Total Loan Limit
													Name	Value		
12	MIC-Tech (Shanghai) Corp.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Other receivables	Yes	13,101	-	-	- %	2	-	Operating working fund	-	None	-	512,104	512,104
13	Marketech Integrated Manufacturing Co., Ltd.	Marketech Integrated Construction Co., Ltd.	Other receivables	Yes	11,130	7,156	5,725	7%	2	-	Operating working fund	-	None	-	76,951	153,901
14	Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	Other receivables	Yes	6,820	6,820	-	4%	2	-	Operating working fund	-	None	-	10,499	10,499

Note 1 :

- (1) Fill in 0 for issuer.
- (2) The investee company is coded in sequence starting from Arabic number 1 by company.

Note 2 : The nature of the loans are as follows:

- (1) Please fill in 1 for those with business transactions.
- (2) Please fill in 2 if there is a need for short-term financing.

Note 3 : Limit to loans is resolved by the Board of Directors.

Ennoconn Technology Co., Ltd. and Subsidiaries
ENDORSEMENTS/GUARANTEES PROVIDED
For the three months ended March 31, 2022

Table II

Unit: NT\$ thousand

Code	Company Name of Endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for period	Ending Balance of endorsement	Actual Amount Used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Maximum amount of endorsement	Endorsement/ Guarantee of Parent company to subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China
		Company Name	Relationship										
0	Ennoconn Technology Co., Ltd.	Innovative Systems Integration Limited	2	16,206,687	858,750	858,750	2,863	-	7.95%	21,608,916	Y	N	Y
0	Ennoconn Technology Co., Ltd.	Ennoconn International Investment Co., Ltd.	2	16,206,687	1,000,000	1,000,000	110,000	-	9.26%	21,608,916	Y	N	N
0	Ennoconn Technology Co., Ltd.	HIGHAIM TECHNOLOGY INC.	2	16,206,687	182,163	42,038	-	-	0.39%	21,608,916	Y	N	N
0	Ennoconn Technology Co., Ltd.	HighAim Technology Inc.	2	16,206,687	672,600	672,600	238,213	-	6.23%	21,608,916	Y	N	Y
0	Ennoconn Technology Co., Ltd.	Thecus Technology Corp.	2	16,206,687	100,000	-	-	-	- %	21,608,916	Y	N	N
0	Ennoconn Technology Co., Ltd.	Dexatek Technology Ltd.	2	16,206,687	160,000	160,000	80,000	-	1.73%	21,608,916	Y	N	N
1	S&T AG, Austria	S&T Slovakia s.r.o.	2	19,182,168	127,680	127,680	-	-	1.00%	25,576,224	Y	N	N
1	S&T AG, Austria	S&T Plus s.r.o.	2	19,182,168	6,544	6,544	-	-	0.05%	25,576,224	Y	N	N
1	S&T AG, Austria	S&T CZ s.r.o.	2	19,182,168	58,924	39,294	-	-	0.31%	25,576,224	Y	N	N
1	S&T AG, Austria	S&T Bulgaria e.o.o.d.	2	19,182,168	30,164	30,164	-	-	0.24%	25,576,224	Y	N	N
1	S&T AG, Austria	S&T Consulting Hungary Kft.	2	19,182,168	570,762	552,376	-	-	4.32%	25,576,224	Y	N	N
1	S&T AG, Austria	S&T Poland Sp.z.o.o.	2	19,182,168	355,812	343,012	-	-	2.68%	25,576,224	Y	N	N
1	S&T AG, Austria	S&T Deutschland GmbH	2	19,182,168	12,768	12,768	-	-	0.10%	25,576,224	Y	N	N
1	S&T AG, Austria	Kontron Europe GmbH	2	19,182,168	31,920	31,920	-	-	0.25%	25,576,224	Y	N	N
1	S&T AG, Austria	diverse / Factoring CEE	2	19,182,168	574,560	510,720	-	-	3.99%	25,576,224	Y	N	N
1	S&T AG, Austria	Kontron Public Transportation	2	19,182,168	120,530	120,530	-	-	0.94%	25,576,224	Y	N	N

Code	Company name of endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for period	Ending balance of endorsement	Actual amount used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Maximum amount of endorsement	Endorsement guarantee of parent company to subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for mainland China
		Company name	Relationship										
1	S&T AG, Austria	Kontron Transportation Austria AG	2	19,182,168	1,087,834	976,050	209,257	-	7.63%	25,576,224	Y	N	N
1	S&T AG, Austria	Kontron AIS GmbH(AIS Automation Dresden GmbH)	2	19,182,168	25,536	25,536	-	-	0.20%	25,576,224	Y	N	N
1	S&T AG, Austria	S&T Crna Gora d.o.o.	2	19,182,168	9,718	9,718	-	-	0.08%	25,576,224	Y	N	N
1	S&T AG, Austria	S&T AG/ Kontron Transportation Austria AG/ S&T Smart Energy/Kontron s.r.o.	2	19,182,168	390,541	389,488	-	-	3.05%	25,576,224	Y	N	N
1	S&T AG, Austria	Kontron Transportation France	2	19,182,168	7,980	7,980	-	-	0.06%	25,576,224	Y	N	N
1	S&T AG, Austria	Factoring Kontron Europe / Kontron Modular Computer	2	19,182,168	1,085,280	1,085,280	171,283	-	8.49%	25,576,224	Y	N	N
1	S&T AG, Austria	Kontron America Inc	2	19,182,168	575,071	575,071	34,889	-	4.50%	25,576,224	Y	N	N
1	S&T AG, Austria	Kontron electronics GmbH	2	19,182,168	9,576	9,576	-	-	0.07%	25,576,224	Y	N	N
1	S&T AG, Austria	Kontron S&T AG	2	19,182,168	127,680	127,680	-	-	1.00%	25,576,224	Y	N	N
1	S&T AG, Austria	S&T MEDTECH SRL(GADA GROUP ROMANIA SRL)	2	19,182,168	111,720	111,720	95,377	-	0.87%	25,576,224	Y	N	N
1	S&T AG, Austria	S&T Romania SRL	2	19,182,168	419,269	419,269	225,738	-	3.28%	25,576,224	Y	N	N
1	S&T AG, Austria	diverse / Factoring DACH	2	19,182,168	587,328	587,328	30,196	-	4.59%	25,576,224	Y	N	N
1	S&T AG, Austria	RTSoft Project OOO	2	19,182,168	77,534	68,149	-	-	0.53%	25,576,224	Y	N	N
2	HIGHAIM TECHNOLOGY INC.	HighAim Technology Inc.	2	631,213	28,625	28,625	-	-	4.41%	631,213	Y	N	Y
3	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	2	3,836,278	1,380,349	1,107,911	431,596	-	14.44%	7,672,557	Y	N	Y
3	Marketech International Corp.	Marketech Integrated Pte. Ltd.	2	3,836,278	75,953	75,953	3,525	-	0.99%	7,672,557	Y	N	N
3	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	2	3,836,278	760,548	626,313	64,364	-	8.16%	7,672,557	Y	N	Y

Code	Company name of endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement balance for period	Ending balance of endorsement	Actual amount used	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial statements	Maximum amount of endorsement	Endorsement/guarantee of parent company to subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for mainland China
		Company name	Relationship										
3	Marketch International Corp.	MIC-Tech (WuXi) Co., Ltd.	2	3,836,278	285,879	285,879	163,163	-	3.73%	7,672,557	Y	N	Y
3	Marketch International Corp.	Marketch International Sdn. Bhd.	2	3,836,278	166,950	57,250	19,220	-	0.75%	7,672,557	Y	N	N
3	Marketch International Corp.	Ezoom Information, Inc.	2	3,836,278	25,000	25,000	8,000	-	0.33%	7,672,557	Y	N	N
3	Marketch International Corp.	Marketch International Corporation USA	2	3,836,278	1,415,063	1,415,063	1,325,796	-	18.44%	7,672,557	Y	N	N
3	Marketch International Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	2	3,836,278	301,282	298,886	195,735	-	3.90%	7,672,557	Y	N	Y
3	Marketch International Corp.	Te Chang Construction Co., Ltd.	5	3,836,278	174,086	174,086	43,584	-	2.27%	7,672,557	N	N	N
4	MIC-Tech Electronics Engineering Corp.	MIC-Tech Viet Nam Co., Ltd.	4	1,817,174	423,656	423,656	423,656	-	69.94%	3,028,623	N	N	N
4	MIC-Tech Electronics Engineering Corp.	The Fourth Construction Co., Ltd. of China Electronics System Engineering	5	1,817,174	831,264	831,264	807,947	-	137.23%	3,028,623	N	N	Y

Note 1 : The No. column is filled as below instructions:

- (1) Fill in 0 for issuer.
- (2) The investee companies are numbered in order starting from 1, and one company shall have an identical number.

Note 2 : 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) Companies that directly and indirectly hold more than 50% of the voting rights of the company.
- (4) Companies directly or indirectly held by the company for 90% and above of voting rights.
- (5) A company with contractual mutual-endorsement requirement for construction contracts.
- (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.

Note 3 : The total external endorsement and guarantee shall not exceed 150% of the Company's net worth in recent financial statements.

Note 4 : 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)

March 31, 2022

Table III

Unit: thousand shares/NT\$ thousand

Holding company	Type and name of securities	Relationship with the issuer of securities	Ledger account	End of the period				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	17%	-	
"	SERVTECH Co., Ltd.	"	"	85	10,000	4%	-	
"	Augentix Inc.	"	"	667	50,025	5%	50,025	
Taiwan Applied Module Corporation	SERVTECH Co., Ltd.	"	"	240	16,588	11%	-	
Goldtek Technology Co., Ltd.	Augentix Inc.	"	"	333	24,975	2%	24,975	
"	EMBER TECHNOLOGIES, INC.	"	"	862	140,700	2%	140,700	
"	Cloudtalk Inc.	"	"	484	-	-	-	
"	Ipevo Corporation	"	"	150	13,200	1%	13,200	
Sunlit Precision Technology Co., Ltd.	LINKA GROUP LIMITED	"	"	143	-	8%	-	
Techno Precision (Shenzhen) Co., Ltd.	T-lamma (Guangdong) Tech Co., Ltd.	"	"	9,408	85,690	16%	85,690	
Ennoconn (Foshan) Investment Co., Ltd.	Foshan Zhaoke Innovative Intelligent Industry Investment Fund Partnership	"	"	RMB 64,107	289,123	18%	289,123	
"	Guangdong Hongfu Xinghe Hongtu Venture Capital Fund Partnership	"	"	RMB 50,000	225,500	10%	225,500	
APLIGO GmbH	Shares in Volksbank Karlsruhe	"	"	-	9	-	9	
Caswell Inc.	ADVANIO TECHNOLOGY CO., LTD.	"	"	1,045	-	19%	-	
Dexatek Technology Ltd.	Eve Systems GmbH	"	"	53	81,513	19%	81,513	
SecureGuard GmbH	Erste Immobilienfonds Fonds	"	"	EURO 236,457	7,548	-	7,548	
Iskratel d.o.o.	Shares	"	"	EURO 158,812	5,069	-	5,069	
Diverse	Diverse	"	"	EURO 1,585	51	-	51	
S&T AG	Forward contracts	"	"	EURO 285,245	9,105	-	9,105	
AO IskraUralTel Yekaterinburg	Shares	"	"	EURO 447	14	-	14	
	Less: Adjustment of valuation of financial assets at fair value through other comprehensive income			-	1,292		-	
				-	995,857		932,522	

Holding company	Type and name of securities	Relationship with the issuer of securities	Ledger account	End of the period				Remarks
				Number of shares/Units	Book value	Shareholding %	Fair value	
Marketech International Corp.	Lasertec Corporation	None	Financial assets at FVTPL-Current	20	97,814	1%	97,814	
"	Aerospace Industrial Development Corporation	"	"	51	1,495	1%	1,495	
"	Taiwan Colour & Imaging Technology Corporation	"	Financial assets at FVTPL-Non-Current	-	99,309	-%	99,309	
"	Chung Hsin Electric & Machinery Manufacturing Corp.	"	"	1,700	-	12%	-	
"	Wings Global Technology Co., Ltd.	"	"	581	31,781	-%	31,781	
"	ProMOS Technologies Inc.	"	"	750	10,201	19%	10,201	
"	Taiwan Puritic Corp.	"	"	250	-	1%	-	
"	Sopower Technology Corp.	"	"	5,196	336,557	9%	336,557	
"	VEEV Interactive Pte. Ltd.	"	"	189	-	1%	-	
"	Taiwan Intelligent Fiber Optic Network Co., Ltd.	"	"	840	-	6%	-	
"	Civil Tech Holdings Ltd.	"	"	3,868	22,592	1%	22,592	
"	ProbeLeader Co., Ltd.	Entities controlled	"	336	-	1%	-	
"	Top Green Energy Technologies Inc.	None	"	966	14,762	3%	14,762	
"	Zhi-Yuan Venture Capital Co., Ltd.	"	"	1,111	-	1%	-	
"	Innorich Venture Capital Corp.	"	"	818	8,136	2%	8,136	
"	Taiwan Foresight Co., Ltd.	"	"	1,000	7,008	2%	7,008	
"	Long Time Technology Co., Ltd.	"	"	380	3,868	2%	3,868	
"	Paradigm Venture Capital Company	"	"	346	16,422	-%	16,422	
"	TAIWAN SPECIALITY CHEMICALS CORPORATION.(acquired by original investments)	"	"	77	1,118	4%	1,118	
"	Taiwan Specialty Chemicals Corporation (acquired by the liquidation property distribution of Top Green)	"	"	2,091	86,883	2%	86,883	
"	Atech Totalsolution Co., Ltd.	"	"	178	7,387	-%	7,387	
"	East Wind Life Sciences System Co., Ltd.	"	"	128	-	-%	-	
"	Ecoland Corporation	"	"	124	-	13%	-	
"	Kcashin Technology Corporation	"	"	311	-	14%	-	
"	Radisen Co. Ltd	"	"	643	401	19%	401	
"	Foresight Energy Technologies Co., Ltd.	"	"	88	-	18%	-	
"		"	"	675	1,609	3%	1,609	

Holding company	Type and name of securities	Relationship with the issuer of securities	Ledger account	End of the period				Remarks
				Number of shares/Units	Book value	Shareholding %	Fair value	
Marketech International Corp.	Mycropore Corporation	None	Financial assets at FVTPL-Non-Current	1,471	25,323	8%	25,323	
"	STEK Co., Ltd.	"	"	507	13,741	6%	13,741	
"	Sum Capital Healthcare Investment Corp.	Entities controlled	"	943	9,389	7%	9,389	
"	Forward Science Corp.	"	"	2,650	51,859	8%	51,859	
"	Sharpcn Optical Co., Ltd.	None	"	667	5,421	3%	5,421	
"	Everlasting Digital ESG Co., Ltd.	"	"	100	1,000	6%	1,000	
"	Artfil, Inc.	"	"	-	23,812	7%	23,812	
"	TAIWAN TRUEWIN TECHNOLOGY CO., LTD.	"	"	500	31,750	2%	31,750	
"	Renown Information Technology Corp.	"	"	800	2,336	16%	2,336	
"	Mega Union Technology Incorporated	"	"	500	30,000	1%	30,000	
	Convertible corporate bonds:			-	743,355	-	743,355	
"	Kinestral Technologies, Inc.	"	"	-	-	-	-	
"	Radisen Co. Ltd	"	"	-	-	-	-	
	Preferred shares:			-	-	-%	-	
"	Adant Technologies Inc.	"	"	175	-	-%	-	
"	Kinestral Technologies, Inc.	"	"	502	-	-%	-	
"	Vertex Growth(SG) LP	"	"	-	27,704	-%	27,704	
"	Zhuo Yi II Investment Limited Partnership	"	"	-	14,122		14,122	
Ennoconn International Investment Co., Ltd.	Guotai Private Equity Smart Technology Co., Ltd	"	"	-	15,000	-%	15,000	

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 is preference 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 three months ended March 31, 2022

Table IV

Unit: thousand shares/NT\$ thousand

The purchasing/ selling company	Type and name of securities	Ledger account	Counterparty	Relationship	Beginning of the period		Buy		Sell				End of the period	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Selling price	Carrying amount of cost	Gain (loss) on disposal	Number of Shares	Amount
					-	-	-	-	-	-	-	-	-	-

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 three months ended March 31, 2022

Table V

Unit: NT\$ thousand

Purchasing/selling company	Counterparty	Relationship	Transaction Status				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 of total purchase (sales)	Payment term	Unit price	Payment term	Balance	Ratio of total notes and accounts receivable (payable)	
Ennoconn Technology Co., Ltd.	Kontron Europe GmbH	Parent company to sub-subsidiary	Sales	(159,965)	(0.66) %	120 days monthly settlement	-	No significant discrepancy	223,378	1.31 %	
HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary to sub-subsidiary	Purchases	107,395	0.83 %	90 days monthly settlement	-	No significant discrepancy	(207,218)	(1.12) %	
HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary to sub-subsidiary	Sales	(106,360)	(0.44) %	90 days monthly settlement	-	No significant discrepancy	242,778	1.42 %	
Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Sales	(34,991)	(0.14) %	60 days monthly settlement	-	No significant discrepancy	1,289,575	7.57 %	
Sunlit Precision Technology Co., Ltd.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Sales	(38,133)	(0.16) %	60 days monthly settlement	-	No significant discrepancy	147,910	0.87 %	
Paragon Precision Casting Co., Ltd.	T-Paragon Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Purchases	48,581	0.37 %	60 days monthly settlement	-	No significant discrepancy	(234,912)	(1.27) %	
Kontron Europe GmbH	Kontron America Inc.	Sub-subsidiary to sub-subsidiary	Sales	(162,079)	(0.67) %	90 days monthly settlement	-	No significant discrepancy	462,532	2.71 %	
Kontron Asia Inc.	Kontron Europe GmbH	Sub-subsidiary to sub-subsidiary	Sales	(143,051)	(0.59) %	90 days monthly settlement	-	No significant discrepancy	52,764	0.31 %	

Purchasing/selling company	Counterparty	Relationship	Transaction Status				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 of total purchase (sales)	Payment term	Unit price	Payment term	Balance	Ratio of total notes and accounts receivable (payable)	
Kontron Europe GmbH	Ennoconn Corporation	Sub-subsidiary to associates	Purchases	215,160	17.73 %	90 days monthly settlement	-	No significant discrepancy	(246,709)	8.82 %	
Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co. Ltd.	Sub-subsidiary to associates	Sales	(138,192)	(0.57) %	90 days monthly settlement	-	No significant discrepancy	165,182	0.97 %	
Kontron Austria GmbH	Kontron Europe GmbH	Sub-subsidiary to sub-subsidiary	Sales	(94,681)	(0.39) %	90 days monthly settlement	-	No significant discrepancy	50,325	0.30 %	

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
March 31, 2022

Table VI

Unit: NT\$ thousand

Accounts receivable from companies	Name of counterparty	Relationship	Balance due from related party	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for loss recognized
					Amount	Treatment		
Ennoconn Technology Co., Ltd.	Kontron Europe GmbH	Parent company to sub-subsidiary	223,378	-%	-	-	-	-
HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary to sub-subsidiary	242,777	-%	-	-	-	-
Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Sub-subsidiary to sub-subsidiary	115,706	-%	-	-	-	-
Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	1,289,575	-%	-	-	-	-
Goldtek Technology (Shenzhen) Co., Ltd.	Goldtek Technology Co., Ltd.	Sub-subsidiary to sub-subsidiary	496,869	-%	-	-	-	-
Sunlit Precision Technology Co., Ltd.	Paragon Precision Casting Co., Ltd.	Sub-subsidiary to sub-subsidiary	147,910	-%	-	-	-	-
Paragon Precision Casting Co., Ltd.	Sunlit Precision Technology Co., Ltd.	Sub-subsidiary to sub-subsidiary	234,912	-%	-	-	-	-
Kontron Europe GmbH	Kontron America Inc.	Sub-subsidiary to sub-subsidiary	462,532	-%	-	-	-	-
S&T AG	S&T Romania srl.	Sub-subsidiary to sub-subsidiary	518,642	-%	-	-	-	-
S&T AG	S&T CEE Holding s.r.o.	Sub-subsidiary to sub-subsidiary	487,582	-%	-	-	-	-
S&T AG	Kontron Europe GmbH	Sub-subsidiary to sub-subsidiary	1,835,567	-%	-	-	-	-
S&T AG	Kontron Austria GmbH	Sub-subsidiary to sub-subsidiary	433,243	-%	-	-	-	-
S&T AG	Kontron Transportation GmbH	Sub-subsidiary to sub-subsidiary	452,880	-%	-	-	-	-
Kontron Europe GmbH	Kontron Electronics GmbH	Sub-subsidiary to sub-subsidiary	178,307	-%	-	-	-	-
S&T AG	Kontron America Inc.	Sub-subsidiary to sub-subsidiary	430,289	-%	-	-	-	-
Kontron Transportation Deutschland GmbH	Kontron Transportation GmbH	Sub-subsidiary to sub-subsidiary	202,236	-%	-	-	-	-
Kontron Transportation France S.A.S.	Kontron Transportation GmbH	Sub-subsidiary to sub-subsidiary	171,007	-%	-	-	-	-
S&T AG	RTSoft	Sub-subsidiary to sub-subsidiary	107,068	-%	-	-	-	-
Iskratec d.o.o.	AO IskraUralTel Yekaterinburg	Sub-subsidiary to sub-subsidiary	364,400	-%	-	-	-	-

Accounts receivable from companies	Name of counterparty	Relationship	Balance due from related party	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for loss recognized
					Amount	Treatment		
Iskrateel d.o.o.	S&T AG	Sub-subsidiary to sub-subsidiary	160,797	-%	-	-	-	-
Kontron Europe GmbH	Kontron Asia Pacific Design Sdn Bhd	Sub-subsidiary to sub-subsidiary	141,584	-%	-	-	-	-
S&T AG	Kontron Modular Computers S.A.S.	Sub-subsidiary to sub-subsidiary	103,254	-%	-	-	-	-
S&T AG	Kontron Electronics GmbH	Sub-subsidiary to sub-subsidiary	405,166	-%	-	-	-	-
S&T AG	Kontron Beteiligungs GmbH	Sub-subsidiary to sub-subsidiary	1,308,720	-%	-	-	-	-
Kontron Beteiligungs GmbH	Kontron Europe GmbH	Sub-subsidiary to sub-subsidiary	1,317,640	-%	-	-	-	-
Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co. Ltd.	Sub-subsidiary to sub-subsidiary	165,182	-%	-	-	-	-
Kontron Transportation UK Ltd.	Kontron Transportation GmbH	Sub-subsidiary to sub-subsidiary	97,105	-%	-	-	-	-

Note 1 : 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 three months ended March 31, 2022

Table VII

Unit: NT\$ thousand

No. (Note 1)	Company Name	Counterparty	Relationship with trader (Note 2)	Situations of Transactions			
				Ledger account	Amount	Transaction Terms	% to Consolidated Sales Revenue or Total Assets (Notes 3 and 4)
0	Ennoconn Technology Co., Ltd.	Victor Plus Holdings Ltd.	Parent company to sub-subsidiary	Purchase + processing fee	727,670	By reference to general conditions	3.00%
0	Ennoconn Technology Co., Ltd.	Victor Plus Holdings Ltd.	Parent company to sub-subsidiary	Accounts payable	338,479	By reference to general conditions	0.33%
0	Ennoconn Technology Co., Ltd.	Kontron Europe GmbH	Parent company to sub-subsidiary	Sales	159,965	By reference to general conditions	0.66%
0	Ennoconn Technology Co., Ltd.	Kontron Europe GmbH	Parent company to sub-subsidiary	Accounts receivable	223,378	By reference to general conditions	0.22%
1	Goldtek Technology Co., Ltd.	SUNLIT PRECISION TECHNOLOGY CO., LTD.	Sub-subsidiary to sub-subsidiary	Purchases	418	By reference to general conditions	-%
1	Goldtek Technology Co., Ltd.	SUNLIT PRECISION TECHNOLOGY CO., LTD.	Sub-subsidiary to sub-subsidiary	Accounts payable	45,175	By reference to general conditions	0.04%
1	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Purchases	8,867	By reference to general conditions	0.04%
1	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Sales revenue	34,991	By reference to general conditions	0.14%
1	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Accounts payable	496,869	By reference to general conditions	0.48%
1	Goldtek Technology Co., Ltd.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Accounts receivable	1,289,575	By reference to general conditions	1.26%
2	KEENEST ELECTRONIC CORP.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Purchases	6,539	By reference to general conditions	0.03%
2	KEENEST ELECTRONIC CORP.	Goldtek Technology (Shenzhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Accounts payable	6,732	By reference to general conditions	0.01%
3	Sunlit Precision Technology Co., Ltd.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Sales revenue	38,133	By reference to general conditions	0.16%
3	Sunlit Precision Technology Co., Ltd.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Purchases	113,417	By reference to general conditions	0.47%
3	Sunlit Precision Technology Co., Ltd.	Techno Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Accounts receivable	147,910	By reference to general conditions	0.14%
3	Sunlit Precision Technology Co., Ltd.	Paragon Precision Casting Co., Ltd.	Sub-subsidiary to sub-subsidiary	Purchases	12,568	By reference to general conditions	0.05%

No. (Note 1)	Company Name	Counterparty	Relationship with trader (Note 2)	Situations of Transactions			
				Ledger account	Amount	Transaction Terms	% to Consolidated Sales Revenue or Total Assets (Note 3 and 4)
3	Sunlit Precision Technology Co., Ltd.	Paragon Precision Casting Co., Ltd.	Sub-subsidiary to sub-subsidiary	Accounts payable	18,205	By reference to general conditions	0.02%
4	Techno Hardware (ShenZhen) Co., Ltd.	Shenzhen Shengrong Plastic Co., Ltd	Sub-subsidiary to sub-subsidiary	Purchases	3,312	By reference to general conditions	0.01%
4	Techno Hardware (ShenZhen) Co., Ltd.	Shenzhen Shengrong Plastic Co., Ltd	Sub-subsidiary to sub-subsidiary	Accounts payable	3,827	By reference to general conditions	-%
4	Techno Hardware (ShenZhen) Co., Ltd.	T-MAXX Technology Co., Ltd.	Sub-subsidiary to sub-subsidiary	Accounts receivable	806	By reference to general conditions	-%
4	Techno Hardware (ShenZhen) Co., Ltd.	T-MAXX Technology Co., Ltd.	Sub-subsidiary to sub-subsidiary	Other receivables	257	By reference to general conditions	-%
4	Techno Hardware (ShenZhen) Co., Ltd.	T-Paragon Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Other receivables	32,039	By reference to general conditions	0.03%
5	Paragon Precision Casting Co., Ltd.	T-Paragon Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Sales revenue	8,416	By reference to general conditions	0.03%
5	Paragon Precision Casting Co., Ltd.	T-Paragon Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Purchases	48,581	By reference to general conditions	0.20%
5	Paragon Precision Casting Co., Ltd.	T-Paragon Hardware (ShenZhen) Co., Ltd.	Sub-subsidiary to sub-subsidiary	Accounts payable	234,912	By reference to general conditions	0.23%
6	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	Sub-subsidiary to sub-subsidiary	Revenue from sales contracts	7,675	The transaction price and collection terms of commodity sales are not significantly different from those of non related parties	0.03%
6	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Sub-subsidiary to sub-subsidiary	Other receivables	37,421	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%
6	Marketech International Corp.	Marketech International Sdn. Bhd.	Sub-subsidiary to sub-subsidiary	Other receivables	25,998	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%
6	Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Sub-subsidiary to sub-subsidiary	Other receivables	115,706	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.11%

No. (Note 1)	Company Name	Counterparty	Relationship with trader (Note 2)	Situations of Transactions			
				Ledger account	Amount	Transaction Terms	% to Consolidated Sales Revenue or Total Assets (Note 3 and 4)
6	Marketch International Corp.	MIC-Tech Global Corp.	Sub-subsidiary to sub-subsidiary	Advance payment	5,760	Subject to the transaction contract	0.01%
7	Ezoom Information, Inc.	Marketch International Corp.	Sub-subsidiary to sub-subsidiary	Revenue from labor service contracts	16,155	The sales of labor services refers to a certain sales profit agreed with related parties.	0.07%
7	Ezoom Information, Inc.	Marketch International Corp.	Sub-subsidiary to sub-subsidiary	Accounts receivable	10,314	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.01%
8	MIC-Tech Global Corp.	Marketch International Corp.	Sub-subsidiary to sub-subsidiary	Revenue from sales contracts	38,705	The transaction price and collection terms of commodity sales are not significantly different from those of non related parties	0.16%
8	MIC-Tech Global Corp.	Marketch International Corp.	Sub-subsidiary to sub-subsidiary	Accounts receivable	54,643	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%
9	Spiro Technology Systems Inc.	Marketch International Corp.	Sub-subsidiary to sub-subsidiary	Accounts receivable	12,226	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.01%
9	Spiro Technology Systems Inc.	Marketch International Corp.	Sub-subsidiary to sub-subsidiary	Revenue from sales contracts	26,926	The transaction price and collection terms of commodity sales are not significantly different from those of non related parties	0.11%
10	Marketch Netherlands B.V.	Marketch International Corp.	Sub-subsidiary to sub-subsidiary	Revenue from sales contracts	5,680	The transaction price and collection terms of commodity sales are not significantly different from those of non related parties	0.02%
11	Vertex Corporation	Marketch International Corp.	Sub-subsidiary to sub-subsidiary	Revenue from engineering contracts	5,790	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.	0.02%

No. (Note 1)	Company Name	Counterparty	Relationship with trader (Note 2)	Situations of Transactions			
				Ledger account	Amount	Transaction Terms	% to Consolidated Sales Revenue or Total Assets (Note 3 and 4)
11	Vertex Corporation	Marketch International Corp.	Sub-subsidiary to sub-subsidiary	Notes receivable	8,802	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.01%
12	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Sub-subsidiary to sub-subsidiary	Other receivables	27,035	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%
13	Shanghai Maohua Electronics Engineering Co., Ltd.	MIC-Tech Electronics Engineering Corp.	Sub-subsidiary to sub-subsidiary	Accounts receivable	12,569	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.01%
13	Shanghai Maohua Electronics Engineering Co., Ltd.	MIC-Tech Electronics Engineering Corp.	Sub-subsidiary to sub-subsidiary	Revenue from engineering contracts	13,771	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.	0.06%
14	Marketch Integrated Manufacturing Co., Ltd.	Marketch Integrated Construction Co., Ltd.	Sub-subsidiary to sub-subsidiary	Other receivables	5,835	Depending on the conditions of the contract or individual agreement, the payment will be collected about 2-3 months after the transaction is confirmed	0.01%
15	HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary to sub-subsidiary	Accounts payable- related parties	207,218	By reference to general conditions	0.20%
15	HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary to sub-subsidiary	Cost of goods purchased	107,395	By reference to general conditions	0.44%
16	HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	242,777	By reference to general conditions	0.24%
16	HighAim Technology Inc.	FUNOLOGY INVESTMENT INC.	Sub-subsidiary to sub-subsidiary	Sales revenue	106,360	By reference to general conditions	0.44%

No. (Note 1)	Company Name	Counterparty	Relationship with trader (Note 2)	Situations of Transactions			
				Ledger account	Amount	Transaction Terms	% to Consolidated Sales Revenue or Total Assets (Note 3 and 4)
17	Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary to sub-subsidiary	Accounts payable- payment for goods - related parties	258,752	By reference to general conditions	0.25%
17	Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary to sub-subsidiary	Other receivables - related parties	227,459	By reference to general conditions	0.22%
17	Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary to sub-subsidiary	Other operating income	849,766	By reference to general conditions	3.50%
17	Ennoconn (Suzhou) Technology Co., Ltd.	Victor Plus Holdings Ltd.	Sub-subsidiary to sub-subsidiary	Cost of goods purchased	214,968	By reference to general conditions	0.89%
17	Ennoconn (Suzhou) Technology Co., Ltd.	Ennoconn Investment Co., Ltd.	Sub-subsidiary to sub-subsidiary	Other payable - related parties	396,808	By reference to general conditions	0.39%
17	Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Asia Technology Inc.	Sub-subsidiary to sub-subsidiary	Accounts payable- payment for goods - related parties	163,740	By reference to general conditions	0.16%
17	Ennoconn (Suzhou) Technology Co., Ltd.	Kontron Asia Technology Inc.	Sub-subsidiary to sub-subsidiary	Cost of goods purchased	137,368	By reference to general conditions	0.57%
18	Victor Plus Holdings Ltd.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Other receivables - related parties	234,504	By reference to general conditions	0.23%
18	Victor Plus Holdings Ltd.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Other operating income	888,525	By reference to general conditions	3.66%
18	Victor Plus Holdings Ltd.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Accounts payable- related parties	138,258	By reference to general conditions	0.13%
18	Victor Plus Holdings Ltd.	Ennoconn Technology Co., Ltd.	Sub-subsidiary company to parent company	Cost of goods purchased	80,672	By reference to general conditions	0.33%
18	Victor Plus Holdings Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary to sub-subsidiary	Accounts payable- related parties	227,368	By reference to general conditions	0.22%
18	Victor Plus Holdings Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary to sub-subsidiary	Cost of goods purchased	850,348	By reference to general conditions	3.50%
18	Victor Plus Holdings Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary to sub-subsidiary	Other receivables - related parties	257,864	By reference to general conditions	0.25%
18	Victor Plus Holdings Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Sub-subsidiary to sub-subsidiary	Other operating income	215,877	By reference to general conditions	0.89%
19	Caswell Ltd.	Apligo GmbH	Subsidiary company to sub-subsidiary	Sales	641	By reference to general conditions	-%
19	Caswell Ltd.	Beijing Caswell Ltd.	Subsidiary company to sub-subsidiary	Sales	21,495	By reference to general conditions	0.09%
19	Caswell Ltd.	CASO, inc.	Subsidiary company to sub-subsidiary	Sales	37,239	By reference to general conditions	0.15%
19	Caswell Ltd.	Caswell Americas Inc.	Subsidiary company to sub-subsidiary	Sales	40,753	By reference to general conditions	0.17%
19	Caswell Ltd.	CASO, inc.	Subsidiary company to sub-subsidiary	Accounts receivable	6,207	By reference to general conditions	0.01%

No. (Note 1)	Company Name	Counterparty	Relationship with trader (Note 2)	Situations of Transactions			% to Consolidated Sales Revenue or Total Assets (Note 3 and 4)
				Ledger account	Amount	Transaction Terms	
19	Caswell Ltd.	Caswell Americas Inc.	Subsidiary company to sub-subsidiary	Accounts receivable	38,698	By reference to general conditions	0.04%
19	Caswell Ltd.	Beijing Caswell Ltd.	Subsidiary company to sub-subsidiary	Accounts receivable	61,614	By reference to general conditions	0.06%
20	Hawkeye Tech Co., Ltd.	Caswell Ltd.	Sub-subsidiary company to subsidiary	Sales	1,239	By reference to general conditions	0.01%
21	Apligo Gmbh	Caswell Ltd.	Sub-subsidiary company to subsidiary	Sales	665	By reference to general conditions	-%
22	Kontron Europe GmbH	Kontron America Inc.	Sub-subsidiary to sub-subsidiary	Sales	162,079	By reference to general conditions	0.67%
23	Kontron Asia Inc.	Kontron Europe GmbH	Sub-subsidiary to sub-subsidiary	Sales	143,051	By reference to general conditions	0.59%
23	Kontron Asia Inc.	Ennoconn (Suzhou) Technology Co. Ltd	Sub-subsidiary to sub-subsidiary	Sales	138,192	By reference to general conditions	0.57%
24	Kontron Europe GmbH	Ennoconn Corporation	Sub-subsidiary to sub-subsidiary	Purchases	218,376	By reference to general conditions	0.21%
24	Kontron Europe GmbH	Ennoconn Corporation	Sub-subsidiary to sub-subsidiary	Accounts payable- payment for goods - related parties	246,709	By reference to general conditions	0.24%
24	Kontron Europe GmbH	Kontron America Inc.	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	444,419	By reference to general conditions	0.43%
25	S&T AG	S&T Romania srl.	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	516,932	By reference to general conditions	0.50%
25	S&T AG	S&T CEE Holding s.r.o.	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	487,360	By reference to general conditions	0.47%
25	S&T AG	Kontron Europe GmbH	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	1,826,551	By reference to general conditions	1.78%
25	S&T AG	Kontron Austria GmbH	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	433,243	By reference to general conditions	0.42%
25	S&T AG	Kontron Transportation GmbH	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	452,880	By reference to general conditions	0.44%
25	S&T AG	Kontron America Inc.	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	430,289	By reference to general conditions	0.42%
25	S&T AG	RT Soft	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	106,868	By reference to general conditions	0.10%
25	S&T AG	Kontron Modular Computers S.A.S.	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	103,254	By reference to general conditions	0.10%
25	S&T AG	Kontron Electronics GmbH	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	404,992	By reference to general conditions	0.39%
25	S&T AG	Kontron Beteiligungs GmbH	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	1,308,720	By reference to general conditions	1.27%
26	Kontron Europe GmbH	Kontron Asia Pacific Design Sdn Bhd	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	139,865	By reference to general conditions	0.14%
26	Kontron Europe GmbH	Kontron Electronics GmbH	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	174,069	By reference to general conditions	0.17%

No. (Note 1)	Company Name	Counterparty	Relationship with trader (Note 2)	Situations of Transactions			
				Ledger account	Amount	Transaction Terms	% to Consolidated Sales Revenue or Total Assets (Note 3 and 4)
27	Kontron Transportation Deutschland GmbH	Kontron Transportation GmbH	Sub-subsidiary to sub-subsidiary	Accounts receivable - related parties	193,094	By reference to general conditions	0.19%
28	Kontron Austria GmbH	Kontron Europe GmbH	Sub-subsidiary to sub-subsidiary	Sales	94,681	By reference to general conditions	0.39%

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

(1) Fill in 0 for parent company.

(2) The subsidiary is coded in sequence starting from Arabic numeral 1 according to the Company type.

Note 2 : 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 three months ended March 31, 2022

Table VIII

Unit: NTS thousand

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Profit or loss of the investee for period	Recognized investment profit or loss for 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	1,840,748	1,785,425	518,216,530	100.00%	2,117,174	(77,321)	(77,321)	
Ennoconn Technology Co., Ltd.	Ennoconn International Investment Co., Ltd.	Taiwan	Professional investment	7,010,000	7,010,000	711,735,000	100.00%	8,615,293	201,724	201,724	
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%	854,052	65,382	13,109	
Ennoconn Technology Co., Ltd.	Ennoconn Investment Holdings Co.,Ltd	Samoa	Manufacturing and marketing of industrial computers	6,852,877	6,625,485	239,360,000	100.00%	8,048,796	115,111	115,111	
Ennoconn Technology Co., Ltd.	AIS Cayman Technology	Cayman Islands	Professional investment	230,586	230,586	4,028,217	37.64%	312,885	69,209	26,053	
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	100,302	97,475	3,500,000	100.00%	103,225	(2)	(2)	
Innovative Systems Integration Limited	Victor Plus Holdings Ltd.	Seychelles	Import and export trading	-	-	500,000	100.00%	12,842	395	395	
Ennoconn Investment Holdings Co.,Ltd	AIS Cayman Technology	Cayman Islands	Professional investment	272,944	263,901	6,672,469	62.36%	518,334	69,209	43,156	
Ennoconn Investment Holdings Co.,Ltd	S&T AG	Austria	Information system software and hardware integration service	4,977,656	5,565,694	16,835,008	26.41%	7,348,003	364,528	96,445	
Ennoconn Investment Holdings Co.,Ltd	Ennoconn Hungary Kft.	Hungary	Manufacturing and marketing of industrial computers	289	289	3,000,000	100.00%	(3,018)	(3,214)	(3,214)	
AIS Cayman Technology	American Industrial Systems Inc.	USA	Human-machine interface and industry 4.0 and other related products	41,520	41,520	1,500,000	100.00%	299,480	46,854	46,854	
AIS Cayman Technology	Vecow Co., Ltd.	Taiwan	Manufacturing, processing, trading, import and export of communication machinery and equipment, electronic equipment and electronic devices	89,379	89,379	20,000,000	100.00%	328,164	22,607	22,607	
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%	1,060,712	54,029	30,658	
Ennoconn International Investment Co., Ltd.	Caswell Inc.	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	149,500	149,500	3,250,000	4.44%	147,255	65,382	2,903	
Ennoconn International Investment Co., Ltd.	EnnoMech Precision (Cayman) Co., Ltd.	Cayman Islands	Professional investment	13,800	13,800	13,800,000	100.00%	599,603	5,293	5,293	

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Profit or loss of the investee for period	Recognized investment profit or loss for period	Remarks
				End of the period	End of previous year	Shares	%	Book value			
Ennoconn International Investment Co., Ltd.	Ennowyse Corporation	Taiwan	Research, design and sales of mobile payment, electronic signature and information security products	95,029	95,029	10,400,000	100.00%	22,429	(2,939)	(2,939)	
Ennoconn International Investment Co., Ltd.	Thecus Corporation	Taiwan	Electronic components, computer and peripheral equipment manufacturing, electronic material wholesale and information software services	102,000	102,000	10,200,000	60.00%	(4,252)	(45)	(27)	
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%	318,557	(1,201)	(677)	
Ennoconn International Investment Co., Ltd.	S&T AG	Austria	Information system software and hardware integration service	7,522,500	7,522,500	750,000	1.18%	3,572	364,528	4,297	
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	42.95%	5,845,731	368,229	158,147	
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%	124,858	(1,572)	(1,100)	
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%	30,632	(1,019)	(267)	
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	24,000	2,000,000	21.03%	15,998	(1,666)	(350)	
Ennoconn International Investment Co., Ltd.	Arbor Technology Corporation	Taiwan	R&D, assembly, installation, processing, and manufacturing of industrial host control board interface cards	296,000	-	16,000,000	17.69%	348,186	20,258	6,073	
EnnoMech Precision (Cayman) Co., Ltd.	HighAim Technology INC.	Samoa	Professional investment	309	309	3,302,618	67.65%	418,500	5,851	3,958	
EnnoMech Precision (Cayman) Co., Ltd.	DOMINATE UNITED ENTERPRISE LTD.	Samoa	Professional investment	60	60	2,100,000	100.00%	61,484	-	-	
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	10	1,000,000	100.00%	24,334	(558)	(558)	
HighAim Technology INC.	FUNOLOGY INVESTMENT INC.	Samoa	Import and export trading	28	28	1,000	100.00%	11,410	1,308	88,510	
HighAim Technology INC.	ANDRIX INTERNATIONAL LIMITED	Anquila	Import and export trading	28	28	900	100.00%	10,613	439	29,730	
Caswell Ltd.	CASO Inc.	Japan	Netcom product selling	27,062	27,062	2,000	99.00%	86,022	6,282	6,219	
Caswell Ltd.	Caswell International investment Co., Ltd.	Samoa	Overseas investments	101,135	101,135	3,206,000	100.00%	214,612	(2,130)	(2,130)	
Caswell Ltd.	Caswell Americas, Inc	U.S.A.	Netcom product selling	92,460	92,460	3,000,000	100.00%	59,885	1,921	1,921	
Caswell Ltd.	Hawkeye Tech Co., Ltd.	Germany	Computer and peripheral commodity wholesale	602,041	602,041	9,097,000	60.64%	476,238	10,601	5,562	

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Profit or loss of the investee for period	Recognized investment profit or loss for period	Remarks
				End of the period	End of previous year	Shares	%	Book value			
Caswell Ltd.	APLIGO GMBH	Taiwan	Hub and SI Service	60,275	60,275	24,000	66.67%	69,223	2,371	1,524	
Thecus Technology Corp.	Thecus USA.,Inc.	USA	Network storage device	23,367	23,367	750,000,000	100.00%	5,076	2	2	
Goldtek Technology Co., Ltd.	Keenest Electronic Corp.	Samoa	Professional investment	664,320	664,320	24,000,000	100.00%	(7,929)	(3,723)	(3,723)	
Keenest Electronic Corp.	Sunlit Precision Technology Co., Ltd.	Hong Kong	Metal stamping and casting industry	282,679	282,679	7,500,000	43.00%	69,609	68,278	68,278	
Sunlit Precision Technology Co., Ltd.	Paragon Precision Casting Co., Ltd.	Hong Kong	Finance/Logistics	26,618	26,618	7,500,000	50.00%	80,941	158,786	158,786	
Paragon Precision Casting Co., Ltd.	T-Paragon Industrial (THAILAND) Co., Ltd.	Thailand	Metal stamping and casting industry	133,008	133,008	159,888,000	100.00%	127,957	4,674	4,674	
Taiwan Applied Module Corporation	Hua Qun Venture Management Corporation	Taiwan	General investment and investment consultancy	400	400	40,000	40.00%	296	(69)	(28)	
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Singapore	Contracting of automation supply system business in semiconductor industry	233,306	233,306	10,085,678	100.00%	(48,126)	(3,528)	(3,528)	
Marketech International Corp.	Market Go Profits Ltd.	British Virgin Islands	Share holding and reinvestment business	1,328,547	1,328,547	41,069,104	100.00%	1,861,245	131,288	131,288	
Marketech International Corp.	MIC-Tech Global Corp.	Republic of Korea	General international trade	19,147	19,147	131,560	100.00%	10,371	(1,345)	(1,345)	
Marketech International Corp.	Headquarter International Ltd.	British Virgin Islands	Share holding and reinvestment business	42,475	42,475	1,289,367	100.00%	34,774	(132)	(132)	
Marketech International Corp.	Tiger United Finance Ltd.	British Virgin Islands	Share holding and reinvestment business	46,475	46,475	1,410,367	100.00%	32,448	(14)	(14)	
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Singapore	Contracting of mechanical and electrical installation and other engineering business	21,804	21,804	937,533	100.00%	(1,777)	(1,604)	(1,604)	
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%	192,672	(5,760)	(5,760)	
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	131,060	-	100.00%	120,829	(7,066)	(7,066)	
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%	11,834	(1,685)	(1,685)	
Marketech International Corp.	Ezoom Information, Inc.	Taiwan	R&D, trading, consulting and other services of information system software and hardware applications	225,737	225,737	23,000,000	100.00%	82,698	(10,890)	(10,890)	
Marketech International Corp.	Marketech International Sdn.Bhd.	Malaysia	Professional engineering contracting and related maintenance services; medical equipment sales	80,019	80,019	12,242,750	100.00%	52,632	(2,088)	(2,088)	

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Profit or loss of the investee for period	Recognized investment profit or loss for period	Remarks
				End of the period	End of previous year	Shares	%	Book value			
Marketech International Corp.	Marketech International Corporation USA	USA	Engineering professional contracting and related maintenance services	110,309	110,309	3,750,000	100.00%	130,331	28,533	28,533	
Marketech International Corp.	Spiro Technology Systems Inc.	USA	General international trade	54,074	54,074	1,000,000	100.00%	54,549	2,238	2,238	
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	64,119	4,205,940	25.67%	23,107	(14,089)	(3,616)	
Marketech International Corp.	PT Marketech International Indonesia	Indonesia	Trading of machinery, equipment and spare parts	38,042	38,042	1,199,000	99.92%	32,919	1,041	1,041	
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%	1,578	(1,747)	(1,747)	
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%	64,285	(3,605)	(1,054)	
Marketech International Corp.	MIC Techno Co., Ltd.	Taiwan	Panel equipment and material sales	2,000	2,000	200,000	20.00%	1,811	(18)	(4)	
Marketech International Corp.	Smart Health Corp.	Taiwan	Smart medical consulting services and investment	500	500	50,000	100.00%	408	(10)	(10)	
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	50,000	5,000,000	61.35%	43,130	(3,178)	(1,950)	
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	8,321	700,000	100.00%	2,604	(3,307)	(3,307)	
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%	1,859,931	131,288	-	
Marketech Engineering Pte. Ltd.	Marketech Integrated Construction Co., Ltd.	Myanmar	Share holding and reinvestment business	19,342	19,342	63,500	97.69%	(2,498)	(1,612)	-	
MIC-Tech Ventures Asia Pacific Inc.	Russky H.K. Limited	Hong Kong	Share holding and reinvestment business	34,551	34,551	833,000	100.00%	23,969	1,687	-	
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%	3,239	(21)	-	
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%	30,747	(1,293)	-	

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Profit or loss of the investee for period	Recognized investment profit or loss for period	Remarks
				End of the period	End of previous year	Shares	%	Book value			
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%	(3,137)	159	-	
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%	7,845	(2,393)	-	
Russky H.K. Limited	PT Marketech International Indonesia	Indonesia	Trading of machinery, equipment and spare parts	32	32	1,000	0.08%	29	1,041	-	
S&T AG, Austria	S&T CEE Holding s.r.o., Slovakia	Bratislava, SK	IT Services	(170,600)	(167,393)	1,881,565	100.00%	488,629	(5,594)	(5,594)	
S&T CEE Holding s.r.o., Slovakia	S&T CZ s.r.o., Czech Republic	Prague, CZ	IT Services	261,331	256,419	49,500,000	99.00%	212,121	(1,420)	(1,406)	
S&T CEE Holding s.r.o., Slovakia	S&T Plus s.r.o., Czech Republic	Prague, CZ	IoT Solutions Europe	15,039	14,756	9,900,000	99.00%	109,149	17,168	16,996	
S&T CEE Holding s.r.o., Slovakia	S&T Services Polska Sp.z.o.o., Poland	Warsaw, PL	IT Services	84,631	83,040	2,120	100.00%	82,403	11,109	11,109	
S&T CEE Holding s.r.o., Slovakia	S&T Crna Gora d.o.o., Montenegro	Podgoriza, ME	IT Services	1,057	1,037	25,000	100.00%	34,635	1,628	1,628	
S&T CEE Holding s.r.o., Slovakia	S&T Bulgaria e.o.o.d., Bulgaria	Sofia, BG	IoT Solutions Europe	40,569	39,806	13,126	100.00%	88,751	(2,065)	(2,065)	
S&T CEE Holding s.r.o., Slovakia	S&T Poland Sp.z.o.o., Poland	Warsaw, PL	IT Services	-	-	26,974	100.00%	639,195	18,486	18,486	
S&T CEE Holding s.r.o., Slovakia	S&T Slovenija d.d., Slovenia	Ljubljana, SL	IT Services	495,280	485,970	31,410	100.00%	318,549	10,321	10,321	
S&T Slovenija d.d., Slovenia	S&T Hrvatska d.o.o., Croatia	Zagreb, HR	IT Services	34,923	34,267	221,300	100.00%	465,556	5,479	5,479	
S&T Slovenija d.d., Slovenia	S&T Macedonia d.o.o.e.l., Macedonia	Skopje, MK	IT Services	2,727	2,676	568,000	100.00%	142,336	3,174	3,174	
S&T AG, Austria	S&T Plus s.r.o., Czech Republic	Prague, CZ	IoT Solutions Europe	2,927	2,872	100,000	1.00%	1,103	17,168	172	
S&T AG, Austria	S&T CZ s.r.o., Czech Republic	Prague, CZ	IT Services	1,960	1,923	500,000	1.00%	2,143	(1,420)	(14)	
S&T AG, Austria	S&T Romania S.R.L., Romania	Bucharest, RO	IT Services	103,009	101,073	2,461	31.07%	76,155	10,309	3,196	
S&T AG, Austria	S&T Serbia d.o.o., Serbia	Belgrade, RS	IT Services	113,723	111,586	8,786	100.00%	99,901	6,821	6,821	
S&T AG, Austria	S&T Albania Sh.p.k., Albania	Tirana, AL	IT Services	8,990	8,821	100	100.00%	27,474	3,322	3,322	
S&T AG, Austria	S&T Mold srl., Moldova	Chisinau, MD	IT Services	57,456	56,376	578,898	51.00%	150,543	(4,902)	(2,500)	
S&T Mold srl., Moldova	S&T IT Technologie S.R.L., Moldova	Chisinau, MD	IT Services	78	76	50,000	100.00%	1,041	864	864	

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Profit or loss of the investee for period	Recognized investment profit or loss for period	Remarks
				End of the period	End of previous year	Shares	%	Book value			
S&T AG, Austria	S&T Consulting Hungary Kft., Hungary	Budapest, HU	IT Services	381,337	374,169	100,000	100.00%	197,804	(7,256)	(7,256)	
S&T Consulting Hungary Kft., Hungary	S&T Services Kft., Hungary	Budapest, HU	IT Services	115,785	113,608	268,000	100.00%	75,223	(1,226)	(1,226)	
S&T AG, Austria	S&T Deutschland GmbH, Germany	Mendig, DE	IT Services	271,327	266,227	25,000	100.00%	299,655	7,896	7,896	
Kontron S&T AG, Germany	Kontron Asia Inc., Taiwan	Taipei, TW	IoT Solutions Europe	89,283	87,605	13,000	100.00%	98,599	12,972	12,972	
S&T AG, Austria	computer betting company gmbh, Austria	Linz, AT	IoT Solutions Europe	1,204,589	1,181,946	36,336	100.00%	592,402	18,945	18,945	
computer betting company gmbh, Austria	S&T Romania S.R.L., Romania	Bucharest, RO	IT Services	53,937	52,923	5,460	68.93%	168,953	10,309	7,113	
computer betting company gmbh, Austria	S&T Slovakia s.r.o., Slovakia	Bratislava, SK	IT Services	222,505	218,323	1,659,696	100.00%	152,359	2,154	2,154	
S&T AG, Austria	SecureGUARD GmbH, Austria	Linz, AT	IoT Solutions Europe	75,682	74,260	92,460	69.00%	34,066	3,046	2,102	
Kontron Europe GmbH, Germany	Kontron Austria GmbH, Austria	Engerwitzdorf, AT	IoT Solutions Europe	2,254	2,212	3,634	10.00%	32,088	(1,393)	(139)	
S&T AG, Austria	Amanox Solutions AG; Switzerland	Bern, CH	IT Services	497,247	487,900	105,000	100.00%	191,461	3,545	3,545	
S&T AG, Austria	hamcos IT Service GmbH, Germany	Sigmaringen, DE	IT Services	57,526	56,445	98,000	49.00%	28,838	(3,177)	(1,557)	
Kontron Austria GmbH, Austria	Kontron Electronics AG, Switzerland	Rotkreuz, CH	IoT Solutions Europe	-	-	1,000	100.00%	(81,363)	(6,076)	(6,076)	
S&T AG, Austria	Kontron Austria GmbH, Austria	Engerwitzdorf, AT	IoT Solutions Europe	234,445	230,039	32,702	90.00%	288,788	(1,393)	(1,254)	
S&T AG, Austria	Kontron Technologies GmbH (former S&T Technologies GmbH), Austria	Linz, AT	IoT Solutions Europe	395,121	387,694	35,000	100.00%	349,682	(4,356)	(4,356)	
S&T AG, Austria	S&T MEDTECH SRL (former GADA GROUP ROMANIA SRL), Romania	Bucharest, RO	IoT Solutions Europe	372,661	365,656	105,000	100.00%	290,890	(7,109)	(7,109)	
S&T AG, Austria	S&T Services Bel LLC	Minsk, BYN	IT Services	17,180	16,857	113,267	100.00%	12,234	(2,257)	(2,257)	
Kontron Europe GmbH, Germany	Kontron electronics GmbH, Germany	Grosbottlingen, DE	IoT Solutions Europe	614,827	603,270	102,150	100.00%	654,354	(4,643)	(4,643)	
Kontron electronics GmbH, Germany	Kontron Electronics Kft.	Kapoly, HU	IoT Solutions Europe	4,628	4,541	3,000,000	100.00%	72,878	7,515	7,515	

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Profit or loss of the investee for period	Recognized investment profit or loss for period	Remarks
				End of the period	End of previous year	Shares	%	Book value			
Kontron Beteiligungs GmbH	Kontron Europe GmbH	Ismaning, DE	IoT Solutions Europe	6,683,242	6,557,617	23,600,000	100.00%	3,417,040	51,983	51,983	
Kontron Europe GmbH, Germany	Kontron America Inc.	SAN DIEGO / USA	IoT Solutions America	567,865	557,191	2,036,040	100.00%	157,928	(63,652)	(63,652)	
Kontron Europe GmbH, Germany	Kontron Canada Inc.	BOISBRIAND / CANADA	IoT Solutions America	1,921,991	1,885,863	50,000,200	100.00%	1,082,491	115	115	
Kontron Europe GmbH, Germany	Kontron Asia Pacific Design Sdn. Bhd.	PENANG / MALAYSIA	IoT Solutions Europe	161,876	158,833	44,581,102	100.00%	(120,589)	(4,031)	(4,031)	
Kontron Europe GmbH, Germany	Kontron Technology Beijing Co. Ltd.	BEIJING / CHINA	IoT Solutions Europe	29,311	28,760	15,398,961	100.00%	435,965	2,906	2,906	
Kontron Europe GmbH, Germany	Kontron Modular Computers S.A.S.	Toulon / France	IoT Solutions Europe	164,652	161,557	344,503	100.00%	174,986	(583)	(583)	
Kontron Europe GmbH, Germany	Kontron UK Ltd.	Chichester / UK	IoT Solutions Europe	54,636	53,609	172,550	100.00%	129,767	755	755	
S&T AG, Austria	Affair OOO, Russia	Moscow, RU	IoT Solutions Europe	187,370	183,848	4,800,000	48.00%	118,691	58	28	
Affair OOO, Russia	RTSoft Project OOO, Russia	Moscow, RU	IoT Solutions Europe	211,810	207,828	372,500	74.50%	153,542	(18,455)	(13,841)	
S&T AG, Austria	Kontron Transportation GmbH	Vienna, AT	IoT Solutions Europe	347,988	341,447	10,000,000	100.00%	417,570	42,091	42,091	
Kontron Transportation Austria AG	Kapsch CarrierCom Sp. z o.o.	Warsaw, PL	IoT Solutions Europe	-	-	100,000	100.00%	(39,131)	2,197	2,197	
Kontron Transportation Austria AG	Kontron Transportation Espana SL (former Kapsch CarrierCom Espana, S.L.U.)	Madrid, Spain	IoT Solutions Europe	-	-	250,000	100.00%	8,803	(711)	(711)	
Kontron Transportation Austria AG	Kontron Transportation Portugal Unipessoal LDA (former Kapsch CarrierCom - Unipessoal LDA Co., Ltd)	Lisboa, Portugal	IoT Solutions Europe	-	-	5,000	100.00%	38,317	(685)	(685)	
Kontron Asia Inc.	Kontron Transportation Taiwan Co. Ltd. (former Kapsch CarrierCom Taiwan Co., Ltd)	Taipei, TW	IoT Solutions Europe	-	-	50,000,000	100.00%	7,306	3,971	3,971	
Kontron Transportation Austria AG	Kontron Transportation s.r.o.	Prague, CZ	IoT Solutions Europe	-	-	30,400,000	100.00%	125,177	52,178	52,178	
Kontron Transportation Austria AG	Kontron Transportation Hungary Kft.	Budapest, HU	IoT Solutions Europe	-	-	67,000,000	100.00%	(11,588)	20,675	20,675	
Kontron Transportation Austria AG	Kapsch CarrierCom Saudi Arabia LLC	Riyadh, SA	IoT Solutions Europe	-	-	475,000	95.00%	5,314	-	-	

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Profit or loss of the investee for period	Recognized investment profit or loss for period	Remarks
				End of the period	End of previous year	Shares	%	Book value			
Kontron Transportatation France S.A.S.	Kontron Transportatation Saudi for Construction LLC	Riyadh, SA	IoT Solutions Europe	-	-	25,000	5.00%	280	-	-	
Kontron Transportatation Austria AG	Kontron Transportatation Deutschland GmbH (former Kapsch CarrierCom Deutschland GmbH)	Neu-Isenburg, GE	IoT Solutions Europe	-	-	25,000	100.00%	(100,166)	9,036	9,036	
Kontron Transportatation Austria AG	Kontron Transportatation France S.A.S	Paris, FR	IoT Solutions Europe	-	-	8,600,000	100.00%	150,196	(33,787)	(33,787)	
Kontron Transportatation Austria AG	Kontron Transportatation UK Ltd.	Harrow, UK	IoT Solutions Europe	-	-	415,950	100.00%	87,900	2,501	2,501	
S&T AG, Austria	Kontron Public Transportatation (former: Kontron Transportatation Belgium NV)	Diegem, BE	IoT Solutions Europe	-	-	11,318,887	99.97%	(67,464)	(10,356)	(10,252)	
S&T AG, Austria	Kontron AIS GmbH	Dresden, Germany	IoT Solutions Europe	420,549	412,644	51,000	100.00%	376,339	(1,212)	(1,212)	
S&T AG, Austria	Kontron Beteiligungs GmbH	Augsburg, DE	IoT Solutions Europe	6,707,846	6,581,759	25,001	100.00%	6,692,262	(1)	(1)	
S&T AG, Austria	CITYCOMP Service GmbH	Ostfilden, DE	IoT Solutions Europe	542,660	532,460	255,900	100.00%	605,702	2,142	2,142	
S&T AG, Austria	FinTel Holding d.o.o. & co k.d., holdin?ka dru?ba	Kranj, SI	IoT Solutions Europe	-	938,578	-	100.00%	-	(4)	(4)	
S&T AG, Austria	FinTel holding d.o.o.	Kranj, SI	IoT Solutions Europe	-	957,131	-	100.00%	-	(4)	(4)	
S&T AG, Austria	Iskratel d.o.o.	Kranj, SI	IoT Solutions Europe	1,932,025	67,861	109,275	100.00%	1,898,794	(16,574)	(16,574)	
Iskratel d.o.o.	ITS Skopje	Skopje, MK	IoT Solutions Europe	12,663	12,424	309,200	100.00%	3,881	(933)	(933)	
ITS Skopje	ITS Softver d.o.o	Skopje, MK	IoT Solutions Europe	160	157	309,000	100.00%	7,873	346	346	
Iskratel d.o.o.	IskraCom	Almaty, KZ	IoT Solutions Europe	-	-	15,365,000	100.00%	(330)	(1,600)	(1,600)	
Iskratel d.o.o.	OOO Iskratel Tashkent	Tashkent, UZ	IoT Solutions Europe	61	60	8,798,207	76.00%	8,242	1,701	1,293	
Iskratel d.o.o.	AO IskraUralTel Yekaterinburg	Yekaterinburg, RU	IoT Solutions Europe	36,101	35,422	760,000	48.00%	18,125	(65,698)	(31,535)	
Iskratel d.o.o.	Iskratel Ukraine LTD	Kiew, UA	IoT Solutions Europe	5,746	5,638	10,938,820	100.00%	744	(5,654)	(5,654)	
S&T Deutschland GmbH, Germany	Axino Solutions GmbH	Aachen, DE	IT Services	53,812	52,801	2,300,000	100.00%	105,475	10,951	10,951	
CITYCOMP Service GmbH	PSB IT-Service GmbH	Ober-Morlen, DE	IT Services	-	-	255,646	100.00%	(1,825)	2,036	2,036	
S&T AG, Austria	S&T Austria GmbH	Wien, AT	IT Services	1,117	1,096	35,000	100.00%	1,048	(11)	(11)	

Name of investor	Name of investee	Location	Primary Business	Original Investment Amount		Held at the end of the period			Profit or loss of the investee for period	Recognized investment profit or loss for period	Remarks
				End of the period	End of previous year	Shares	%	Book value			
S&T Romania srl.	Enterprise Concept S.R.L	Bukarest, RO	IT Services	79,800	78,300	1,010	100.00%	80,078	459	459	
Iskratel d.o.o.	BeeIN d.o.o.	Kranj, SI	IoT Solutions Europe	319	235	10,000	100.00%	(15,017)	(3,260)	(2,597)	

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 period includes the amortization of the difference between the investment cost and net worth of shareholding.

Note 3 : Due to the adjustment of the organizational structure in 2020 , S&T AG has been merged and eliminated or dissolved and liquidated.

Note 4 : S&T AG, Austria previously held 100% ofKontron S&T AG, Germany directly. Due to the adjustment of the organizational structure, it indirectly held by Kontron Beteijigungs 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 three months ended March 31, 2022

Table IX

Unit: NT\$ thousand

(I) Name, major businesses and related information about investees in Mainland China:

Name of the investee in mainland China	Primary Business	Paid-in Capital	Investment method	Accumulated investment amount remitted out of Taiwan at the beginning of the period	The amount of investment remitted or repatriated for period		Accumulated investment amount remitted out of Taiwan at the end of the period	Profit or loss of the investee for period	The Company's shareholding ratio of direct or indirect investment	Investment profit or loss recognized for period	Carrying amount of the investment at the end of the period	Repatriated investment income by end of period
					Remitted	Repatriated						
Nanjing Asiatek Inc.	Engage in the research, development and sales of software and hardware products, and provide installation, commissioning and technical consultation	85,973	(2)	29,0	-	-	29,094	(29,824)	100.00%	(29,824)	238,604	-
ShenZhen AsiaTek Co.Ltd	Engage in R&D, production and sales of electronic materials required for software and hardware products	115,708	(3)	-	-	-	-	(35,194)	70.00%	(24,636)	103,418	-
Ennoconn (Foshan) Investment Co., Ltd.	Professional investment	497,099	(2)	271.5	-	-	271,524	(18)	100.00%	(18)	526,154	-
Ennoconn (Suzhou) Technology Co., Ltd.	R&D, production and sales of industrial computers	859,734	(2)	835.8	-	-	835,800	(46,301)	100.00%	(46,301)	863,906	-
Ennoconn (Kunshan) Technology Co., Ltd.	Intelligent technology development and hardware sales	2,251	(3)	-	-	-	-	(877)	70.00%	(614)	11,367	-
Ennoconn Investment Co., Ltd.	Professional investment	573,156	(2)	557.2	-	-	557,200	(1,689)	100.00%	(1,689)	596,937	-
Shenzhen pictographic Technology Co., Ltd.	Sales of mechanical equipment and accessories, molds, etc.	67,527	(3)	-	-	-	-	(5,660)	20.00%	(1,132)	4,095	-
Beijing Caswell Ltd.	Production of electronic monitoring products and network communication products.	108,775	(2)	89.1	-	-	89,196	(2,601)	22.41%	(478)	52,928	-
HighAim Technology Inc.	Design, development and production of various molds, servers and communication equipment.	278,500	(2)	302.0	-	-	302,086	(1,669)	67.65%	(1,129)	385,215	-
Kunshan Lidingsheng Intelligent Equipment Co., Ltd.	Leasing, sales and after-sales service of intelligent machines, equipment and their accessories.	4,310	(3)	-	-	-	-	(72)	67.65%	(49)	(787)	-
HighAim Technology (Shenzhen) Inc.	Automatic fixtures, inspection tools and molds	11,637	(3)	-	-	-	-	(826)	67.65%	(559)	(752)	-
Goldtek Technology (Shenzhen) Co., Ltd.	R&D, wholesale and processing of electronic products and intelligent home security system equipment.	372,190	(2)	372.1	-	-	372,190	1,216	56.74%	690	25,071	-
Techno Hardware (ShenZhen) Co., Ltd.	Stamping / assembly	84,180	(3)	-	-	-	-	(7,961)	22.87%	(1,820)	2,331	-
T-Paragon Hardware (ShenZhen) Co., Ltd.	Zinc / aluminum alloy die casting	18,300	(3)	-	-	-	-	(1,773)	11.43%	(203)	3,139	-

Name of the investee in mainland China	Primary Business	Paid-in Capital	Investment method	Accumulated investment amount remitted out of Taiwan at the beginning of the period	The amount of investment remitted or repatriated for period		Accumulated investment amount remitted out of Taiwan at the end of the period	Profit or loss of the investee for period	The Company's shareholding ratio of direct or indirect investment	Investment profit or loss recognized for period	Carrying amount of the investment at the end of the period	Repatriated investment income by end of period
					Remitted	Repatriated						
Shenzhen Shengrong Plastic Co., Ltd	Plastic, metal mold manufacturing, production and marketing	36,080	(3)	-	-	-	-	(1,740)	16.01%	(278)	1,376	-
T-MAXX Technology Co., Ltd.	Intelligent home security system equipment	10,980	(3)	-	-	-	-	(39)	22.87%	(9)	978	-
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	729,938	(2)	586,813	-	-	586,813	21,807	42.95%	9,422	35,201	-
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	235,899	(2)	14,313	-	-	14,313	48,551	42.95%	20,853	306,515	-
Fuzhou Jiwei System Integrated Co., Ltd.	Dust-free room and power system equipment, piping system equipment installation and related supporting services	8,588	(2)	8,588	-	-	8,588	2,197	42.95%	944	11	-
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	17,175	(2)	17,261	-	-	17,261	1,970	37.37%	640	7,985	-
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	504,344	(2)	243,885	-	-	243,885	54,046	42.95%	23,213	293,601	-
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.	200,375	(2)	111,638	-	-	111,638	(1,293)	25.77%	(200)	7,739	-

Name of the investee in mainland China	Primary Business	Paid-in Capital	Investment method	Accumulated investment amount remitted out of Taiwan at the beginning of the period	The amount of investment remitted or repatriated for period		Accumulated investment amount remitted out of Taiwan at the end of the period	Profit or loss of the investee for period	The Company's shareholding ratio of direct or indirect investment	Investment profit or loss recognized for period	Carrying amount of the investment at the end of the period	Repatriated investment income by end of period
					Remitted	Repatriated						
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	42,938	(2)	42,938	-	-	42,938	4,608	42.95%	1,979	28,876	-
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	27,391	(2)	8,609	-	-	8,609	159	13.50%	7	(424)	-
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	34,350	(2)	14,313	-	-	14,313	(2,393)	11.93%	(79)	367	-

(II) Investment quota in mainland China:

Company Name	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.	89,196	89,196	1,874,976
Ennoconn International Investment Co., Ltd.	301,978	301,978	5,046,527
Marketch International Corp.	1,121,808	1,869,698	5,083,102

Note 1 : Investment methods are divided into below three types with remark by type only:

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

Note 2 : The column of investment profit or loss recognized for 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 by international accounting firms in cooperation with Republic of China accounting firms.
 - B. The financial statements had been audited by the parent company's certified public accountant in Taiwan.
 - C. Others.

Note 3 : The conversion rate is the spot average exchange rate of the Bank of Taiwan on December 31, 2021.

Note 4 : It is a non-significant associates, and its financial statements not audited by certified public accountants shall not have a significant impact.