



威剛科技股份有限公司
ADATA Technology Co., Ltd.

2021 Annual Report

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Annual report website: <http://mops.twse.com.tw>

Company website: <http://www.adata.com/>

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A. Letter to Shareholders

Dear Shareholders:

The pandemic has dragged on for two years and led to many changes in lifestyle and economic activity. It has accelerated digital development worldwide and generated explosive growth in demand on semiconductors, causing unprecedented shortages in the semiconductor supply chain in 2021. ADATA was able to avoid much of the disruption caused by shortages in the semiconductor supply chain, thanks to the long-term industry resources and rapid response strategy implemented by management, and still achieve excellent business performance in 2021! Our consolidated revenue reached an 11 year high at NT\$39.6 billion, growing over 20% YoY, and our profits reached a record high of NT\$2.358 billion. We were selected as the 20th largest international brand of Taiwan, and set a new milestone on our 20th anniversary.

2021 Business Performance and R&D Results

"Supply shortage" caused headaches for industries across the world in 2021. From servers, automotive electronics, communications equipment to personal computers, no industry was spared from the disruption caused by the shortage of semiconductor parts and components, and it made the memory industry's development even more unpredictable. ADATA prepared supplies in anticipation of rising and falling prices of two memory products in the first half of 2021, and it improved our profits in 2021.

Furthermore, supply of controller IC for SSD was limited due to insufficient capacity of semiconductor foundries worldwide in 2021, but we prepared SSD controller IC supply in advance to grow our SSD business. We successfully increased our market share in the consumer SSD market with sufficient supply, and our SSD revenue grew 32% YoY to a record high of over NT\$14 billion in 2021.

Besides achieving excellent performance in the memory business, ADATA also obtained excellent results in new businesses, such as AI, renewable energy, electric vehicles, and eSports. In 2021, ALWAYSPEED electric tricycle and autonomous mobile robot (AMR) both won the Silver Awards in the Taiwan Excellence Award, and our permanent-magnet synchronous motor (PMSM) MI086A13K and eSports brand XPG 4D printing eSports mouse HEADSHOT also won the Taiwan Excellence Award, winning four awards in total. ADATA independently developed core electric vehicle systems, including the motor, electronic control, and trip computer, for ALWAYSPEED electric tricycles, which is the first domestically produced commercial electric tricycle to pass the vehicle safety review of the Ministry of Transportation and Communications. After passing strict road safety tests and meeting regulatory requirements, ALWAYSPEED's electric tricycle was formally launched in December 2021.

Furthermore, ADATA continues its collaboration with National Taiwan University Hospital Hsin-Chu Branch on "AI AMR", which has entered into the clinical trial stage. The AI AMR has disinfectant spray, UV disinfection, AI navigation, obstacle avoidance, and precision positioning functions to assist with disinfecting the hospital environment. In the future, we will utilize AI

technologies to further assist nurses with clinical nursing services and improve the quality of healthcare. Moreover, XPG is a brand created specifically eSports players, tech users, and overclocking experts. Combining the trends of AI and 4D printing in 2021, we launched the ergonomic eSports mouse HEADSHOT specifically for eSports players. The mouse was selected for the 2022 Taiwan Excellent Award, and also won the Golden Pin Award in Japan's Good Design Award.

ADATA has followed social developments over the years, creating a friendly workplace and gaining recognition from international awards for talent cultivation over the past year. Besides being recognized with the Asia Responsible Enterprise Awards and Best Companies to Work for in Asia for two consecutive years, we were also recognized with the Best Workplaces in Taiwan™ and 2021 Best Workplaces in Greater China™.

2022 Business strategies and important production and marketing policies

Looking towards the new year, the pandemic remains unpredictable and still cannot be neglected. After overcoming challenges brought by the pandemic over two years, people can expect to return to normal life as we learn to live with the virus and vaccination rates rise, and the world will also begin to recover. We are optimistic that the shortage in the semiconductor supply chain this year will be gradually resolved, and demand for various applications, such as 5G, cloud, and automotive electronics will begin to grow again. Hence, the situation of both memory markets will gradually improve. As memory prices are relatively positive, we will actively seek to maximize our market share and lead all members for our business performance to reach new heights.

Furthermore, we expect metaverse to gradually gain traction and drive significant future growth in demand on memory. Cloud computing and terminal applications and devices used for the metaverse will require large amounts of DRAM and NAND Flash. Hence, we expect memory to play an essential role in the development and realization of metaverse in the future. As the world's second largest DRAM module manufacturer and consumer SSD manufacturer, ADATA has formulated plans for its product portfolio and innovative technologies, and will exert every effort to prepare for the era of metaverse beginning in 2022.

With regards to new products and new businesses, we have released a series of eSports and industrial control DDR5 memory modules that support the latest Intel and AMD platforms. During the Consumer Electronics Show this year, we released the industry's first PCIe 5.0 SSD and the first internal SSD eSports mouse XPG VAULT. XPG VAULT uses its internal SSD to store game information or videos from a computer to the mouse, and has a storage capacity of up to 1TB with transmission speed reaching 985MB/s, allowing players to play games without needing to use a specific computer.

After years of development, our electric control products for electric tricycles and electric scooters will begin mass production this year. The small scale production of the first AWAYSPEED electric tricycle in Taiwan is expected to begin in the first half of 2022, and will be delivered to logistics service providers. The next step will be to add a heat insulation function for sales to military, agriculture, fishery, livestock, fruits and vegetables, and floral markets, as well as small stores. Meanwhile, we will begin to send samples of electric tricycles for exports to overseas markets in the second quarter this year, and accelerate the expansion of AWAYSPEED electric tricycles sales.

Finally, we would like to thank shareholders for your support and encouragement over the years. We went through many business cycles in the memory industry, the financial tsunami, COVID-19 pandemic, and changes in technology trends, such as PC, smartphones, and tablet PCs, over the past 20 years, but we have been prepared through each step of the way based on our solid foundation and flexible response, and it has allowed us to reach new heights in the ever changing global environment. Starting in 2022, the results of our efforts in diversifying to industrial control, eSports, AI applications platform, and electric vehicle motors and electric vehicles have gradually appeared, accumulating solid capabilities for the next decade, when we will truly shine. We expect to achieve excellent growth this year under the collective efforts of all employees, and use actual profit performance to respond to the support of all shareholders.

Chairperson of the Board: Chen, Li-Pai



Manager: Chen, Ling-Chuan





Head of Accounting: Tseng, Shu-Ling




B. Company Profile

I. Date of Establishment: Friday, May 4, 2001

II. Company history

Year	Item
2001	<p>May</p> <p>The Company was established at 9F, No. 169, Section 4, Zhongxiao East Road, Taipei City with a capital of NT\$50,000,000. Purpose: Professional DRAM module and flash memory plant based on Taiwan and provides services worldwide.</p>
	<p>July</p> <p>The Company was relocated to 14F, No. 258, Liencheng Rd., Zhonghe City, Taipei County and formally began operations.</p>
	<p>August</p> <p>Established a wholly-owned subsidiary in Hong Kong.</p>
2002	<p>April</p> <p>The first in Taiwan to release a DDR400 memory module, which had excellent product performance and won DDR400 motherboard performance contests numerous times, and was highly popular among computer users, ranking number one in Taiwan in terms of shipments.</p>
	<p>July</p> <p>Established the Flash Division and formally entered the R&D and sales of flash memory cards and flash drives.</p>
	<p>September</p> <p>Stood out from the many DRAM module plants in Taiwan and became the largest DRAM module plant in Taiwan. Established a wholly-owned subsidiary in the US.</p>
	<p>December</p> <p>Expanded the head office in Taipei and relocated it from 14F to 18F due to rapid business growth. Monthly revenue surpassed NT\$1 billion for the first time. The management team brainstormed and decided on the company slogan "To Be A+ with A-DATA." This further strengthened our conviction to serve customers around the world. Established a second-tier wholly-owned subsidiary in Shanghai.</p>
2003	<p>March</p> <p>The Company's stock was approved by the Securities and Futures Institute for public listing. The Company formally obtained the ISO 9001 certification.</p>
	<p>July</p> <p>The first in Taiwan to launch the DDR500 memory module.</p>
	<p>September</p> <p>i-Drive and JOGR received the Good Design Mark  from TAITRA.</p>
	<p>October</p> <p>JOGR won the G-Mark Award 2003 from the JIDPO (Japan Industrial Design Promotion Organization). Annual revenue surpassed NT\$10 billion.</p>
	<p>December</p> <p>Stocks were traded in the OTC market.</p>
2004	<p>January</p> <p>i-Drive and JOGR won the 12th Taiwan Excellence Award. Chairperson Chen, Li-Pai won the 2003 Chinese Youth Entrepreneur Award of Yazhou Zhoukan.</p>
	<p>October</p> <p>Stocks were traded on the Taipei Exchange (Code: 3260). Camera memory, Lover Disk, and digital MP3 received the Good Design Mark  from TAITRA.</p>

Year		Item
	December	Monthly revenue reached a record high of NT\$3 billion. Chairperson Chen, Li-Pai was selected as a "Model of Young Entrepreneurs." Executive Vice President Chen, Ling-Chuan won the Model of Entrepreneurs Award. The Company ranked 5th in Taiwan and 27th in the Asia Pacific in the 3rd Deloitte Technology Fast 500 Asia Pacific.
2005	January	ADATA DDRII desktop, notebook, and server memory modules, camera memory, and Lover Disk won the 2004 Taiwan Excellence Award. ADATA strikes root in Taiwan and global strategy won the 3rd Golden Root Award of the Taiwan Industrial Technology Association.
	March	The Company formally obtained the ISO 14001 certification.
	May	Ranked 64th in Taiwan's top 1,000 manufacturing companies (published in the May issue of CommonWealth Magazine).
	June	The DDR2 series memory modules won the "Best Choice of COMPUTEX TAIPEI" from TAITRA. The DDR2 533 desktop memory module won the National Product Image Silver Award in the 13th Taiwan Excellence Award.
	July	Ranked 3rd in the "Taiwan Top 100" from Business Next.
	September	Ranked in the top 20 most valuable brands in Taiwan in the "Best Taiwan Global Brands."
	October	Show Me Disk won Japan's "G-Mark 2005."
2005	November	Fingerprint Disk won the design award in the United States' "CES 2006" product innovation award. Chairperson Chen, Li-Pai was recognized as an outstanding merchant in the 59th Golden Merchants Award.
	December	Fingerprint Disk won Germany's iF Product Design Award 2006.
2006	February	Fingerprint Disk won Germany's Red Dot Award: Product Design 2006.
	April	The 2005 revenue from flash drives was found by GFK to rank first in Taiwan in sales from physical distribution channels.
	July	Revenue from memory modules ranked second worldwide in 2005 (DRAMeXchange). The 2005 revenue from flash drives ranked fourth worldwide (iSupply).
	August	Solar Disk, Fingerprint Disk, VoIP Disk, and mini flash drive won the iF China Product Design Award 2006. The Company's products won two Silver Awards in the Taiwan Excellence Award and eight Taiwan Excellence Awards.
	September	September revenue reached a record high of US\$175 million! Ranked 14th in the Best Taiwan Global Brands and won the "potential star" award. (2006, Interbrand)
	October	First in the world to release a flash drive that supports Microsoft's ReadyBoost function, and was designated by Microsoft Taiwan for exclusive use in the Windows Vista reporter camp. Won two awards in Japan's G-Mark Award 2006. Established a wholly-owned subsidiary in the Netherlands.
	November	The Company won the "Taiwan Business Awards – Best Innovation in Management Award."

Year		Item
	December	Solar Disk, VoIP Disk, and infoSD memory card won the United States' CES Innovations Award 2007. infoSD memory card won the United States' CES Best of Innovations Award in 2007, which is the highest honor for computer accessories! Micro Drive won Germany's iF Product Design Award 2007.
2007	January	ADATA Technology's 2006 reached a record high of NT\$44.123 billion!
	February	Micro Drive won Germany's Red Dot Award: Product Design 2006.
	May	Micro Drive won the "Best Choice of Computex TAIPEI 2007 Award."
	July	Revenue from memory modules ranked second worldwide in 2006 (DRAMeXchange). Once again ranked 14th in the Best Taiwan Global Brands (2007, Interbrand). Micro Drive won the Gold Award in the Taiwan Excellence Awards.
	September	Micro Drive won Japan's "G-Mark 2007."
	December	N720 flash drive and S701 flash drive won Germany's iF Product Design Award 2008.
2008	January	N702 flash drive and S701 flash drive received the Good Design Mark  from TAITRA.
	March	N702 flash drive and S701 flash drive won Germany's Red Dot Award: Product Design 2008.
2009	January	T806 flash drive won Germany's iF Product Design Award 2008.
	February	S805 flash drive, CF350X memory card, XPG series DDR3 2133X v2.0, and SSD Enclosure won the Taiwan Excellence Award. T801, T802, T806, T807, and S805 flash drives and CH91 external HDD won six Taiwan Good Design Awards.
	March	T806 flash drive and CH91 external HDD won Germany's Red Dot Award: Product Design 2009. S805 flash drive won Honorable Mention in Germany's Red Dot Award: Product Design 2009.
	May	T806 flash drive won the "Computex TAIPEI Design & Innovation 2009 Award." Revenue from memory modules ranked second worldwide in 2008 (iSupply).
	August	Established an office in Mexico; establish a subsidiary in Seoul, South Korea.
	September	S805 flash drive won the iF China Product Design Award 2009, and T806 flash drive won the Good Design Award.
	October	Established an office in Moscow, Russia.

Year	Item	
2010	January	ADATA Technology announced new corporate identity. NH92 portable HDD won Germany's iF Product Design Award 2010.
	March	ADATA Technology won the Best Exhibition Design Award in India's IT Compass, and the NH92 portable HDD won the Best Value Product Award in IT Compass.
	May	Revenue from memory modules ranked second worldwide in 2009 (iSupply). Revenue from flash drives ranked third worldwide in 2009 (iSupply).
	June	Ranked 3rd in Taiwan's Top 100 Technology Companies.
	October	Won the Top 10 Outstanding Enterprises and Top 10 Outstanding Products in the 13th Golden Peak Awards.
	November	Established a subsidiary in India.
	December	S599 SSD, SH02 portable HD, NH03 3.5" external HDD, N005 flash drive, N004 flash drive, and S007 flash drive won the Taiwan Excellence Award. XPG Plus Series memory module won the iF China Product Design Award.
2011	January	N004 flash drive won the Gold Award in Germany's iF Product Design Award.
	March	Magnetic flash drive won Germany's Red Dot Award: Product Design. Grand opening of Brand Service Center in Taipei Guanghua Market.
	April	SSD S511 and S510 both won Mexico's Compugua Best Product Award.
	June	ADATA Technology celebrates its 10th anniversary and held an international computer exhibition and celebration event.
	July	The second Brand Service Center was established in NOVA Taichung.
	August	Won the Awards for Excellent Trading Businesses from the Ministry of Economic Affairs in 2010.
	October	Established an LED lighting R&D and sales team in Taiwan and formally entered the LED lighting industry.
	December	S511 SSD and Bookmarker flash drive won the Taiwan Excellence Award.
2012	January	Established a Repair and Sales Center in Kaohsiung.
	March	ADATA won the United States' 2012 REBRAND 100 Global Award.
	July	Established a Repair and Sales Center in Hsinchu.
	November	ADATA won the 2012 AIS "Accelerating Adoption Award." UV100 flash drive and SDXC UHS-I U1 memory card won the United States' Latin Channel Awards.
	December	Three products won Germany's iF Product Design Award, including: Military grade water-proof and shock resistant HD710 portable hard disks, the thinnest portable hard disk in the industry HE720, and the perfect combination of high performance and fashionable design UE700 flash drive. HE720 portable HD won the Gold Award in the Taiwan Excellence Awards. Obtained the right to issue sports lottery from 2014 to 2023.
2013	February	The Company actively expanded the cloud and industrial applications market and participated in Germany's Embedded World for the first time.
	March	Established Taiwan Sports Lottery.
	April	The first in the industry to work with Google and became the first memory brand to partner with Chrome. The first in Taiwan to launch the DDR4 memory module.
	May	Formally entered the LED lighting industry under the brand ADATA Lighting after years of R&D and marketing.
	September	Sponsored the first event of "The Color Run" in Taiwan.

Year	Item
October	ADATA participated in the Hong Kong International Lighting Fair (Autumn Edition) to actively expand its lighting brand.
November	SP900 SSD, SDHC class 4 memory card, SDXC UHS-1 U1 small memory card, and AE400 card reader and power bank won the United States' Latin Channel Awards. ADATA's subsidiary in India formally opened a new office in Mumbai to develop India's market.

Year	Item	
2014	January	Launched power bank and wireless charger in response to the increased use of mobile phones and tablet PCs. Began the second 10-year issuance of sports lottery on January 1, 2014.
	March	Entered a new phase of global brand strategy to more easily remember and improve brand image. Formally launched the global official website www.adata.com, and updated the suffix of employees' e-mail address. ADATA participated in Light+Building in Frankfurt, Germany for the first time.
	April	ADATA formally launched the DDR4 RDIMM (ECC Registered DIMM) memory for servers.
	June	The CE700 wireless charger won the Computex d&i. ADATA launched the newest and smallest M.2 interface SSD in the consumer market.
	July	Revenue from memory modules ranked second worldwide in 2013 (DRAMeXchange).
	August	ADATA led the industry in launching the DDR4 XPG Z1 overclocking memory.
	September	Won the two star award in the "Best Company to Work for in 2014" of Taipei City Government.
	October	DDR4 Z1 overclocking memory won Japan's Good Design Award.
2015	December	CE70 wireless charger, PC500 power bank, and SE720 ultra thin portable SSD won Taiwan's Golden Pin Design Award. DDR4 Z1 overclocking memory, CE700 wireless charger, and LED tulip table lamp won the Taiwan Excellence Awards. Sponsored the Taroko Gorge Marathon, a well known event that runners around the world must participate in once in their lifetime.
	January	ADATA launched the AURA RGB bluetooth light bulb in response to the trend of smart light bulbs.
	February	ADATA won the flash memory category in Europe's DISTREE Diamond Award.
	March	ADATA became the first in the industry to win the organization category in the National Industrial Innovation Award.
	April	DDR4 Z1 overclocking memory won the Gold Award in the Taiwan Excellence Awards. ADATA was the only company to win the Achievement Award in the Taiwan Excellence Award that year. ADATA sponsored the world class eSports team compLexity, showing its ambition to enter the games and eSports market.
	May	ADATA's office in Seoul, South Korea was formally opened to provide better services and develop the market. HD720 ultra durable external HDD won the COMPUTEX Best Choice Award.
	July	Launched the XPG SX930 2.5" SATA 6Gb/s, the first SSD for eSports.

Year	Item	
	August	Launched an Apple MFi certified colorful lightning charging cable for the first time. Launched the Premier SP550 SATA 6Gb/s, the first TLC SSD.
	October	ADATA launched numerous new Apple peripheral products, including the i-Memory UE710 3.0 Flash Drive, SD memory card, and the UC350 Type-C OTG Flash Drive. HD720 ultra durable external HDD won the "100 Innovative I.T. Application/Products" award.
	November	Sponsored the Taroko Gorge Marathon in Hualien and called on participants to challenge their limit. HD720 ultra durable external HDD won Taiwan's Golden Pin Design Award. Launched the world's first lightning two-way card reader for Apple iOS.
	December	HD720 ultra durable external HDD, SX930 eSports SSD, UC350 Type C flash drive, UV140 bookmark flash drive, and LED AURA RGB light bulb won the Taiwan Excellence Award.
2016	February	Launched the HD650X Xbox exclusive and HD710M camouflage external HDD.
	March	ADATA, ACLOUD Intelligence Services Corp. Ltd. and Feng Chia University engaged in industry-academia collaboration in the LED Smart Ergonomic Lighting System and Light Environment Application Project. Launched the first Micro USB charging cable for Android mobile devices.
	April	Strategized for the global e-commerce business.
	July	Expanded a new product line for external SSDs and launched three new external SSDs, including SE730 USB-C, SC660 2.5", and SV620 2.5".
	August	Launched the SU800, the first 2.5" SSD to use 3D NAND Flash.
	September	Became the first to launch PCIe Gen3x4 and 3D flash memory industrial SSD
	November	Launched a complete series of USB-C adapter and expansion products, including cable, card reader, adapter, and hub. Sponsored the Taroko Gorge Marathon in Hualien for the third consecutive year in hopes of taking on the challenge together with runners and realize the Company's brand spirit.
	December	Established the Brazil Plant. SE730 external SSD, SD700 external SSD, SX8000 M.2 2280 PCIe eSports SSD, and AI920 flash drive for Apple won the Taiwan Excellence Awards. A10050 power bank and AI920 flash drive for Apple won Taiwan's Golden Pin Design Award.

Year	Item	
2017	January	ADATA's profits in 2016 was a three-year high. Established the XPG Business Division and focused on expanding in the eSports industry.
	February	D700 external SSD won Germany's iF Product Design Award.
	March	ADATA's SSD shipments achieved a 6% global market share in 2016, ranking fourth in the world.
	April	SD700 external SSD won Germany's Red Dot Award: Product Design.
	May	ADATA's SD700 3D NAND external SSD won the COMPUTEX d&i 2017 Award.
	June	Launched the ADATA Computex 2017 robot, new XPG eSports products, and

Year	Item	
	SSD high-end solutions.	
July	ADATA announced the perfect combination of high performance and aesthetics provided by XPG SPECTRIX D40 DDR4 RGB memory and ASUS AURA Sync.	
August	ADATA displayed the NVMe PCIe and corporate grade SSD solution and DDR4 memory at the Flash Memory Summit in the US.	
September	ADATA SD700 3D NAND external SSD won Japan's Good Design Award 2017.	
October	11 products of ADATA, eSports and smart robots, all won the Taiwan Excellence Award.	
November	ADATA power bank and XPG eSports audio amplifier won the "Gold Award in the 100 I.T. Innovative Application/Products" and the "100 I.T. Innovative Application/Products."	
2018	January	ADATA entered the motor industry and launched electric vehicle power system solutions. Showed the ability to customize integrated power system and motor products at EV JAPAN.
	February	ADATA and Chunghwa Telecom formed a cross-industry alliance to seize AIoT market opportunities. ADATA employees donated over NT\$2 million to aid the post-disaster reconstruction after the Hualien earthquake.
	March	ADATA's D8000L LED power bank won the Germany's iF Design Award in 2018.
	May	Declared the transformation into an innovative technology company at COMPUTEX, and updated the brand slogan to "Innovating the future."
	July	ADATA became the world's second largest memory module manufacturer (DRAMeXchange).
	September	ADATA participated in EV JAPAN Nagoya 2018 to expand the global electric vehicle market.
	October	ADATA became the world's second largest SSD manufacturer (DRAMeXchange). ADATA's P10050C power bank won the 2018 Golden Pin Design Award. Organized the first ADATA parent-child photography contest and drawing contest.
	November	Main sponsor of the international eSports event "2018 IESF Esports World Championship." ADATA's HD680 and HD330 external HDD, SPECTRIX D80 DDR4 RGB liquid cooling memory, and D8000L camping lighting power bank won the Taiwan Excellence Award.
	December	ADATA's eSports brand XPG participated in the Blizzard Corporate Charity Tournament.
2019	January	XPG SPECTRIX D80 RGB liquid cooling memory set a world record of 5584MT/s.
	February	XPG SPECTRIX D80 DDR4 RGB liquid cooling memory won Germany's iF Design Award 2019.
	March	ADATA's HD830 external HDD and XPG SPECTRIX D80 memory won Germany's Red Dot Award: Product Design 2019. Organized the 2019 Hualien Pacific Int'L Dragon Boat Festival.
	May	Participated in COMPUTEX as an eSports company for the first time, and actively expanded product lines to transform into a comprehensive innovative technology company. HD770G is the world's first RGB ultra durable external HDD, and won the Best Choice and Computex d&i awards. SE800 external HDD won the Computex d&i

Year	Item	
	award.	
September	ADATA became the world's second largest SSD manufacturer (DRAMeXchange).	
October	Organized the second ADATA parent-child photography contest and drawing contest. Received the Gold Award for Sports Sponsorship in 108 from the Sports Administration, Ministry of Education. XPG SPECTRIX S40G RGB PCIe M.2 eSport SSD and SE760 external SSD won the 28th Taiwan Excellence Award.	
November	Received the Best Taiwan Brands from the Ministry of Economic Affairs (Top 30 Taiwan global brands). Received the ISO 9001 Plus Awards from SGS. Participated in the 2nd China International Import Expo under the name "ADATA Group."	
December	Main sponsor of the Taroko Gorge Marathon in Hualien.	
2020	January	The Automotive Electronics Business Group participated in Automotive World Tokyo and showed its total in-vehicle solutions. ADATA's eSports brand XPG participated in the 2020 CES.
March	ADATA XPG SPECTRIX D60G DDR4 RGB memory won Germany's Red Dot Award: Product Design 2020.	
April	ADATA's eSports brand XPG launched the first eSports notebook XPG XENIA and participated in the 2020 PAX East. Held the first exhibition for the parent-child drawing competition at Taipei MRT Dingxi Station, and displayed winning works of the second ADATA parent-child drawing contest.	
June	ADATA's eSports brand XPG sponsored the BTS CS Summit.	
July	Implemented the Potential Star Project and recruited graduates despite the pandemic.	
August	Selected as one of the "Best Companies to Work for in Asia in 2020" by HR Asia for the Company's business philosophy of valuing employees, employee care, and harmonious labor-management relations. ADATA was also selected as the most suitable company to work for in Asia. Held an exhibition for the parent-child drawing competition at Taipei MRT Jiangzicui Station, and displayed winning works of the ADATA parent-child drawing contest over the years.	
September	Recognized with the "2020 Asia Responsible Enterprise Awards – Social Welfare Development Category" for actions to achieve "Innovating the Future."	
October	ADATA's eSports brand XPG sponsored the ESL ALORANT Champions Tour. ADATA was the world's second largest SSD manufacturer in 2019 (DRAMeXchange, Oct. 2020).	
November	Selected as one of Taiwan's top twenty-five global brands (2020 Taiwan Global Brands Survey), showing the great success ADATA has had in innovation and branding. ADATA formally entered the green energy logistics market and developed an innovative logistics model, launching the first electric tricycle in Taiwan on November 27, which boasts the largest capacity and highest safety. Main sponsor of the Taroko Gorge Marathon in Hualien for seven consecutive years. Released brand stickers (humming bird Xiaowei and rabbit Xiaoxue) on Line,	

Year	Item
	<p>WhatsApp, and WeChat to build a connection with people in daily life and raise brand awareness.</p> <p>Held the 3rd parent-child drawing and photography contest at Taipei Zoo. Received the Gold Award for Sports Sponsorship in 2020 from the Sports Administration, Ministry of Education. Donated a fire guard car to the Seventh Relief and Rescue Brigade of Taichung City Fire Department to assist with disaster relief. Donated computer equipment to a rural school in Eastern Taiwan – Yuli Junior High School, encouraging the youth to show their creativity and innovation in learning.</p>
2021	<p>January</p> <p>ADATA's eSports brand XPG launched the eSports notebook XPG XENIA Xe and DDR5 memory. Chen, Ling-Chuan, President of ADATA, was selected as an outstanding alumnus of Ming Chuan University for having a positive impact on society and outstanding achievements.</p>
	<p>February</p> <p>Invited to participate in the Branding Taiwan Forward – Corporate Sharing Event and share the bittersweet process of brand development, as well as ADATA's abundant results in pursuing innovative brand development.</p>
	<p>March</p> <p>XPG SPECTRIX D70G DDR4 RGB gaming memory, SPECTRIX D50 Xtreme DDR4 RGB overclocking gaming memory, and GAMMIX S70 PCIe Gen4x4 M.2 2280 gaming SSD all won the Red Dot Design Award in 2021.</p>
	<p>June</p> <p>ADATA Technology's eSports brand XPG GAMMIX S70 PCIe Gen4x4 SSD received the 2021 Computex d&i awards, making XPG GAMMIX S70 the Gen4 SSD with the most awards in the world; it is another affirmation of XPG's outstanding product design skills.</p>
	<p>July</p> <p>As an act of reinforcement to smart healthcare strategies, ADATA Technology partnered with National Taiwan University Hospital Hsinchu Branch to launch the C-Rob smart autonomous mobile robot for pandemic prevention</p>
	<p>August</p> <p>ADATA is using digital tools to strengthen its interaction with global consumers, forgoing physical exhibitions and launching new brand products online for the first time. Its esports brand XPG is also receiving great response by strengthening the conversation between the brand and consumers through the 3D brand ambassador, the global Internet celebrity connection project, and the brand's exclusive digital theme song. ADATA Technology has long valued the growth and well-being of its employees, and has built a sense of belonging that is highly recognized by employees. The Company received the recognition of "Great Place to Work™" from Great Place to Work®. ADATA's eSports brand XPG released its own gaming gum, exclusively available in 7-ELEVENs across Taiwan.</p>
	<p>September</p> <p>ADATA became the world's second largest memory module manufacturer in 2020 (DRAMeXchange, 2021). Selected as one of the "Best Companies to Work for in Asia in 2020" by HR Asia. ADATA was also selected as the most suitable company to work for in Asia. The Company continues to promote internal and external health promotion programs for the health of the employees and the community, and have been recognized with the "2021 Asia Responsible Enterprise Awards – Social Welfare Development Category" for its commitment to social well-being and positive</p>

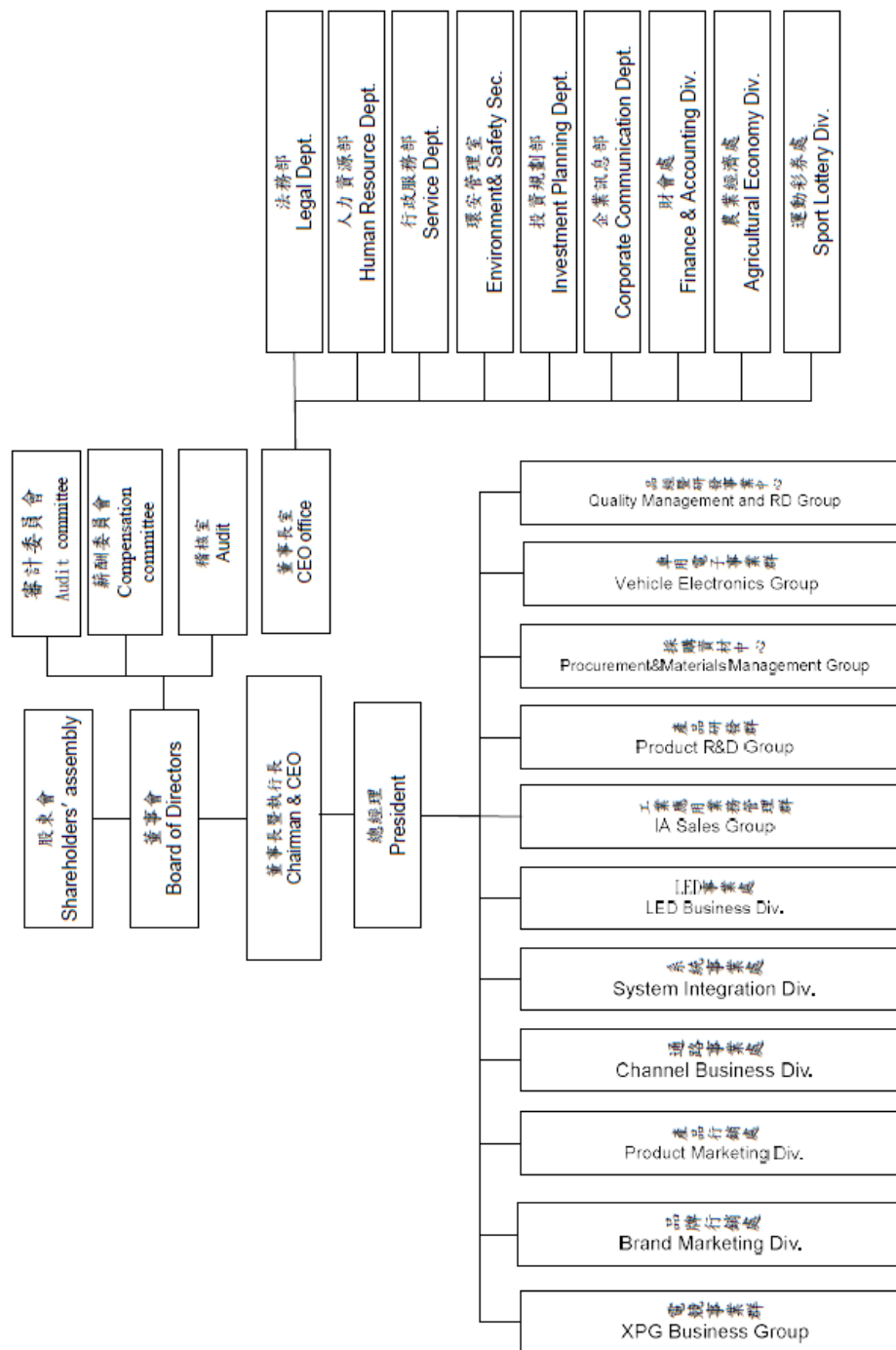
Year	Item
	<p>impact in the pursuit of sustainable development XPG 4D-printed eSports mouse HEADSHOT received the Golden Pin Design Award</p>
October	<p>ADATA was the world's second largest SSD manufacturer in 2020 (DRAMeXchange, Oct. 2021).</p>
November	<p>ADATA Technology achievements successfully crossed into green energy and AI; the ALWAYSPEED electric tricycle and the autonomous mobile robot have both received the Taiwan Excellence Silver Award. XPG 4D-printed eSports mouse HEADSHOT and ADATA MI086A13K permanent magnet synchronous automotive motor both received the Taiwan Excellence Award.</p> <p>ADATA is committed to the physical and mental health of its employees, creating a happy workplace for all ADATA employees, and leading the society to a better future; it also pledged to be a brand of 2021 Common Health Magazine CHR Healthy Corporate Citizen.</p> <p>ADATA US branch, ADATA Technology (USA) Co., Ltd., received the “23rd National Award of Outstanding SMEs for Overseas Taiwan Businesses”, held by from the Ministry of Economic Affairs, the Overseas Community Affairs Council, and the National Association of Small & Medium Enterprise.</p> <p>ADATA was No. 1 2021 Green Procurement Enterprise in New Taipei City, which demonstrates its dedication to environmental sustainability in the pursuit of corporate development and growth.</p>
December	<p>Selected as one of Taiwan's top twenty global brands (2021 Taiwan Global Brands Survey), showing the great success ADATA has had in innovation and branding.</p> <p>ADATA Technology received the rating of 2021 Best Workplaces in Greater China™ from Great Place to Work® (GPTW), the global research authority on workplace cultures.</p> <p>ADATA Technology cares about child development and has partnered with World Vision Taiwan and the Taiwan Foundation for Rare Disorders to host and expand the scope of the 4th ADATA Parent-Child Drawing and Photography Contest online, extending the Company's compassion and care to more children.</p>
2022	<p>February</p> <p>ADATA esports brand XPG eSports notebook Xenia 15KC was recognized as one of the best esports notebooks in 2022 by the international media PCworld Editor's Choice Awards.</p>
	<p>March</p> <p>Main sponsor of the Taroko Gorge Marathon in Hualien in 2021. For the eighth consecutive year, ADATA Technology has been promoting sports and local cultures to the general public, and calling on the public to cherish the earth's resources and realize the vision of universal health and environmental sustainability.</p>

C. Corporate Governance Report

I. Company organization

(I) Organizational structure

Effective date: 2022/3/31



(II) Business operations of major departments

Data date: Thursday, March 31, 2022

Department	Main responsibilities
Audit Office	<ol style="list-style-type: none"> 1. Inspect and evaluate the effectiveness and completeness of the Company's internal control system 2. Supervise and provide recommendations for improving the Company's internal operating procedures 3. Plan and execute internal and external audits 4. Supervise the Company's internal control system and mechanisms
Legal Division	<ol style="list-style-type: none"> 1. Intellectual Property Management 2. Manage the Company's legal documents and internal and external contracts 3. Prevent and handle lawsuits and disputes with the Company
Human Resources Department	Plan, establish, and implement human resources development
Administrative Services Department	<ol style="list-style-type: none"> 1. Plan, manage, and implement general affairs 2. Improve and construct factories, offices, and public facilities 3. Manage fixed assets and equipment
Environmental Safety Management Office	<ol style="list-style-type: none"> 1. Make overall plans for pollution prevention and EHS matters for the prevention of occupational accidents 2. Environmental safety management
Investment Planning Department	<ol style="list-style-type: none"> 1. Analyze and evaluate the Company's investment projects 2. Track and manage the Company's investment projects
Corporate Information Department	Integrate, use, and develop the Company's resources and handle the Company's communication and public affairs
Accounting Division	<ol style="list-style-type: none"> 1. Plan, establish, and maintain the Company's financial management and accounting system 2. Prepare and control the annual budget, and analyze and report implementation results 3. Use and allocation of long-term and short-term funds and handle various investments 4. Handle financial, accounting, and tax planning
Agricultural Economics Division	<ol style="list-style-type: none"> 1. Garden plantation maintenance and planning 2. Product development and planning 3. Production and marketing planning and technology research
Sports Lottery Division	<ol style="list-style-type: none"> 1. Issuance, sales, and promotion of sports lottery, announcement of the course of events and results, and redemption and management 2. Select and manage sports lottery distributors, and manage services providers
Automotive Electronics Business Group	<ol style="list-style-type: none"> 1. Sales and repair of vehicle, industrial, and agricultural motors and controllers 2. Motor and controller development and design 3. Motor and controller production and manufacturing 4. Vehicle power system planning and design 5. Develop motor related applications
Product Distribution and R&D Center	<ol style="list-style-type: none"> 1. Establish and maintain the quality policy and system 2. Supervise and ensure the implementation of the quality policy and system and carry out quality certification 3. Manage and use technical data and quality documents 4. Network services for group information 5. Build, set up, and integrate the Company's systems 6. Improve and maintain the Company's systems
Product R&D Group	<ol style="list-style-type: none"> 1. Flash product development and planning 2. Flash product application and design 3. Consumer electronics product development and planning 4. Consumer electronics product application and design 5. Software and hardware applications and design 6. Handle product customer services and repair issues
Materials	1. Formulate and execute the procurement strategy

Department	Main responsibilities
Procurement Center	<ol style="list-style-type: none"> 2. Select, evaluate, and manage suppliers 3. Control and coordinate procurement and delivery progress 4. Schedule production and manage materials
Industrial Application Management Group	<ol style="list-style-type: none"> 1. Strategy planning and development of the industrial control memory business 2. AIoT in-vehicle business planning and development 3. Robot business planning and development 4. SI business planning and development 5. Industrial application customer services and management 6. Industrial applications market development and marketing
LED Division	LED business strategy planning and development, customer services and management, and market development and marketing
Systems Division	<ol style="list-style-type: none"> 1. Systems business strategy planning and development 2. Systems customer services and management 3. System market development and marketing
Distribution Channel Business Group	<ol style="list-style-type: none"> 1. Distribution channel strategy planning and development 2. Distribution channel customer services and management 3. Distribution channel market development and marketing
Product Marketing Division	<ol style="list-style-type: none"> 1. Market information collection and product development project management 2. Customer and sales support 3. Product project progress planning, control, and execution 4. Research and modification of new products and technologies 5. Product research and design and specifications setting
Brand Marketing Division	<ol style="list-style-type: none"> 1. Regional distribution channel strategy planning and execution 2. Product marketing and promotion planning 3. Planning and execution of the global brand marketing strategy 4. Corporate visual image and brand image management, and graphic and website design 5. Implementation of integrated Internet marketing planning
eSports Business Group	<ol style="list-style-type: none"> 1. XPG product strategy planning and development 2. XPG customer services and management 3. XPG distribution channel market development and marketing

II. Information on directors, supervisors, president, vice president, assistant vice president, and heads of departments and branch offices

(I) Directors and Supervisors

1. Information on Directors and Supervisors

Saturday, April 16, 2022

Title	Nationality or place of registration	Name	Gender Age	Date of election (appointment)	Term	Date first elected	Shares held when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the name of others		Main work (education) experiences	Other positions at the Company or elsewhere	Other managerial officer, director or supervisor who is the spouse or a relative within second degree		Remarks	
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name		Relationship
Chairperson	ROC	Chen, Li-Pai	Male 51-60	2020.6.19	3	2001.08.22	4,237,210	1.86	5,282,210	1.98	6,702,876	2.51	4,973,000	1.86	Graduate Program, Department of Industrial Engineering and Engineering Management, National Tsing Hua University Representative of institutional director Taiwan Sports Lottery Company Vice Chairperson, iROC Corporation Chairperson, ALWAYSPEED Technology Co., Ltd. Chairperson, Baoda Investment Co., Ltd. Chairperson, All In Digital Co., Ltd. Chairperson, Wei Ming Innovation Representative of institutional director, Asustor Inc. Director, MaxLuck Biotech Corp. Chairperson, ADA TA Holdings Chairperson, ADA TA Technology Holdings Chairperson, ADA TA (HK) Chairperson, Allied Treasure Chairperson, Alwin Co., Ltd.	CEO, ADA TA Technology Chairperson, Zhao-Xing Investment Co., Ltd. Director, Zhao Long Investment Representative of institutional director Taiwan Sports Lottery Company Vice Chairperson, iROC Corporation Chairperson, ALWAYSPEED Technology Co., Ltd. Chairperson, Baoda Investment Co., Ltd. Chairperson, All In Digital Co., Ltd. Chairperson, Wei Ming Innovation Representative of institutional director, Asustor Inc. Director, MaxLuck Biotech Corp. Chairperson, ADA TA Holdings Chairperson, ADA TA Technology Holdings Chairperson, ADA TA (HK) Chairperson, Allied Treasure Chairperson, Alwin Co., Ltd.	Chairperson	Chen, Ling-Chuan	Spouse	Note 2
Director	ROC	Chen, Ling-Chuan	Female 51-60	2020.6.19	3	2001.04.25	5,927,876	2.6	6,702,876	2.51	5,282,210	1.98	1,699,000	0.64	Department of Business Administration, Ming Chuan University Vice President of Investment Procurement, Boqu Co., Ltd. Vice President of Director, TrendForce	President, ADA TA Technology Director, Zhao Long Investment Chairperson, Baoda Investment Co., Ltd. Director, TrendForce	Chairperson	Chen, Li-Pai	Spouse	Note 2

Title	Nationality or place of registration	Name	Gender Age	Date of election (appointment)	Term	Date first elected	Shares held when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the name of others		Main work (education) experiences	Other positions at the Company or elsewhere	Other managerial officer, director or supervisor who is the spouse or a relative within second degree			Remarks	
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relationship		
															Procurement, Twinmos Technologies Inc.	Chairperson, ATESTINC Co., Ltd. Representative of institutional director Zhao-Xing Investment Co., Ltd. ADATA TECHNOLOGY (U.S.A.)CFO Director, ADATA Technology B.V. Director, ADATA Technology (India) Director, ADATA Technology (Japan) Chairperson, Machdata Intermediacao De Negocios Ltda					
Director	ROC	Bao Da Investment Co., Ltd. Representative: Chen, Yen-Shu	- Male 51-60	2020.6.19 2020.6.19	3	2008.06.13 2019.11.11	2,036,800 0	0.9 0	2,506,800 27,000	0.94 0.01	0 0	0 0	0 0	0 0	Department of Finance, National Sun Yat-sen University Manager, Finance Department, UMC	Financial Officer, ADATA Technology Representative of institutional director iROC Corporation Representative of institutional director, Atrack Technology Inc. Supervisor, Taiwan Sports Lottery Company	N/A N/A	N/A N/A	N/A N/A	N/A N/A	
Director	ROC	Bao Da Investment Co., Ltd. Representative: Lin, Tien-Chiang	- Male 61-70	2020.6.19 2020.6.19	3	2008.06.13 2019.2.15	2,036,800 0	0.9 0	2,506,800 40,000	0.94 0.01	0 0	0 0	0 0	0 0	Department of Law, Soochow University Graduate Institute of American Studies, Tamkang University Editor-in-chief, EBC Asia News CEO, Taiwan Arts & Culture Television	Vice President, ADATA Technology Chairperson, ADATA Technology (Suzhou) Chairperson, ADATA Electronics (Shanghai) Chairperson, Advanced Data Technology (Suzhou) Chairperson, Ci Cai Guang Agricultural Biotechnology Co., Ltd. Chairperson, Long Tian Agricultural Biotechnology Co., Ltd. Representative of institutional director Taiwan Sports Lottery Company Representative of institutional director Zhao-Xing Investment					

Title	Nationality or place of registration	Name	Gender Age	Date of election (appointment)	Term	Date first elected	Shares held when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the name of others		Main work (education) experiences	Other positions at the Company or elsewhere	Other managerial officer, director or supervisor who is the spouse or a relative within second degree			Remarks
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relationship	
Director	ROC	Bao Da Investment Co., Ltd.	-	2020.6.19	3	2008.06.13	2,036,800	0.9	2,506,800	0.94	0	0	0	0	Department of Japanese, Tamkang University Procurement Manager, Transcend Information, Inc. Director, Procurement Division, Area South Electronic Corp.	Vice President, ADA TA Technology Supervisor, TrendForce	N/A	N/A	N/A	N/A
Director	ROC	Representative: Wu, Tsung-Ting	Male 41-50	2020.6.19	3	2014.6.23	0	0	35,000	0.01	0	0	0	0	Ming Chi University of Technology Sales Manager, Synnex Technology International Corporation Deputy Sales Manager, Hon Hai Precision Industry Co., Ltd. Assistant Vice President, HIM Technology Inc.	Vice President, ADA TA Technology	N/A	N/A	N/A	N/A
Independent Director	ROC	Bao Da Investment Co., Ltd.	-	2020.6.19	3	2008.06.13	2,036,800	0.9	2,506,800	0.94	0	0	0	0	MBA, Seattle University President, Jing Hua Electronics	Chairperson, Tung Ho Tea Co., Ltd. Chairperson, Hojia Asset Management Co., Ltd. Chairperson, Hezhou Investment Co., Ltd.	N/A	N/A	N/A	N/A
Independent Director	ROC	Chen, Tzu-Chang	Male 41-50	2020.6.19	3	2017.6.7	0	0	0	0	0	0	0	0	MBA Program, National Chengchi University Assistant Vice President, Acer Vice President, ASUS President, Synology Inc. President, QNAP Systems, Inc.	Chairperson, Hongxiang Investment Development Co., Ltd. Director, NU Inc. Director, Realusion Inc. Director, Sunny Pharmtech Inc.	N/A	N/A	N/A	N/A
Independent Director	ROC	Li, Tsung-Jung	Male 61-70	2020.6.19	3	2005.09.30	0	0	0	0	0	0	0	0	Department of Mechanical Engineering, Tamkang University	Chairperson, Well Hand Electronics Co., Ltd.	N/A	N/A	N/A	N/A

Note 1: Independent Director Hu, Yao-Jen was appointed on July 12, 2021.

Note 2: Where the chairperson and president or equivalent position (highest level managerial officer) is the same person, the spouse, or a first-degree relative, the reason, reasonableness, necessity, and response measures (such as increasing the number of independent director seats and more than half of all directors not concurrently serving as employees or managerial officers) must be disclosed:

The Company's chairperson (and CEO) and president are spouses with high total shareholding ratio. They are engaged in the Company's operations and are on the same page, which improves their operational efficiency and decision making. Furthermore, they fully communicate the Company's recent condition, plans, and policies with directors to implement corporate governance. In the future, the Company also plans to enhance the Board's capabilities and supervisory function by increasing the number of independent director seats, and with more than half of all directors not concurrently an employee or managerial officer. The Company currently has the following measures:

1. The three independent directors have an expertise in finance, accounting, and electronics, and can effectively serve their supervisory function.
2. Directors are arranged to participate in professional courses offered by external institutions, such as the Securities and Futures Institute, each year, in order to enhance Board performance.
3. Independent directors can fully discuss and provide recommendations in functional committees for the Board of Directors to reference when implementing corporate governance.

2. Major shareholders of institutional shareholders

Saturday, April 16, 2022

Name of institutional shareholder	Major shareholders of institutional shareholders
Bao Da Investment Co., Ltd.:	Chen, Li-Pai (60%) and Chen, Ling-Chuan (30%) Chen, Li-Ching (10%)

3. Disclosure of the professional qualifications of directors and supervisors, and the independence of independent directors:

Name	Criteria	Professional qualifications and experiences (Note 1)	Independence criteria (Note 2)	Number of other public companies in which the individual is concurrently serving as an independent director
Chen, Li-Pai	Many years of service in the semiconductor and computer industry, and has a rich set of relevant experiences; founded ADATA Technology in May 2021; not involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.	-	0	
Chen, Ling-Chuan	Many years of service in the semiconductor and computer industry, and has a rich set of relevant experiences; not involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.	-	0	
Bao Da Investment Co., Ltd. Representative: Chen, Yen-Shu	Many years of service in the semiconductor and computer industry, and has a rich set of relevant experiences; not involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.	-	0	
Bao Da Investment Co., Ltd. Representative: Wu, Tsung-Ting	Many years of service in the semiconductor and computer industry, and has a rich set of relevant experiences; not involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.	-	0	
Bao Da Investment Co., Ltd. Representative: Kang, Chien-Chung	Many years of service in the semiconductor and computer industry, and has a rich set of relevant experiences; not involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.	-	0	
Bao Da Investment Co., Ltd. Representative: Lin, Tien-Chiung	Former EBC Asia News Editor-in-chief; not involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.	-	0	
Chen, Tzu-Chang	The Convener of the Company's Audit Committee and Remuneration Committee; the Chairperson of Tung Ho Tea, Hojia Asset Management, and Hezhou Investment; has an expertise in corporate operations, and five years or above work experience in commerce, law, finance, accounting or a profession necessary for the business of the Company; not involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.	Meets the independence criteria	0	
Li, Tsung-Jung	A Member of the Company's Audit Committee and Remuneration Committee; the Chairperson of Hongxiang Investment Development, a Director of Nu Inc., Reallusion Inc., and Sunny Pharmtech Inc.; has an expertise in corporate operations, and five years or above work experience in commerce, law, finance, accounting or a profession necessary for the business of the Company; not involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.	Meets the independence criteria	0	

Hu, Yao-Jen	A Member of the Company's Audit Committee and Remuneration Committee; the Chairperson of Well Hand Electronics; has an expertise in corporate operations, and five years or above work experience in commerce, law, finance, accounting or a profession necessary for the business of the Company; not involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.	Meets the independence criteria	0
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Note 1: Professional qualifications and experiences: Describe the professional qualifications and experiences of individual Directors and Supervisors; for instance: a member of the Audit Committee who has an expertise in accounting or finance. Also describe the member's background and work experience in accounting or finance, and state if the member is involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.

Note 2: The independent director shall clarify the independence status, including but not limited to whether the independent director, a spouse, or a relative within the second degree of kinship is a director, supervisor, or employee of the Company or its affiliates; the number and proportion of shares held by the independent director, a spouse, or a relative within the second degree of kinship (or by using the name of another person); whether the independent director is a director, supervisor, or employee of a company with which the Company has a specific relationship (refer to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of remuneration received for business, legal, financial, and accounting services provided to the Company or its affiliates in the last two years.

4. Board of Directors diversity and independence:

Although the Company's Board of Directors has not established the diversity policies and concrete management objectives, it still adheres to Article 20 of the *Corporate Governance Code of Practice*, which specifies that the members of the Company's Board of Directors shall have the general knowledge, skills, and the competencies required to perform incumbent duties. In order to accomplish the preferred governance goals of the Company, the Board of Directors shall generally be equipped with the following capabilities:

- (1) Ability to make sound business judgments.
- (2) Ability to perform accounting and financial analysis.
- (3) Ability to manage a business.
- (4) Ability to handle crisis management.
- (5) Knowledge of the industry.
- (6) An international market perspective.
- (7) Leadership ability.
- (8) Decision-making ability.

The independence of the Board of Directors can be found in the above table, and the three independent directors account for 33% of the Board members; the Board is not be involved in matters referred to in Article 26-3 and 26-4 of the Securities and Exchange Act.

(II) President, Vice Presidents, Assistant Vice Presidents, and Department and Branch Directors

Saturday, April 16, 2022

Title	Nationality	Name	Gender	Date of appointment	Number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Main work (education) experiences	Concurrently held positions in other companies	Other manager who is the spouse or a relative within the second degree			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
CEO	ROC	Chen, Li-Pai	Male	2004.10.6	5,282,210	1.98	6,702,876	2.51	4,973,000	1.86	Graduate Program, Department of Industrial Engineering and Engineering Management, National Tsing Hua University Department of Electrical Engineering, Feng Chia University Chairperson, Boqu Co., Ltd. President, Twinnos Technologies Inc.	Chairperson, Zhao-Xing Investment Co., Ltd. Director, Zhao Long Investment Representative of institutional director Taiwan Sports Lottery Company Vice Chairperson, iROC Corporation Chairperson, AWAYSPEED Technology Co., Ltd. Chairperson, Baoda Investment Co., Ltd. Chairperson, All In Digital Co., Ltd. Chairperson, Wei Ming Innovation Representative of institutional director, Asustor Inc. Director, MaxLuek Biotech Corp. Chairperson, ADATA Holdings Chairperson, ADATA Technology Holdings Chairperson, ADATA (HK) Chairperson, Allied Treasure Chairperson, Alwin Co., Ltd.	President	Chen, Ling-Chu	Spouse	Note 1
President	ROC	Chen, Ling-Chuan	Female	2014.4.1	6,702,876	2.51	5,282,210	1.98	1,699,000	0.64	Department of Business Administration, Ming Chuan University Vice President of Procurement, Boqu Co., Ltd. Vice President of Procurement, Twinnos Technologies Inc.	Director, Zhao Long Investment Chairperson, Baoda Investment Co., Ltd. Director, TrendForce Chairperson, ATESTING Co., Ltd. Representative of institutional director Zhao-Xing Investment Co., Ltd. ADATA TECHNOLOGY (U.S.A.) CFO Director, ADATA Technology B.V. Director, ADATA Technology (India) Director, ADATA Technology (Japan) Chairperson, Machdata Intermediae De Negocios Ltda	CEO	Chen, Li-Pai	Spouse	Note 1
Vice President	ROC	Lin, Tien-Chiang	Male	2014.1.1	40,000	0.01	0	0	0	0	Department of Law, Soochow University Graduate Institute of American Studies, Tamkang University Editor-in-chief, EBC Asia News CEO, Taiwan Arts & Culture Television	Chairperson, ADATA Technology (Suzhou) Chairperson, ADATA Electronics (Shanghai) Chairperson, Advanced Data Technology (Suzhou) Chairperson, Ci Cai Guang Agricultural Biotechnology Co., Ltd. Chairperson, Long Tan Agricultural Biotechnology Co., Ltd. Representative of institutional director Taiwan Sports Lottery Company Representative of institutional director Zhao-Xing Investment Co., Ltd.	N/A	N/A	N/A	N/A

Title	Nationality	Name	Gender	Date of appointment	Number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Main work (education) experiences	Concurrently held positions in other companies	Other manager who is the spouse or a relative within the second degree			Remarks	
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
Vice President	ROC	Kang, Chien-Chung	Male	2014.11.6	24,503	0.01	0	0	0	0	Ming Chi University of Technology Sales Manager, Synnex Technology International Corporation N/A Deputy Sales Manager, Hon Hai Precision Industry Co., Ltd. Assistant Vice President, HIM Technology Inc.		N/A	N/A	N/A	N/A	
Vice President	ROC	Wu, Tsung-Ting	Male	2014.11.6	35,000	0.01	0	0	0	0	Department of Japanese, Tamkang University Procurement Manager, Transcend Information, Inc. Director, Procurement Division, Area South Electronic Corp. Supervisor, TrendForce		N/A	N/A	N/A	N/A	
Vice President	ROC	Cheng, Li-Hsiung	Male	2015.4.21	4,037	0	43	0	0	0	Master in Mechanical Engineering, Chung Yuan Christian University Senior Engineer, Chungwa Picture Tubes, Ltd. Manager, ASUS		N/A	N/A	N/A	N/A	
Vice President	ROC	Chiang, Chang-Hsien	Male	2017.1.1	0	0	0	0	0	0	Department of Electrical Engineering, National Taipei University of Technology		N/A	N/A	N/A	N/A	
Vice President	ROC	Hsieh, Tai-Kao	Male	2018.8.10	65,000	0.02	0	0	0	0	Master in Industrial Engineering and Engineering Management, National Tsing Hua University President, PNY Technologies Asia Pacific Limited		N/A	N/A	N/A	N/A	
Vice President	ROC	Li, Ching-Fa	Male	2021.4.20	10,000	0	0	0	0	0	Ph.D, Institute of Information Systems and Applications, National Tsing Hua University Vice President, Compal Electronics, Inc.		N/A	N/A	N/A	N/A	
Director and Financial Officer of the Accounting Division	ROC	Chen, Yen-Shu	Male	2019.11.11	27,000	0.01	0	0	0	0	Department of Finance, National Sun Yat-sen University Manager, Finance Department, UMC		Representative of institutional director iROC Corporation Representative of institutional director, Atrack Technology Inc. Supervisor, Taiwan Sports Lottery Company	N/A	N/A	N/A	N/A
Manager and Accounting Supervisor of the Accounting Division	ROC	Tseng, Shu-Ling	Female	2019.11.11	4,000	0	0	0	0	0	Master of Accounting, Fu Jen Catholic University Manager, Lanme Electronics Inc.		N/A	N/A	N/A	N/A	

Title	Nationality	Name	Gender	Date of appointment	Number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Main work (education) experiences	Concurrently held positions in other companies	Other manager who is the spouse or a relative within the second degree			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Manager, Audit Office	ROC	Lin, Kui-Hsiang	Female	2011.2.25	0	0	0	0	0	0	MBA, National Taipei University Senior Auditor, PwC Taiwan	N/A	N/A	N/A	N/A	N/A

Note 1: Where the chairperson and president or equivalent position (highest level managerial officer) is the same person, the spouse, or a first-degree relative, the reason, reasonableness, necessity, and response measures (such as increasing the number of independent director seats and more than half of all directors not concurrently serving as employees or managerial officers) must be disclosed:

The Company's chairperson (and CEO) and president are spouses with high total shareholding ratio. They are engaged in the Company's operations and are on the same page, which improves their operational efficiency and decision making. Furthermore, they fully communicate the Company's recent condition, plans, and policies with directors to implement corporate governance. In the future, the Company also plans to enhance the Board's capabilities and supervisory function by increasing the number of independent director seats, and with more than half of all directors not concurrently an employee or managerial officer. The Company currently has the following measures:

1. The three independent directors have an expertise in finance, accounting, and electronics, and can effectively serve their supervisory function.
2. Directors are arranged to participate in professional courses offered by external institutions, such as the Securities and Futures Institute, each year, in order to enhance Board performance.
3. Independent directors can fully discuss and provide recommendations in functional committees for the Board of Directors to reference when implementing corporate governance.

(III) Remunerations to directors (including independent directors), supervisors, president, and vice presidents in the most recent year

1. Director's remuneration

December 31, 2021; NT\$1,000

Title	Name	Director's remuneration						Pay received as an employee (Note 3)				Total of (A+B+C+D) and (A+B+C+D) as a percentage of after-tax net profit		Remuneration received from invested companies other than subsidiaries or the parent company										
		Remuneration (A)		Severance pay and pension (B)		Director's remuneration (C) (Note 2)		Business expense (D)		Total of (A+B+C+D) and (A+B+C+D) as a percentage of after-tax net profit		Employee bonuses (C) (Note 2)												
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	Cash amount	Stock amount		The Company	All Consolidated Entities								
Directors	Chen, Li-Pai	0	0	0	0	3,185	16,497	36	36	0.14%	0.74%	129,474	129,474	0	0	8,238	0	6.26%	6.86%	N/A				
	Chen, Ling-Chuan																							
	Bao Da Investment Co., Ltd. Representative: Lin, Tien-Chiung																							
	Bao Da Investment Co., Ltd. Representative: Chen, Yen-Shu	0	0	0	0	15,923	15,923	174	174	0.72%	0.72%	102,975	106,077	540	540	5,930	0	5.59%	5.72%	N/A				
	Bao Da Investment Co., Ltd. Representative: Wu, Tsung-Ting																							
	Bao Da Investment Co., Ltd. Representative: Kang, Chien-Chung																							
	Huang, Kuan-Mo (Note 4)																							
	Li, Tsung-Jung	0	0	0	0	9,553	9,553	252	252	0.44%	0.44%	0	0	0	0	0	0	0.44%	0.44%					
	Chen, Tzu-Chang																							
	Hu, Yao-Jen																							

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: Remuneration to the Company's independent directors is in accordance with Article 32 of the Articles of Incorporation. If the Company has a profit, no more than 1% shall be allocated as directors' remuneration, and transportation allowance is provided according to attendance in Board and functional committee meetings.

2. Other than as disclosed in the above table, the remuneration of directors providing services (e.g. providing consulting services as a non-employee to the parent company, and all companies and re-investment businesses listed in the annual report) in the latest fiscal year: 0

Note 1: Allocation of severance pay and pension expense.

Note 2: The Board of Directors approved the distribution of NT\$28,661,000 as directors' remuneration and NT\$85,983,000 as employee remuneration for 2021 on March 15, 2022. This table shows the proposed amount calculated based on last year's actual distribution.

Note 3: Please page 32 of this Annual Report for a list of directors who are concurrently employees.

Note 4: Independent Director Huang, Kuan-Mo resigned on April 1, 2021, so the amount of remuneration in the table above is from January to March 2021.

Range of remuneration chart

Remuneration scale applicable to the Company's directors	Name of director		
	Total amount for the preceding four remunerations (A+B+C+D)	Total amount for the preceding seven remunerations (A+B+C+D+E+F+G)	
	The Company	The Company	All Consolidated Entities
Less than NT\$1,000,000	<p>Directors: Bao Da Investment Co., Ltd. Representative – Lin, Tian-Chiung Bao Da Investment Co., Ltd. Representative – Chen, Yen-Shu Bao Da Investment Co., Ltd. Representative – Wu, Tsun-Ting Bao Da Investment Co., Ltd. Representative – Kang, Chien-Chung Independent director: Huang, Kuan-Mo</p>	<p>Directors: Bao Da Investment Co., Ltd. Representative – Lin, Tian-Chiung Bao Da Investment Co., Ltd. Representative – Chen, Yen-Shu Bao Da Investment Co., Ltd. Representative – Wu, Tsun-Ting Bao Da Investment Co., Ltd. Representative – Kang, Chien-Chung Independent director: Huang, Kuan-Mo</p>	<p>All Consolidated Entities Independent director: Huang, Kuan-Mo</p>
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	-	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	<p>Directors: Chen, Li-Pai and Chen, Ling-Chuan Independent director: Li, Tsung-Jung, Chen, Tzu-Chang, Hu, Yao-Jen</p>	<p>Directors: Chen, Ling-Chuan Independent director: Li, Tsung-Jung, Chen, Tzu-Chang, Hu, Yao-Jen</p>	<p>Independent director: Li, Tsung-Jung, Chen, Tzu-Chang, Hu, Yao-Jen</p>
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	-	<p>Directors: Bao Da Investment Co., Ltd. Representative – Lin, Tian-Chiung Bao Da Investment Co., Ltd. Representative – Chen, Yen-Shu Bao Da Investment Co., Ltd. Representative – Kang, Chien-Chung</p>	<p>Directors: Bao Da Investment Co., Ltd. Representative – Lin, Tian-Chiung Bao Da Investment Co., Ltd. Representative – Chen, Yen-Shu Bao Da Investment Co., Ltd. Representative – Kang, Chien-Chung</p>
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	<p>Directors: Bao Da Investment</p>	<p>Directors: Bao Da Investment Bao Da Investment Co.,</p>	<p>Directors: Bao Da Investment Bao Da Investment Co.,</p>

				Ltd. Representative – Wu, Tsung-Ting	Ltd. Representative – Lin, Tian-Chiung Bao Da Investment Co., Ltd. Representative – Wu, Tsung-Ting
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	Directors: Chen, Li-Pai	-	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-	-	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-	-	Directors: Chen, Ling-Chuan	Directors: Chen, Ling-Chuan
NT\$100,000,000 and above	-	-	-	Directors: Chen, Li-Pai	Directors: Chen, Li-Pai
Total	11	11	11	11	11

2. Remuneration to supervisors: Not applicable because the Company established an Audit Committee in 2017.

3. Remunerations to the president and vice presidents

December 31, 2021; NT\$1,000

Title	Name	Salary (A)		Severance pay and pension (B) (Note 1)		Bonuses and allowances, etc. (C)		Employee bonuses (D) (Note 4)			Total of (A+B+C+D) and as a percentage of after-tax net profit		Remuneration received from invested companies other than subsidiaries or the parent company
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All Consolidated Entities			
								Cash amount	Stock amount		Cash amount	Stock amount	
CEO	Chen, Li-Pai												
President	Chen, Ling-Chuan												
Vice President	Lin, Tien-Chiung												
Vice President	Kang, Chien-Chung												
Vice President	Wu, Tsung-Ting	27,561	34,757	834	834	229,954	229,954	15,714	0	15,714	0	12.19%	N/A
Vice President	Cheng, Li-Hsiung												
Vice President	Chiang, Chang-Hsien												
Vice President	Hsieh, Tai-Kao												
Vice President	Li, Ching-Fa (Note 2)												

Note 1: Allocation of severance pay and pension expense.

Note 2: Li, Ching-Fa was appointed on April 20, 2021, so the amount of remuneration in the table above is from April to December 2021.

Note 3: The Board of Directors approved the distribution of NT\$85,983,000 as the 2021 employee remuneration on March 15, 2022. This table shows the proposed amount calculated based on last year's actual distribution.

Range of remuneration chart

Range of remuneration paid to presidents and vice presidents	Names of president and vice presidents	
	The Company	All Consolidated Entities
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Li, Ching-Fa	Li, Ching-Fa

NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Cheng, Li-Hsiung; Kang, Chien-Chung; Chiang, Chang-Hsien; Lin, Tien-Chiung	Kang, Chien-Chung; Chiang, Chang-Hsien
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	Wu, Tsung-Ting	Cheng, Li-Hsiung; Wu, Tsung-Ting; Lin, Tien-Chiung
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	Hsieh, Tai-Kao	Hsieh, Tai-Kao
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	Chen, Ling-Chuan	Chen, Ling-Chuan
NT\$100,000,000 and above	Chen, Li-Pai	Chen, Li-Pai
Total	9	9

4. Manager's name and the distribution of employee bonus

			December 31, 2021; NT\$1,000			
	Title	Name	Stock amount	Cash amount	Total	Percentage of total sum to net profit after tax
Manager	CEO	Chen, Li-Pai				
	President	Chen, Ling-Chuan				
	Vice President	Lin, Tien-Chiung				
	Vice President	Kang, Chien-Chung				
	Vice President	Wu, Tsung-Ting				
	Vice President	Cheng, Li-Hsiung	0	16,434	16,434	0.73%
	Vice President	Chiang, Chang-Hsien				
	Vice President	Hsieh, Tai-Kao				
	Vice President	Li, Ching-Fa				
	Financial officer	Chen, Yen-Shu				
Head of accounting	Tseng, Shu-Ling					

Note 1: The Board of Directors approved the distribution of NT\$85,983,000 as the 2021 employee remuneration on March 15, 2022. This table shows the proposed amount calculated based on last year's actual distribution.

Note 2: Pursuant to Order Tai-Cai-Zheng(3)-Zi No. 0920001301 from the FSC dated March 27, 2003, the scope of managers is as follows:

- (1) President or equivalent position
- (2) Vice president or equivalent position
- (3) Assistant vice president or equivalent position
- (4) Head of the Finance Department
- (5) Head of the Accounting Department
- (6) Other positions with the right to manage company affairs and represent the company in signing contracts

(IV) Compare the percentage of after-tax net profit on the standalone and consolidated financial statements distributed by the Company and All Consolidated Entities as remuneration to the Company's directors, supervisors, CEO, president, and vice presidents in the most recent two years, and describe the policy, standard, and composition of remuneration, procedures to determining remuneration, and the connection to business performance and future risks.

1. Amount of remuneration to the Company's directors, supervisors, president, and vice presidents in the most recent two years as a percentage of after-tax net profit is analyzed as follows:

	Ratio of the total amount to net income after tax			
	2020		2021	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Director	5.92%	7.17%	12.29%	13.02%
Supervisor (Note)	0%	0%	0%	0%
President and vice presidents	5.97 %	6.35%	12.19 %	12.52%

Note: The Company established the Audit Committee in 2017, so there is no remuneration to supervisors.

2. Remuneration policy, standard, and package:

- (1) Directors and supervisors receive a fixed transportation allowance based on their attendance in Board or Remuneration Committee meetings. Pursuant to the Articles of Incorporation, no more than 1% of profits shall be allocated as directors' remuneration.
- (2) The remunerations to the president and vice presidents are determined based on industry standards and position's scope of authority and responsibility in the Company. Reasonable bonuses and employee bonuses are give based on the Company's profits, individual work performance, and contribution to the Company's business goals, in order to encourage and retain talent.

3. Procedure for determining remuneration:

Remuneration of directors, president, and vice presidents (including employee bonuses, salary raises, and non-fixed bonuses) must be reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

4. Connection with business performance:

- (1) The remuneration of directors and supervisors already takes into consideration the Company's business goals, financial position, and the duties of directors and supervisors.
- (2) The remuneration of the president and vice presidents already takes into consideration their professional abilities, the Company's business performance, financial position, and their duties.

5. Connection with future risk:

Important decisions made by the Company's managers give consideration to various risk factors. The performance of important decisions reflects on the Company's profitability, and is further connected to the remuneration to managers. In other words, the remuneration of directors, supervisors, president, and vice presidents is connected to their performance in managing future risks.

III. Implementation of Corporate Governance

(I) Status of Board operations

1. There were 12 Board meetings in the most recent year (2021), and attendance of directors is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance in person (%)	Remarks
Chairperson	Chen, Li-Pai	12	0	100%	Re-elected during the annual shareholders' meeting on June 19, 2020
Director	Chen, Ling-Chuan	12	0	100%	Re-elected during the annual shareholders' meeting on June 19, 2020
Director	Bao Da Investment Co., Ltd. Representative of institution: Lin, Tien-Chiung	12	0	100%	Re-elected during the annual shareholders' meeting on June 19, 2020
Director	Bao Da Investment Co., Ltd. Representative of institution: Chen, Yen-Shu	12	0	100%	Re-elected during the annual shareholders' meeting on June 19, 2020
Director	Bao Da Investment Co., Ltd. Representative of institution: Wu, Tsung-Ting	12	0	100%	Re-elected during the annual shareholders' meeting on June 19, 2020
Director	Bao Da Investment Co., Ltd. Representative of institution: Kang, Chien-Chung	10	1	83%	Re-elected during the annual shareholders' meeting on June 19, 2020
Independent director	Huang, Kuan-Mo	2	0	100%	Re-elected during the annual shareholders' meeting on June 19, 2020, and resigned on April 1, 2021
Independent Director	Li, Tsung-Jung	11	1	91%	Re-elected during the annual shareholders' meeting on June 19, 2020

Independent director	Chen, Tzu-Chang	12	0	100%	Re-elected during the annual shareholders' meeting on June 19, 2020
Independent director	Hu, Yao-Jen	5	0	83%	Elected during the annual shareholders' meeting by-election on July 12, 2021

Other disclosures:

I. If any of the following circumstances occurs in the operation of the Board of Directors, the date, period, content of the motions, the opinions of all independent directors, and the Company's handling of independent directors' opinions shall be stated:

- (I) Matters referred to in Article 14 -3 of the Securities and Exchange Act (see the table below for details): No independent directors expressed any dissenting or qualified opinions regarding Board resolutions.
- (II) In addition to the aforementioned matters, other Board meeting resolutions with independent directors' dissenting and qualified opinions in records or written statements: No independent directors expressed any dissenting or qualified opinions regarding Board resolutions.

Board of Directors	Agenda and follow-up	Matters referred to in Article 14 -3 of the Securities and Exchange Act	Dissenting or qualified opinions of independent directors
6th meeting of the 8th-term on February 3, 2021	1. Year-end bonuses for managerial officers proposed by the Remuneration Committee.	✓	N/A
	2. Proposal to amend the internal control system.	✓	N/A
Independent directors' opinions: N/A			
The Company's handling of independent directors' opinions: N/A			
Resolution: Approved by all directors in attendance			
7th meeting of the 8th-term on March 24, 2021	1. Bonuses for managerial officers proposed by the Remuneration Committee.	✓	N/A
	2. Proposal to determine the remuneration to the Company's accountants.	✓	N/A
Independent directors' opinions: N/A			
The Company's handling of independent directors' opinions: N/A			
Resolution: Approved by all directors in attendance			
8th meeting of the 8th-term on April 20, 2021	1. Bonuses for managerial officers proposed by the Remuneration Committee.	✓	N/A
	2. Proposal to apply to financial institutions for foreign currency and	✓	N/A

	financial derivative trading limit.		
	3. Proposal for the Company to provide endorsement and guarantee for investee ADATA ELECTRONICS BRAZIL S.A.	✓	N/A
	4. Revision of the Procedure for the Acquisition or Disposal of Assets.	✓	N/A
	5. Proposal to acquire real estate.	✓	N/A
Independent directors' opinions: N/A			
The Company's handling of independent directors' opinions: N/A			
Resolution: Approved by all directors in attendance			
9th meeting of the 8th-term on May 3, 2021	1. Raises for managerial officers proposed by the Remuneration Committee.	✓	N/A
	2. Incentives for managerial officers proposed by the Remuneration Committee.	✓	N/A
	3. Proposal to acquire real estate.	✓	N/A
Independent directors' opinions: N/A			
The Company's handling of independent directors' opinions: N/A			
Resolution: Approved by all directors in attendance			
10th meeting of the 8th-term on June 21, 2021	1. Bonuses for managerial officers proposed by the Remuneration Committee.	✓	N/A
	2. Proposal for the Company to provide endorsement and guarantee for investee ADATA ELECTRONICS BRAZIL S.A.	✓	N/A
Independent directors' opinions: N/A			
The Company's handling of independent directors' opinions: N/A			
Resolution: Approved by all directors in attendance			
11th meeting of the 8th-term on June 29, 2021	1. Proposal to participate in the private placement of ADATA Technology Co., Ltd.	✓	N/A
Independent directors' opinions: N/A			
The Company's handling of independent directors' opinions: N/A			
Resolution: Approved by all directors in attendance			
12th meeting of the 8th-term on July 15, 2021	1. Proposal for the Company's 10th (2021) share buyback so as to transfer them to employees.	✓	N/A
Independent directors' opinions: N/A			
The Company's handling of independent directors' opinions: N/A			
Resolution: Approved by all directors in attendance			
13th meeting of the 8th-term on August 4, 2021	1. Bonuses for managerial officers proposed by the Remuneration Committee.	✓	N/A
Independent directors' opinions: N/A			
The Company's handling of independent directors' opinions: N/A			
Resolution: Approved by all directors in attendance			
14th meeting of the 8th-term	1. Bonuses for managerial officers proposed by the Remuneration Committee.	✓	N/A

on August 23, 2021	2. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.	✓	N/A	
Independent directors' opinions: N/A				
The Company's handling of independent directors' opinions: N/A				
Resolution: Approved by all directors in attendance				
15th meeting of the 8th-term on October 15, 2021	1. Proposal to dispose of real estate.	✓	N/A	
	2. Proposal for the Company to provide a loan to investee ADATA ELECTRONICS BRAZIL S.A.	✓	N/A	
	3. Proposal to amend the internal control system.	✓	N/A	
Independent directors' opinions: N/A				
The Company's handling of independent directors' opinions: N/A				
Resolution: Approved by all directors in attendance				
16th meeting of the 8th-term on November 9, 2021	1. Bonuses for managerial officers proposed by the Remuneration Committee.	✓	N/A	
	2. Distribution of employee bonuses to managerial officers proposed by the Remuneration Committee.	✓	N/A	
Independent directors' opinions: N/A				
The Company's handling of independent directors' opinions: N/A				
Resolution: Approved by all directors in attendance				
17th meeting of the 8th-term on December 29, 2021	1. Bonuses for managerial officers proposed by the Remuneration Committee.	✓	N/A	
	2. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.	✓	N/A	
	3. Proposal for the Company to provide a loan to investee ADATA ELECTRONICS BRAZIL S.A.	✓	N/A	
Independent directors' opinions: N/A				
The Company's handling of independent directors' opinions: N/A				
Resolution: Approved by all directors in attendance				
II. When there are recusals of directors due to conflicts of interests, names of the directors, contents of resolutions, reasons of recusal, and voting participation should be stated:				
(I) Chairperson Chen, Li-Pai, Directors Chen, Ling-Chuan, Chen, Yen-Shu, Lin, Tien-Chiung, Wu, Tsung-Ting, and Kang, Chien-Chung.				
Agenda: Proposal to review and resolve on raises and bonuses for the Company's managerial officers in 2021.				
Reason for recusal and participation in voting: The individuals above had a conflict of interest and therefore recused themselves from the discussion and vote on the agenda item.				
III. TWSE/TPEX listed companies shall disclose the cycle and period, scope, method, and content of self evaluations of the board of directors:				
Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implemented once a year	From January 1, 2021 to December 31, 2021	Performance evaluation of the board of	Self-evaluation of the board members, and the	1. Board of Directors Performance Evaluation: Level of participation in the Company's operations, improving the quality of board decision-making, board

			directors, individual board members, and functional committees	internal self-evaluation of the board and functional committees	composition and structure, appointment of directors and their continuing studies, and internal controls. 2. Individual Directors Performance Evaluation: Familiarity with the goals and missions of the company, understanding of a director's duties, level of involvement in the Company's operations, internal relations management and communication, professionalism and continuing education of a director, and internal control. 3. Audit Committee Performance Evaluation: Level of participation in the Company's operations, improvement of the quality of the audit committee decision-making, audit committee composition and the appointment of committee members, and internal control. 4. Remuneration Committee Performance Evaluation: Level of participation in the Company's operations, understanding of the duties of the Remuneration Committee, improvement of the quality of the Remuneration Committee decision-making, and the Remuneration Committee composition and the appointment of committee members.
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IV. Programs this year and in the most recent year for strengthening the functionality of the Board (for example, set up an auditing committee, improve transparency, etc.) and assessment of execution:

- (I) The Company has appointed three independent directors in accordance with Article 14-2 of the Securities and Exchange Act, in order to improve its corporate governance and enhance Board functions. The Remuneration Committee was established in December 2011 to assist the Board of Directors in managing remuneration. The Audit Committee was established on June 7, 2017 to carry out related operations and perform the duties of supervisors in accordance with Article 14-5 of the Securities and Exchange Act.
- (II) The Company upholds the principle of information transparency and announces important resolutions of the Board of Directors on the Market Observation Post System (MOPS) and company website after every Board meeting, so as to protect the rights and interests of shareholders.

2. The Board of Directors convened 12 meetings in 2021, and attendance of independent directors in each meeting is as follows:

✓: Attendance in person; ☆: Attendance by proxy; ×: Absent

2021	2/3	3/24	4/20	5/3	6/21	6/29	7/15	8/4	8/23	10/15	11/9	12/29
Chen, Tzu-Chang	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Li, Tsung-Jung	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	☆
Hu, Yao-Jen	-	-	-	-	-	-	-	✓	✓	✓	✓	✓
Huang, Kuan-Mo	✓	✓	-	-	-	-	-	-	-	-	-	-

(II) Operation of the Audit Committee

In the most recent year (2021), the Audit Committee convened for 10 meetings, and the attendance of independent directors in the meetings is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Independent Director	Chen, Tzu-Chang	10	0	100%	Re-elected as a Committee member on June 19, 2020
Independent director	Li, Tsung-Jung	9	1	90%	Re-elected as a Committee member on June 19, 2020
Independent director	Hu, Yao-Jen	5	0	100%	Newly elected as a Committee member on August 4, 2021
Independent Director	Huang, Kuan-Mo	2	0	100%	Resigned on April 1, 2021

Other disclosures:

- 一、Summary of the Audit Committee's key work items: The Audit Committee is formed by 3 independent directors and assists the Board of Directors in supervising the Company's quality and integrity with respect to accounting, audit, financial reporting procedures, and financial controls. Matters reviewed by the Audit Committee mainly include:
- (I) Audit of annual and semi-annual financial statements
 - (II) Internal control system and related policies and procedures
 - (III) Major asset transactions or derivatives trading
 - (IV) Material loans, endorsements, or guarantees
 - (V) Offering or issuance of securities
 - (VI) Do managers and directors engage in transactions with related parties and potential conflict of interest
 - (VII) Experience, appointment, dismissal, or compensation of the CPAs
 - (VIII) Appointment and dismissal of financial, accounting, or internal audit supervisors
 - (IX) Evaluation of CPA independence

(X) Self-evaluation questionnaire in the Audit Committee performance evaluation:

- Review of financial reports

The Board of Directors has prepared and submitted the 2020 business report, financial statements, and earnings distribution proposal. PricewaterhouseCoopers Taiwan audited the financial statements and submitted an audit report. The Audit Committee has reviewed the aforementioned business report and financial statements, and did not find any instances of noncompliance.

- Evaluation of CPA independence

In order to ensure the independence of the CPAs, the Audit Committee reviewed the issuance of the “Statement of CPA Independence” at the 6th meeting of the 2nd session on March 24, 2021, and determined that both PwC CPAs Huang, Shih-Chun and Yeh, Tsui-Miao met the independence criteria.

II. Where any of the following circumstances occurs with respect to the operations of the Audit Committee, The date on which the Audit Committee holds a meeting, the session, the details of the motions, the dissenting or qualified opinions, or details of major suggestions by Independent Directors, the resolutions from the Audit Committee, and the Company's measures in accordance with the Audit Committee's recommendations, shall be specified:

(I) Items specified in Article 14-5 of the Securities and Exchange Act: See the table below for details.

Audit Committee	Agenda content	Resolution	The Company's handling of Audit Committee members' opinions
5th meeting of the 2nd-term 2021.2.3	1. Proposal to amend the internal control system.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
6th meeting of the 2nd-term 2021.3.24	1. Proposal to acknowledge the 2020 business report and financial statements.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to approve the Statement on Internal Control.		
	3. Proposal to determine the remuneration to the Company's accountants.		
7th meeting of the 2nd-term 2021.4.20	1. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal for the Company to provide endorsement and guarantee for investee ADATA ELECTRONICS BRAZIL S.A.		
	3. Revision of the Procedure for the Acquisition or Disposal of Assets.		
	4. Proposal to acquire real estate.		

8th meeting of the 2nd-term 2021.5.3	1. Proposal to acquire real estate.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
9th meeting of the 2nd-term 2021.6.21	1. Proposal for the Company to provide endorsement and guarantee for investee ADATA ELECTRONICS BRAZIL S.A.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
11th meeting of the 2nd-term 2021.8.23	1. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
12th meeting of the 2nd-term 2021.10.15	1. Proposal to dispose of real estate.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal for the Company to provide a loan to investee ADATA ELECTRONICS BRAZIL S.A.		
	3. Proposal to amend the internal control system.		
14th meeting of the 2nd-term 2021.12.29	1. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal for the Company to provide a loan to investee ADATA ELECTRONICS BRAZIL S.A.		

(II) In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire board of directors: N/A.

III. When there are recusals of independent directors due to conflicts of interests, names of the independent directors, contents of resolutions, reasons of recusal, and voting participation should be stated: None.

IV. Communication between independent directors and the chief internal auditor and CPAs (must include material matters of communication, methods, results relating to the Company's financial position and business performance).

(I) The chief auditor prepares monthly audit reports that are submitted to independent directors for review, and independent directors have not held any dissenting opinions.

(II) The accountants regularly communicate financial statement audit results with independent directors, and the independent directors have not held any dissenting opinions.

(III) Supervisors' participation in the operation of the Board of Directors: Not applicable because the Company established an Audit Committee in June 2017.

(IV) Status of corporate governance and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the company defined and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company established the "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and disclosed the principles on the company website.	N/A
II. Shareholding structure & shareholders' equity (I) Does the company establish internal operating procedures for handling shareholder suggestions, questions, complaints or litigation and handled related matters accordingly? (II) Does the company have a list of major shareholders that have actual control over the company and a list of ultimate owners of those major shareholders? (III) Does the company establish and implement risk management and firewall systems within its conglomerate structure? (IV) Does the company establish internal rules against insiders trading with undisclosed information?	✓ ✓ ✓ ✓		(I) The Company has appointed a spokesperson to handle related issues. (II) The spokesperson maintains close contact with major shareholders, and increase or decrease of the Company's shares pledged by major shareholders are disclosed in the annual report. Shareholding and changes in number of shares held by insiders are reported each month. (III) The Company not only established regulations for the acquisition and disposal of assets, endorsements and guarantees, and lending funds to others, but also established "Transaction Procedures with Related Parties, Specific Companies, and Companies of the Group" and "Subsidiary Supervision and Management Regulations," in order to manage the risks of affiliates and subsidiaries. (IV) The Company established Regulations for the Prevention of Insider Trading, which prohibits the Company's insiders from using undisclosed information to trades securities, in order to prevent insider trading. The	N/A

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			Company also irregularly reviews the regulations to comply with current laws and meet practical management needs.	
<p>III. Composition and responsibilities of the board of directors</p> <p>(I) Does the Board of Directors establish and carry out policies and concrete management objectives in diversity?</p> <p>(II) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and Audit Committee?</p> <p>(III) Does the company establish standards and method for evaluating Board performance, conduct annual performance evaluations, submit performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual</p>		<p>✓</p> <p>✓</p> <p>✓</p>	<p>(I) The members of the Company's Board of Directors are appointed based on competence. Although diversity policies and concrete management objectives have not been established, board members have been elected using the candidate nomination system since the 7th-term Board of Directors. Besides evaluating their education and experience, Board members are elected according to related regulations. The 7th-term Board of Directors has one female member and eight male members, all with expertise in different fields that benefit the Company's development and operations.</p> <p>(II) The Company established a Remuneration Committee and Audit Committee in accordance with the law. Other corporate governance operations are handled by their respective departments. We currently do not have any other functional committees, but will establish them when needed.</p> <p>(III) The Company regularly carries out the self evaluations of the Board, the functional committees, and independent directors' performance. The Board of Directors has also passed the Board of Directors Self-Evaluation and Peer Evaluation Regulations on March 27, 2020. The 2021 Board of Directors functional committees and independent directors performance self evaluations have</p>	N/A

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>directors?</p> <p>(IV) Does the company regularly evaluate the independence of CPAs?</p>	✓		<p>been carried out by the Office of the CEO and submitted to the board meeting on March 15, 2022; all the evaluation results were “excellent”. Evaluation results will be referenced when determining directors' remuneration and nomination for re-election.</p> <p>(IV) The Company reviews the independence of the accountants on an annual basis. The Company's shareholders service unit verifies that the accountants do not hold any of the Company's shares and do not concurrently hold any positions at the Company. PwC Taiwan has issued a statement of independence, and the Company's Board of Directors evaluates the independence of accountants at least once a year. The most recent evaluation was on Tuesday, March 15, 2022, and the Board of Directors determined that the accountants met the independence criteria.</p>	
<p>IV. Does the public company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, handling company registration and change of registration, and preparing proceedings for Board meetings and shareholders' meetings)?</p>	✓		<p>The Company has appointed financial officer Chen, Yen-Shu to concurrently serve as the corporate governance officer, and the Accounting Division and Corporate Information Department concurrently serve as the corporate governance unit, providing data required by directors to perform their duties, handling matters related to Board meetings and shareholders' meetings, handling company registration and change of registration, preparing proceedings for Board meetings and shareholders' meetings, and assisting with the enhancement of Board functions.</p>	N/A

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including without limitation shareholders, employees, customers, suppliers, etc.), and properly respond to corporate social responsibility issues that stakeholders are concerned about?		✓	The Company's Corporate Information Department serves as a communication channel for external personnel or shareholders to inquire the Company about issues. If more detailed information is needed, the questions are forwarded to related departments, and the departments will reply as soon as possible. The stakeholder section on the company website is currently under construction.	N/A
VI. Has the company designated a professional shareholder service agency to deal with matters of the shareholders' meeting?	✓		The Company commissioned Concord Securities Co., Ltd. Transfer Agency Department to handle the Company's shareholder services, and the Company also established Regulations for Stock Affairs for related affairs.	N/A
VII. Disclosure of Information (I) Does the company establish a corporate website to disclose information regarding the company's financial, business and corporate governance status? (II) Does the company have other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on company website)? (III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial	✓ ✓	 ✓	(I) The Company has set up a website and continues to regularly update contents. Furthermore, the Company's financial position, business performance, and corporate governance information is disclosed on the MOPS in accordance with regulations. (II) The Company has designated personnel handle the collection and disclosure of company information, and has also established the spokesperson system. Information on investor conferences, financial position, and business performance are also uploaded to the MOPS according to regulations. (III) The Company announces and reports Q1, Q2, and Q3 financial statements and monthly operation results within the prescribed time limit, and announces annual financial statements within three months after the end of a fiscal year.	N/A

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
statements, as well as monthly operation results, before the prescribed time limit?				
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		(I) Employee rights and care for employees: 1. Employee health management: We provide general and special hazard health examinations on an annual basis, and manage individual cases through tracking and grading assessment results. We also organize a variety of health promotion activities for health management. 2. Employee grievance channels: The Company established an employee opinion box for employees to voice their opinion on any matter. 3. The Company established Regulations for Sexual Harassment Prevention Measures, Application, and Penalties, and strictly prohibits related conduct and accidents from occurring. The Company also irregularly promotes the concept of gender equality so that employees will have the right values. 4. Establishment of personnel rules, systems, and regulations: The Company treats employees as equals. Employees are required to comply with the Company's regulations, but also enjoy the right to voice their opinions. The Company has thus established regulations in compliance with the Labor Standards Act based on its emphasis on human rights and ethical conduct of employees, and even provides benefits that exceed regulatory requirements. 5. The Company established various systems and regulations for work hours, leave, remuneration and	N/A

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>benefits, and talent development in accordance with the law and regulations.</p> <p>6. The Company established operating procedures and the organization of the Labor-Management Dispute Settlement and Sexual Harassment Prevention Committee to protect employees rights and interests.</p> <p>7. The Company established an Employee Welfare Committee and makes pension contributions in accordance with regulations. A variety of events are irregularly organized in hopes that employees will be able to enjoy the rights and interests they are entitled to, and find physical, mental, and spiritual balance in work, life, and family.</p> <p>(II) Investor relations: Dedicated personnel are appointed to handle shareholders' suggestions, announce the Company's material information, and also make routine announcements.</p> <p>(III) Supplier relations: The Company maintains good relationships with suppliers to ensure stable supply.</p> <p>(IV) Stakeholders' rights: The Company's directors recuse themselves from voting on agenda items in which they have a conflict of interest.</p> <p>(V) Status of directors and supervisors' continuing education: The Company's directors and supervisors all have a professional background and practical experience in business administration, and all regularly participate in courses in accordance with regulations to understand the latest regulatory changes. Please see page 70 of this Annual Report for details on</p>	N/A

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>continuing education of directors and supervisors.</p> <p>(VI) Implementation of risk management policies and risk measurement standards: The Company has established various internal regulations in accordance with the law, and also manages and assesses various risks. Please see page 151 of this Annual Report for the implementation status.</p> <p>(VII) Customer policy implementation: The Company has established Regulations for Handling Customer Complaints to protect consumers' rights and interests, and also purchased product liability insurance.</p> <p>(VIII) Status of purchase of liability insurance by the company for directors and supervisors: The Company has purchased liability insurance for directors and supervisors, and the status of insurance is as follows:</p> <ol style="list-style-type: none"> 1. AIG Singapore: The insurance amount is US\$6,000,000 and the limit of liability is US\$6,000,000. The insurance period is one year and renewed on an annual basis. 2. Fubon Insurance Co., Ltd.: The insurance amount is US\$6,000,000, the limit of liability is US\$6,000,000 in excess and within US\$12,000,000 in total. The insurance period is one year and renewed on an annual basis. 3. Chubb Limited: The insurance amount is US\$6,000,000, the limit of liability is US\$12,000,000 in excess and within US\$18,000,000 in total. The insurance period is one year and renewed on an annual basis. 	
IX. Specify the improvement of corporate governance with reference to the evaluation of corporate				

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
governance by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and the measures prioritized for issues that require improvement. (Not required for companies not included in the evaluation)				
Item No.	Evaluation indicators in 2021		Improvement measures in 2022	
2.10	Does the Company disclose the annual key work items and operation status of the Audit Committee?		The Company has disclosed this information on page 40 of this Annual Report.	
3.5	Does the company upload the English version of the annual report 7 days prior to the annual shareholders' meeting?		The Company has uploaded the English version of the 2021 financial statements to the Market Observation Post System.	

(V) Composition, duties, and operation of the Remuneration Committee:

1. Profile of Remuneration Committee members

Identity Name	Criteria	Professional qualifications and experiences	Compliance of independence	Number of other public companies in which the member also serves as a member of their Remuneration Committee
Independent Director Convener	Chen, Tzu-Chang	The Convener of the Company's Audit Committee and Remuneration Committee; Chairperson of Tung Ho Tea Co., Hojia Asset Management, and Hezhou Investment Co.; has an expertise in corporate operations, and five years or above work experience in commerce, law, finance, accounting or a profession necessary for the business of the Company; not involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.	Meets the independence criteria	0
Independent Director	Li, Tsung-Jung	A Member of the Company's Audit Committee and Remuneration Committee; the Chairperson of Hongxiang Investment Development, a Director of Nu Inc., Reallusion Inc., and Sunny Pharmtech Inc.; has an expertise in corporate operations, and five years or above work experience in commerce, law, finance, accounting or a profession necessary for the business of the Company; not involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.	Meets the independence criteria	0
Independent Director	Hu, Yao-Jen	A Member of the Company's Audit Committee and Remuneration Committee; the Chairperson of Well Hand Electronics; has an expertise in corporate operations, and five years or above work experience in commerce, law, finance, accounting or a profession necessary for the business of the Company; not involved in any of the situations set forth in Article 30 of the Company Act of the R.O.C.	Meets the independence criteria	0

2. Operation of the Remuneration Committee

(1) There are three members in the Company's Remuneration Committee.

(2) Current term of office: From June 19, 2020 to June 18, 2023. In the most recent year (2021) the Remuneration Committee met 11 times, and the members' qualifications and attendance are as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Convener	Chen, Tzu-Chang	11	0	100%	Re-elected on June 19, 2020
Convener	Huang, Kuan-Mo	2	0	100%	Resigned on April 1, 2021
Committee Member	Li, Tsung-Jung	10	1	91%	Re-elected on June 19, 2020
Committee Member	Hu, Yao-Jen	5	0	100%	Appointed on August 4, 2021.

Other disclosures:

1. If the Board of Directors does not accept or revises the Remuneration Committee's recommendation, specify the date of the Board meeting, session, contents of the agenda item, resolution of the Board of Directors, and the Company's response to the Remuneration Committee's opinions: Not applicable, please see the table below for details.

Remuneration Committee	Agenda content	Resolution	The Company's handling of the opinions of the Remuneration Committee
4th-term 6th meeting 2021.2.3	1. Proposal to review the distribution of annual bonuses to managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
4th-term 7th meeting 2021.3.24	1. Proposal to review the distribution of remuneration to employees and directors in 2020.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to review the distribution of incentive bonuses to managerial officers.		
4th-term 8th meeting 2021.4.20	1. Proposal to review the allocation of remuneration to directors in 2020.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to review the distribution of incentive bonuses to managerial officers.		
	3. Proposal to review the promotion of managerial officers.		
	4. Proposal to review the appointment and remuneration of managerial officer Li, Ching-Fa.		
	5. Proposal to appoint a "Corporate Governance Supervisor".		
4th-term 9th meeting 2021.5.3	1. Proposal to adjust the annual raise of managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to review the distribution of incentive bonuses to managerial officers.		
10th meeting of the 4th-term 2021.6.21	1. Proposal to review the distribution of incentive bonuses to managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to recall and retire restricted share awards.		
11th meeting of the 4th-term 2021.7.15	1. Proposal for the Company's 10th (2020) share buyback so as to transfer them to managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to review the distribution of incentive bonuses to managerial officers.		
12th meeting of the 4th-term 2021.8.4	1. Proposal for the by-election for the Convener the 4th-term Remuneration Committee.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to review the distribution of incentive bonuses		

	to managerial officers.		
	3. Proposal to amend the Remuneration Committee Charter.		
13th meeting of the 4th-term 2021.8.23	1. Proposal to review the distribution of special performance bonuses to managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to review the distribution of incentive bonuses to managerial officers.		
14th meeting of the 4th-term 2021.10.15	1. Proposal to review the distribution of incentive bonuses to managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to recall and retire restricted share awards.		
15th meeting of the 4th-term 2021.11.9	1. Proposal to review the distribution of incentive bonuses to managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to review the distribution of remuneration to managerial officers in 2020.		
16th meeting of the 4th-term 2021.12.29	1. Proposal to review the distribution of incentive bonuses to managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to recall and retire restricted share awards.		
<p>2. If with respect to any resolution of the Remuneration Committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, describe the date of committee meeting, term of the committee, agenda item, opinions of all members, and actions taken by the company in response to the opinion of members: N/A.</p>			

(VI) Sustainable development implementation and deviations from Corporate Governance Best-Practice Principles in sustainable development for TWSE/TPEX Listed Companies and the reason for such deviations

Activity items	Implementation status		Deviations from Corporate Governance Best-Practice Principles in sustainable development for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	
I. Has the Company established a governance structure to implement sustainable development, and a fully (or partially) dedicated unit to promote sustainable development? Does the Board of Directors authorize the senior management to handle such matters? Does the Board of Directors supervise such matters?		✓	Even though the Company has not established a corporate social responsibility policy and dedicated unit, it still makes every effort to fulfill its corporate social responsibility; there are no significant differences in regards to other matters.
II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?		✓	The Company is currently evaluating a dedicated unit for promoting corporate social responsibility; the Administration Department and Human Resources Department handle operations and make improvements related to social responsibility issues, including environmental and social issues.
			Although the Company has not established related risk management policies or strategies, it is currently assessing such risks based on the principle of materiality. The Company's risk management policy will be established by the Board of Directors in the future.
			The Company is currently evaluating a dedicated unit for promoting corporate social responsibility; the Administration Department and Human Resources Department handle operations and make improvements related to social responsibility issues, including environmental and social issues.
			Although the Company has not established related risk management policies or strategies, it is currently assessing such risks based on the principle of materiality. The Company's risk management policy will be established by the Board of Directors in the future.
			The Company is currently evaluating a dedicated unit for promoting corporate social responsibility; the Administration Department and Human Resources Department handle operations and make improvements related to social responsibility issues, including environmental and social issues.
			Although the Company has not established related risk management policies or strategies, it is currently assessing such risks based on the principle of materiality. The Company's risk management policy will be established by the Board of Directors in the future.
			The Company is currently evaluating a dedicated unit for promoting corporate social responsibility; the Administration Department and Human Resources Department handle operations and make improvements related to social responsibility issues, including environmental and social issues.
			Although the Company has not established related risk management policies or strategies, it is currently assessing such risks based on the principle of materiality. The Company's risk management policy will be established by the Board of Directors in the future.

Activity items	Implementation status		Deviations from Corporate Governance Best-Practice Principles in sustainable development for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	
<p>III. Environmental issues</p> <p>(I) Has the company established a suitable environmental management system based on the characteristics of the industry?</p> <p>(II) Is the company committed to improving the efficiency of energy consumption and utilizing renewable materials to reduce the environmental impact?</p> <p>(III) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?</p> <p>(IV) Does the company compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and does it establish policies for energy conservation & carbon reduction, greenhouse gas emission reduction, water use reduction, and other waste management?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>(I) The Company has established a suitable environmental management system based on the characteristics of the industry, and continues to maintain the system's effective operation.</p> <p>(II) The Company supports environmental protection by reducing the packaging materials used in its products. We also make integrated planning of office space to achieve effective resource use and reduce electricity consumption. We launched a campaign starting last year to reduce paper use and resource consumption.</p> <p>(III) In response to global climate change, the Company began formulating an internal GHG inventory plan as early as 2010. The Company's GHG inventory was certified by an impartial third party in August 2011, and verified that our GHG emissions were mainly scope 2 emissions (indirect emissions from energy). We periodically respond to the CDP questionnaire according to customer requirements, and set various targets for improving environmental management based on its requirements, in order to constantly make improvements to the environmental management system.</p> <p>(IV) The Company also established an EHS policy and dedicated energy management department, which monitors energy management, energy policy, waste management, and recycling, and periodically compiles statistics and analyzes energy/resource data. The department immediately reports and handles any anomalies in consumption to eliminate potential risks and prevent waste. According to our GHG inventory, CO2 emissions was 10,253 tons and 125,328 tons in 2020 and 2021, respectively, the total waste was 95 tons/year, and the recycling was 234 tons/year.</p>	N/A

Activity items	Implementation status		Deviations from Corporate Governance Best-Practice Principles in sustainable development for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	
<p>IV. Social issues</p> <p>(I) Has the company formulated management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?</p> <p>(II) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?</p> <p>(III) Has the company provided employees with a safe and healthy working environment, and routinely implemented safety and health education for employees?</p> <p>(IV) Has the company established an effective career developmental plan for its employees?</p> <p>(V) Does the company comply with relevant regulations and international standards in customer health and safety, customer privacy, marketing, labeling, and other issues? Has the Company established consumer or customer rights protection policies and complaint procedures according to relevant laws, regulations, and international standards?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>(I) The Company complies with government and local labor laws and regulations, and strives to provide employees with the greatest interests and benefits, for which we have established various rules and regulations.</p> <p>(II) The Company provides employees with better benefits than our competitors, and established complete Regulations for Employee Benefits and Rewards. In addition to year-end bonuses, incentives, and employee bonuses, we irregularly transfer treasury stock to employees and provide employee subscription right. The Company's business performance is reflected on employee bonuses.</p> <p>(III) The Company strives to create a green and safe workplace culture, and identifies and assesses environmental considerations and risks. Effective management measures are implemented based on identification results, and EHS related seminars and promotions are regularly scheduled. We also plan employee health examinations and health promotion events every year for better health management in the workplace.</p> <p>(IV) The Company has an education and training department to enhance employees' expertise and general knowledge, and also set KPI for employees, so that employees will have a basis for their growth at work. The Company also has a job rotation and promotion system for employees to learn and grow.</p> <p>(V) We established Customer Service Regulations and set forth guidelines for after-sale service on the basis of achieving customer satisfaction. We comply with related laws and regulations and international standards, and use an objective approach and systematic survey mechanism to comprehensively evaluate customers' satisfaction with our products or services. This allows us to understand what customers need and expect, and provide the basis for</p>	N/A

Activity items	Implementation status		Deviations from Corporate Governance Best-Practice Principles in sustainable development for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	
(VI) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?	✓		improving our quality and customer satisfaction, so that we can achieve the goal of sustainable development. (VI) The Company established a complete supplier management policy. When conducting supplier evaluations, we first verify that the supplier does not have any abnormal records relating to environmental protection, occupational safety and health, or human rights or laborers before working with them. We include a clause in contracts stating that the contract may be terminated at any time if the supplier is found in violation of such issues. The Company maintains good relationships with suppliers and jointly fulfills corporate social responsibility.
V. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as sustainability reports? Do the reports above obtain assurance from a third party verification unit?		✓	The Company has not compiled a sustainability report.
VI. If the company has established sustainability principles based on "Sustainability Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the principles and their implementation: None.			The Company has not compiled a sustainability report.

Activity items	Implementation status		Deviations from Corporate Governance Best-Practice Principles in sustainable development for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	
<p>Summary</p> <p>VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development:</p> <p>(I) Environmental Protection, Safety, and Health Management Statement:</p> <p>To carry out CSR and promote environmental, safety, and health management systems, ADATA has fulfilled the responsibility to protect natural resources and the health and safety of employees. We recognize that emphasizing environmental resources and respecting life are the only methods for promoting sustainable corporate development. To achieve zero pollution and zero occupational hazards, the Company is dedicated to promoting environmental protection, developing green products, effectively utilizing resources, preventing damages and control risks, and implementing environmental, health, and safety self-management in each unit to establish a green and safe workplace culture.</p> <p>The Company passed the environmental management system certification (ISO 14001: 2004) in 2005, passed the occupational health and safety management system certification (OHSAS18001: 2007) in 2007, passed the Taiwan Occupational Safety and Health Management System (TOSHMS) certification in 2009, passed the 2010 GHG inventory in 2011, passed the occupational safety and health management system performance certification in 2011, passed Taiwan's occupational safety and health management system certification (CNS15506: 2011) in 2013, passed the environmental management system certification (ISO14001: 2015) and the occupational safety and health management system certification (ISO45001: 2018) in 2018, upholding the spirit to constantly improve management systems to maintain the effectiveness of certificates.</p> <p>(II) EHS promotion organization:</p> <p>Each factory established an Environment Safety Committee to implement the Company's EHS operations, and the committees are responsible for making EHS decisions. The chairperson of the committees is a management representative appointed by the chairperson of the Board of Directors to assist with overall supervision, and committee members are senior executives. Employees elect representatives from among themselves to jointly implement environment safety affairs.</p> <p>(III) Risk management:</p> <p>Senior executives conduct reviews of the impact on the Company's EHS, and verify if improvement and control goals are able to effectively lower risks. Related management procedures are formally announced to inform all employees. Besides providing a basis for the Company's departments to implement risk management, the procedures cause departments to monitor and consider the impact of routine operations on EHS, so that risk management can be better implemented.</p> <p>The Taiwan Head Office and branches in Suzhou and Brazil all implemented their business continuity plan in 2021, and conducted drills for designated issues. Besides ensuring effective risk management, this will also mitigate the impact of accidents on operations, so that customers will feel more at ease.</p> <p>(IV) Safety and health management:</p> <p>1. Labor health protection:</p> <p>(1) Four major health service projects: We implemented four major projects for the prevention of illness caused by abnormal workload, prevention of ergonomic hazards, prevention of unlawful infringement, and material health protection, and review and make adjustments based on implementation results.</p> <p>(2) Health management: We organize health promotion activities, annual health examinations, massage services provided by the visually impaired, physician stationed in factories, and established a Sports and Leisure Center.</p>			

Activity items	Implementation status		Deviations from Corporate Governance Best-Practice Principles in sustainable development for TWSE/TPEx Listed Companies and the reasons for such deviations
	Yes	No	
<p>2. Safety and health performance evaluation: For the continued effective implementation of environment safety management and to prevent labor safety incidents from occurring, the safety and health management performance of each region is evaluated on a monthly basis, and results are used as the basis for rewards and penalties.</p> <p>3. Other safety and health management: We periodically review regulatory compliance, conduct emergency evacuation drills, and monitor the work environment, and also implement contractor, change, and chemicals management.</p> <p>4. COVID-19 management and control: In response to the COVID-19 pandemic in 2020, we formulated a complete pandemic prevention plan in advance and implemented various pandemic prevention measures to ensure the health and safety of all employees.</p> <p>5. Safety and health management plan:</p>			
Strategy	Plan	Goal	
Health improvement and loss prevention (TP)	Employee cafeteria COVID-19 prevention measures	The Company established cafeteria COVID-19 prevention measures to protect the dining safety of the Group's 800 cafeteria users; the weekly supplier audit failure rate is under 3%.	
	Flash IC testing automation	The Company implemented automated Flash IC testing for HT3600 in the end of 2021, which reduced around 756,000 annual work-related hand injuries.	
Health improvement and loss prevention (SZ)	Product warehouse entry disinfection	In order to prevent residual active COVID-19 virus on boxes causing risk to personnel health as products enter into the warehouse, the Company has added the disinfection procedure for products prior to warehouse entry and stocking; the procedure completion rate was 100%.	
	The temperatures of all employees were measured every single day during the pandemic.	We use QR code to record temperatures, effectively ensuring that the temperatures of employees is normal every day. We also installed an infrared machine combined with the machine for clocking in and out, in order to achieve 100% control.	
	Improvement of personnel equipment operation safety	100% of the equipment has been independently grounded	
Health improvement and loss prevention (SZ)	From reel onto tray automation equipment to reduce personal harm from excessive material unwrapping labor	After the introduction of the reel-to-tray automation equipment, the actual labor to unwrap materials shall be reduced to under 5k/person each shift, which will reduce the harm to personnel caused by long-term repetitive operations.	
	Improvement to the power usage and recharging of the R&D building	To reduce the safety risk factor of electronic appliances used by the personnel in the dormitories, and prevent safety incidents	

Activity items	Implementation status		Deviations from Corporate Governance Best-Practice Principles in sustainable development for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	
Warehouse COVID-19 prevention management Hazardous chemicals safe delivery acceptance E18 customer daily re-inspections require third party on-site handling Reduction of the probability of COVID-19 infection Improvement of server room equipment power usage safety (replacement of PDU socketstrips) Commitment training to the Environment, Health and Safety at Work. Training for the commitment to the workplace environment, health, and safety. Ensuring that employees do not suffer work-related accidents.			100% of the safety prevention equipment used in contact with external suppliers and delivered products are disinfected prior to storage in the warehouse
			The recipient department shall pick up any hazardous chemical product within 10 minutes of its delivery
			Reduced the number of E18 customers daily re-inspection trips from 2 to 0 per week
			During the pandemic, interviews are all online, zero-contact
			1. Server room socketstrip malfunction rate 0/year. 2. Server room socketstrip overload rate 0/year.
Health improvement and damage prevention (BR)			Performed 17 ESH trainings for all employees. 17 ESH trainings for all employees were conducted.
			Ensuring that there is no accident at work. Ensure zero incidents on-the-job.

Activity items	Implementation status		Deviations from Corporate Governance Best-Practice Principles in sustainable development for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	
	Summary		

Activity items	Implementation status		Deviations from Corporate Governance Best-Practice Principles in sustainable development for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	
<p>(V) Environmental protection:</p> <p>1. Environmental philosophy: Environmental protection has attracted great attention around the world due to the growingly severe environmental pollution and climate change. We have a deep understanding that the more we grow our business, the greater our responsibility to the economy, environment, and society. "Think Big" is the goal that drives us to be more innovative and work harder. Besides focusing on our own operations, we hope to look wider and farther when it comes to environmental, economic, and social strategies. Hence, we strive to develop and design green products through innovative technologies, and thereby ensure the sustainability of natural resources.</p> <p>2. Environmental protection strategy: (1) Environment: Energy/Resource management, pollution control, and GHG inventory. (2) Product: Develop innovative green technologies and green products. (3) Operations: Green and clean production, green supply chain, and green logistics. (4) Society/Culture: Raise employees' environmental protection awareness, care for the natural environment, and fulfill corporate social responsibility.</p> <p>Our management strategy is to establish management systems, and we implemented the ISO14001, ISO45001, and QC080000 management systems. In addition to the four aspects above, we also linked them to our environmental policy and goals. By reducing energy/resource consumption, managing our GHG inventory, developing green products, and raising awareness of the natural environment, we seek to achieve a win-win situation for our business continuity and environmental protection.</p> <p>3. Environmental protection management plan:</p>		Summary	
<p>Strategy</p> <p>Energy/resource management and pollution control (TP)</p>	<p>Plan</p> <p>95% of packaging material from suppliers were recycled and cleaned in 2021</p> <p>The 2021 exchange/sales allowance rate for supplier product returns and exchanges reached 100%</p> <p>Reduced packaging materials for flash products by 35% by December 2021</p> <p>High-quality DDR5 memory modules</p> <p>Encourage energy conservation and carbon emissions reduction</p>	<p>Goal</p> <p>The trays, cardboard boxes, and other secondary materials used on the production line supplied by our long-term supplier partners requires to be reused, but the recovery rate was only 60%. Through the management of operational processes to increase recovery rate and reduce labor hours, the recovery rate increased to 107%, and the labor was reduced by 120 man-hours.</p> <p>To keep an accurate inventory of raw materials, reduce waste production, reduce the repetitive work of the procurement staff, effectively utilize space, and implement operational process management, achieve 92% recovery rate, reduce waste production by 13,181 pcs, and save 12 man-hours.</p> <p>The upgraded new Flash product packaging has reduced the packaging material volume by 43.73% and the number of times of product transportation, eliminating approximately 973 personnel injuries.</p> <p>Evaluate DDR5 product specifications, launch corresponding products based on market demand, and choose the best cost effective BOM according to JEDEC BOM specifications, reduce power consumption of DDR5 by 8.3% compared to DDR4, and save 62kW per year when calculating with 21kW reduction per quarter.</p> <p>The end-of-2021 promotion for energy conservation and carbon emissions reduction with tricycle sales reduced carbon emissions by 427 tons CO2e</p> <p>In December, ADATA electric vehicle became the first domestically produced commercial electric tricycle to pass the vehicle safety review of the Ministry of Transportation and</p>	

(VII) Implementation of ethical corporate management and deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons:

The Company complies with related laws and regulations and has established and implemented its internal control system. Financial statements are announced on the MOPS and the company website after being audited (reviewed) by the CPAs, and directors, supervisors, managerial officers, and employees are regularly briefed on related regulations.

Evaluation item	Implementation status		Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
<p>I. Establishment of ethical corporate management policy and approaches</p> <p>(I) Did the company establish an ethical corporate management policy that was approved by the Board of Directors, and declare its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?</p> <p>(II) Does the company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes preventive measures for conduct specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(III) Did the company specify operating procedures, guidelines for conduct, punishments for violation, rules of appeal in the unethical conduct prevention plan, and does it implement and periodically review and revise the plan?</p>	<p>✓</p>	<p>✓</p>	<p>(I) Even though the Company has not established an ethical corporate management policy yet, it encourages employees to report any violations they suspect or have discovered to managerial officers, the chief internal auditor, or other appropriate personnel according to the Code of Ethics.</p> <p>(II) The Company has established an effective accounting system and internal control system to ensure the implementation of ethical corporate management, and internal auditors regularly conduct audits and report to the Board of Directors.</p> <p>(III) The Company established a Code of Ethics that requires personnel to avoid any conflict of interest, avoid actions for personal gain, and avoid violations of fair trade.</p>
			N/A

Evaluation item	Implementation status		Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
<p>II. Implementation of ethical corporate management</p> <p>(I) Does the company evaluate the ethical records of parties it does business with and stipulate ethical conduct clauses in business contracts?</p> <p>(II) Did the company establish a dedicated unit under the Board of Directors to promote ethical corporate management, and periodically (at least once a year) report to the Board of Directors and supervise the implementation of the ethical corporate management policy and unethical conduct prevention plan?</p> <p>(III) Does the company establish policies to prevent conflict of interests, provide appropriate channels for filing related complaints and implement the policies accordingly?</p> <p>(IV) Does the company have effective accounting system and internal control systems set up to facilitate ethical corporate management, does the internal auditing unit formulate audit plans based on unethical conduct risk assessment results, and does it audit compliance with the unethical conduct prevention plan or commission a CPA to perform the audit?</p> <p>(V) Does the company regularly hold internal and external educational trainings on ethical corporate management?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>Even though the Company has not established a dedicated unit, it still exerts every effort in implementing ethical corporate management; there are no significant differences in regards to other matters.</p> <p>(I) The Company established a Code of Ethics that requires personnel to avoid any conflict of interest, avoid actions for personal gain, and avoid violations of fair trade.</p> <p>(II) The Company does not have a dedicated unit. Departments fulfill the Company's corporate social responsibility within the scope of their duties.</p> <p>(III) The Company established a Code of Ethics and encourages employees to report any violations they suspect or have discovered to managerial officers, the chief internal auditor, or other appropriate personnel.</p> <p>(IV) The Company has established an effective accounting system and internal control system to ensure the implementation of ethical corporate management, and internal auditors regularly conduct audits and report to the Board of Directors.</p> <p>(V) The Company continues to promote its business philosophy and the importance of ethical corporate management during various meetings, and also during employee education and training sessions.</p>

Evaluation item	Implementation status		Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
<p>III. Operation of the whistleblowing system</p> <p>(I) Does the company establish concrete whistleblowing and reward system and have a convenient reporting channel in place, and assign an appropriate person to communicate with the accused?</p> <p>(II) Does the company establish standard operating procedures for investigating reported cases, and does it take subsequent measures and implement a confidentiality mechanism after completing investigation?</p> <p>(III) Does the company provide proper whistleblower protection?</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>(I) The Company provides a number of communication channels. In addition to the employee opinion box, the Company also set up a CEO opinion box and encourages employees to directly report any violations they suspect or have discovered to the CEO. Employees can also submit reports to managerial officers, the chief internal auditor, supervisors, or other appropriate personnel. Whoever receives the report will handle it according to applicable regulations.</p> <p>(II) The Company has appointed designated personnel to handle opinion boxes and directly report to the CEO, while maintaining a certain level of confidentiality of the whistleblower's identity.</p> <p>(III) The Company encourages employees to use the communication channels and put the Company on track for positive development, ensuring the implementation of ethical corporate management. Whistleblowers will not be treated inappropriately for whistleblowing.</p>	N/A
<p>IV. Enhancing information disclosure</p> <p>(I) Has the company disclosed the contents or its ethical corporate management principles as well as relevant implementation results on its website and on the Market Observation Post System?</p>	<p>✓</p>	<p>(I) The Company discloses its history and vision on the company website to promote its philosophy of ethical corporate management, and established a Corporate Information Department, which is responsible for improving the Company's image and serves as a communication channel for investors. The department ensures the correctness, timeliness, and fairness of informational disclosures to lower investors' risks, and prevents operational risks caused by the Company's image.</p>	N/A
<p>V. Describe the deviations, if any, between actual practice and the ethical corporate management principles, if the company has formulated such principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies: None.</p>			

Evaluation item	Implementation status		Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
<p>VI. Other important information to facilitate a better understanding of the company's implementation of ethical corporate management: (e.g., review and amendment of the Ethical Corporate Management Best Practice Principles)</p> <p>(I) The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, regulations for public companies, and other laws related to business practices, and use them as the basic principles for implementing ethical corporate management.</p> <p>(II) The Company sets forth the system for directors to avoid conflict of interest in the Rules of Procedure for Board of Directors Meetings. A director may offer his opinion and answer related questions but is prohibited from participating in discussion or voting on any proposal of a board of director's meeting where the director or any institution that the director represents is an interested party, and such participation is likely to prejudice the interests of the company; neither shall a director vote on such proposal as proxy for any other director in such circumstances.</p> <p>(III) The Company's Regulations for the Prevention of Insider Trading clearly stipulates that directors, supervisors, managerial officers, and employees may not disclose material insider information to others, and may not inquire or collect undisclosed material insider information unrelated to their position from individuals that possess such information. Undisclosed material insider information not obtained while performing duties also may not be disclosed to others.</p> <p>(IV) The Company's "Procedures for Handling Material Inside Information" is in accordance with the "Management Controls for the Prevention of Insider Trading." Material information is disclosed in accordance with the definitions and standards set forth in the "Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act" and "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities." All individuals with the Company's material inside information must abide by Article 157-1 of the Securities and Exchange Act when trading the Company's securities, in order to prevent insider trading. The Company has also established internal control mechanisms and provided timely education, informing all employees, managerial officers, and directors of the system to prevent them from violating the law or engaging in insider trading.</p>			

(VIII) If the company has established corporate governance principles and related guidelines, disclose the means of accessing this information:

Please see the Corporate Governance Section on the company website for details.

(IX) Other significant information which may improve the understanding of corporate governance operations:

1. Corporate Governance and Code of Ethics

(1) Code of Ethics

The Company established the Code of Ethics to guide the conduct of directors and supervisors to meet ethical standards, and for the Company's stakeholders to better understand the Company's ethical standards, so as to prevent a conflict of interest, avoid conduct for personal gain, ensure that confidentiality obligations are fulfilled, and protect and properly use the Company's assets.

(2) Regulations for the Prevention of Insider Trading

The Company established the Regulations for the Prevention of Insider Trading to prevent the Company or insiders from unintentionally (e.g. being unfamiliar with provisions of the Securities and Exchange Act) or intentionally violating insider trading regulations, which will cause the Company or insiders to become involved in lawsuits or sustain damages to reputation.

(3) Regulations for Handling Material Insider Information

The Company established the Regulations for Handling Material Insider Information to provide good mechanisms for directors, managerial officers, and employees to handle and disclose material insider information, prevent information leakage, and ensure the consistency and correctness of information announced by the Company. The Company will notify all employees of the establishment and any subsequent amendments to the regulations via e-mail, and will also make an announcement on the Company's intranet, where the latest version of the regulations can be accessed at any time.

(4) The Company's "Procedures for Handling Material Inside Information" is in accordance with the "Management Controls for the Prevention of Insider Trading." Material information is disclosed in accordance with the definitions and standards set forth in the "Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act" and "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities." All individuals with the Company's material inside information must abide by Article 157-1 of the Securities and Exchange Act when trading the Company's securities, in order

to prevent insider trading. The Company has also established internal control mechanisms and provided timely education, informing all employees, managerial officers, and directors of the system to prevent them from violating the law or engaging in insider trading.

(5) Employee Code of Conduct or Ethics

The Company has not established an Employee Code of Conduct or Ethics, but has compiled related employee manuals and established Regulations for Employee Rewards and Penalties, which serve as a basis for employee conduct at work.

2. The Company's directors and supervisors also regularly participate in corporate governance related training courses.

(1) Continuing education of directors (including independent directors) in the past year

Title	Name	Date of appointment	Date of continuing education		Organizer	Course Name	Hours	Does continuing education comply with regulations
			Start	End				
Director	Chen, Li-Pai	2020/6/19	2021/9/4	2021/9/4	Taiwan Corporate Governance Association	Corporate operations and crisis response management	3	Yes
			2021/9/4	2021/9/4	Taiwan Corporate Governance Association	Discussions on the development trend and case studies of corporate mergers as a director or a supervisor	3	Yes
Director	Chen, Ling-Chuan	2020/6/19	2021/9/4	2021/9/4	Taiwan Corporate Governance Association	Corporate operations and crisis response management	3	Yes
			2021/9/4	2021/9/4	Taiwan Corporate Governance Association	Discussions on the development trend and case studies of corporate mergers as a director or a supervisor	3	Yes
Representative of institutional director	Lin, Tien-Chiung	2020/6/19	2021/7/29	2021/7/29	Securities & Futures Institute	The value of information security under the US-China trade war and in the post-pandemic era	3	Yes
			2021/9/4	2021/9/4	Taiwan Corporate Governance Association	Corporate operations and crisis response management	3	Yes
Representative of institutional director	Chen, Yen-Shu	2020/6/19	2021/8/20	2021/8/20	Taiwan Corporate Governance Association	An essential course for directors and supervisors: Global risk awareness	3	Yes
			2021/9/3	2021/9/3	Taiwan Corporate Governance Association	Discussions on the governance framework and case studies of inheriting a family business	3	Yes
Representative of institutional director	Wu, Tsung-Ting	2020/6/19	2021/8/19	2021/8/19	Securities & Futures Institute	The impact of AVM on the management decision-making	3	Yes
			2021/9/4	2021/9/4	Taiwan Corporate Governance Association	Corporate operations and crisis response management	3	Yes
Representative of institutional director	Kang, Chien-Chung	2020/6/19	2021/9/4	2021/9/4	Taiwan Corporate Governance Association	Corporate operations and crisis response management	3	Yes
			2021/9/4	2021/9/4	Taiwan Corporate Governance Association	Discussions on the development trend and case studies of corporate mergers as a director or a supervisor	3	Yes

Title	Name	Date of appointment	Date of continuing education		Organizer	Course Name	Hours	Does continuing education comply with regulations
			Start	End				
Independent director	Chen, Tzu-Chang	2020/6/19	2021/7/29	2021/7/29	Taipei Exchange	The value of information security under the US-China trade war and in the post-pandemic era	3	Yes
			2021/7/30	2021/7/30	Taipei Exchange	Key technologies and business opportunities of quantum technology	3	Yes
Independent director	Li, Tsung-Jung	2020/6/19	2021/10/26	2021/10/26	Accounting Research and Development Foundation	A comprehensive view on new "sustainable development" policies, climate change governance, and low carbon emissions management	6	Yes
Independent director	Hu, Yao-Jen	2021/7/12	2021/9/28	2021/9/29	Securities & Futures Institute	12hr practical seminar for first-time (independent) directors and supervisor in charge of supervising corporate governance	12	Yes

(2) Continuing education of the Company's managerial officers and chief auditor

- ① Directors Chen, Li-Pai, Chen, Ling-Chuan, Chen, Yen-Shu, Wu, Tsung-Ting, and Kang, Chien-Chung are also managerial officers of the Company. Hence, their participation in corporate governance-related continuing education and training is already disclosed in the table "Continuing education of directors (including independent directors) in the past year" above.
- ② Continuing education of the Company's accounting supervisor in the most recent year is as follows:

Title	Name	Date of continuing education		Organizer	Course Name	Hours	Does continuing education comply with regulations
		Start	End				
Head of accounting	Tseng, Shu-Ling	2021/9/9	2021/9/9	Securities & Futures Institute	Key points of supervising reinvested businesses and subsidiaries in terms of internal control and finances	3	Yes
		2021/11/24	2021/11/24	Securities & Futures Institute	Discussions on the criminal liability of finance/accounting personnel in financial statement fraud	3	Yes

Title	Name	Date of continuing education		Organizer	Course Name	Hours	Does continuing education comply with regulations
		Start	End				
		2021/12/8	2021/12/8	Accounting Research and Development Foundation	How an independent director can properly exercise duties and powers based on liabilities stipulated in the Securities and Exchange Act - including discussions regarding the Audit Committee	3	Yes
		2021/12/22	2021/12/22	Accounting Research and Development Foundation	The liabilities of directors, supervisors, and managerial officers in financial statement falsification	3	Yes

③ Continuing education of the Company's chief auditor in the past year is as follows:

Title	Name	Date of continuing education		Organizer	Course Name	Hours	Does continuing education comply with regulations
		Start	End				
Chief auditor	Lin, Kui-Hsiang	2021/11/18	2021/11/18	Computer Audit Association	The application of data storage and access in audits and behavior analysis	6	Yes
		2021/12/9	2021/12/9	Computer Audit Association	Procurement process control and practices in auditing in the digital age	6	Yes

(X) The following items relating to the implementation status of the internal control system shall be disclosed

1. Statement on Internal Control:

ADATA Technology Co., Ltd.

Statement on Internal Control

Date: Tuesday, March 15, 2022

In 2021, the Company conducted an internal audit of its internal control system and hereby declares the following:

- I. The Company acknowledges and understands that the establishment, enforcement and maintenance of the internal control system are the responsibility of the Board of Directors and management, and that the Company has already established such a system. The purpose is to provide reasonable assurance to the effectiveness and efficiency of business operations (including profitability, performance and security of assets), reliability of reports and compliance with relevant regulatory requirements in reaching compliance targets.
- II. Internal control regulations possess inherent shortcomings. Regardless of its design, an effective internal control system can only provide reasonable assurance of the three objectives as mentioned above. Furthermore, its effectiveness may change due to changes in the Company's environment and circumstances. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Governing Regulations for Public Company's Establishment of Internal Control System" (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The criteria introduced by the "Governing Regulations" cover the process of management control and consist of five major elements, each representing a different stage of internal control: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communications, and 5. monitoring activities. Each of the elements in turn contains certain audit items. Please refer to "Governing Regulations" for details.
- IV. The Company has adopted the aforementioned measures for an examination of the effectiveness of the design and implementation of the internal control system.
- V. Based on the findings of the aforementioned examination, the Company believes it can reasonably assure that the design and implementation of its internal control system as of Friday, December 31, 2021 (including supervision and management of subsidiaries), including the effectiveness and efficiency in operation, reliability in financial reporting and compliance with relevant regulatory requirements, have achieved the aforementioned objectives.

- VI. This Statement constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was passed by the Board of Directors on Tuesday, March 15, 2022, with none of the 9 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

ADATA Technology Co., Ltd.



Chairperson of the Board: Chen, Li-Pai, Signature and Seal



President: Chen, Ling-Chuan, Signature and Seal



2. If the company engages an accountant to examine its internal control system, disclose the CPA examination report: None.

(XI) Penalty imposed on the Company and its personnel, punishment imposed by the Company on personnel in violation of internal control system regulations, major deficiencies and improvements in the past year and up to the date of report: None.

(XII) Important resolutions adopted in shareholders meeting and board of directors' meeting in the past year and up to the date of report:

1. Major resolutions of the shareholders' meeting and implementation status

Date of meeting	Major resolutions	Resolution	Implementation status
2021.7.12	1. Acknowledgment of the 2020 business report and financial statements	Passed as proposed after the chairperson consulted all attending shareholders	1. None.
	2. Acknowledgment of the 2020 dividend distribution proposal		2. Cash dividends in the amount of NT\$808,194,258 were distributed to shareholders according to the 2020 dividend distribution proposal. The shareholders' meeting authorized the chairperson to set the record date and dividends were distributed on August 31, 2021.
	3. Proposed amendment to the Articles of Incorporation		3. Changed information registered at the Ministry of Economic Affairs on August 18, 2021.
	4. Proposed amendment to the Rules of Procedure for Shareholders' Meetings		4. None.
	5. Proposed amendment to the Procedures for Acquisition and Disposal of		5. None.

Date of meeting	Major resolutions	Resolution	Implementation status
	Assets		

2. Important resolutions of the Board of Directors

Board meeting	Date of meeting	Major resolutions	Resolution
8th-term 6th time	2021.2.3	<ol style="list-style-type: none"> 1. Annual bonuses for managerial officers proposed by the Remuneration Committee. 2. Proposal to amend the internal control system. 3. Proposal to apply to financial institutions for short-term loans. 4. Proposal to change the counterparty of endorsement and guarantee provided by the Company to investee ADATA ELECTRONICS BRAZIL S.A. 	All proposals were passed as proposed by all directors in attendance without objection.
8th-term 7th time	2021.3.24	<ol style="list-style-type: none"> 1. Bonuses for managerial officers proposed by the Remuneration Committee. 2. Proposed distribution of employee bonuses and directors' remuneration in 2020. 3. Proposal to acknowledge the 2020 business report and financial statements. 4. 2020 dividend distribution proposal. 5. Proposal to approve the Statement on Internal Control. 6. Proposal to amend the Audit Committee Charter. 7. Proposed amendment to the Rules of Procedure for Shareholders' Meetings. 8. Proposal to convene the 2021 annual shareholders' meeting. 9. Proposal to change the Company's paid-in capital. 10. Proposal to determine the remuneration to the Company's accountants. 11. Proposal to evaluate the accountants' independence. 12. Proposal to apply to financial institutions for short-term loans. 	All proposals were passed as proposed by all directors in attendance without objection.
8th-term 8th time	2021.4.20	<ol style="list-style-type: none"> 1. Distribution of directors' remuneration in 2020 proposed by the Remuneration Committee. 2. Bonuses for managerial officers proposed by the Remuneration Committee. 3. Promotions of managerial officers proposed by the Remuneration Committee. 4. Appointment of managerial officers proposed by the Remuneration Committee and review of remuneration. 5. Proposal to appoint a corporate governance supervisor. 6. Proposal to apply to financial institutions for short-term loans. 7. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit. 8. Proposal for the Company to provide endorsement and guarantee for investee ADATA 	All proposals were passed as proposed by all directors in attendance without objection.

Board meeting	Date of meeting	Major resolutions	Resolution
		<p>ELECTRONICS BRAZIL S.A.</p> <p>9. Proposal to amend the Articles of Incorporation.</p> <p>10. Proposal to amend the Procedures for Acquisition and Disposal of Assets.</p> <p>11. Proposal for by-election of one independent director.</p> <p>12. Proposal for the Board of Directors to nominate candidates for one independent director seat.</p> <p>13. Proposal to waive the non-compete clause for the newly appointed independent director.</p> <p>14. Proposal to resolve on the qualifications of independent directors.</p> <p>15. Proposal to acquire real estate.</p>	
8th-term 9th time	2021.5.3	<p>1. Raises for managerial officers proposed by the Remuneration Committee.</p> <p>2. Bonuses for managerial officers proposed by the Remuneration Committee.</p> <p>3. Proposal to acknowledge the 2021 Q1 financial statements.</p> <p>4. Proposal to change the Company's paid-in capital.</p> <p>5. Proposal to apply to financial institutions for short-term loans.</p> <p>6. Proposal to acquire real estate.</p>	All proposals were passed as proposed by all directors in attendance without objection.
8th-term 10th time	2021.6.21	<p>1. Bonuses for managerial officers proposed by the Remuneration Committee.</p> <p>2. Proposal to recall and retire restricted share awards.</p> <p>3. Proposal to apply to financial institutions for short-term loans.</p> <p>4. Proposal for the Company to provide endorsement and guarantee for investee ADATA ELECTRONICS BRAZIL S.A.</p> <p>5. Proposal to participate in the Taoyuan investment.</p> <p>6. Proposal to convene the 2021 annual shareholders' meeting on a new date.</p>	All proposals were passed as proposed by all directors in attendance without objection.
8th-term 10th time	2021.6.29	<p>1. Proposal to participate in the private placement of ADATA Technology Co., Ltd.</p> <p>2. Proposal to change the safekeeping agent of the dedicated seal for endorsements and guarantees</p> <p>3. Proposal to open a Taoyuan Branch.</p>	All proposals were passed as proposed by all directors in attendance without objection.
8th-term 12th time	2021.7.15	<p>1. Bonuses for managerial officers proposed by the Remuneration Committee.</p> <p>2. Proposal for the Company's share buyback so as to transfer them to employees.</p> <p>3. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.</p>	All proposals were passed as proposed by all directors in attendance without objection.
8th-term 13th time	2021.8.4	<p>1. Bonuses for managerial officers proposed by the Remuneration Committee.</p> <p>2. Proposal to acknowledge the 2021 Q2 financial statements.</p>	All proposals were passed as proposed by all

Board meeting	Date of meeting	Major resolutions	Resolution
		<ol style="list-style-type: none"> 3. Proposal to change the Company's paid-in capital. 4. Proposal to apply to financial institutions for short-term loans. 5. Proposal to amend the Audit Committee Charter. 6. Proposal to amend the Remuneration Committee Charter. 	directors in attendance without objection.
8th-term 14th time	2021.8.23	<ol style="list-style-type: none"> 1. Bonuses for managerial officers proposed by the Remuneration Committee. 2. Proposal to apply to financial institutions for short-term loans. 4~8. Proposal to apply to financial institutions for mid-term and long-term loans. 9. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit. 	All proposals were passed as proposed by all directors in attendance without objection.
8th-term 15th time	2021.10.15	<ol style="list-style-type: none"> 1. Bonuses for managerial officers proposed by the Remuneration Committee. 2. Proposal to recall and retire restricted share awards. 3. Proposal to change the Company's paid-in capital. 4. Proposal to dispose of real estate. 5. Proposal to apply to financial institutions for short-term loans. 6. Proposal to apply to financial institutions for mid-term loans by mortgaging real estate. 7. Proposal to change a bank as endorsed by the Company. 8. Proposal to extend an endorsement and adjust the credit limit. 9. Proposal for the Company to provide endorsement and guarantee for investee ADATA ELECTRONICS BRAZIL S.A. 10. Proposal to amend the Accounting System. 11. Proposal to amend the Operating Procedures for Financial and Business Transactions between Affiliated Enterprises. 12. Proposal to amend the Internal Control System. 13. Proposal to amend the Internal Audit Enforcement Rules 14. Proposal to amend the Regulations for Internal Control Self-Evaluations. 15. Regulations for the Prevention of Insider Trading 	All proposals were passed as proposed by all directors in attendance without objection.
8th-term 16th time	2021.11.9	<ol style="list-style-type: none"> 1. Bonuses for managerial officers proposed by the Remuneration Committee. 2. Distribution of 2020 employee bonuses to managerial officers proposed by the Remuneration Committee. 3. Proposal to acknowledge the 2021 Q3 financial statements. 4. Proposal to apply to financial institutions for short-term loans. 	All proposals were passed as proposed by all directors in attendance without objection.

Board meeting	Date of meeting	Major resolutions	Resolution
8th-term 17th time	2021.12.29	<ol style="list-style-type: none"> 1. Bonuses for managerial officers proposed by the Remuneration Committee. 2. Proposal to recall and retire restricted share awards. 3. Proposal to change the Company's paid-in capital. 4. Proposed 2022 business plan. 5. Proposed 2022 audit plan. 6. Proposal to apply to financial institutions for short-term loans. 7. Proposal to apply to financial institutions for factoring. 8. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit. 9. Proposal for the Company to provide a loan to investee ADATA ELECTRONICS BRAZIL S.A. 10. Proposal to amend the Standard Procedures for Handling Directors' Requests. 	All proposals were passed as proposed by all directors in attendance without objection.
8th-term 18th time	2022.1.18	<ol style="list-style-type: none"> 1. Annual bonuses for managerial officers proposed by the Remuneration Committee. 	All proposals were passed as proposed by all directors in attendance without objection.
8th-term 19th time	2022.2.15	<ol style="list-style-type: none"> 1. Bonuses for managerial officers proposed by the Remuneration Committee. 2. Proposal to apply to financial institutions for short-term loans. 3. Proposal to acquire real estate. 	All proposals were passed as proposed by all directors in attendance without objection.
8th-term 20th time	2022.3.15	<ol style="list-style-type: none"> 1. Bonuses for managerial officers proposed by the Remuneration Committee. 2. Proposed distribution of employee bonuses and directors' remuneration in 2021. 3. Proposal to acknowledge the 2021 business report and financial statements. 4. Proposal to approve the Statement on Internal Control. 5. Distribution of directors' remuneration in 2021 proposed by the Remuneration Committee. 6. Proposal to amend the Articles of Incorporation. 7. Proposal to amend the Procedures for Acquisition and Disposal of Assets. 8. Proposal to convene the 2022 annual shareholders' meeting. 9. Proposal to recall and retire restricted share awards. 10. Proposal to change the Company's paid-in capital. 11. Proposal to change the CPA in compliance with the internal rotation of the CPA firm. 12. Proposal to evaluate the accountants' 	All proposals were passed as proposed by all directors in attendance without objection.

Board meeting	Date of meeting	Major resolutions	Resolution
		independence. 13. Proposal to apply to financial institutions for loans. 14. Proposal to apply to financial institutions for mid-term and long-term loans. 15. Proposal to apply to financial institutions for long-term loans by mortgaging real estate. 16. Proposal for the Company to provide endorsement and guarantee for investee ADATA ELECTRONICS BRAZIL S.A.	
8th-term 21st time	2022.4.20	1. Raises for managerial officers proposed by the Remuneration Committee. 2. Bonuses for managerial officers proposed by the Remuneration Committee. 3. 2021 dividend distribution proposal. 4. Proposal to amend the Articles of Incorporation.	All proposals were passed as proposed by all directors in attendance without objection.

(XIII) Dissenting or qualified opinion of directors or supervisors against an important resolution passed by the Board of Directors that is on record or stated in a written statement in the past year and up to the date of report: N/A.

(XIV) Resignation and dismissal of the Company's related personnel (including chairperson, president, chief accounting officer, chief financial officer, chief internal auditor, and R&D supervisor) in the past year and up to the date of report:

TITLE	NAME	APPOINTED ON	LEFT ON	REASON FOR RESIGNATION OR DISMISSAL
None in the current year				

(XV) Certifications specified by the competent authority that were obtained by the Company's personnel related to financial information transparency

CERTIFICATION	NUMBER OF PEOPLE	
	INTERNAL AUDIT	FINANCE/ACCOUNTING
CPA	-	1
CIA	1	1
CCSA	1	-
ICCP	-	-

IV. Information on fees to the certified public accountant (CPA)

Unit: NT\$1,000

Name of accounting firm	Name of CPA	Audit period	Audit fee	Non-audit fee (Note)	Total	Note
PricewaterhouseCoopers Taiwan	Huang, Shih-Chun	2021/1/1~110/12/31	9,930	3,497	13,427	
	Yeh, Tsui-Miao					

Services include transfer pricing report fee in the amount of NT\$2,644,000, and business tax related fees in the amount of NT\$835,000.

- (I) If non-audit fees account for one fourth or more of audit fees paid to the CPAs, the accounting firm, and its affiliates, disclose the amount of audit and non-audit fees and the contents of non-audit services. details are listed in the notes of the table above.
- (II) If the accounting firm is changed and the audit fees paid in the year of the replacement is less than that of the previous year, the amount and percentage of decrease in audit fees and the causes shall be disclosed: None.
- (III) If the audit fees decreased more than 10% from that of the prior year, the amount, percentage, and reasons for the decrease in audit fees shall be disclosed:

The Company's 2021 audit fees of NT\$9,930,000 is NT\$4,500,000 and 31% less than that of the 2020 audit fees NT\$14,430,000. In accordance with the Jin-Guan-Zheng-Shen-Zi No. 1090351573 from the Financial Supervisory Commission dated July 27, 2020, the Company revised the audit fees from 2017 Q2 to 2020 Q1 listed in the financial report, due to the incorporation of the re-investment Liwanli Innovation Co., Ltd. as a merged entity and the adoption of the equity method in the ATrack Technology Inc. investment.

V. Information on the replacement of CPA

The Company did not replace its CPAs in 2021.

- VI. If the chairperson, president, and financial or accounting officer of the Company had worked for the CPA's accounting firm or its affiliate in the past year, disclose the name, title, and duration at the CPA's accounting firm or affiliate
- N/A.

VII. Share transfer by directors, supervisors, managerial officers and shareholders holding more than 10% equity and changes to share pledging by them in the past year and up to the date of report

(I) Changes in shareholding

Title	Name	2021		2022 up to April 20	
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares
Chairperson	Chen, Li-Pai	1,045,000	0	0	0
Director	Chen, Ling-Chuan	775,000	0	0	0
Director	Bao Da Investment Co., Ltd.	290,000	0	0	0
Independent director	Li, Tsung-Jung	0	0	0	0
Independent director	Hu, Yao-Jen (Note 1)	0	0	0	0
Independent director	Chen, Tzu-Chang	0	0	0	0
CEO	Chen, Li-Pai	1,045,000	0	0	0
President	Chen, Ling-Chuan	775,000	0	0	0
Vice President	Kang, Chien-Chung	36,000	0	(15,000)	0
Vice President	Wu, Tsung-Ting	35,000	0	0	0
Vice President	Lin, Tien-Chiung	35,000	0	0	0
Vice President	Cheng, Li-Hsiung	10,000	0	(10,000)	0
Vice President	Chiang, Chang-Hsien	(3,000)	0	(2,000)	0
Vice President	Hsieh, Tai-Kao	34,000	0	0	0
Vice President	Li, Ching-Fa (Note 2)	10,000	0	0	0
Financial officer	Chen, Yen-Shu	27,000	0	0	0
Head of accounting	Tseng, Shu-Ling	6,000	0	(4,000)	0

Note 1: Hu, Yao-Jen was appointed on July 12, 2022.

Note 2: Li, Ching-Fa was appointed on April 20, 2021.

Note 3: The counterparts of share transfer above were not related parties.

Note 4: The Company established an Audit Committee to carry out related operations and perform the duties of supervisors in accordance with Article 14-5 of the Securities and Exchange Act, and therefore abolished the position of supervisor when the Audit Committee was established on June 7, 2017.

(II) Share transfer information: There was no share transfer to related parties.

(III) Share pledge information: There were no shares pledged to related parties.

VIII. Information on the relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree):

Saturday, April 16, 2022

Name	Shareholding		Shares held by spouse and underage children		Total shareholding by nominee arrangement		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree).		Remarks
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Name (or name)	Relationship	
Chen, Ling-Chuan	6,702,876	2.51	5,282,210	1.98	1,699,000	0.64	Chen, Li-Pai Bao Da Investment Yi Yin Investment	Spouse Major shareholder Major shareholder	
Chen, Li-Pai	5,282,210	1.98	6,702,876	2.51	4,973,000	1.86	Chen, Ling-Chuan Bao Da Investment Yi Yin Investment	Spouse Person in charge Major shareholder	
Yi Yin Investment Co., Ltd.	4,973,000	1.86	0	0	0	0	Chen, Li-Pai	Major shareholder	
Legal Representative: Chen, Sheng-Ju	1,007	0.00	0	0	0	0	N/A	N/A	
Vanguard emerging markets investment account under the custody of JPMorgan Chase Bank	3,246,000	1.22	0	0	0	0	N/A	N/A	
PGIA International Composite Stock Price Index under the custody of JPMorgan Chase Bank	2,988,467	1.12	0	0	0	0	N/A	N/A	
Bao Da Investment Co., Ltd.:	2,506,800	0.94	0	0	0	0	Chen, Li-Pai Chen, Ling-Chuan	Major shareholder Major shareholder	
Legal Representative: Chen, Li-Pai	5,282,210	1.98	6,702,876	2.51	4,973,000	1.86	Chen, Ling-Chuan Yi Yin Investment	Spouse Major shareholder	
Morgan Stanley and Co. International Ltd. account under the custody of HSBC Bank	1,972,760	0.74	0	0	0	0	N/A	N/A	

Name	Shareholding		Shares held by spouse and underage children		Total shareholding by nominee arrangement		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree).		Remarks
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Name (or name)	Relationship	
Yin Yi Investment Co. Ltd.	1,699,000	0.64	0	0	0	0	Chen, Ling-Chuan	Major shareholder	
Legal Representative: Liao, Feng-li	0	0.00	0	0	0	0	N/A	N/A	
Liu, Ying-Ta	1,420,895	0.53	0	0	0	0	N/A	N/A	
iShares emerging market ETF under the custody of Standard Chartered	1,342,820	0.50	0	0	0	0	N/A	N/A	

IX. The shareholding of the Company, directors, supervisors, managers, and enterprises that are directly or indirectly controlled by the Company in the same re-invested company:

Friday, December 31, 2021 Unit: shares; %

Investee company (Note 1)	Investment by the Company		Investments from directors, supervisors, managerial officers and their directly or indirectly controlled enterprises		Combined investment	
	Number of shares	Sharehold ing ratio	Number of shares	Sharehol ding ratio	Number of shares	Sharehold ing ratio
Zhao-Xing Investment Co., Ltd.	130,000,000	100.00	—	—	130,000,000	100.00
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	200,000	100.00	—	—	200,000	100.00
ADATA TECHNOLOGY B.V.	300,020	100.00	—	—	300,020	100.00
ADATA HOLDINGS CO., LTD.	79,487,598	100.00	—	—	79,487,598	100.00
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	180,000,00	100.00	—	—	180,000,000	100.00
Ci Cai Guang Agricultural Biotechnology Co., Ltd.	75,000,000	100.00	—	—	75,000,000	100.00
Jiou Long Agricultural Biotechnology Co., Ltd.	18,100,000	100.00	—	—	18,100,000	100.00
Long Tian Agricultural Biotechnology Co., Ltd.	77,100,000	100.00	—	—	77,100,000	100.00
ADATA Technology (Japan) Co., Ltd.	600	100.00	—	—	600	100.00
ALLIED TREASURE INC. LIMITED	178,776,000	100.00	—	—	178,776,000	100.00
ADATA TECHNOLOGY MEXICO SDRL DE CV	6,649,647 (note 2)	100.00	—	—	6,649,647 (note 2)	100.00
Jet Castle Limited	1,500,000	100.00	—	—	1,500,000	100.00
AROBOT INNOVATION(SAMOA) HOLDINGS CO., LTD.	1,000,000	74.63	340,000	25.37	1,340,000	100.00

Investee company (Note 1)	Investment by the Company		Investments from directors, supervisors, managerial officers and their directly or indirectly controlled enterprises		Combined investment	
	Number of shares	Sharehold ing ratio	Number of shares	Sharehol ding ratio	Number of shares	Sharehold ing ratio
AWAYSPEED Technology Co., Ltd.	3,410,000	56.83	600,000	10.00	4,010,000	66.83
Liwanli Innovation Co., Ltd.	40,906,925	50.72	7,317,733	8.77	40,906,925	57.81

Note 1: The Company's investments recognized under the equity method.

Note 2: ADATA TECHNOLOGY MEXICO SDRL DE CV has not issued any shares and is a wholly-owned subsidiary of ADATA.

D. Capital overview

I. Capital and shareholding

(I) Sources of capital

1. Sources of capital

Unit: 1,000 shares; NT\$ thousand; April 20, 2022

Year/Month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Other (Approval date and document number)
April 2001	10	5,000	50,000	5,000	50,000	Company established	N/A	—
June 2001	10	20,000	200,000	20,000	200,000	Cash capital increase in the amount of 150,000	N/A	—
June 2002	10	32,000	320,000	23,200	232,000	Capitalization of profits in the amount of 32,000	N/A	—
October 2002	10	32,000	320,000	25,300	253,000	Cash capital increase in the amount of 21,000	N/A	—
December 2002	10	32,000	320,000	26,070	260,700	Cash capital increase in the amount of 7,700	N/A	—
June 2003	10	80,000	800,000	40,305	403,050	Capitalization of profits in the amount of 142,350	N/A	—
August 2003	10	80,000	800,000	41,705	417,050	Cash capital increase in the amount of 14,000	N/A	—
October 2003	10	80,000	800,000	45,605	456,050	Cash capital increase in the amount of 39,000	N/A	—
July 2004	10	160,000	1,600,000	78,966	789,660	Capitalization of profits in the amount of 333,610	N/A	Tai-Cai-Zheng-Yi-Zi No. 0930126592 dated 93.06.15
October 2004	10	160,000	1,600,000	88,266	882,660	Cash capital increase in the amount of 93,000	N/A	Jin-Guan-Zheng-Yi-Zi No. 0930134919 dated 93.08.13
December 2004	10	160,000	1,600,000	88,568	885,680	Employee stock warrants 3,020	N/A	Jing-Shou-Shang-Zi No. 09401010730 dated 94.01.24
March 2005	10	160,000	1,600,000	89,347	893,470	Employee stock warrants 7,790	N/A	Jing-Shou-Shang-Zi No. 09401066300 dated 94.04.28
July 2005	10	160,000	1,600,000	108,200	1,081,997	Capitalization of profits in the amount of 188,527	N/A	Jin-Guan-Zheng-Yi-Zi No. 0940126323 dated 94.06.30
January 2006	10	160,000	1,600,000	108,214	1,082,137	Employee stock warrants 140	N/A	Jing-Shou-Shang-Zi No. 09501010550 dated 95.01.17
February 2006	10	160,000	1,600,000	114,464	1,144,637	Cash capital increase of 62,500	N/A	Jin-Guan-Zheng-Yi-Zi No. 0940157587 dated 94.12.23
April 2006	10	160,000	1,600,000	115,376	1,153,762	Employee stock warrants 9,125	N/A	Jing-Shou-Shang-Zi No. 09501070760 dated 95.04.19
July 2006	10	160,000	1,600,000	115,781	1,157,812	Employee stock warrants 4,050	N/A	Jing-Shou-Shang-Zi No. 09501154930 dated 95.07.20
September	10	400,000	4,000,000	137,987	1,379,873	Capitalization of profits	N/A	Jin-Guan-Zheng-Yi-Zi

Year/Month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Other (Approval date and document number)
2006						in the amount of 207,881 Employee stock warrants 14,180		No. 0950128936 dated 95.07.06
October 2006	10	400,000	4,000,000	139,454	1,394,540	Conversion of convertible bonds 14,666	N/A	Jing-Shou-Shang-Zi No. 09501235020 dated 95.10.18
December 2006	10	400,000	4,000,000	145,342	1,453,421	Conversion of convertible bonds 58,471 Employee stock warrants 410	N/A	Jing-Shou-Shang-Zi No. 09601012390 dated 96.01.18
April 2007	10	400,000	4,000,000	150,451	1,504,508	Conversion of convertible bonds 48,072 Employee stock warrants 3,015	N/A	Jing-Shou-Shang-Zi No. 09601081790 dated 96.04.18
July 2007	10	400,000	4,000,000	150,551	1,505,508	Employee stock warrants 1,000	N/A	Jing-Shou-Shang-Zi No. 09601171200 dated 96.07.25
August 2007	10	400,000	4,000,000	159,551	1,595,508	Cash capital increase in the amount of 90,000	N/A	Jin-Guan-Zheng-Yi-Zi No. 0960012982 dated 96.04.02
September 2007	10	400,000	4,000,000	170,568	1,705,676	Capitalization of profits in the amount of 110,169	N/A	Jin-Guan-Zheng-Yi-Zi No. 0960034740 dated 96.07.06
October 2007	10	400,000	4,000,000	171,148	1,711,476	Employee stock warrants 5,800	N/A	Jing-Shou-Shang-Zi No. 09601254420 dated 96.10.17
December 2007	10	400,000	4,000,000	171,151	1,711,506	Employee stock warrants 30	N/A	Jing-Shou-Shang-Zi No. 09701020010 dated 97.01.25
March 2008	10	400,000	4,000,000	172,258	1,722,581	Employee stock warrants 11,075	N/A	Jing-Shou-Shang-Zi No. 09701155050 dated 97.06.30
June 2008	10	400,000	4,000,000	172,648	1,726,476	Employee stock warrants 3,895	N/A	Jing-Shou-Shang-Zi No. 09701177360 dated 97.07.31
September 2008	10	400,000	4,000,000	176,906	1,769,063	Capitalization of profits in the amount of 42,586	N/A	Jin-Guan-Zheng-Yi-Zi No. 0970032590 dated 97.07.01
October 2008	10	400,000	4,000,000	173,002	1,730,018	Employee stock warrants 955 Retired treasury shares 40,000	N/A	Jing-Shou-Shang-Zi No. 09701265440 dated 97.10.17
November 2008	10	400,000	4,000,000	169,247	1,692,478	Retired treasury shares 37,540	N/A	Jing-Shou-Shang-Zi No. 09701297830 dated 97.11.21
March 2009	10	400,000	4,000,000	210,443	2,104,433	Conversion of convertible bonds 411,955	N/A	Jing-Shou-Shang-Zi No. 09801073230 dated 98.04.15
June 2009	10	400,000	4,000,000	212,342	2,123,423	Conversion of convertible bonds 18,985 Employee stock warrants 5	N/A	Jing-Shou-Shang-Zi No. 09801157760 dated 98.7.15
September	10	400,000	4,000,000	224,342	2,243,423	Cash capital increase via	N/A	Jing-Shou-Shang-Zi

Year/Month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Other (Approval date and document number)
2009						private placement in the amount of 120,000		No. 09801215150 dated 98.9.18
October 2009	10	400,000	4,000,000	224,739	2,247,395	Conversion of convertible bonds 3,852 Employee stock warrants 120	N/A	Jing-Shou-Shang-Zi No. 09801241190 dated 98.10.21
December 2009	10	400,000	4,000,000	225,907	2,259,070	Conversion of convertible bonds 6,905 Employee stock warrants 4,770	N/A	Jing-Shou-Shang-Zi No. 09901012740 dated 99.1.18
April 2010	10	400,000	4,000,000	226,668	2,266,678	Conversion of convertible bonds 1,078 Employee stock warrants 6,530	N/A	Jing-Shou-Shang-Zi No. 09901077520 dated 99.4.20
July 2010	10	400,000	4,000,000	228,120	2,281,203	Conversion of convertible bonds 13,590 Employee stock warrants 935	N/A	Jing-Shou-Shang-Zi No. 09901160700 dated 99.7.19
September 2010	10	400,000	4,000,000	228,150	2,281,503	Employee stock warrants 300	N/A	Jing-Shou-Shang-Zi No. 09901211890 dated 99.9.16
January 2011	10	400,000	4,000,000	228,173	2,281,733	Employee stock warrants 230	N/A	Jing-Shou-Shang-Zi No. 10001011550 dated 100.1.19
March 2011	10	400,000	4,000,000	228,212	2,282,123	Employee stock warrants 390	N/A	Jing-Shou-Shang-Zi No. 10001050560 dated 100.3.15
June 2011	10	400,000	4,000,000	228,283	2,282,839	Conversion of convertible bonds 458 Employee stock warrants 258	N/A	Jing-Shou-Shang-Zi No. 10001138820 dated 100.7.5
September 2011	10	400,000	4,000,000	225,784	2,257,839	Retired treasury shares 25,000	N/A	Jing-Shou-Shang-Zi No. 10001212330 dated 100.9.13
July 2013	10	400,000	4,000,000	225,882	2,258,824	Employee stock warrants 985	N/A	Jing-Shou-Shang-Zi No. 10201121050 dated 102.7.1
September 2013	10	400,000	4,000,000	241,342	2,413,421	Conversion of convertible bonds 145,024 Employee stock warrants 9,573	N/A	Jing-Shou-Shang-Zi No. 10201200410 dated 102.9.27
December 2013	10	400,000	4,000,000	243,028	2,430,282	Conversion of convertible bonds 1,426 Employee stock warrants 15,435	N/A	Jing-Shou-Shang-Zi No. 10201255230 dated 102.12.19
April 2014	10	400,000	4,000,000	243,158	2,431,582	Employee stock warrants 1,300	N/A	Jing-Shou-Shang-Zi No. 10301067730 dated 103.4.17
July 2014	10	400,000	4,000,000	243,262	2,432,617	Employee stock warrants 1,035	N/A	Jing-Shou-Shang-Zi No. 10301139540 dated 103.7.15

Year/Month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Subscription s paid with property other than cash	Other (Approval date and document number)
September 2014	10	400,000	4,000,000	244,973	2,449,734	Employee stock warrants 425 Capitalization of profits in the amount of 16,692	N/A	Jing-Shou-Shang-Zi No. 10301199700 dated 103.9.30
November 2014	10	400,000	4,000,000	229,973	2,299,734	Retired treasury shares 150,000	N/A	Jing-Shou-Shang-Zi No. 10301242610 dated 103.11.27
January 2018	10	400,000	4,000,000	224,172	2,241,724	Retired treasury shares 58,010	N/A	Jing-Shou-Shang-Zi No. 10701001020 dated 107.01.03
July 2018	10	400,000	4,000,000	224,125	2,241,254	Retired treasury shares 470	N/A	Jing-Shou-Shang-Zi No. 10701111060 dated 107.08.29
November 2018	10	400,000	4,000,000	219,725	2,197,254	Retired treasury shares 44,000	N/A	Jing-Shou-Shang-Zi No. 10701146710 dated 107.11.23
January 2020	10	400,000	4,000,000	223,794	2,237,943	Conversion of convertible bonds 4,069	N/A	Jing-Shou-Shang-Zi No. 10901013550 dated 109.01.30
April 2020	10	400,000	4,000,000	227,055	2,270,548	Conversion of convertible bonds 32,605	N/A	Jing-Shou-Shang-Zi No. 10901059530 dated 109.04.23
May 2020	10	400,000	4,000,000	227,518	2,275,184	Conversion of convertible bonds 4,636	N/A	Jing-Shou-Shang-Zi No. 10901071180 dated 109.05.07
September 2020	10	400,000	4,000,000	227,553	2,275,529	Conversion of convertible bonds 345	N/A	Jing-Shou-Shang-Zi No. 10901165420 dated 109.09.14
December 2020	10	400,000	4,000,000	226,015	2,260,149	Retired treasury shares 15,380	N/A	Jing-Shou-Shang-Zi No. 10901246400 dated 109.12.31
January 2021	10	400,000	4,000,000	228,515	2,285,149	Restricted stock awards of 25,000	N/A	Jing-Shou-Shang-Zi No. 11001012740 dated 110.01.29
April 2021	10	400,000	4,000,000	245,258	2,452,581	Conversion of convertible bonds 167,432	N/A	Jing-Shou-Shang-Zi No. 11001057890 dated 110.04.07
May 2021	10	400,000	4,000,000	253,792	2,537,916	Conversion of convertible bonds 8,534	N/A	Jing-Shou-Shang-Zi No. 11001085810 dated 110.05.19
July 2021	10	400,000	4,000,000	253,788	2,537,876	Recalled restricted stock awards of 4	N/A	Jing-Shou-Shang-Zi No. 11001114370 dated 110.07.14
September 2021	10	400,000	4,000,000	260,264	2,602,642	Conversion of convertible bonds 6,476	N/A	Jing-Shou-Shang-Zi No. 11001149470 dated 110.09.16
November 2021	10	400,000	4,000,000	261,103	2,611,033	Conversion of convertible bonds 843 Recalled restricted stock awards of 4	N/A	Jing-Shou-Shang-Zi No. 11001201890 dated 110.11.22
January 2022	10	400,000	4,000,000	261,482	2,614,824	Conversion of convertible bonds 393	N/A	Jing-Shou-Shang-Zi No. 11101006810

Year/Month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Other (Approval date and document number)
						Recalled restricted stock awards of 14.8		dated 111.01.19

Type of stock	Authorized capital (shares)			Remarks
	Shares issued and outstanding (Note)	Unissued shares	Total	
Ordinary shares	266,791,004	333,208,996	600,000,000	TPEX-listed shares

Note: The Company does not have any regulations regarding shelf registration.

(II) Shareholder structure

Saturday, April 16, 2022

Shareholder structure Quantity	Government Organization	Finance Organization	Other institutions	Individuals	Foreign institutions and foreigners	Total
Number of people	0	5	338	77,313	176	77,832
Number of shares held	0	1,307,000	22,079,731	223,396,212	20,008,061	266,791,004
Shareholding ratio (%)	0%	0.49%	8.27%	83.73%	7.51%	100.00%

Note: The shares are traded on the Taipei Exchange and there are no shares held by Chinese capital.

(III) Shareholding distribution

Saturday, April 16, 2022

Shareholding range	Number of shareholders	Number of shares held	Shareholding ratio (%)
1 - 999	25,703	1,394,598	0.52%
1,000 - 5,000	44,520	83,886,443	31.44%
5,001 - 10,000	4,388	34,277,136	12.85%
10,001 - 15,000	1,213	15,310,465	5.74 %
15,001 - 20,000	719	13,434,012	5.03%
20,001 - 30,000	549	14,272,994	5.35%
30,001 - 40,000	234	8,274,195	3.10%
40,001 - 50,000	127	5,909,840	2.22%
50,001 - 100,000	219	15,946,865	5.98%
100,001 - 200,000	91	12,858,774	4.82%
200,001 - 400,000	35	9,355,062	3.51%
400,001 - 600,000	11	5,394,614	2.02%
600,001 - 800,000	6	4,148,263	1.55%
800,001 - 1,000,000	3	2,635,915	0.99%
1,000,001 -99,999,999,999	14	39,691,828	14.88%
Total	77,832	266,791,004	100.00%

Note: The Company only issued ordinary shares and has not issued any preferred shares.

(IV) List of major shareholders
 Top ten shareholders with 5 % or more shares

April 16, 2022; Unit: shares

Name of major shareholder	Number of shares held	Shareholding ratio (%)
Chen, Ling-Chuan	6,702,876	2.51%
Chen, Li-Pai	5,282,210	1.98%
Yi Yin Investment Co., Ltd.	4,973,000	1.86%
Vanguard emerging markets investment account under the custody of JPMorgan Chase Bank	3,246,000	1.22%
PGIA International Composite Stock Price Index under the custody of JPMorgan Chase Bank	2,988,467	1.12%
Bao Da Investment Co., Ltd.:	2,506,800	0.94%
Morgan Stanley and Co. International Ltd. account under the custody of HSBC Bank	1,972,760	0.74%
Yin Yi Investment Co. Ltd.	1,699,000	0.64%
Liu, Ying-Ta	1,420,895	0.53%
iShares emerging market ETF under the custody of Standard Chartered	1,342,820	0.50%
Total	32,134,828	12.04%

(V) Stock price, net worth, earnings, dividends and related information for the past two years

Unit: 1,000 shares; NTS

Item		Year	2020 (Distributed in 2021)	2021 (Distributed in 2022)	Year 2022 until March 31
Stock price	H i g h e s t		77.80	132.00	102.50
	L o w e s t		38.10	68.30	79.50
	A v e r a g e		60.12	90.60	88.77
Net worth per share	Before distribution		39.00	46.12	46.12 (Note 5)
	After distribution		38.81	45.95 (Note 1)	-
(Basic) Earnings per share	Weighted average shares		221,304	245,822	245,822 (Note 5)
	Earnings per share	Before retroactive adjustment	6.10	9.14	9.14 (Note 5)
		After retroactive adjustment	6.10	9.14 (Note 1)	-
Dividends per share	Cash dividends		3.50	5.50 (Note 1)	-
	Stock dividends	Earnings	-	-	-
		Additional paid-in capital (A P I C)	-	-	-
	Accumulated unpaid d i v i d e n d		-	-	-
Return on investment analysis	Price-earnings (P/E) ratio (Note 2)		9.86	9.91	-
	Price-dividend (P/D) ratio (Note 3)		17.18	16.47 (Note 1)	-
	Cash dividend yield rate (Note 4)		5.82	6.07 (Note 1)	-

Note 1: Including the 2021 stock dividends amount approved by the Board of Directors on April 20, 2022.

Note 2: Price-earnings ratio = Year's average per share closing price / earnings per share.

Note 3: Price-dividend ratio = Year's average per share closing price / cash dividend per share.

Note 4: Cash dividend yield = Cash dividend per share / year's average per share closing price.

Note 5: As of the date of report, 2022 Q1 data audited by the accountants have not been disclosed. Hence, the net worth per share and EPS are the same. Figures audited by the accountants in 2021.

(VI) Dividend policy and implementation status

1. Dividend policy set forth in the Articles of Incorporation

If the Company's final accounts show a profit, the Company shall first pay taxes in accordance with the law and offset accumulated losses, and then allocate 10% of the remaining amount as legal reserve, except when the accumulated legal reserve has reached the Company's paid-in capital. The Company shall then allocate or reverse the special reserve in accordance with the law.

The Board of Directors shall prepare a dividend distribution proposal for the amount remaining after distribution in the preceding paragraph plus undistributed earnings in previous years. Pursuant to Article 32-1 of the Articles of Incorporation, if it is distributed in cash, it shall be decided by a majority vote in a Board meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.

The Company adopts the principle of steady and balanced for its dividend policy, and takes into consideration its profitability, financial structure, and future development. At least 10% of dividends each year shall be distributed in cash.

2. Implementation status of the dividend policy

The Company's earnings may be distributed in cash dividends, stock dividends, or partial cash dividends and partial stock dividends. The Company adopts the principle of steady and balanced for its dividend policy, and takes into consideration its profitability, financial structure, and future development. The Company currently mainly distributes cash dividends, and dividends in the past five years have accounted for 60% and above of distributable earnings. The Company does not expect to make any material changes to its future dividend policy, which will be implemented in accordance with the Articles of Incorporation.

3. Current year dividend distribution proposal to the board meeting

The Board of Directors approved the 2021 dividend distribution proposal on April 20, 2022, in which NT\$1,421,581,409 in cash dividends will be distributed (set at NT\$5.5 per share). Once the proposal is approved by the board meeting, the chairperson will be authorized to set the record date and handle other related matters.

(VII) Effect of the proposed stock dividends (to be adopted by the shareholders' meeting) on the Company's operating performance and earnings per share: N/A.

(VIII) Employee bonuses and directors' remuneration

1. Percentages or ranges of employee bonuses and directors' remuneration under the Articles of Incorporation:

If the Company has a profit, it shall appropriate no less than 1% as employee bonuses in stocks or cash decided by the Board of Directors. Employees of the Company's subsidiaries who meet certain criteria may also be eligible for employee bonuses. The chairperson is authorized to determine the criteria for employee bonuses. The Board of Directors may allocate no more than 1% of the profit above as directors' remuneration.

Distribution of employee bonuses and directors' remuneration shall be decided by a majority vote in a Board meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.

A provision shall be made in advance to pay down any outstanding accumulated losses before employee bonuses and directors' remuneration may be allocated according to the percentage in the preceding paragraph.

2. Basis for estimating the amount of employee bonuses and directors' remuneration, basis for calculating the number of shares to be distributed as employee bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:
 - (1) The 2021 employee remuneration of NT\$85,982,778 and directors' remuneration of NT\$28,660,926 estimated by the Company was the same as the amounts approved by the Board of Directors on March 15, 2022.
 - (2) If there is a discrepancy in the actual amount distributed and the estimates above, it will be handled as a change in accounting estimates and recognized by making adjustments in the year of distribution.
3. Distribution of remuneration passed by the Board of Directors:
 - (1) The Board meeting on March 15, 2022 adopted the resolution to distribute NT\$85,982,778 in employee bonuses and NT\$28,660,926 in directors' remuneration, both to be distributed in cash. There was no discrepancy with the estimates in the year they were recognized as expenses.
 - (2) The amount of remuneration to employees to be paid in shares and its percentage out of the standalone or individual financial report for the current period in terms of the sum of net profit after tax and employee remuneration: All employee bonuses passed by the Board of Directors were distributed in cash. Hence the amount of employee bonuses distributed in the form of stock as a percentage of the after-tax profit in this year's standalone financial statements and total employee bonuses was both 0.
4. Actual distribution of employee bonuses and remuneration of directors and supervisors in the previous year (including dividend shares, amount and stock price), discrepancies, if any, from the amount of employee bonuses and directors and supervisors' remuneration previously recognized, and the causes and treatments for the discrepancies:

The amount of employee and directors' remuneration distributed in 2020 was NT\$93,218,831 and NT\$18,643,766, respectively. Estimates were made based on the percentage specified in the Articles of Incorporation (2020 employee bonuses were estimated at 5% and directors and supervisors' remuneration was estimated at 1%). There was no discrepancy in the actual amount distributed and the amount approved by the Board of Directors.

(IX) Stock buyback

April 20, 2022

Stock buyback (already completed)	
Date of Board resolution	Thursday, March 19, 2020
Batch of buyback	Tenth (batch)
Purpose of buyback	Transfer shares to employees
Duration of buyback	From Friday, March 20, 2020 to Monday, May 18, 2020
Price range of buyback	NT\$27.5–NT\$101.30
Type and number of shares bought back	5,461,000 ordinary shares
Amount of shares bought back	NT\$282,449,835
Shares bought back as a percentage of shares expected to be bought back (%)	91%
Number of shares retired and transferred	Transferred 1,500,000 shares to employees on July 28, 2021
Cumulative number of the Company's shares held	3,961,000 ordinary shares
Cumulative number of the Company's shares held as a percentage of current outstanding shares (%)	1.48%

II. Issuance of corporate bonds:

Issuance of corporate bonds

April 20, 2022

Type of Corporate Bonds	Seventh domestic secured corporate bonds
Date of issuance (processing)	Monday, September 28, 2020
Par value	NT\$100,000
Place of issue and trading	-
Issue price	Issued by denomination
Total amount	NT\$1,000,000,000
Interest Rate	Annual interest of 0%
Period	Five-year term; expired on: Sunday, September 28, 2025
Guarantor agency	Hua Nan Commercial Bank, Ltd.
Trustee	CTBC Bank Co., Ltd.
Underwriting institution	E.SUN Securities Co., Ltd.
Certified lawyer	Huang, Tai-Yuan
CPA	Shih-Chun Huang and Tsui-Miao Yeh
Repayment method	Unless the bonds are redeemed by the Company, sold back by the bond holder, or converted, the bonds will be redeemed by the Company in a lump sum in cash at the maturity date.
Outstanding principal	NT\$34,600,000
Terms of redemption or early repayment	See the Issuance and Conversion Regulations for details
Restrictive clauses	See the Issuance and Conversion Regulations for details
Names of credit rating agency, rating date, rating of corporate bonds	-
Other rights attached to the convertible corporate bonds	Amount converted (exchanged or subscribed) to ordinary shares, GDRs, or other negotiable securities up to the date of annual report publication
Issuance and conversion (exchange or subscription) method	NT\$965,400,000
Issuance and conversion, exchange or subscription regulations, potential dilution caused by issuance conditions, and effect on shareholders' equity	See the Issuance and Conversion Regulations for details
	Assuming that holders of the convertible corporate bonds all convert the bonds into ordinary shares at the price of NT\$56.1, the maximum possible dilution is 0.23%. Hence, it will not have a material impact on shareholders' equity.
Name of custodial institution	

Information on Convertible Corporate Bond

Wednesday, April 20, 2022

Type of Corporate Bonds		Seventh domestic secured convertible corporate bonds	
Year		2021	From this year to April 20, 2022
Market price of convertible corporate bonds	Highest	224.00	179.00
	Lowest	127.00	139.90
	Average	166.92	164.31
Conversion price		NT\$56.1 per share	Same as the left
Issuance (processing) date and conversion price during issuance		Monday, September 28, 2020 NT\$57.7 per share	Same as the left
Method for fulfilling conversion obligation		Issuance of new shares	Same as the left

III. Issuance of preferred shares: N/A.

IV. Issuance of global depositary receipts (GDR): N/A.

V. Exercise of employee stock option plan (ESOP): All employee stock warrants had expired as of the date of report, so there was no stock subscription.

VI. Issuance of restricted stock awards:

(I) Issuance of restricted stock awards

April 20, 2022

Type of restricted stock awards	First issuance of restricted stock awards in 2020
E f f e c t i v e d a t e	Tuesday, October 13, 2020
D a t e o f i s s u e	Wednesday, February 24, 2021
Number of new shares from restricted stock awards	2,500,000 shares
I s s u e p r i c e	N/A
Shares issued through restricted stock awards as a percentage of current outstanding shares	0.94%
Vesting conditions of restricted stock awards	<ol style="list-style-type: none"> 1. Employees who are still at the Company one year after the restricted stock awards are issued and reach their individual performance goals, while the Company reaches its business goals (net income (after tax) in 2020 increases 25% or above (inclusive) compared to 2019), will receive up to 50% shares. 2. Employees who are still at the Company one year after the restricted stock awards are issued and reach their individual performance goals, while the Company reaches its business goals (net income (after tax) in 2021 increases 25% or above (inclusive) compared to 2020), will receive up to 50% shares. 3. The actual percentage of shares obtainable each year must be calculated based on the attainment of individual performance goals and the Company's business goals, and agreed upon between the Company and individual employee. Results are calculated to shares, and any amount under one share will be rounded off. 4. The individual performance goal refers to the annual performance evaluation in the most recent year before the vesting period expires and work results reach the individual performance standard set by the Company. The Company's business goals are calculated using the consolidated financial statements audited by the accountants.
Restricted rights of restricted stock awards	<ol style="list-style-type: none"> 1. Restricted stock awards may not be sold, pledged, transferred, given to others, or disposed of in any way by employees during the vesting period. 2. During the vesting period, restricted shares are not eligible for stock and cash dividends or subscription to cash capital increase. 3. Employees shall immediately put restricted stock awards into a trust after receiving the restricted stock awards, and may not request the trustee return the restricted stock awards for any reason or in any way.
Custody of restricted stock awards	Restricted stock awards that are issued will be placed in a trust until vesting conditions are met.
Handling restricted stock awards allocated	The restricted stock awards may be taken back by the

or subscribed to by employees who fail to meet vesting conditions	Company without compensation and retired.
Number of restricted shares taken back or bought back	40,800 shares
Number of shares with restrictions lifted	1,236,200 shares
Number of shares with restrictions not yet lifted	1,223,000 shares
Number of shares with restrictions not yet lifted as a percentage of current outstanding shares (%)	0.46%
Impact on shareholders equity	Dilution of the Company's future EPS is limited, and there is no material impact on shareholder equity.

(II) Names of managers who have received restricted share awards cumulatively and Top 10 employees in terms of the number of shares they acquired and the status of acquisition

Saturday, April 20, 2022

	Title	Name	Shares obtained through restricted stock awards	Shares obtained through restricted stock awards as a percentage of current outstanding shares (Note 1)	Restrictions that were lifted				Restrictions not yet lifted			
					Number of unrestricted shares	Issue price	Issue amount	Number of unrestricted shares as a percentage of current outstanding shares (Note 1)	Number of restricted shares	Issue price	Issue amount	Number of restricted shares as a percentage of current outstanding shares (Note 1)
M a n a g e r E m p l o y e e s	CEO	Chen, Li-Pai	924,000	0.35%	462,000	0	0	0.175%	462,000	0	0	0.175%
	President	Chen, Ling-Chuan										
	Vice President	Lin, Tien-Chiung										
	Vice President	Kang, Chien-Chung										
	Vice President	Wu, Tsung-Ting										
	Vice President	Cheng, Li-Hsiung										
	Vice President	Chiang, Chang-Hsien										
	Vice President	Hsieh, Tai-Kao										
	Financial officer	Chen, Yen-Shu										
	Head of accounting	Tseng, Shu-Ling										
	Senior Executive Assistant	Li, Tseng-Hua	560,000	0.21%	280,000	0	0	0.105%	280,000	0	0	0.105%

Senior Director	Li, Ying-Hao										
Senior Executive Assistant	Yeh, Yu-Ju										
Senior Executive Assistant	Chen, Mei-Yun										
Senior Executive Assistant	Chen, Chen-Chun										
Senior Director	Yin, Shih-Hao										
Director	Chen, Chih-Wei										
Director	Wang, Hao-Cheng										
Senior Executive Assistant	Shen, Wei-Cheng										
Senior Director	Li, I-Chien										

Note 1: Calculated using the 266,521,849 registered shares approved by the Ministry of Economic Affairs on Friday, April 1, 2022.

VII. Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies: N/A.

VIII. Financing plans and implementation: N/A.

E. Business overview

I. Business activities

(I) Business scope

1. Major business activities: Manufacturing and sale of memory modules and flash memory products.

2. Revenue breakdown

Unit: NT\$1,000

Products	2020 revenue	Revenue breakdown	2021 revenue	Revenue breakdown
DRAM products	14,586,407	45.26%	17,741,853	44.81%
Flash products and others	17,640,923	54.74%	21,851,911	55.19%
Total	32,227,330	100.00%	39,593,764	100.00%

Note: The amount for All Consolidated Entities.

3. Current products and services

Memory modules	<ol style="list-style-type: none"> 1. Memory modules used by PC, notebook, server, industrial computer, overclocking, and games. 2. Different specification ICs for DDR, DDR2, DDR3, DDR3L, DDR4, and DDR5 DRAM used in memory modules and various system products.
Consumer flash memory products	<ol style="list-style-type: none"> 1. Various small flash memory cards. 2. Flash drive. 3. Flash memory card adapter/card reader series.
External storage devices	External HDD and SSD used by PC and notebook.
Solid state drives	SATA3, PCIe Gen3, PCIe Gen 4, USB, and Type C interfaces; SSD required by corporate grade servers and various industrial controller applications.
Mobile device peripherals	Power bank and various Apple and Android peripherals, including the latest type C smartphones and table PC peripherals.
LED Lighting	<ol style="list-style-type: none"> 1. Various indoor LED lights. 2. Various outdoor LED lights. 3. Planning of various commercial and factory office lighting projects. 4. Smart lighting, smart homes, etc., system planning and integration.
Permanent-magnet synchronous motor (PMSM)	<ol style="list-style-type: none"> 1. Automotive and industrial motor and controller. 2. Vehicle power planning, system design, and integration. 3. Industrial moving and transportation equipment.
In-vehicle products	<ol style="list-style-type: none"> 1. In-vehicle multimedia system development. 2. Development of AIoT devices and systems. 3. Development of automotive electronics peripherals.
XPG eSports	<ol style="list-style-type: none"> 1. Major parts and components of eSports PC, overclocking DRAM, high speed PCIe SSD, chassis, power supply, CPU water cooling device.

	2. Other eSports peripherals, keyboard, mouse, headset. 3. Esports notebook
Industrial grade memory	Various memory modules, flash memory cards, and SSD for industrial grade computers; storage devices required by the network communication, gaming, industrial automation, transportation, medical, surveillance, energy, and aerospace industries.

4. New products under development

- (1) Memory module products: DDR5 UDIMM/SODIMM/VLP-UDIMM 4800MT/s, XPG DDR5 UDIMM 5200/5600MT/s, XPG SODIMM 5200/5600MT/s, DDR5 server DIMM 4800MT/s, including ECC-DIMM, ECC SODIMM, VLP-RDIMM, VLP-ECC DIMM, and R-DIMM, and wide temperature and anti-sulfuration memory modules are also provided. New DDR4 XPG RGB/Non-RGB model and large area glowing models.
- (2) Flash memory products: High speed high capacity memory cards, new A1, A2 memory cards, new UHS-II memory cards, new SD express memory cards, and high speed USB3.2 flash drive.
- (3) External storage devices: Light weight, high capacity, military grade water and shock resistance external HDD, and USB 3.2, USB 4, and Type C external SSD.
- (4) Solid state drives (SSD): SATA3, PCIe Gen3 & PCIe Gen4, mSATA, mSATA mini, M.2 NGFF, SATA DOM, and 2.5" internal SSD that use SLC, MLC, eMLC, TLC and 3D MLC/3D TLC/3D QLC flash memory.
- (5) Mobile device peripherals: New military grade ultra durable power bank with LED, Type C cables, and Dongle mobile device peripherals and related apps for smartphones and table PCs.
- (6) LED: Develop products with more competitive quality and specifications, lights that comply with the latest energy saving mark & smart LED, and LED suitable for commercial lighting and home lighting. Integrate smart lighting systems and smart home systems to expand into the system integration and development market.
- (7) Permanent-magnet synchronous motor (PMSM): Two wheel, three wheel, and low speed four wheel high-power motors, low-RPM high-torque direct drive motor for industrial machinery and agricultural equipment, controllers for high power motors for vehicles and agricultural purposes, and smart automatic guided vehicle (AGV).
- (8) In-vehicle products: Mainly provided for the development of in-vehicle multimedia systems, which also involves system application and development for AIoT related devices, as well as the development of other automotive electronics peripherals.
- (9) XPG eSports: As the eSports industry flourished, we developed a wide range of eSports related product lines from applications in PCs to peripherals and systems.
- (10) Industrial grade memory: ADATA provides customers with highly reliable and durable industrial/corporate grade memory modules and NAND flash products, Products cover eight vertical application markets, including IoT, servers, network communications, transportation, military and national defense, gaming, medical, and

in-vehicle devices. Wide temperature SSD is mainly used for storage outdoors and in harsh environments.

(II) Industry overview

The global economy and daily lives in 2021 are still under the impact of the COVID-19 pandemic. New peaks in the pandemic emerged from mutant virus strains, resulting in lockdowns, labor shortages, factory shutdowns, delivery interruptions, and other issues around the globe. Work from home, distance learning, and online conferences have also accelerated the global digitization process, boosting the demand growth for personal computers and cloud servers. The changing pandemic and fluctuating demands also result in the global short supply of mature wafer foundry production processes, and the subsequent severe shortage explosions of semiconductor components; this created many uncertainties in the memory market.

According to IDC statistics, global PC shipments reached 349 million computers in 2021, up 14.8% and the highest since 2012. If not for the component supply shortage, the 2021 PC sales would have exceeded this number. Thanks to the rise in global demand for digital transformation, the usage of memory on various application terminals have experienced significant growth. According to DRAMeXchange, the 2021 global DRAM shipment's annual bit growth was 18%, the ASP was up 11.5% from the previous year, driving the global DRAM total production value up 40% to US\$94.9 billion. The NAND annual bit consumption growth also grew from 31% in 2020 to 39%; the overall market scale reached US\$68.6 billion, a 21% increase.

1. Overview of the DRAM industry

In light of the stable development of global DRAM-related applications and that DRAM being a stable source of profit for upstream manufacturers in the memory market, the three major manufacturers - Samsung, SK Hynix, and Micron Technology, are still cautious towards investment in DRAM. Their many capital expenditures are used on process scaling and yield improvement without any large-scale investments in additional capacity. According to a survey by DRAMeXchange, the annual DRAM bit growth is about 18%, which marks the third consecutive year in which the annual DRAM bit growth is lower than 20%. In terms of the applications, smartphones and servers are still the two main applications of the DRAM market, with 40% and 34% of the market respectively; in particular, the server application bit growth of 20% was the highest.

The three current major manufacturers share around 60% of the capacity, distributed in 1xnm and 1ynm processes. Although these production processes are adopted in response to future data centers, 5G, AI, automobiles, and other high-level demands, the major companies have announced that they will adopt EUV technology to manufacture 1znm and 1onm products in the future. However, the investment cost for EUV is enormous, and the process upgrade involves great difficulties; therefore, it is estimated that the new capacity in 2022 will still remain limited. Furthermore, Intel and AMD have released a new generation of processors which support the DDR5 memory in the end of 2021, and in 2022 respectively. As the yield of the initial products still require improvement, and the DDR5 chip size is greater than that of DDR4, there will inevitably be a greater consumption of the DRAM capacity along with the gradual mass production of DDR5, DRAMeXchange estimates that 2022 DRAM wafer start will increase by approximately 7% and DRAM bit output will increase approximately 18.7%, which do not differ significantly from 2021.

In terms of applications, the top three DRAM applications are smartphones, servers, and PC, accounting for approximately 39%, 35%, and 13% of the overall DRAM market. Thanks to the global acceleration in digital transformation, the demand for cloud computing continues to grow; it is expected that the server application growth will still dominate all other application types in 2022. Notably, although the market predicted that life will return to normal in the post-pandemic era, the global PC demand growth will significantly slow down in comparison to the previous two years. However, due to the higher efficiencies of the new generation of processors and Windows 11, PCs will require memories with higher volume and higher specifications; this will subsequently drive the growth of DRAMs for PC applications

2. Overview of the flash memory industry

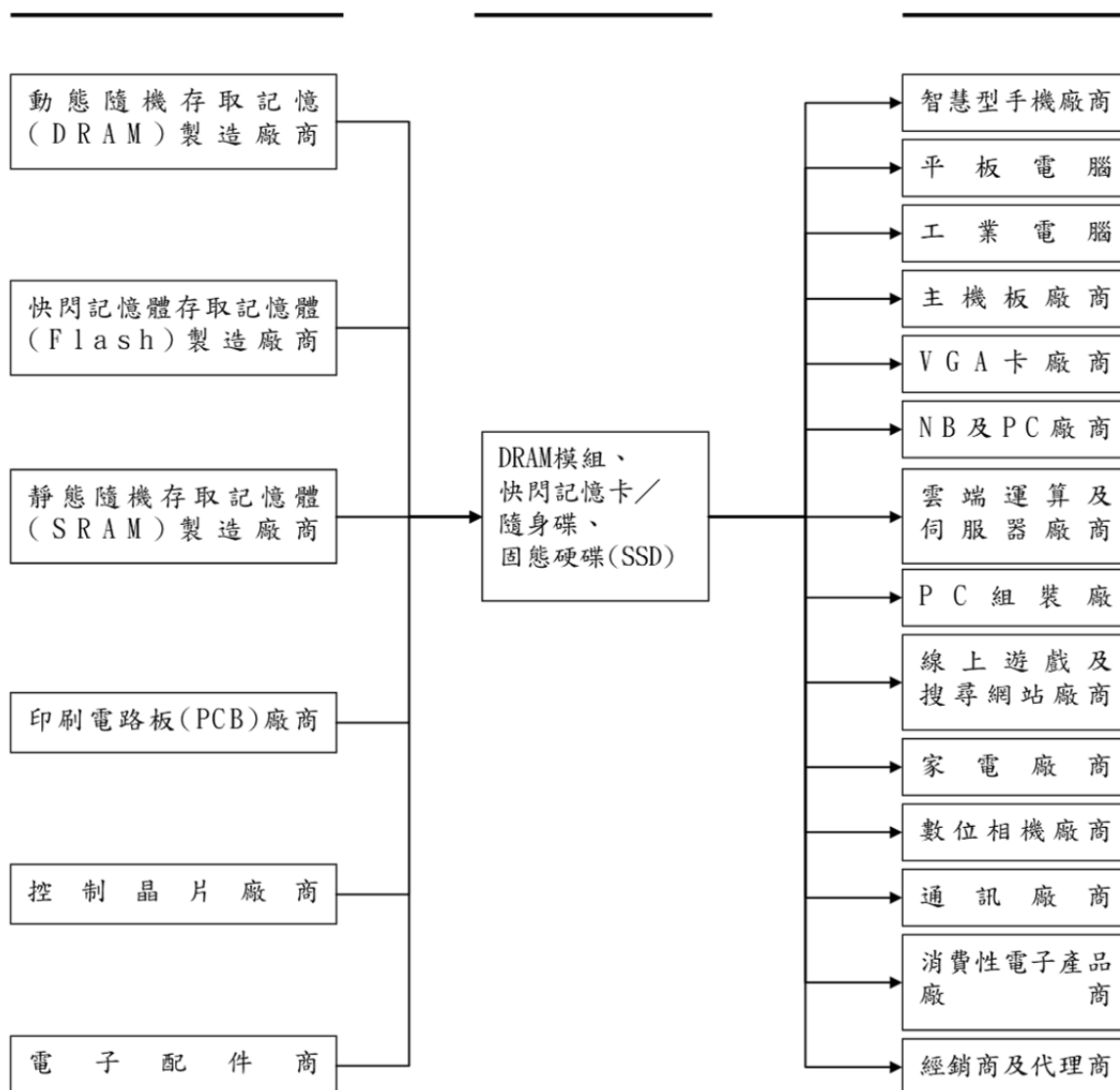
In contrast to the stable industry development of DRAMs, the supply and demand of NAND flash are relatively more dynamic. In consideration of the promising wide range of NAND Flash applications and their rapid usage growth, NAND Flash manufacturers have been investing heavily in recent years to upgrade process technology and expand production scale in pursuit of more competitive cost and market share. According to a survey by DRAMeXchange, capital expenditures of main NAND flash manufacturers increased 37% to reach US\$29.6 billion in 2021. These companies, including Samsung, SK Hynix, Micron Technology, Yantze Memory Technologies, and others have increased their annual capital expenditure growth by over 30%. Meanwhile, the global NAND Flash bit output has increased 39%, compared to 2020.

In terms of different application types, the largest application field in the global NAND Flash market is currently still smartphones. Smartphones occupy around 34% of the global NAND Flash usage in 2021. However, with the growing maturity of the smartphone market, and the lack of explosive growth for 5G smartphones, that share is exhibiting a gradual decline each year. The second largest application type is consumer SSDs, which occupy around 28% of the overall NAND Flash market, followed by enterprise SSDs at around 20%. These three application types already use over 80% of the NAND Flash globally. However, driven by the pandemic and 5G applications that are becoming over more popular and mature, data centers, government institutions, and corporations will continue to expand their storage demands. The market outlook of enterprise SSDs will still have a strong momentum in the next few years, while the server application will also become a key factor in the allocation of global memory production capacity.

3. Relationships with suppliers in the industry's supply chain

The Company is mainly involved in two memory-related fields, DRAM modules and NAND Flash application products. The Company's relationships with suppliers in the industry's supply chain is shown in the figure below:

Upstream (raw materials suppliers), midstream, and downstream



- ①Upstream: Memory module manufacturers are at the midstream of the supply chain. The upstream consists of DRAM module and NAND Flash application product raw materials manufacturers, and raw materials include DRAM, NAND Flash, printed circuit board (PCB), passive components, and controller IC.
- ②Midstream: The midstream of the memory module industry consists of DRAM module and NAND Flash application products manufacturers which mainly process DRAM, NAND Flash, PCBs, passive components, and controller ICs into DRAM modules and NAND Flash application product electronic device products, and then sell the DRAM modules to downstream application companies.
- ③Downstream: The downstream of the memory module industry consists of electronic products manufacturers, including smartphone manufacturers, tablet PC manufacturers, industrial computer manufacturers, motherboard manufacturers, graphics card manufacturers, notebook manufacturers, cloud computing and server manufacturers, online game and search engine companies, home appliance manufacturers, digital products

manufacturers, telecommunications companies, consumer electronics manufacturers, gaming console manufacturers, and distributors and agents.

4. Product trends

In the past two years, the 1xnm and 1ynm processes have been the mainstream DRAM products worldwide, but with Samsung Electronics, SK Hynix, and Micron announcing the adoption of 1znm and 1α process mass production using EUV technology, DRAM process miniaturization technology will also enter a new phase in 2022. Data shows that the 1znm/1α production processes not only can improve transmission speed and product performance, they can better satisfy the design requirements for 5G, multi-lens smartphones, and foldable devices, and increase DRAM due to smaller crystal grains.

Samsung's 14nm DDR5 uses the 5-layer EUV, which not only increases the overall wafer yield to 20%, but also reduces power consumption by 20% compared to the previous generation of processes. Micron's 1α process is the first to enter the server platform and consumer thin and light notebooks, emphasizing the extra 40% memory and 15% less power consumption. Micron plans to introduce the 1α process into mass production DDR5 products in the second half of 2022; its future DRAM product portfolio will also use 1α process for production, which will be gradually applied to 5G cellphones, self-driving cars, and industrial applications. SK Hynix's 1α process also uses EUV lithography technology and is expected to start producing DDR5 products using the 1α process in 2022.

Furthermore, along with Intel's official launch of the Alder Lake processor that supports DDR5 in 2021 Q4, the three major DRAM manufacturers have formally began to manufacture their DDR5 products. The Alder Lake processor will gradually begin to appear on the market starting in the first half of 2022, as it is applied to desktop PCs and notebooks; therefore, the three major DRAM manufacturers still maintain a lower capacity for DDR5. The market predicts DDR5 to become the mainstream standard DRAM in 2023 at the earliest as the DDR5 ecosystem becomes more complete.

As for NAND flash, the technology race among upstream manufacturers continues. According to statistics of DRAMeXchange, the main stream product on the 2021 NAND Flash market is the 92/96 layer 3D NAND, which occupies around 43% of the overall market; meanwhile, the market share for 3D NAND with over 100+ layer grew significantly from 7% in 2020 to 35%. Samsung Electronics was the first in the industry to start mass production of the 128-layer 3D NAND and to invest in the research and development of the 176-layer 3D NAND technology. However, by the end of 2020, Micron and SK Hynix overtook each Samsung respectively to achieve 176-layer 3D NAND technology production. Micron even announced their mass production of 176-layer 3D NAND chip in June 2021, and was the first to release two 4.0-enabled SSDs that support NVMe PCIe, challenging Samsung's previous technological leadership. To close the technology and capacity gap with the industry, Samsung has also announced that it has developed the 8th generation V-NAND with over 200 layers in the stack and will accelerate its mass production plan. The competition between NAND Flash to improve their layer technology and their acceleration in releasing end products also allow more space for the NAND Flash industry supply and application demand to grow.

5. Product Competition

DRAM and NAND Flash prices are affected by changes in supply and demand; the upstream of the DRAM industry is even entering an oligopoly. Keeping track of industry dynamics and maintaining a steady source of material supply through business cycles becomes a major factor for the profitable operation of memory module manufacturers. In light of this, with its persistent supplier diversification strategy in procurements, ADATA has been able to maintain its long-term partnerships with upstream chip manufacturers, allowing it to not only keep track of the dynamics of the memory market ahead of its competitors, but also be the first to receive support from manufacturers when the business cycle takes an upturn or upon the release of new generation products, so that customers are provided with the latest and sufficient resources.

In terms of product development, the company continues to lead the industry in launching the latest generation of memory products, including DDR5 memory modules, new generation transmission interface PCIe Gen4 x4 SSDs and SD Express memory cards with the latest SD 7.0 standard. At the same time, the Company is also actively developing industrial solutions, such as 5G, edge computing, artificial intelligence, high-performance computing, autonomous driving, smart medical applications, and other applications. ADATA's industrial DDR5 memory has built-in PMIC power management to maintain voltage stability, enhance memory reliability and performance, and supports the "Thermal Sensor" technology and On-die ECC error correction mechanism to effectively prevent system overheating and maintain stable and accurate signal transmission. Furthermore, ADATA also provides customized added-value service according to varying industrial applications. For instance, the 30 μ PCB gold-plated layer enhances the reliability of signal transmission, while the anti-sulfuration and conformal coating technologies prevent the adverse impact on products from external contamination, dust, or humidity, greatly enhancing the durability of the product in harsh environments.

(III) Overview of Technology and R&D

1. R&D expenses in the past year

Unit: NT\$1,000; %

Item \ Year	2021	2022 Q1
R & D e x p e n s e s	516,673	-
O p e r a t i n g r e v e n u e	39,593,764	-
R&D expenditure as a percentage of operating revenue	1.3%	-

Note: As of the date of report, 2022 Q1 data audited by the accountants have not been disclosed. Hence, there are no quarterly data.

The Company has exerted even greater effort in product R&D to enhance its core competitiveness, and has recruited senior executives to enhance the capabilities of the R&D team. Hence, R&D expenditure will show an upward trend as the Company diversifies its product line and develops new generation products.

2. Successfully developed technologies and products

Year	R&D Project Results
110 Year	DRAM memory modules
	<ul style="list-style-type: none"> ■ DDR4 Server DIMM product DDR4-3200 4/8/16/32GB ECC-DIMM/ECC-SODIMM/VLP ECC-DIMM/R-DIMM/VLP R-DIMM, and provides wide temperature/anti-sulfuration/coating specifications to meet the demand on cloud storage, edge computing, machining tools, and e-learning. ■ XPG released the D50 xtreme DDR4 8GB 4800, 5000MT/s for overclocking, providing gamers with higher memory speed for greater fluidity during office work/image processing/gaming. Besides offering better performance, the cooling fins are bright finished and reflect the colorful lights of the RGB LED. ■ XPG also released the D45 and RGB D45G without lighting effects for overclocking, and speeds start from DDR4-3200MT/s and reach DDR4-4400MT/s. The rib design of D45/D45G combined with casting achieves great durability at only 1.7mm at the thickest part. ■ ADATA developed the industry's first DDR5 UDIMM 16GB 4800MT/s, and has provided samples to customers such as Intel. Certification is expected to be completed in the 2021 2H, after which mass production will begin. ■ DDR5 SO-DIMM/VLP UDIMM will be launched in Q2, and will meet the demand on new products when Intel releases a system that supports DDR5. ■ Industrial applications of DDR5 Server DIMM will be launched in Q3 to prepare for server products to be released by Intel in 2022.
	External SSD
	<ul style="list-style-type: none"> ■ SE770G: The colorful RGB lighting that flow through a large area will immediately grab your attention when it is connected to the computer. The advanced USB 3.2 Gen 2 Type-C port provides 1000/800 MB/s high speed read and write, and can be connected to various devices at any time to store videos or edit high resolution images. The SE770G is an external SSD that combines high speed performance with cool lighting effects, and can be used with other RGB gaming equipment to light up your desktop. ■ SE900G: From the moment you connect it to your computer, 74% of the plaid panel immediately lights up with RGB colors in front of your eyes. The next thing you will notice is the read and write speed reaching 2000MB/s and USB 3.2 Gen 2 Type-C port for high speed video transmission at any time. The SE900G is the perfect combination of high performance with cool lighting effects, and satisfies the need of gamers for a unique portable storage device and the need of creators for high performance processing.
	Power bank
	<ul style="list-style-type: none"> ■ P10000QCD: Quick charging power bank about the size of your palm. Compact but has a high performance lithium-ion battery with a capacity reaching 10000mAh, and supports multiple charging technologies, including Qualcomm QC 3.0/USB PD 3.0/MTK PE1.1/Samsung AFC/HUAWEI SCP&FCP/OPPO VOOC, so users can quickly recharge their phone, whatever brand it may be. The USB-C port supports two-way charging, and 3 USB ports are provided so that three mobile devices can be charged at the same time. Digital battery percentage display allows more accurate monitoring of battery usage. No more guessing based on the number of lights. ■ P20000QCD: Quick charging power bank with a large capacity lithium polymer battery reaching 20000mAh, and supports multiple charging technologies, including Qualcomm QC 3.0/USB PD 3.0 quick charging technology, so users can quickly recharge their phone, whatever brand it may be. The USB-C port supports two-way charging, and 3 USB ports are provided so that three mobile devices can be charged at the same time. Digital battery percentage display allows more accurate monitoring of battery usage. No more guessing based on the number of lights.
	XPG products: computer parts and components
	<ul style="list-style-type: none"> ■ LEVANTE 360 ARGB CPU liquid cooler: Uses the well-known Asetek liquid cooling technology to provide players with excellent CPU temperature control and cooling, in order to achieve stable CPU performance. 360mm all aluminum heat sink with 4-Pin PWM temperature control function, as well as 3 duo ARGB fans with one external light effect controller. Has 3 120mm fans with LED lights on inner and outer rings (each with 20 RGB LED), and backlight settings can be configured using the ARGB external controller. The combination of Fluid Dynamic Bearing (FDB), PWM, and automatic reboot protection mechanism allows it to reach a MTBF of 40,000 hours at 40°C. At its highest speed of 2000 RPM, noise is only 34dB and provides airflow and wind pressure of 61.5 CFM and 1.42mm-H₂O, respectively, achieving the perfect balance between visual appearance, cooling performance, and fan noise. The cooler's external ARGB remote controller can control mode, speed, and brightness. ■ DEFENDER PRO: Supports E-ATX motherboards, has ample space inside and a MESH front panel design, making assembly and upgrade for players, who can enjoy their own personal eSports atmosphere.

Year	R&D Project Results
	<ul style="list-style-type: none"> ■ The case series comes in black and white. The special MESH geometric patterns and precise punching and carving create a clean and visually appealing appearance. It also provides an air inflow cooling function, and the magnetic front panel MESH design serves as the first line of dust protection. The inner dust filter further strengthens dust filtering. Simple and easy to remove latch structure makes it easy to take out for cleaning. Besides the MESH air inflow design of the front panel, the 3 XPG VENTO 120 ARGB fans improve cooling efficiency in the case. The space in the front panel supports 360mm liquid cooler, and the top cover supports 280mm long liquid cooler. The air inflow cooling design extends into the space of the power supply unit. The air-intake cooler design along with the fans of the power supply unit achieve smooth and effective cooling.
	<ul style="list-style-type: none"> ■ XPG STARKER: The mid-tower ATX model has innovative special designs, such as pull-out dust filter, vertical design for replaceable graphics cards, and high performance air-intake layout, which is convenient for installation and upgrade. The ARGB light effects on the front panel create an eSports atmosphere. ■ Cases using XPG: Exoskeleton design with magnetic front panel that is easy to remove. Innovative pull-out dust filter design is easy to remove and intuitive. Provides excellent dust prevent and convenient to clean. Simple and intuitive, pull out the dust filter, wash with water, dry, and then push it back in. With a complete and highly effective airflow design, XPG STARKER can install up to 6 fans and 360mm long liquid cooler. The case provides a comprehensive I/O interface for the convenience of gamers to use USB peripherals, sound sources, and switch lighting effects.
	<ul style="list-style-type: none"> ■ VENTO PRO 120 PWM: XPG collaborated with the well-known fan brand Nidec in launching an extremely high performance fan. With an innovative fan design, Japanese-made dual ball bearing, special blade material, and airflow structure, XPG VENTO PRO 120 PWM achieves effective cooling and the best performance in high wind pressure and low noise. <p>XPG VENTO PRO 120 PWM has a 4-Pin PWM connector, and the fan can detect the CPU temperature through the motherboard to immediately adjust its speed, effectively controlling and lowering its temperature. The fan also supports Daisy Chain: Multiple fans operating in sync can more effectively control temperature.</p> <p>The Japanese-made dual bead bearing is able to achieve stable and effectively cooling in high temperatures. The dual beads distribute wear on the bearing and extends the bearing's service life, while reducing noise. The innovative dual shock absorption structure and spring device design of the fan significantly reduces vibration during operation. The high quality of Japanese-made components allows the fan to operate stably in high temperature environments. The fan is able to operate up to 250,000 hours at 25°C. The fan's MTTF is still able to maintain 60,000 hours at 60°C.</p>
	<ul style="list-style-type: none"> ■ VENTO 120: The fan series provides an airflow of 45.3 CFM while operating at the low noise level of 23 dBA, allowing users to experience the perfect balance between cooling and low noise. <p>The VENTO 120 fan series can reach cooling performance of up to 1,200 RPM, and provide air flow reaching 45.3 CFM. Equipped with shock-resistant damper pads to reduce vibration and noise while the fan is operating. The fan series is equipped with Rifle bearing for the fan to operate more smoothly and effectively lower noise while operating. It also increases the service life of the bearing and fan to 60,000 hours.</p>
	<ul style="list-style-type: none"> ■ VENTO 120 ARGB: The fan series provides an airflow of 45.3 CFM while operating at the low noise level of 23 dBA, allowing users to experience the perfect balance between cooling and low noise. The colored light effects of VENTO 120 ARGB fan creates an eSports atmosphere. VENTO 120 ARGB has 9 color LEDs and supports the ARGB light effects software of numerous motherboards. ■ The VENTO 120 fan series can reach cooling performance of up to 1,200 RPM, and provide air flow reaching 45.3 CFM. Equipped with shock-resistant damper pads to reduce vibration and noise while the fan is operating. The fan series is equipped with Rifle bearing for the fan to operate more smoothly and effectively lower noise while operating. It also increases the service life of the bearing and fan to 60,000 hours.
	<ul style="list-style-type: none"> ■ PYLON: XPG's bronze PSU series uses the DC-to-DC structure of mid- to high-end gold-certified PSUs. It achieved the 87% conversion efficiency (50% medium loading) of the 80 PLUS bronze efficiency certification, and offers numerous power options, continuing the wide variety of specifications and output quality assurance of XPG PSUs. <p>The PYLON bronze series uses the DC-to-DC structure commonly seen in mid- to high-end PSUs, and has a hibernate function that complies with Intel design specifications, improving voltage fluctuations to provide stable voltage output. The DC-to-DC design ensures stable voltage fluctuations, stabilizes current output, and provides the PSU and other parts and components with a stable, high performance, and energy efficient protection mechanism.</p>

Year	R&D Project Results
	<p>The PYLON bronze-certified PSU guarantees high energy efficiency at 20%, 50%, and 100%. XPG PYLON is close to gold certification and passed the 80 PLUS® bronze certification. It complies with 2014 ErP Lot 3 energy efficiency specifications and provides stable power output around the clock. It achieved the Cybenetics ETA and LAMBDA certifications for overall efficiency performance noise level, receiving high scores in both evaluations.</p> <p>XPG PYLON bronze-certified PSU provides 3-year warranty and numerous power protection mechanisms, such as OPP, UVP, OVP, SCP, OTP, OCP, NLO, which is common in high-end PSUs, and SIP. XPG PYLON has the protection mechanisms of high-end PSUs to achieve high quality, stability, and safety.</p>
	<ul style="list-style-type: none"> ■ PROBE: 80 PLUS bronze-certified with efficiency reaching 89% (230V half load), nearly reaching standards for gold certification. Its single circuit + 12V large power output design can supply sufficient power to the CPU and graphics card at the same time. Equipped with industrial grade protection mechanisms, PROBE offers the consistently high quality, stability, and durability of XPG PSU products. Its conversion efficiency guarantees high energy efficiency at all loads. Conversion efficiency reaches 89% at 230v half load, near gold certification requirements. Able to provide 24 hour stable power output. XPG PROBE bronze-certified PSU uses a fan with 120mm bearing, providing better stability and durability. Combined with the smart fan control, it can achieve a cooling balance at high load and low rpm, and achieves excellent performance in energy efficiency and service life. XPG PROBE bronze-certified PSU uses single circuit+12V output design with power reaching 550W and above. It is able to meet high power requirements from both the CPU and graphics card at the same time, and it supports PCI-E 6+2 Pin multiple connector output, releasing its full potential. Built-in industrial grade protection mechanisms, such as OPP, UVP, OVP, SCP, and OTP. The high quality XPG PROBE PSU features stability and safety, and enjoys three-year warranty.
	<ul style="list-style-type: none"> ■ PRIME ARGB LED STRIP: Provides gamers with lighting effects and numerous visual effects for modifications. From the programmable light beads design to external controller, gamers can easily configure and adjust lighting effects through their motherboard. The strip is programmed with 12 default lighting effects, and the controller can be used to select the mode, speed, and brightness. Specific modes can be customized using the digital lighting effect software through the motherboard 3-Pin. Supports the lighting effect editing software of numerous motherboards through the +5V 3-Pin connector, allowing gamers to customize the lighting effect for their gaming environment. ■ Convenient installation within the shortest amount of time: High quality strong black magnets allow gamers to quickly install all metal surfaces in the their case, and 3M adhesive strips can be used to fix flat aluminum or plastic surface materials installed in the case. Up to 4 light strips can be easily connected. Whether it may be in the corners or on the sides of your case, the pre-programmed lighting effects or lighting effect software of the motherboard allow you to use your case as a platform to show your creativity!
	<p>XPG products: audio products</p>
	<ul style="list-style-type: none"> ■ PRECOG ANALOG: Light weight gaming headset launched by XPG using its dual-driver structure, focuses on sound quality performance, and supports Hi-Res audio. Has an ergonomic design, thinner in the front and thicker in the back with skin-friendly fabric ear cups to alleviate the clamping force, providing excellent comfort for long periods times, allowing gamers to focus and immerse themselves in every battle while enjoying top-notch sound quality without noticing their headset. ■ The world's first electrostatic+dynamic dual driver gaming headset, in which the dynamic driver optimizes the bass to provide full and solid base sound, while the electrostatic driver provides clear high pitch sound that maintain realistic battle sounds. Bringing the best of both worlds, XPG PRECOG ANALOG excellent sound quality and the best audio experience that will blow you away. ■ The electrostatic driver has an extremely thin diaphragm with sound generated by the entire surface, providing more direct and faster response to signals, and can easily generate highly linear, low distortion sound at mid to high frequencies. Obtained Hi-Res certification and provides high resolution audio in the frequency range of 5Hz to 50kHz, allowing gamers to experience the thrill of battle with audio quality close to the original sound. ■ The ergonomic design, including front tilt and ear cups thinner in the front and thicker at the back, better fit gamers' ears and effectively reduce pressure. The additional pressure from wearing glasses will not cause any discomfort. The ear cups are made with skin-friendly breathable materials that not only improve comfort, but also provide better sound insulation.
	<p>XPG products: personal computer</p>
	<ul style="list-style-type: none"> ■ XENIA Xe: XPG and Intel once again joined forces in launching a new generation 15.6" notebook with the highest specifications— XPG XENIA Xe, declaring the ascension of industry leaders. The notebook

Year	R&D Project Results
	<p>optimizes every detail to better meet the actual application scenario of gamers, and has specifications exceeding Intel's EVO platform certification. In addition to the 11th generation Intel Core®i7 CPU and new Xe graphics card, it also uses XPG GAMMIX S50 LITE Gen4 1TB SSD and LPDDR4x 4266MHz memory, achieving stunningly high performance. It supports Wi-Fi 6 and Thunderbolt 4. Precision CNC one piece aluminum chassis with 10-point touch screen that can be turned 180 degrees, light weight and convenient to perform various operations.</p> <ul style="list-style-type: none"> ■ Using an optimized 73Whr battery design, XPG XENIA Xe can be used an average of 12 hours under normal circumstances, and can last up to 16 hours before needing to be recharged. Supports fast charging and able to charge from 0% to 80% in 1 hour. The high endurance and charging ability redefines convenience when it comes to gaming notebooks, so that users no longer need to worry about their notebooks burning through battery life. ■ Supports dynamic detection to wake up the notebook. When users sit in front of the notebook, they will be detected in 1 second and wake up the notebook. Combined with the built-in Windows Hello facial recognition, the notebook saves users time and effort typing in their password, providing users with a safer, faster, and friendly computer login solution. ■ XPG XENIA Xe has Intel's latest AX201 module, which supports Wi-Fi 6 and significantly improves connection quality and transmission speed, and effectively reduces latency. At the same time, it uses Bluetooth 5.1 technology and a direction finding function to improve the accuracy of its positioning, so that users' bluetooth equipment can be more easily detected. ■ XPG XENIA Xe supports Type-C and Thunderbolt™4 , which is compatible with USB4, and is able to provide transmission speed of up to 40Gb/s. It can also be connected to a monitor and numerous additional devices for many purposes. It has a wide variety of I/O ports for extensive connection with different peripherals, so that gamers can use their creativity without any limitations on their peripheral devices. ■ Built in voice assistant Amazon Alexa that is synchronized with the tape light in the front of the notebook. Users can use the mic array for voice control and enjoy AI response and services. It is installed with Intel®NUC Software Studio and Intel®NUC Audio Studio to make it convenient for users to customize and adjust their preferences and EQ balancer.
2022	<p>Solid state drives (SSD)</p> <ul style="list-style-type: none"> ■ LEGEND 710: Adopts the PCIe Gen3 x4 transmission interface, NVMe 1.4 standards compliant, legendary cooling design with 15% noticeable temperature drop; M.2 2280 specifications compatible with Intel and AMD new generation platforms, suitable for both desktop and notebook computers, enjoy every moment of your creative process; supported capacity: 512GB/1TB. ■ LEGEND 740: Adopts the PCIe Gen3 x4 transmission interface and complies with NVMe 1.4 standards; sequential read/write speed up to 2,500/2,000 MB per second; supports Host Memory Buffer (HMB), M.2 2280 specifications compatible with Intel and AMD new generation platforms; desktop and notebook are both suitable for capacity: 250GB/500GB/1TB. ■ LEGEND 840: The industry-leading PCIe Gen4 4-channel architecture, compliant with NVMe 1.4 standards; sequential read/write speeds up to 5,000/4,500MB/sec, three times the speed of general PCIe Gen3 SSDs, and fully backward compatible with current PCIe 3.0 platforms for the unprecedented creative output experience; supported capacity: 512GB/1TB. ■ LEGEND 850: Single-sided, DRAM Less 4-channel architecture, new generation transmission interface PCIe Gen4 x4, and compliant with NVMe 1.4 standards; better transmission performance than general PCIe Gen3 SSDs, and fully backward compatible with current PCIe 3.0 platforms for the unprecedented creative output experience; supported capacity: 512GB/ 1TB/2TB ■ LEGEND 960: 8-channel dual-sided, equipped with PCIe Gen4x4 transmission interface, high efficiency transmission speed, and a dominating new esports platform, allowing your ID to become the sole survivor on the battlefield. Twice as fast as the general PCIe Gen3 SSD It further resolves the insufficient built-in storage of PS5; its dimensions are compatible with the slot design, and it performance exceeds the original manufacturer's requirements; the SLC cache algorithm and DRAM cache buffer allow for the smoothest program loading and massive data processing experience. Supported storage capacity: 512GB/1TB/2TB. ■ GAMMIX S70 BLADE: 8-channel, dual-sided, equipped with PCIe Gen4x4 transmission interface, delivers sequential read/write speeds of up to 7400/6800MB/sec, and a dominating new esports platform, allowing your ID to become the sole survivor on the battlefield. Twice as fast as the general PCIe Gen3 SSD, which further resolves the insufficient built-in storage of PS5; its dimensions are compatible with the slot design, and it performance exceeds the original manufacturer's requirements; the SLC cache algorithm and DRAM cache buffer allow for the smoothest program loading and massive data processing experience.

Year	R&D Project Results
	Supported storage capacity: 512GB/1TB/2TB.
	DRAM memory modules
	<ul style="list-style-type: none"> ■ DDR5 U-DIMM 4800MT/s 8GB/16GB/32GB mass production. ■ DDR5 SO-DIMM 4800MT/s 8GB/16GB/32 GB mass production. ■ XPG DDR5 Hunter 5200MT/s 8GB/16GB/32GB mass production. ■ XPG DDR5 LANCER RGB and Non-RGB 5200MT/s 8GB/16GB/32GB and 6000MT/s 8GB/16GB mass production. ■ XPG DDR5 CASTER RGB and Non-RGB 6000/6400MT/s 8GB/16GB mass production. ■ XPG DDR5 LN2 extreme overclocking, reaching world's fastest record of 8118MT/s and 8428MT/s respectively. ■ DDR5 RGB and Non-RGB module PCB self-design and mass production; aimed at high-speed signals, reduction of EM wave interference, and the improvement of product quality. ■ SPECTRIX D50 Xtreme, SPECTRIX D70G, XPG DDR5 CASTER series received the 2021 RED DOT award; SLAYER DDR5, CASTER DDR5 series received the 2022 RED DOT award.
	External SSD
	<ul style="list-style-type: none"> ■ SE880: Supports USB 3.2 Gen2 x2 reaching 20Gb/s high-speed transmission, which is twice as fast as the 3.2 Gen 2x1, and 4 times faster than the general USB 3.2 Gen 1x1.
	USB flash drives (UFD)
	<ul style="list-style-type: none"> ■ UR340: Sleek and modern exterior, simplistic and streamline design that is pleasing and stylish; aluminum alloy with a mirror finish, accentuating the high-tech durability of the material. Single-piece capless design so you never have to worry about losing the cap, plug-and-play, and an instant display of fast fashion trendiness.
	Memory cards
	<ul style="list-style-type: none"> ■ Premier Extreme SDXC SD 7.0 Express memory card: The new generation Premier Extreme SD Express (SD 7.0) memory card is the first to include PCIe and NVMe protocols and uses PCIe Gen3x1 bus speeds to increase read and write performance to 800/700 MB/s, 1.5x faster than SATA SSDs, 2.7x faster than high-speed UHS-II SD cards, and even 8 times faster than standard UHS-I SD cards.
	XPG products:
	<ul style="list-style-type: none"> ■ The XENIA 15 KC is a high-performance esports notebook jointly developed by XPG esports team and Intel. It is equipped with the latest 11th generation Intel® Core™ i7 processor and NVIDIA® RTX 3070 graphics card, as well as a 1TB XPG Gammix S70 blazing-fast SSD and 32GB XPG DDR4 meticulously screened DRAM ICs. The XPG XENIA 15 KC provides a smooth gaming experience and excellent performance for gamers and professionals. The XPG XENIA 15 KC esports notebook is powered by the 11th generation Intel® TGL-H Core™ i7-11800H processor, and when adjusted to performance mode via the built-in performance switch, the performance is comparable to that of Core™ i9-11900H esports notebooks on the market. Whether it's Cinebench, other types of testing, or audio and video editing applications, the XPG XENIA 15 KC offers a stable and high output performance. The XPG XENIA 15 KC uses NVIDIA® GeForce® RTX 3070 8GB graphics card with a high power design, maintaining power consumption above 100W, and can reach an instantaneous power up to 125W, which is close to RTX 3080 notebook models. Its gives gamers the ultimate performance experience of fighting monsters. In regards to the CPU cooling technology, XPG XENIA 15 KC uses liquid metal as thermal interface material; compared to standard thermal paste, liquid metal cooling technology can reduce CPU processor temperature by 5 to 10°C and improve fan performance by more than 46% to enhance cooling efficiency, which in turn improves the overall performance and system stability. The XPG XENIA 15 KC has a built-in 1TB leader-class XPG GAMMIX S70 fast and efficient SSD with the latest PCIe Gen4x4 transmission interface, read/write speeds of up to 7000/6000MB/s and NVMe 1.4 standards compatibility, making it the industry's most powerful, ultrahigh speed PCIe SSD; it also comes with a second M.2 PCIe Gen 3 slot, allowing gamers to expand storage capacity. The XPG XENIA 15 KC features high-spec XPG DDR4 memory with up to 32GB storage, 3200MHz high clocking frequency, and a dual-channel expansion SO-DIMM slot, expandable up to 64GB; it allows gamers to upgrade DDR4 memory and enjoy the ultimate performance of high-capacity memory.
	<ul style="list-style-type: none"> ■ XPG CRUISER super mid-tower chassis. The CRUISER is a full-size E-ATX chassis that supports E-ATX motherboards with dimensions (H x W x D): 493 x 234 x 466 mm (19.40 x 9.21 x 18.35 inches). It also adopts the XPG exoskeleton design and many other powerful functions that numerous other gamers and PC enthusiasts would love. The chassis has multifunctional I/O ports, such as the high-speed USB 3.1 Gen

Year	R&D Project Results
	<p>2 Type-C connection, a removable dust filter, and three XPG VENTO 120 ARGB fans.</p> <p>XPG: The exoskeleton design is a visual language exclusive to XPG. It maintains an iconic balance between the XPG air inflow efficiency and ARGB aesthetics. Besides the front glass panel with the enhanced air inflow entry, the XPG CRUISER also allows for the XPG VENTO 120 ARGB fans to light up through the front of the chassis. The magnetic dust filter on top of the chassis is removable for the convenience of speedy removal and ease of cleaning.</p> <p>The power supply unit (PSU) chamber of the XPG CRUISER allows the PSU a maximum of 180 mm in length while maintaining the compatibility of a fully modular and fixed PSU option. The combination driver tray can be moved horizontally to make room for PSU cables. The XPG CRUISER has 7 horizontal PCI-E slots and 2 vertical installation slots, supporting graphics cards up to a maximum of 350 mm (no cooler on the front).</p>
	<p>■ CYBERCORE is a fully modular kWatt power supply. The power supply's built-in fan uses the XPG VENTO PRO 120 PWM high performance fan that ADATA created in collaboration with Nidec. The innovative structural design and Japanese precision ball bearings provide high air pressure and low noise cooling during operation, creating the industry's No. 1 platinum power supply.</p> <p>CYBERCORE is Cybenetics and 80 PLUS Platinum certified, providing stable power output at 92.91% conversion efficiency at 50% load and 115Vac, which is higher than the Platinum certified standards of 92% conversion efficiency; its stable performance and high efficiency conversion rate can meet the market demand of high-end systems.</p> <p>CYBERCORE is designed with all Japanese 105°C capacitors and DC to DC circuit design to effectively reduce noise, and ensure the power supply's excellent performance, stability, and lifetime. The power output performance is optimally monitored and tuned by the advanced PMIC (Power Management IC), which effectively controls the voltage level, protection mechanism, and power output stability. With the switchable Interleaved PFC high power conversion rate design, the power factor value is as high as 0.99, so that the voltage output does not change with the current fluctuation. It can effectively adjust the output voltage of the load to improve the overall performance of the power supply.</p> <p>CYBERCORE's fully modular cable design provides gamers with the convenience of quick assembly, while the installation only requires the of cable connection to the device based on your needs. The compact size with only 16cm in length is convenient for gamers to flexibly utilize the space within the chassis. CYBERCORE Platinum power supply offers two options, 1000 watts and 1300; its comprehensive eight industrial grade protections (OVP, UVP, OPP, SCP, OCP, OTP, SIP, and NLO) and 10-year warranty, offer gamers the peace of mind in using the product and more options.</p>
	<p>■ VALOR AIR: Due to the soaring maritime transport costs, the marketability of the micro mid-tower ATX model has significantly increased. Its innovative magnetic dust filter plus the magnetic diamond pattern metal panel has improved the VALOR AIR inflow space and cooling performance, and is convenient to gamers for installations and upgrades. With four XPG VENTO 120 high performance silent fans, it not only satisfies consumers' demand for cooling performance, but also achieves perfect silence.</p> <p>Cases using XPG: Exoskeleton design with magnetic front panel that is easy to remove. Innovative pull-out dust filter design is easy to remove and intuitive. The magnetic dust-prevention net provides excellent dust prevention and is convenient to clean. Just simply and intuitively remove the dust filter, wash it with water, dry it, and then insert it back in. With a complete and highly effective airflow design, the XPG VALOR AIR case can install up to 6 fans and 360mm long liquid cooler. The case provides a comprehensive I/O interface for the convenience of gamers to use USB peripherals, sound sources, and switch lighting effects.</p>

(IV) Long- and Short-Term Business Development Plans

1. Short-term development plans

- (1) Product line diversification: Strengthen the Company product line diversification, including memory modules, flash memory products, SSD, external HDD/SSD, mobile device peripherals, and integration of outdoor LED lighting products with smart home systems, so as to provide customers with a wide range of options, which will strengthen the Company's brand and increase its market share.
- (2) Production and sales strategies: Maintain high utilization in response to economic trends, utilize outsourcing as a flexible adjustment mechanism, and maintain a rapid

inventory turnover strategy to prevent the risk of inventory devaluation due to slow moving stock or raw material price fluctuations.

- (3) Technology development: Focus on the development of flash memory related technologies, obtain key technologies of industrial control applications, and develop embedded memory and IoT applications.
- (4) Sales and marketing: Actively work with world class companies in developing industrial control IoT applications and embedded applications, enter their supply chain to expand the market share of our products, and develop mobile device peripherals to increase the sales of new products.

2. Long-term development plans

- (1) Marketing strategy: Create the brand image of being a global leader, and offer a variety of innovative products, so that all product lines will become market leaders.
- (2) Production and sales strategies: Establish highly efficient production bases, continue to build highly automated production lines, and establish production coordination mechanisms that integrate the industry's upstream and downstream, in order to plan the most suitable production capacity required for the Company's sales growth.
- (3) Brand strategy: Continue to develop embedded memory, XPG gaming peripherals and systems, and industrial grade product applications, in hopes of becoming a leading brand in eSports.

II. Market, production, and sales

(I) Market analysis

1. Sales regions of main products

Unit: NT\$1,000; %

Year Region		2020		2021	
		Sales amount	Percentage (%)	Sales amount	Percentage (%)
Domestic sales		3,576,822	11.10	4,023,087	10.16
Exports	Europe	4,209,863	13.06	4,056,020	10.24
	Asia	12,712,745	39.45	17,354,245	43.83
	Americas	10,380,162	32.21	12,898,566	32.58
	Other	1,347,738	4.18	1,261,846	3.19
	Total	32,227,330	100	39,593,764	100

Note: The amount for All Consolidated Entities.

2. Market share

ADATA continues to maintain its leadership with an outstanding self-owned brand. According to the latest survey of DRAMeXchange in 2021, ADATA is the second largest DRAM module manufacturer in the world and the only Taiwanese brand among the world's top five DRAM module manufacturers. We have stably remained as the second largest SSD brand in the world with our excellent brand value and R&D capability.

3. Future supply and demand situation and market growth

(1) DRAM memory modules

The pandemic accelerated the global digitization process, driving a significant growth in the demand for PCs and servers in the last two years. However, the interruption from the pandemic has also brought chaos to the global electronic supply chain setup. With the changing and unpredictable geopolitics on top of the turmoil, the DRAM manufacturers have maintained a steady and conservative attitude towards DRAM capital expenditures and output bits in the last two years. A DRAMeXchange survey estimates that the 2022 DRAM wafer start will increase by approximately 7% and the DRAM bit output will increase approximately 18.7%. This shows that DRAM manufacturers have no plans for large-scale expansions, and new capacities will still mainly come from production technology upgrades.

In terms of demand, the world is gradually returning to normal life with the slowing down of the pandemic development and widespread vaccinations; the demand growth for notebooks and of the stay-at-home economy driven by the pandemic will gradually dwindle and be replaced by the demand for new devices originating from 5G applications, cloud servers, automotive electronics, and the new generation of CPUs. Sumit Sadana, executive vice president and chief business officer at Micron Technology, said in an exclusive interview that the 2022 demand for DRAM and NAND Flash is very promising. Sumit Sadana emphasized that the demand for memory and storage in the cloud/large data center, automotive, and industrial sectors will continue to grow significantly in 2022; compared to the previous year, a number of cloud industry leaders will greatly increase their capital expenditures in 2022. Meanwhile, the 5G cellphone shipment can reach a 40% annual growth rate, while the amount of DRAM and NAND flash required for 5G cellphones will be 50% to 100% higher than that of 4G cellphones.

DRAMeXchange estimates that 2022 annual server DRAM bit output growth will exceed 20%, the greatest range of growth among various DRAM applications. With relatively stable supply and demand and prices, global DRAM production value is expected to exceed the US\$100 billion mark in 2022, up 7.8% annually.

(2) NAND flash related applications and products

The Company is optimistic about the massive cloud data storage demand that will be driven by the emerging 5G, IoT, self-driving cars, and even the new metaverse. Additionally, along with the new generation gaming consoles using SSD as its storage device, the NAND Flash market scale still has high growth potential, making NAND flash manufacturers relatively aggressive in improving production process technologies and expanding capacity. From a long-term perspective, all NAND flash manufacturers have capacity expansion plans; late-comer Yangtze Memory Technologies Co., Ltd. will also begin mass production. Benefiting from the advancement of NAND flash process technology, unit cost continues to decline. Meanwhile, the capacity of memory used in applications is expected to grow n-fold and the scope of application will continue to expand.

DRAMeXchange estimates that the demand for NAND flash between 2022 and 2023 will maintain an annual growth rate of 30%; among the NAND flash products, the enterprise SSDs will be the main driver of the NAND flash market, with an average annual growth rate above 45%. At the same time, driven by the gaming boom, the demand for NAND Flash in gaming consoles is expected to grow by another 30% in 2022. Overall, the 2022 global NAND flash market will maintain its robust growth trend, exceeding US\$87 billion in annual production value, with an annual growth of 28%.

4. Competitive niche

- (1) The Company has built strong relationships with the supply chain's upstream and downstream, and has an advantage over competitors in terms of control over supply and product development.

ADATA has continuously built supply chain relationships through the strategies of diversification and long-term partnerships, and thus had support from the supply chain's upstream and downstream during fluctuations in the memory industry. The Company's accurate understanding of industry trends has enabled it to stand strong in the global industry of memory modules. Through long-term cooperation and interactions, ADATA has been able to stay up-to-date on leading memory technologies, whether it may be the latest memory chips or transmission interfaces, ADATA was always the first in the industry to incorporate them into its product development, and continue to launch new products in the memory market.

- (2) ALWAYSPEED electric tricycle cross over into green logistics market with the global “zero carbon emissions” trend

In response to the growing global warming and air pollution issues, nations around the world have declared the goal of achieving net zero carbon emissions by 2050. In view of the global green energy and environmental protection trend, ADATA's ALWAYSPEED will be the first to launch a commercial electric tricycle “eTrike” in 2020 to meet the logistics demand of large loading, zero emissions, and low noise. The legally licensed ALWAYSPEED eTrike electric tricycles began to appear on roads in December 2021 and have received the 30th Taiwan Excellence Silver Award. Next, ALWAYSPEED eTrike will partner with domestic logistics service providers to become the first environment-friendly electric vehicles among the home delivery logistics fleets, officially turning a new page for commercial electric tricycle logistics in Taiwan.

Moving forward into the next phase, ALWAYSPEED will offer customized models based on the diverse transport needs of different regions. For instance, they are suitable in agriculture, fishery, livestock farming, fruit and vegetable businesses, flower markets, short-distance delivery of general medical supplies, and transportation for small businesses. Their high mobility, parking convenience, and small turning radius are convenient for public official services in townships, and long-term care services in rural areas. Meanwhile, we have already planned to send samples of electric tricycles for exports to overseas markets this year, and will accelerate the expansion of ALWAYSPEED electric tricycles sales.

5. Favorable and unfavorable factors for future development and response strategies

- (1) Advantages:

The pandemic has accelerated the digital transformation and emerging applications will drive the continuous growth in demand for memory:

In the past two years, the changes in the COVID-19 pandemic have changed the lifestyles of mankind and accelerated the global digital transformation. According to Micron CEO Sanjay Mehrotra, not only has the pandemic led to a huge jump in demand for the computing and storage for three major applications—data centers, edge computing, and consumer terminals, but the trends of AI and 5G have also boosted strong demand and continued growth for memory products.

ITRI also pointed out that the global 5G commercial operation is entering its third year, and the 5G industry will enter a period of acceleration. Currently, there are more than 200 5G network commercial operations worldwide and more than 640 million 5G connections to terminal devices. The 5G discussion topics at the Mobile World Congress (MWC) 2022 have also advanced to “How do users use 5G?” and “Unleashing the unlimited potential of 5G connectivity”. Therefore, 2022 will become

the critical year of global 5G applications development. Meanwhile, the 5G cellphone chip industry is optimistic that the global 5G cellphone penetration rate will grow from nearly 40% to more than 50% in 2022, or about 700 million cellphones; it also expects the number to approach 1 billion cellphones in 2023.

With the driving force from numerous applications, including digital transformation, 5G communications, high-performance computing, and the Internet of Things, the global NAND Flash demand is expected to increase by more than 30% in 2022 compared to 2021, and the demand for DRAM could grow at an annual rate of 18%.

(2) Unfavorable factors and response measures:

Corporate strategies are under the influence of global trade barriers and geopolitical impact:

From the US-China trade war that gradually started in 2018 to Japan imposing export controls on South Korea, and other events, trade sanctions between countries not only impact two countries, but also the global economy, and semiconductor supply chain strategies. Although the trade sanctions between the US and China entered a negotiated truce in 2020, it has become a trend for industries to diversify their risks and shift their production bases, which are overly dependent on Chinese manufacturing, to Taiwan and Southeast Asia.

In addition, after the outbreak of COVID-19, the global semiconductor capacity shortage problem has surfaced, and governments have started to build their own semiconductor supply chains using political power and subsidy programs, expanding the geopolitical influence on the overall semiconductor landscape and supply chain migration.

Response measures:

- A. Diversification of suppliers and production bases: The Company has adopted the strategy of diversifying its suppliers for years to prevent the risk of supply and production being too concentrated. The world's main memory manufacturers, including from the US, Korea, Taiwan, and Mainland China, are all suppliers of the Company. The Company has established manufacturing plants in Taipei, Suzhou, and Brazil to meet customer needs in different markets around the world.
- B. Active implementation of smart manufacturing: The Company began implementing smart manufacturing in 2011, starting from automation and gradually expanding to digitalization and AI. Besides lowering labor costs and making raw materials management smarter, this also allows the Company to monitor production in all factories, and flexibly adjust production in response to market changes and pandemic risks. The Company plans to implement AI and robotic arm production plans in the future, accelerating the upgrade of factories to the next phase of smart factories.

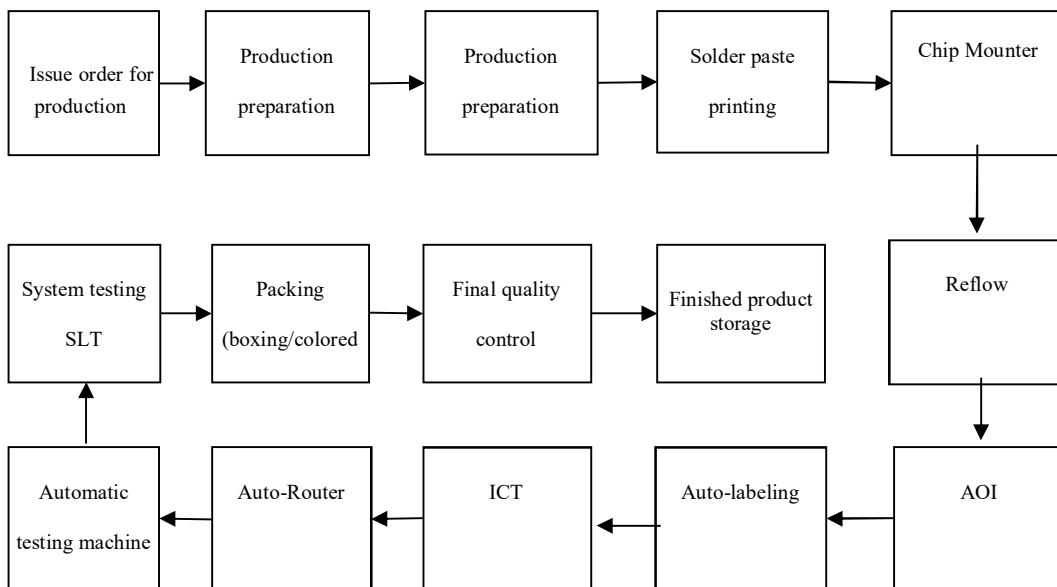
(II) Application and production of key products

1. Important applications of major products

Main products	Purpose
Niche memory products	Used in memory modules, DVD players, digital cameras, Set-Top Box, LCD Monitor, ADSL, VDSL, CDRW, VGA cards, IA products, motherboards, IoT, Smart Home, IP CAM, and robots.
Memory modules	Used in PCs, notebooks, servers, POS, and printers.
Consumer flash memory products	Used in small flash memory cards in various mobile devices, flash drives for exchanging data on PCs and notebooks, and flash memory

Main products	Purpose
	card adapter/card reader series.
External storage devices	Used by PCs, notebooks, media players, and TV for general data and multimedia data storage.
Solid state drives	Used by tablet PCs, PCs, notebooks, corporate grade servers, industrial computers, and cloud servers; memory solutions with different interfaces and dimensions are provided for different applications.
Mobile device peripherals	Used for data exchange, storage media expansion, and battery capacity expansion of smartphones and tablet PCs.
LED Lighting	Used for home lighting, commercial lighting, and outdoor lighting. The energy efficiency of LED will make it the mainstream lighting application in the future when there is insufficient energy. Furthermore, the integration of light control system and energy consumption management system will bring smart lighting, smart homes, and smart street lights from conventional lighting into the field of IoT smart lighting.

2. Production processes of main products



3. Supply status of primary raw materials

Product	Primary raw materials	Suppliers	Supply status
Memory modules, memory cards, and flash drives	DRAM IC、FLASH IC	SK Hynix, Zhi Shang, Western, Micron Technology, Inc., Gao Li, Yantze Memory Technologies, and others	Good, stable

4. Names of customers who accounted for more than 10% of the sales in the last two years, and sales as a percentage of total sales.

(1) List of main suppliers

Unit: NT\$1,000; %

Item	2020				2021				2022 up to the previous quarter (Note)			
	Name	Amount	As a percentage of total purchase [%]	Relationship with issuer	Name	Amount	As a percentage of total purchase [%]	Relationship with issuer	Name	Amount	Percentage of net purchase in the current year up to the previous quarter [%]	Relationship with issuer
1	B11	6,732,599	24.42	N/A	B11	9,381,877	27.64	N/A	N/A	-	-	N/A
2	B06	5,684,625	20.62	N/A	B02	4,775,096	14.07	N/A	N/A	-	-	N/A
3	B02	3,431,279	12.45	N/A	B06	4,440,012	13.08	N/A	N/A	-	-	N/A
	Other	11,722,702	42.52	N/A	Other	15,342,834	45.21	N/A	Other	-	-	N/A
	Net purchase	27,571,205	100.00	N/A	Net purchase	33,939,819	100.00	N/A	Net purchase	-	-	N/A

Note: As of the date of report, 2022 Q1 data audited by the accountants have not been disclosed. Hence, the figures for this quarter are not disclosed in accordance with the table in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

Reasons for changes:

AADATA Technology mainly manufactures and sells memory modules and flash memory products. The Company mainly purchases DRAM IC and FLASH IC, which have large price fluctuations due to market conditions. Hence, when the Company is purchasing DRAM IC and FLASH IC, it will reference current market prices, the supplier's product quality, and business relationship. Upstream suppliers that the Company

purchases from are all well known DRAM IC or FLASH IC manufacturers. Changes in some suppliers (such as B11 and B02) were mainly due to the specifications and generation of products sold by the Company, resulting in purchases from different suppliers or agents.

(2) List of main customers

Unit: NT\$1,000; %

Item	2020				2021				2022 up to the previous quarter (Note)			
	Name	Amount	Percentage of net sales (%)	Relationship with issuer	Name	Amount	Percentage of net sales (%)	Relationship with issuer	Name	Amount	Percentage of net sales in the first quarter (%)	Relationship with issuer
1	A15	1,979,264	6.14	N/A	A17	2,969,221	7.50	N/A	N/A	-	-	N/A
2	A05	1,719,818	5.34	N/A	A15	1,973,118	4.98	N/A	N/A	-	-	N/A
3	A17	1,176,863	3.65	N/A	A18	1,522,660	3.85	N/A	N/A	-	-	N/A
	Other	27,351,385	84.87	N/A	Other	33,128,765	83.67	N/A	Other	-	-	N/A
	Net sales	32,227,330	100.00	N/A	Net sales	39,593,764	100.00	N/A	Net sales	-	-	N/A

Note: As of the date of report, 2022 Q1 data audited by the accountants have not been disclosed. Hence, the figures for this quarter are not disclosed in accordance with the table in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

Reasons for changes:

The Company mainly manufactures and sells memory modules and flash memory products, and mainly sells products to memory distributors and memory module manufacturers, motherboard manufacturers, bare bones system manufacturers, graphics card manufacturers, and other 3C product manufacturers and distributors. The Company continued to increase its products and improve product performance in recent years in response to the rapid changes in IT products, and has dedicated its efforts to expanding customer groups and securing its market competitiveness, which has increased customer sources. In the top ten customers in the past two years, two customers accounted for 5% of total sales each in 2020, and one customer accounted for 5% of total sales in 2021, while all other customers accounted for less than 5%, showing that there is no risk of over-concentration in sales. Furthermore, changes in main customers were mainly due to the Company's adjustment of its sales strategy.

5. Output volume and value in the past two years

Unit: 1,000/ unit, piece; NT\$1,000

Output quantity and value MAIN PRODUCTS	Year	2020			2021		
		Production capacity	Output volume	Output value	Production capacity	Output volume	Output value
Memory modules		17,400	16,972	13,060,129	17,350	17,012	17,146,328
Flash memory products		27,000	26,606	10,851,610	25,100	24,741	13,148,300
T o t a l		44,400	43,578	23,911,739	42,450	41,753	30,294,628

6. Sales volume and value in the past two years

Unit: 1,000/ unit, piece; NT\$1,000

Sales volume and value Main Products	Year	2020				2021			
		Domestic sales		Exports		Domestic sales		Exports	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
D R A M p r o d u c t s		3,604	1,157,783	22,998	13,428,624	4,936	2,077,282	23,963	15,664,571
N A N D F l a s h p r o d u c t s		5,249	1,269,003	63,510	12,964,352	7,124	1,542,205	87,913	16,842,787
O t h e r		18,723	366,337	52,016	3,041,231	5,776	403,600	10,107	3,063,319
T o t a l		27,576	2,793,123	138,524	29,434,207	17,836	4,023,087	121,983	35,570,677

III. The Group's employees in the past two years and up to the date of report

Unit: Individual

Year		2020	2021	From this year to April 20, 2022
Number of employees	M a n a g e r	231	285	320
	G e n e r a l e m p l o y e e s	954	999	925
	P r o d u c t i o n l i n e p e r s o n n e l	651	910	969
	T o t a l	1836	2194	2214
A v e r a g e a g e		35.17	39.9	40.47
Average years of service		3.51	3.56	3.41
Academic qualification	D o c t o r a l D e g r e e	0.61%	0.75%	0.75%
	M a s t e r	26.00%	26.42%	26.29%
	B a c h e l o r	66.78%	66.72%	66.36%
	S e n i o r H i g h S c h o o l	6.00%	5.51%	6%
	S e n i o r H i g h S c h o o l a n d b e l o w	0.61%	0.60%	0.6%

IV. Information on environmental protection expenses

- (l) Total amount of losses (including compensation) sustained by and penalties imposed on the Company due to environmental pollution in the past two years and up to the date of report, and describe future response measures and potential expenditures:

1. The Company mainly manufactures and sells memory modules and flash memory products and also sells niche memory products. The Company's business does not involve any environmental pollution, so the Company did not sustain any damages due

to environmental pollution in the past two years. Furthermore, the Company purchases eco-friendly general supplies every year to support the energy conservation and carbon reduction policy.

2. The Company complies with relevant governmental and international laws and regulations and customer specifications on environmental protection. It develops green products to meet the environmental requirements of low pollution and energy saving, and implements internal education and training on environmental protection to maintain external communication channels on environmental protection. It holds related training, recycling, and testing every year to continue to comply with the expenses of green products and others.

- (II) Protective measures taken to ensure a safe working environment and maintain employees' personal safety

The Company is aware of the importance of protective measures taken to ensure a safe working environment and maintain employees' personal safety. ISO 14001 & ISO45001 & CNS15506 management systems are utilized for major environmental concerns/occupational safety and health risk management, using management by objective and plan to improve areas of priority. Relatively low risks are management through operations control, and significant results were achieved through the improvement of operations.

V. Information on labor-management relations

Talent is the most valuable asset of ADATA Technology. The Company provides various benefits and actively cultivates talent because it cherishes talent, hoping to create a happy workplace. Hence, we aim to maintain harmonious labor-management relations and increase employees engagement and commitment to the Company, as we continue to plan and improve internal systems and environment.

- (III) Employee benefits and implementation status:

1. Employee benefits: Besides complying with the Labor Standards Act, the Company established an Employee Welfare Committee to implement numerous benefits systems and provide benefits additionally planned by the Company, in hopes that employees will become even more committed to the Company. Related benefits are described below:

- (1) Benefits of the Employee Welfare Committee:

- Gift certificates for the Mid-Autumn Festival, the Dragon Boat Festival, labor day, books, and birthdays, and subsidies for marriage, childbirth, and funerals.
- Employee travel subsidies for employees to relax and relieve stress when employees are not at work.
- Birthday parties, department gatherings and club subsidies, encouraging employees to establish clubs and improve their relationships with colleagues in the same and different departments.

- (2) Other benefits:

- Meal subsidies.
- Group insurance and allowing employees to enroll their spouse and children in their insurance.
- Cash gifts and gifts on Mid-Autumn Festival.
- Family day for employees' families to participate and strengthen the bond between employees' families and the Company.
- Year-end party and lucky draw to show appreciation for employees' hard work.

- All employees receive an annual medical checkup and have access to the infirmary and fitness center to take of employees' health.
 - The Company provides a breastfeeding room and implemented a maternity protection project to care for female employees.
 - Movie appreciation, health education, stress relief lectures, and library for employees' spiritual development.
 - Employees are able to purchase the Company's own products at preferential prices each month.
2. Retirement system: The Company's established a dedicated account for labor pensions, and established retirement regulations and pension payment standards in accordance with the Labor Standards Act.
3. The Company organizes improvement proposal events, which encourage employees to show their creativity, to help the Company improve its operational efficiency, and rewards are provided for good proposals.
4. Talent recruitment and appointment:
Employees are ADATA's most important asset, and selection, cultivation, appointment, and retention systems help the Company attract and recruit outstanding talent. Hence, the Company upholds the principle of fairness and impartiality, and recruits employees through various channels. Job applicants are not discriminated against due to their race, gender, religion, nationality, or political stance. Furthermore, the Company established Regulations on Rewards for Employee Recommendations, so that outstanding and stable talent can be recruited through employee recommendations.
5. Training and talent development:
The Company established education and training related regulations and formulates annual education and training plans to improve the quality of employees, and improve their work skills, efficiency, and quality. On-the-job training and external training is provided for employees at different levels and in different positions. Furthermore, the Company also provides employees with a variety of career development opportunities, including: horizontal job rotation between departments based on individual career expectations and organizational needs, stationed overseas for long periods of time, and short-term business trips to perform key tasks, in order to cultivate outstanding professional talent that will improve the Company's business performance.

Statistics of training provided by ADATA in 2021 are as follows:

No.	Category	Number of courses	Course hours
1	Orientation	13	23
2	Specialized training	40	88.5
3	General knowledge training	25	34
4	Management training	9	16.5
5	Auditing laws	32	127.5
Total		119	289.5

Note: Excludes on-the-job training of departments and general knowledge training for new employees.

Orientation: Includes orientation, general knowledge training, brand training, and new employee forums.

Specialized training: Provides employees with specialized training, such as sales, procurement, quality, R&D, and information.

General knowledge training: Provides all employees with new legal knowledge, data analysis, word processing, and other cross-professional training.

Management training: Provides management training for managers to lead and cultivate their subordinates.

Auditing laws: Quality and ESH related training organized by the Company in response to regulatory requirements or verification systems.

6. Labor-management agreements

Employee attendance, holidays, and leave measures are implemented in accordance with the Company's personnel management regulations. The Company will amend internal regulations in coordination with any regulatory or policy changes by the government, and important information will be announced to employees.

7. Other employee rights protection measures

The Company has always handled labor-management relations based on the business philosophy that labor and management are part of the same organization and should co-exist and mutually prosper. Hence, we take employees' opinions very seriously, and employees may reflect any issues they encounter in life and at work through the Company's formal and informal communication channels at any time. The Company and employees gain a better understanding of each other through the two-way communication abilities below, building a consensus to create better labor conditions and environment.

(1) Labor-management meetings: Labor-management meetings are regularly held and attended by representatives nominated/elected by both sides. The meetings mainly focus on promoting the Company's systems and facilitate two-way communication between employees and the Company regarding various policies, work environment, and safety and health issues. Labor and management build mutual trust through this negotiation model, and provide important sources of information that is referenced for administrative management.

(2) Employee Welfare Committee: The Employee Welfare Committee is formed by enthusiastic representatives who are skilled at communication elected through public, fair, and impartial elections. Hence, committee members representing both labor and management are able to propose good opinions regarding benefits during committee meetings, and the measures are implemented after thorough communication.

(3) Employee opinion box: The Company set up an employee opinion box to provide a smooth communication channel for employees, so that senior executives can also listen to the opinions and voices of basic level employees, and flexibly provide constructive feedback and recommendations.

- (4) Labor Safety and Health Committee: Pursuant to the Labor Safety and Health Organization Management and Self-Inspection Regulations, a safety and health organization was established based on the Company's scale and nature, and meetings are convened every three months to coordinate, review, and evaluate safety and health affairs, in order to create a culture of safety in the workplace.
 - (5) Implementation of four occupational safety and health projects: The Company implemented four major projects: "Prevention of unlawful infringement while performing duties," "Maternal health protection," "Hazard prevention through ergonomics," and "Prevention of diseases caused by abnormal workload" to create a culture of safety in the workplace.
- (IV) Losses sustained due to labor disputes in the most recent year and up to the date of report, and disclose current and future estimated amount and response measures; if it cannot be reasonably estimated, describe the facts that it cannot be reasonably estimate: None.

VI. Information security management

- (I) Describe the information security risk management framework, the information security policy, actual management plans, the management resources for investor information security, and other information:
 - 1. Information security risk management structure: Information security has become an important issue to companies due to the effect of technology development. In order to ensure smooth operations in the Company, the Information Technology Division is responsible for information security, formulating related control procedures and management, and periodically conducting information security inspections.
 - 2. Information security policy:
 - (1) Purpose: The Company established an information security management system to create a safe and trusted operating environment for information systems, maintain normal operations, lower operational and process risks, and protect the rights and interests of customers, suppliers and users.
 - (2) Scope: The scope of the Company's information security management includes IT personnel at each location, management system, applications, data, documents, storage media, hardware equipment, and network facilities.
 - (3) Goal: To prevent information systems from improper use or intentional sabotage by internal and external personnel, or for the Company to be able to rapidly respond and recover within the shortest amount of time when information systems have already been improperly used or intentionally sabotaged, and thereby reduce the potential losses and operational risks from the incident.
 - (4) Procedure: Manage IT facilities, network security, system development and program modification, data security, information confidentiality, and outsourcing.
 - 3. Describe the actual management plans, and the management resources for investor information security:

- (1) Strengthen network and website security (firewall and intrusion detection system, VPN connection, website vulnerability scanning).
- (2) Strengthen endpoint security (endpoint management system, anti-virus software, website management, real-time communications management, Windows update).
- (3) Data leakage protection (document classification and access rights, portable storage device management).
- (4) E-mail security (blocking spam, virus, or phishing, e-mail backup mechanisms).
- (5) Enhance the IT infrastructure (establish the server and network cluster structure, remote backup).
- (6) Recovery drills (drills for recovering files, database, and system from remote backup).
- (7) Raise information security awareness (regular promotion, training courses using the credit system, social engineering rehearsal).

In addition to the enhancement projects above, the Company implements its information policies, including irregularly participating in information security seminars to understand the latest information security issues, trends, and reinforcement measures, so as to continue enhancing and improving its information security management.

- (II) List the losses sustained due to major information security incidents, possible impact, and the responses measures in the most recent year and up to the date of report. If it cannot be reasonably estimated, describe the facts that it cannot be reasonably estimated:

On May 23, 2021, the Company detected a virus attack on some of its information and communication systems. The Company's information security team immediately activated the defense mechanism and backup system, and immediately cooperated with information security professionals to remove the virus and enhance the network information security level. The affected servers were gradually restored; shipments were slightly delayed after May 24, 2021, but the impact was not significant. This incident had no major impact on the Company's operations.

VII. Important contracts

April 20, 2022

Nature of contract	The Parties	Commencement date/expiration date	Content	Restrictive clauses
Consignment guarantee contract	Eight banks including Mega International Commercial Bank	December 30, 2013~ Sunday, June 30, 2024	Application to banks for performance guarantee to obtain the right to issue sports lottery	Maintain a certain financial ratio

Long-term loan contracts	Elevent banks including the Bank of Taiwan	Monday, August 21, 2017 to Sunday, August 21, 2022	Long-term borrowings	Maintain a certain financial ratio
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F. Financial overview

I. Condensed Balance Sheet and Statement of Comprehensive Income for the last five years

(I) Condensed Balance Sheet and Statement of Comprehensive Income for the last five years

1. Condensed Balance Sheet

(1) IFRS (consolidated)

Unit: NT\$1,000

Item	Year	Financial statements for the past five years (Note 1)					Financial data for the current year up to March 31, 2022 (Note 3)
		2017	2018	2019	2020	2021	
Current assets		15,928,611	9,518,142	13,225,969	16,747,644	20,927,789	-
Property, plant and equipment		6,136,590	5,646,282	5,562,107	4,854,947	5,031,508	-
Intangible assets		418,203	963,351	898,271	760,791	712,287	-
Other Assets		5,553,893	6,540,494	5,218,609	5,763,273	6,124,374	-
Total Assets		28,037,927	22,668,269	24,904,956	28,126,655	32,795,958	-
Current liabilities	Before distribution	10,423,499	11,908,968	8,061,767	12,088,088	14,426,468	-
	After distribution	11,732,623	11,952,605	8,372,926	12,896,282	15,848,049	-
Non-current liabilities		7,411,557	2,927,234	8,596,269	6,418,930	5,707,681	-
Total liabilities	Before distribution	17,835,056	14,836,202	16,658,036	18,507,018	20,134,149	-
	After distribution	19,144,180	14,879,839	16,969,195	19,315,212	21,555,730(Note 2)	-
Equity attributable to owners of parent		9,141,584	7,190,825	7,575,310	8,953,803	11,915,830	-
Share capital		2,241,724	2,197,254	2,237,943	2,363,736	2,636,713	-
Capital surplus		3,642,203	3,586,935	3,832,766	4,476,729	5,612,980	-
Retained earnings	Before distribution	4,056,806	2,463,820	2,798,093	3,784,702	5,225,972	-
	After distribution	2,747,682	2,420,183	2,486,934	2,976,508	3,804,391(note 2)	-
Other equity		(533,983)	(854,658)	(1,130,730)	(1,318,554)	(1,284,605)	-
Treasury stock		(265,166)	(202,526)	(162,762)	(352,810)	(275,230)	-
Non-controlling interest		1,060,657	641,242	671,610	665,834	745,979	-
Total equity	Before distribution	10,202,241	7,832,067	8,246,920	9,619,637	12,661,809	-
	After distribution	8,893,117	7,788,430	7,935,761	8,811,443	11,240,228(Note 2)	-

Note 1: The Company's financial statements have been audited or reviewed by an independent auditor.

Note 2: The Board of Directors passed the resolution regarding the Company's 2021 dividend distribution proposal on April 20, 2022.

Note 3: As of the date of report, 2022 Q1 data audited by the accountants have not been disclosed. Hence, the figures for this quarter are not disclosed in accordance with the table in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

(2) IFRS (standalone)

Unit: NT\$1,000

Item	Year	Financial statements for the past five years (Note 1)					Financial data for the current year up to March 31, 2022 (Note 3)
		2017	2018	2019	2020	2021	
Current assets		12,424,204	7,340,373	10,209,397	12,966,041	15,967,399	-
Property, plant and equipment		1,988,501	1,729,368	1,845,119	1,410,288	1,380,283	-
Intangible assets		66,908	52,437	43,908	30,598	34,697	-
Other Assets		13,619,761	14,133,351	12,950,353	13,210,549	15,307,171	-
Total Assets		28,099,374	23,255,529	25,048,777	27,617,476	32,689,550	-
Current liabilities	Before distribution	11,667,033	13,236,023	9,007,914	12,377,535	15,122,086	-
	After distribution	12,976,157	13,279,660	9,319,074	13,185,729	16,543,667(Note 2)	-
Non-current liabilities		7,290,757	2,828,681	8,465,552	6,286,138	5,651,634	-
Total liabilities	Before distribution	18,957,790	16,064,704	17,473,467	18,663,673	20,773,720	-
	After distribution	20,266,914	16,108,341	17,784,626	19,471,867	22,195,301	-
Equity attributable to owners of parent		9,141,584	7,190,825	7,575,310	8,953,803	11,915,830	-
Share capital		2,241,724	2,197,254	2,237,943	2,363,736	2,636,713	-
Capital surplus		3,642,203	3,586,935	3,832,766	4,476,729	5,612,980	-
Retained earnings	Before distribution	4,056,806	2,463,820	2,798,093	3,784,702	5,225,972	-
	After distribution	2,747,682	2,420,183	2,486,934	2,976,508	3,804,391(Note 2)	-
Other equity		(533,983)	(854,658)	(1,130,730)	(1,318,554)	(1,284,605)	-
Treasury stock		(265,166)	(202,526)	(162,762)	(352,810)	(275,230)	-
Non-controlling interest		-	-	-	-	-	-
Total equity	Before distribution	9,141,584	7,190,825	7,575,310	8,953,803	11,915,830	-
	After distribution	7,832,460	7,147,188	7,264,151	8,145,609	10,494,249(Note 2)	-

Note 1: The Company's financial statements have been audited or reviewed by an independent auditor.

Note 2: The Board of Directors passed the resolution regarding the Company's 2021 dividend distribution proposal on April 20, 2022.

Note 3: After the IFRS was implemented in 2013, Q1 to Q3 data is consolidated for disclosures, so there is no data for 2022 Q1 disclosed in the standalone financial information.

2. Condensed Statement of Comprehensive Income

(1) IFRS (consolidated)

Unit: NT\$1,000

Item \ Year	Financial statements for the past five years (Note 1)					Financial data for the current year up to March 31, 2022 (Note 3)
	2017	2018	2019	2020	2021	
Operating revenue	32,311,514	31,640,561	25,562,440	32,227,330	39,593,764	-
Operating margin	4,425,120	1,914,746	2,828,616	4,775,715	5,771,188	-
Operating profit and loss	1,864,383	(773,039)	108,890	1,888,095	2,318,073	-
Non-operating income and expense	421,511	530,164	516,436	86,042	955,105	-
Pre-tax profit	2,285,894	(242,875)	625,326	1,974,137	3,273,178	-
Net income from continuing operations	1,792,370	(229,202)	410,522	1,361,192	2,358,374	-
Loss from discontinued operations	-	-	-	-	-	-
Net income (loss)	1,792,370	(229,202)	410,522	1,361,192	2,358,374	-
Other comprehensive income (OCI) for this period (Net income after tax)	(675,681)	(420,963)	(278,315)	(101,883)	(141,386)	-
Total comprehensive income	1,116,689	(650,165)	132,207	1,259,309	2,216,988	-
Net income attributable to owners of the parent	1,722,952	(178,817)	412,940	1,350,659	2,247,354	-
Net income attributable to non-controlling interest	69,418	(50,385)	(2,418)	10,533	111,020	-
Total comprehensive income (loss) attributable to owners of the parent	1,190,812	(535,664)	147,455	1,267,349	2,171,366	-
Total comprehensive income (loss) attributable to non-controlling interest	(74,123)	(114,501)	(15,248)	(8,040)	45,622	-
Earnings per share (loss) (NT\$) (Note 2)	8.00	(0.82)	1.90	6.10	9.14	-

Note 1: The Company's financial statements have been audited or reviewed by an independent auditor.

Note 2: EPS (loss) is calculated using the weighted average number of ordinary shares outstanding during the year, and retroactive adjustments are made for new shares from capitalization of profits, capital surplus, or employee bonuses.

Note 3: As of the date of report, 2022 Q1 data audited by the accountants have not been disclosed. Hence, the figures for this quarter are not disclosed in accordance with the table in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

(2) IFRS (standalone)

Unit: NT\$1,000

Item \ Year	Financial statements for the past five years (Note 1)					Financial data for the current year up to Thursday, March 31, 2022
	2017	2018	2019	2020	2021	
Operating revenue	31,377,138	30,380,998	24,224,889	29,612,087	36,302,777	-
Operating margin	3,267,273	1,015,780	1,761,606	3,105,460	3,389,665	-
Operating profit and loss	1,533,978	(860,832)	(138,727)	1,085,811	1,033,901	-
Non-operating income and expense	514,460	539,713	623,675	666,703	1,717,548	-
Pre-tax profit	2,048,438	(321,119)	484,948	1,752,514	2,751,449	-
Net income from continuing operations	1,722,952	(178,817)	412,940	1,350,659	2,247,354	-
Loss from discontinued operations	-	-	-	-	-	-
Net income (loss)	1,722,952	(178,817)	412,940	1,350,659	2,247,354	-
Other comprehensive income (OCI) for this period (Net income after tax)	(532,140)	(356,847)	(265,485)	(83,310)	(75,988)	-
Total comprehensive income	1,190,812	(535,664)	147,455	1,267,349	2,171,366	-
Net income attributable to owners of the parent	1,722,952	(178,817)	412,940	1,350,659	2,247,354	-
Net income attributable to non-controlling interest	-	-	-	-	-	-
Total comprehensive income (loss) attributable to owners of the parent	1,190,812	(535,664)	147,455	1,267,349	2,171,366	-
Total comprehensive income (loss) attributable to non-controlling interest	-	-	-	-	-	-
Earnings per share (loss) (NT\$) (Note 2)	8.00	(0.82)	1.90	6.10	9.14	-

Note 1: The Company's financial statements have been audited or reviewed by an independent auditor.

Note 2: EPS (loss) is calculated using the weighted average number of ordinary shares outstanding during the year, and retroactive adjustments are made for new shares from capitalization of profits, capital surplus, or employee bonuses.

Note 3: After the IFRS was implemented in 2013, Q1 to Q3 data is consolidated for disclosures, so there is no data for 2022 Q1 disclosed in the standalone financial statements.

(III) Name of CPA and auditors' opinions in the last five years

Year	CPA	Audit opinion
2017	Yeh, Tsui-Miao and Wang, Fang-Yu	Unqualified opinion
2018	Yeh, Tsui-Miao and Wang, Fang-Yu	Unqualified opinion
2019	Shih-Chun Huang and Tsui-Miao Yeh (Note)	Unqualified opinion
2020	Shih-Chun Huang and Tsui-Miao Yeh	Unqualified opinion
2021	Shih-Chun Huang and Tsui-Miao Yeh	Unqualified opinion

Note: The Company originally appointed CPAs Yeh, Tsui-Miao and Wang, Fang-Yu from PwC Taiwan to conduct the audit. The accountants were changed to Huang, Shih-Chun and Yeh, Tsui-Miao in 2019 due to PwC Taiwan's internal rotation mechanism.

II. Financial analysis of the last five years

(I) Financial analysis of the last five years (standalone)

1. International Financial Accounting Standards

Analysis item		Year	Financial analysis of the last five years (Note 1)				
			2017	2018	2019	2020	2021
Financial structure (%)	D e b t r a t i o		67.47	69.08	69.76	67.58	63.55
	Long-term fund to property, plant and equipment		826.37	579.37	869.37	1080.63	1272.74
Liquidity (%)	C u r r e n t r a t i o		106.49	55.46	113.34	104.75	105.59
	Q u i c k r a t i o		55.69	37.23	64.47	56.74	59.48
	Times interest earned		12.27	(0.57)	3.91	13.63	23.78
Operating ability	Receivables turnover (times)		7.89	8.44	7.73	8.55	7.69
	Average collection days		46.26	43.25	47.22	42.69	47.46
	Inventory turnover (times)		5.26	7.04	6.53	5.08	5.10
	P a y a b l e s t u r n o v e r		5.62	5.50	5.21	4.75	5.28
	Average inventory turnover days		69.39	51.84	55.89	71.85	71.56
	Property, plant and equipment turnover (times)		17.44	16.34	13.55	18.19	26.02
	Total assets turnover (times)		1.17	1.18	1.00	1.12	1.20
Profitability	Return on assets (%)		6.98	(0.06)	2.26	5.55	7.77
	Rate of return on equity (%)		19.32	(2.19)	5.59	16.34	21.54
	Pre-tax profit to paid-in capital ratio (%)		91.38	(14.61)	21.67	74.14	104.35
	N e t m a r g i n (%)		5.49	(0.59)	1.70	4.56	6.19
	Earnings per share (loss) (NT\$) (Note 2)		8.00	(0.82)	1.90	6.10	9.14
Cash flows	Cash flow ratio (%)		7.93	25.00	(Note 3)	7.14	(Note 3)
	Cash flow adequacy ratio (%)		43.56	56.50	53.86	44.40	41.59
	Cash reinvestment ratio (%)		0.33	19.48	(Note 3)	3.68	(Note 3)
Leverage	O p e r a t i n g l e v e r a g e		1.69	(0.06)	(5.03)	1.77	2.10
	F i n a n c i a l l e v e r a g e		1.13	0.81	0.45	1.15	1.13

Note 1: The Company's financial statements have been audited or reviewed by an independent auditor.

Note 2: EPS (loss per share) is calculated using the weighted average number of outstanding shares during the year, and retroactive adjustments are made for new shares from capitalization of profits, capital surplus, or employee bonuses.

Note 3: Cash flow ratio and cash reinvestment ratio were not listed because cash flow from operating activities was a net negative or negative after deducting cash dividends.

Please provide the reasons for changes in financial ratios in the most recent two years (analysis not required if the change does not reach 20%).

1. Increase in property, plant and equipment turnover in 2021 is 43.02% higher than 2020 due to operating revenue growth.
2. Thanks to the increase of the price of memories and the global increased demand for PCs during the pandemic, the Company's revenue increased in 2021 and resulted in an increase in overall profits. Hence, times interest earned, return on assets, return on equity, ratio of pre-tax profit to paid-in capital ratio, net profit margin, and EPS changed 20% and above.

(II) Financial analysis of the last five years (consolidated)

1. IFRS

Analysis item		Financial analysis of the last five years (Note 1)					The current year up to Thursday, March 31, 2022
		2017	2018	2019	2020	2021	
Financial structure (%)	D e b t r a t i o	63.61	65.45	66.89	65.80	61.39	-
	Long-term fund to property, plant and equipment	269.74	179.20	290.75	316.64	350.26	-
Liquidity (%)	C u r r e n t r a t i o	152.81	79.92	164.06	138.55	145.07	-
	Q u i c k r a t i o	80.74	53.62	99.97	78.02	76.61	-
	Times interest earned	13.35	(0.13)	4.44	13.32	20.54	-
Operating ability	Receivables turnover (times)	9.26	9.61	8.75	9.62	8.86	-
	Average collection days	39.42	37.98	41.70	37.94	41.20	-
	Inventory turnover (times)	4.59	5.82	5.37	4.43	4.09	-
	Payables turnover (times)	8.83	9.71	9.91	8.09	13.91	-
	Average inventory turnover days	79.52	62.71	67.97	82.39	89.24	-
	Property, plant and equipment turnover (times)	5.55	5.37	4.56	6.19	8.01	-
	Total assets turnover (times)	1.22	1.25	1.07	1.22	1.30	-
Profitability	Return on assets (%)	7.37	(0.23)	3.24	5.62	8.18	-
	Return on equity (%)	19.80	(2.81)	8.47	16.47	22.60	-
	Pre-tax profit to paid-in capital ratio (%)	101.97	(11.05)	27.94	83.52	124.14	-
	N e t m a r g i n (%)	5.55	(0.72)	2.45	4.22	5.96	-
	Earnings per share (NT\$) (N o t e 2)	8.00	(0.82)	1.90	6.10	9.14	-
Cash flows	C a s h f l o w r a t i o (%)	4.75	24.70	(Note 3)	6.56	(Note 3)	-
	Cash flow adequacy ratio (%)	47.94	53.78	50.86	34.74	28.99	-
	Cash reinvestment ratio (%)	(Note 3)	13.31	(Note 3)	2.70	(Note 3)	-
Leverage	O p e r a t i n g l e v e r a g e	1.92	(1.05)	14.51	1.88	1.89	-
	F i n a n c i a l l e v e r a g e	1.11	0.78	(1.49)	1.09	1.08	-

Note 1: The Company's financial statements have been audited or reviewed by an independent auditor.

Note 2: EPS (loss per share) is calculated using the weighted average number of outstanding shares during the year, and retroactive adjustments are made for new shares from capitalization of profits, capital surplus, or employee bonuses.

Note 3: Cash flow ratio and cash reinvestment ratio were not listed because cash flow from operating activities was a net negative or negative after deducting cash dividends.

Note 4: As of the date of report, 2022 Q1 data audited by the accountants have not been disclosed. Hence, the figures for this quarter are not disclosed in accordance with the table in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

Please provide the reasons for changes in financial ratios in the most recent two years (analysis not required if the change does not reach 20%).

1. Increase in property, plant and equipment turnover in 2021 is 29.45% higher than 2020 due to operating revenue growth.
2. Thanks to the increase of the memory prices and the global increased demand for PCs during the pandemic, the Company's revenue increased in 2021, which resulted in an increase in overall profits. Hence, times interest earned, return on assets, return on equity, ratio of pre-tax profit to paid-in capital ratio, net profit margin, and EPS changed 20% and above.

The formulas for financial analysis calculations are as follows:

I. Financial Accounting Standards of the R.O.C.

1. Financial structure

- (1) Debt-to-asset ratio = total liabilities / total assets.
- (2) Long-term capital to fixed assets ratio = (Net equity + Long-term liabilities) / Net fixed assets

2. Liquidity

- (1) Current ratio = current assets / current liabilities.
- (2) Quick ratio = (current assets - inventory - prepaid expense - deferred income tax assets - current) / current liabilities.
- (3) Time interest earned = income/loss before tax and interest expense / current interest expense.

3. Operating ability

- (1) Receivables (including accounts receivable arising from operation notes receivable) turnover ratio = net sales / average receivables (including accounts receivable arising from operation notes receivable) balances.
- (2) Average collection period = 365 / receivables turnover.
- (3) Inventory turnover ratio = cost of goods sold / average amount of inventory.
- (4) Payables (including accounts payable arising from operation notes payable) turnover ratio = net purchase / average payables (including accounts payable arising from operation notes payable) balances.
- (5) Average days in sales = 365 / Average inventory turnover.
- (6) Fixed assets turnover = Net sales / Total average fixed assets.
- (7) Fixed assets turnover = net sales / average gross assets.

4. Profitability

- (1) Return on assets = [net income + interest expense (1- tax rate)] / average total assets.
- (2) Return on equity = Profit and loss after tax / Average equity.
- (3) Net margin = net income / net sales.
- (4) Operating profit to paid-in capital ratio = Operating profit / Paid-in capital.
- (5) Pre-tax profit to paid-in capital ratio = pre-tax profit / paid-in capital.
- (6) EPS = (net income after tax - stock dividend of preferred stocks) / weighted average number of issued shares.

5. Cash flows

- (1) Cash flow ratio = net cash flows from operating activities / current liabilities.
- (2) Net cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend) for the most recent five years.

(3) Cash reinvestment ratio = (net cash flows from operating activities – cash dividend) / (gross margin of fixed assets + long-term investment + other assets + working capital).

6. Leverage

(1) Operating leverage = (net operating income – variable operating cost and expenses) / operating income.

(2) Financial leverage = operating profit / (operating profit - interest expense).

II. IFRS

1. Financial structure

(1) Debt-to-asset ratio = total liabilities / total assets.

(2) Long-term fund to property, plant and equipment ratio = (total equity + non-current liabilities) / net amount of real estate properties, plants and equipment.

2. Liquidity

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

(2) Quick ratio = (current assets - inventory - prepaid expense) / current liabilities.

(3) Time interest earned = net income before income tax and interest expense / current interest expense.

3. Operating ability

(1) Receivables (including accounts receivable arising from operation notes receivable) turnover ratio = net sales / average receivables (including accounts receivable arising from operation notes receivable) balances.

(2) Average collection period = 365 / receivables turnover.

(3) Inventory turnover ratio = cost of goods sold / average amount of inventory.

(4) Payable (including accounts payable arising from operation notes payable) turnover ratio = cost of goods sold / average payables (including accounts payable arising from operation notes payable) balances.

(5) Average days of sales = 365 / inventory turnover.

(6) Real estate, plant, and equipment turnover ratio = net sales / average net for real estate, plant, and equipment.

(7) Fixed assets turnover = net sales / average gross assets.

4. Profitability

(1) Return on assets = [net income + interest expense (1– tax rate)] / average total assets.

(2) Return on equity = income after tax / net average equity.

(3) Pre-tax profit to paid-in capital ratio = pre-tax profit / paid-in capital.

(4) Net margin = net income / net sales.

(5) EPS = (income belonging to owner of parent company - stock dividend of preferred stocks) / weighted average number of issued shares.

5. Cash flows

- (1) Cash flow ratio = net cash flows from operating activities / current liabilities.
- (2) Net cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend) for the most recent five years.
- (3) Cash reinvestment ratio = (net cash flows from operating activities – cash dividend) / (gross margin of property, plant and equipment + long-term investment + other non-current assets + working capital).

6. Leverage:

- (1) Operating leverage = (net operating income – variable operating cost and expenses) / operating income.
- (2) Financial leverage = operating profit / (operating profit - interest expense).

III. Audit Committee's review report in the most recent year

Audit Committee's Review Report


We have reviewed the 2021 Business Report and earnings distribution sent by the Board of Directors, as well as the financial statements and consolidated financial statements that were audited and certified by CPAs Huang, Shih-Chun and Yeh, Tsui-Miao from PwC Taiwan, and did not find any inconsistencies. We have thus prepared this report in accordance with Articles 14-4 and 14-5 of the Securities and Exchange Act and Article 219 of the Company Act.

To

ADATA Technology's Annual Shareholders' Meeting 2022

Audit Committee of ADATA Technology Co., Ltd.

Convener of the Audit Committee: Chen, Tzu-Chang



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IV. Financial statements for the most recent year: Please refer to Appendix 1 on pages 169-291 of the Annual Report for details.

V. Financial statements of the parent company for the most recent year audited by the CPA: Please refer to Appendix 2 on pages 292-419 of the Annual Report for details.

VI. The impact of the financial difficulties of the Company and affiliated companies, if any, on the Company's financial position in the most recent year and as of the date of report: N/A.

G. Discussion and analysis of financial standing and financial performance and risks

I. Financial position

Unit: NT\$1,000

Item \ Year	2021	2020	Difference	
			Amount	Percentage (%)
Current assets	20,927,789	16,747,644	4,180,145	24.96
Property, plant and equipment	5,031,508	4,854,947	176,561	3.64
Other Assets	6,836,661	6,524,064	312,597	4.79
Total Assets	32,795,958	28,126,655	4,669,303	16.60
Current liabilities	14,426,468	12,088,088	2,338,380	19.34
Non-current liabilities	5,707,681	6,418,930	711,249	11.08
Total liabilities	20,134,149	18,507,018	1,627,131	8.79
Share capital	2,636,713	2,363,736	272,977	11.55
Capital surplus	5,612,980	4,476,729	1,136,251	25.38
Retained earnings	5,225,972	3,784,702	1,441,270	38.08
Total shareholders' equity	12,661,809	9,619,637	3,042,172	31.62

Reasons for changes in the most recent two years:

- (1) Current assets increased NT\$4,180,145,000 compared to 2020, and was mainly due to the increase in accounts receivable and inventory.
- (2) Capital surplus increased NT\$1,136,251,000 compared to 2020, and was mainly due to the recognized capital stock premium.
- (3) Retained earnings increased NT\$1,441,270,000 compared to 2020, and was mainly due to the increase in net profit.

II. Financial performance

(I) Financial performance

Unit: NT\$1,000; %

Item \ Year	2021	2020	Increase (Decrease)	Percentage of change (%)
Net operating revenues	39,593,764	32,227,330	7,366,434	22.86
Operating costs	33,822,576	27,451,615	6,370,961	23.21
Operating margin	5,771,188	4,775,715	995,473	20.84
Operating expenses	3,453,115	2,887,620	565,495	19.58
Operating net profit	2,318,073	1,888,095	429,978	22.77
Non-operating income and expense	955,105	86,042	869,063	1010.05
Net profit from continuing operations before income taxes	3,273,178	1,974,137	1,299,041	65.80
Income tax expenses	914,804	612,945	301,859	49.25
Net profit after tax from continuing operations	2,358,374	1,361,192	997,182	73.26
Current period net profit	2,358,374	1,361,192	997,182	73.26

1. Reasons for changes in the most recent two years:
 - (1) Thanks to the increase of the memory prices and the global increased demand for PCs during the pandemic, the Company's revenue increased in 2021, which resulted in an increase in overall profits compared to 2020. Please see page 149 for a detailed analysis of changes in gross profit.
 - (2) Non-operating income and expenses increased NT\$869,063,000 compared to 2020, and was mainly due to the profit from re-invested shares and the increase in government subsidies.
 - (3) The increase in operating net profit, pre-tax profit, and net profit was mainly due to the revenue increase in 2021 and the subsequent overall profit growth compared to 2020.
 - (4) Income tax expenses increased NT\$301,859,000 compared to 2021, and was mainly due to the significant growth in profit, which consequently increased the income tax expenses.
2. Reason for changes in the Company's main business, if any material changes to the business policy, market conditions, economic environment, or other internal and external factors have already occurred or are expected to occur, describe the facts and potential impact on the Company's future financial position and business performance, as well as response plans: There were no material changes and potential impacts as of the date of report.
3. Projected sales in the coming year and its basis, and the main factors for the continued growth or decline of sales:

COVID-19 in 2021; the development progress of 5G related systems and terminal products; trade barriers caused by the US-China trade war; import-export barriers caused by the current Russia-Ukraine and Europe situation; the time Intel releases its new processor; continued growth in demand from notebooks, PCs, servers, mobile phones, tablet PCs, industrial computers, storage devices, the new energy saving mark, LED lighting in smart energy saving systems, and smart homes; the development of brand image; continued expansion of branches and distribution channels, growth in new product lines and optimization of the overall product portfolio are all factors that will drive the continued

growth of the Company's overall sales volume. This year, we will also see the growth of mobile devices drive the growth of power banks and peripherals We are also developing the industrial control applications market in Europe, Italy, and Japan, as well as embedded products and IoT related fields.

(II) Analysis of changes in gross profit

Unit: NT\$1,000

Item	Amount of change	Reason for difference		
		Price difference	Cost difference	Quantity difference
DRAM products	(68,925)	1,896,129	(2,130,538)	165,484
Flash products	976,896	(1,287,964)	1,336,500	928,360
Other	87,501	2,701,834	(2,281,045)	(333,287)
Total	995,472	3,309,999	(3,075,083)	760,557

Description:
 (1) Price difference and cost difference: Compared to the previous year, the overall DRAM product prices and costs have relatively increased in 2021; although the prices of NAND Flash products have declined, but the costs have also declined, so there is still a favorable price difference overall of NT\$234,916,000.
 (2) Quantity difference: Sales of DRAM and NAND Flash products in 2021 increased compared with last year, and resulted in a favorable quantity difference of NT\$760,557,000.

III. Cash flows

(I) Analysis of changes in cash flow in the most recent year

Unit: NT\$1,000

Cash balance at beginning of period (1)	Net cash inflow from operating activities (2)	Cash outflow for the entire year (3)	Cash surplus (shortage) amount (1)+(2)+(3)	Remedial measures for cash deficit	
				Financing plans	Financial plan
2,778,355	(1,192,263)	1,533,638	3,119,730	-	-

(1) Operating activities: Cash outflow was mainly due to the increase in accounts receivable and the inventory.

(2) Investing activities: Cash outflow was mainly due to the acquisition of equity for long-term investment, and of property and equipment by advance payment.

(3) Financing activities: Cash inflow was mainly due the increase in short-term borrowings.

(II) Liquidity analysis and improvement plan for insufficient liquidity

Item \ Year	2021	2020	Percentage of increase (decrease) (%)
Cash flow ratio	-	6.56%	-
Cash flow adequacy ratio	28.99%	34.74%	(16.54%)
Cash reinvestment ratio	-	2.70%	-

(1) Analysis of changes

Mainly due to the net cash outflow from operating activities in 2021 and net cash inflow from operating activities in 2020, which affected the cash flow ratio and cash reinvestment ratio.

(2) Improvement plan for insufficient liquidity: N/A.

(III) Cash liquidity analysis for the coming year

Unit: NT\$1,000

Cash balance at beginning of period (1)	Net cash inflow from operating activities (2)	Cash outflow for the entire year (3)	Cash surplus (shortage) (1)+(2)-(3)	Remedial measures for cash deficit	
				Financing plans	Financial plan
3,119,730	2,892,777	2,842,475	3,170,032	-	-

(1) Operating activities: The cash inflow was mainly due to expectations for steady revenue and profit in 2022, resulting in cash inflow.

(2) Investing activities: Cash outflow is mainly due to the plan to purchase an office in 2022.

(3) Financing activities: Cash outflow is mainly due to long-term borrowings (mortgage) in 2022.

IV. Effect of major capital spending on financial position and business performance

(I) Status of major capital expenditures and source of funds

Consolidated financial statements plan	Actual or expected bank borrowings	Actual capital use (2021)
Investee company	Self-own funds and bank borrowings	389,511
Acquisition of property and equipment	Self-own funds and bank borrowings	387,439

(II) Expected benefits

Investments increased for diversification and due to the recognition of profits from investee companies.

V. Reinvestment policy in the most recent year, main reason for profit or loss, improvement plan, and investment plan for the coming year:

The Company's investments are all long-term strategic investments. Profits from affiliates and joint ventures recognized under the equity method in the consolidated financial statements was NT\$369,722,000 in 2021. In the future, the Company will continue to make long-term strategic investments in principle, and will continue to carefully evaluate investment plans. After gaining a steady lead in the memory industry, the group expanded to electric motors, biotechnology, and sports lottery.

VI. Risk assessment for the most recent year and up to the date of report

(I) Organizational structure for risk management



1. Auditing: Reviews existing or potential risks of each operation, and formulates a risk-oriented annual audit implementation plan. Also responsible for the revision and implementation of the internal control system.
2. Accounting and taxes: Responsible for the financial dispatching, fund use, and establishment of hedging mechanisms to reduce financial risks. Establishes a highly efficient and high quality financial platform to provide transparent and reliable financial information, operations analysis, and improvement plans. Reduces the Company's risks through strict controls, compliant tax plans, credit risk management, and financial crisis prediction model.
3. Investment planning: Responsible for planning business decisions, evaluating the benefits of mid- and long-term investments, and evaluating, reviewing, supervising, and managing investee companies to lower strategic risks.
4. IT: Plans and establishes the Company's information management systems, responsible for Internet information security management and measures, provides

management with fast and effective operations management information, in order to lower information security risks.

5. Legal: Responsible for the management of legal risks, reviews contracts and provides legal advice internally, responsible for insurance renewal and claims and for handling legal disputes and litigation, in order to lower legal risks.
6. Corporate information: Promote and improve the Company's image and serves as a channel for announcing material information and communicating with investors. Ensures the correctness, timeliness, and fairness of information disclosures to lower investors' risks, and prevents operational risks caused by the Company's image.

(II) Impact of interest rate and exchange rate changes and inflation on Company's profit and response measures

1. Impact of interest rate changes on the Company's profit and response measures

Unit: NT\$1,000; %

Item\Year	2021
Interest expenses (1)	167,497
Operating revenue (2)	39,593,764
Net operating profit (losses) (3)	2,318,073
(1) / (2)	0.42%
(1) / (3)	7.23%

Source: Consolidated financial statements audited or reviewed by an independent auditor

The increase in interest expenses was due to interest rate rises. However, the Company still regularly evaluates its cash position and the bank's interest rates, and chooses low interest rate loans and extends the loan period, carefully deciding how it raises funds to obtain more desirable interest rates. Hence, interest rate fluctuations do not have a material impact on the Company.

2. Impact of exchange rate changes on the Company's profit and response measures

Unit: NT\$1,000; %

Item\Year	2021
Exchange gain (loss) (1)	(48,863)
Operating revenue (2)	39,593,764
Net operating profit (losses) (3)	2,318,073
(1) / (2)	(0.12%)
(1) / (3)	(2.11%)

Source: Consolidated financial statements audited or reviewed by an independent auditor

The Company sustained foreign exchange losses in the amount of NT\$48,863,000 in 2021, accounting for 0.12% of operating revenue and 2.11% of net operating profits. Since the Company periodically examines its exposure and engages in hedging in a timely manner to avoid exchange rate risks. Hence, there is no significant impact on operating revenue. The Company collects information on international finance, exchange rates, and interest rates from banks it does business with, in order to monitor trends in exchange rates and take the following hedging measures:

(1) Negotiate with suppliers to pay in foreign currencies and use foreign currencies received to pay suppliers, offsetting the losses and gains caused by exchange rate fluctuations.

(2) Open a foreign currency account and decide on the timing for settlement, payment for purchases, and repayment of foreign currency loans based on fund requirements and exchange rate fluctuations.

(3) Sell foreign currency assets when there is high volatility in exchange rates to ensure profits from exports.

(4) Take exchange rate fluctuations into consideration when providing quotations to customers to ensure the Company's reasonable interests.

3. Impact of inflation on the Company's profit in the most recent years and response measures

CPI was 105.4% in December 2021, and annual decrease in CPI averaged 2.62%, so inflation risk is still within an acceptable range. Hence, there is no material impact on the Company's operations and profits.

(III) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, and derivatives transactions, profit/loss analysis, and future response measures

1. Engaging in high risk, high leverage investments: The Company mainly engages in R&D, manufacturing, and sales, and does not engaging in high risk, high leverage investments.
2. Lending to others, endorsements, and guarantees: For the Company's loans, endorsements, and guarantees provided to others in accordance with the "Procedures for Extending Loans to Others" and "Procedures for Endorsements and Guarantees" as of the date of report, Please see the table in Appendix 1 for details on the endorsements and guarantees.
3. Derivatives transactions: Handled in accordance with the Company's "Procedure for the Acquisition or Disposal of Assets" and "Regulations for Authority to Approve Derivative Transactions." The Company's derivatives transactions are only for hedging exchange rate risks from its operations and financing, and the foreign currencies it holds must match the foreign currencies used for actual import and export transactions. Transactions for others purposes must be carefully evaluated and approved by the supervisor with authority before being conducted.

(IV) Future R&D projects and expected R&D expenses

The Company's R&D is based on the principles of innovation and diversification; it was mainly in the business of memory modules when it was founded in 2001, and it formally entered the flash memory business in July 2002. The Company entered the multimedia products business in November, entered the USB 2.0 external hard disk market in 2009, and entered the industrial computer flash storage module market in 2010. The Company formally established the Automotive Products Business Department in 2017, and invested in the electric vehicle industry that is currently trending. Besides high power density air-cooled and water-cooled motors and controllers, the Company plans to develop complete power modules and vehicle control systems. The Company launched the SX8200Pro PCIe Gen3x4 M.2 2280 SSD in 2019, which received good reviews and was recommended by numerous professional media around the world, leading to the product's continued popularity. Furthermore, external SSDs are the Company's fastest growing star product, and have received good reviews in Japan. As of the date of report, the Company continues to develop even more products in these five major product lines. R&D results in recent years and future plans are as follows:

1. R&D results in the past year
 - (1) Memory modules: The Company released the DDR4 D45/D45G light-emitting overclocking series, which incorporates the rib design element to increase the cooling surface by more than 80% within the same area; it has a speed up to 4400MT/s. Whether it is the industry standard 4800MT/s products or the professional gamers' demand for overclocking 6400MT/s products with 8GB/16GB/32GB capacity, DDR5 OBM U-DIMM/SO-DIMM and XPG models meet the needs of Intel 13th generation desktops and notebooks, and demonstrate ADATA's R&D skills and time-to-market efficiency and sensitivity. In regards to industrial control applications, in addition to the existing DDR4 full product lineup with wide temperature and anti-sulfuration properties,

the DDR5 will also be launched in 2022 for server-class ECC-DIMM and R-DIMM products.

- (2) External HDD products: External HDD products: We continued to develop shock-resistant/dust prevention/water resistant external hard disks with the USB3.2 interface and PCIe controller storage function.
- (3) SSD: Collaborated with controller companies in developing a new generation of 3D QLC, TLC, MLC flash memory and developed 2.5" SATA and PCIe SSDs with an m.2 interface.
- (4) Solid state lighting device (LED): New developed high luminous efficacy lighting products that meet energy efficiency requirements, which are mainly used for the Bureau of Energy's policy to conserve energy via advanced lighting.
- (5) External SSD products: Continued to develop durable external SSD products with the USB 3.2 interface and meet the strictest water and dust-proofing/resistance standard IP68, as well as military grade drop testing. The products are light and have a far higher read and write speed than conventional hard disks.
- (6) Power bank: The full series of power bank products have fast charging functions with 2.1A to 3A output, which charges devices 2-3 times faster than common 1A power banks in the market. Has six smart protection mechanisms, including over-charge protection, over-discharge protection, over-heating protection, short-circuit protection, over voltage protection, and over current protection, providing consumers with greater safety when using power banks. We also developed products that meet industrial specifications for shock resistance/dust proof/water resistance.

2. Current progress of ongoing R&D projects:

As Intel's 13th generation CPU systems become more popular in 2022, the mainstream memory for desktops and notebooks will shift to the DDR5 era. The commercial and industrial applications will gradually shift from DDR4 to DDR5. Therefore, the R&D directions and new products will be prioritized to meet the needs of commercial, esports, creators, cloud, 5G, and industrial control.

Our SSD product line is using fourth generation PCIe product design, and will become the only single-sided high speed SSD product that can be used in notebooks this year, which will greatly enhance our competitiveness.

Our Consumer Electronics Product Division will develop several product lines, including in-vehicle charging products and home charging products. These products provide consumers with a total solution for their need for data exchange, safe storage, and long-endurance power supply.

In addition to high power density air-cooled and water-cooled motors and controllers, the Automotive Products Division plans to develop a complete power module and vehicle control system, including high power motor, high current MCU, VCU for two-wheeled and three-wheeled and above vehicles, and integrated three-in-one power module. We will also step up the development of corresponding firmware, and complete MCU firmware that can achieve highly customized driving behavior. We will also provide customers with a diagnosis interface for production and testing, in order to meet customer needs and provide better customer services.

3. Additional R&D expenditure required and expected time to mass production

The amount of resources invested in R&D will significantly increase due to the growing diversity of our products. The high speed DDR5 modules we have been actively developing are already leading indicators for the industry, and have received good reviews from the users and international awards, such as the Red Dot Award, the Good Design Award, and Best Choice Award.

We continue to direct our efforts to industrial design of consumer electronics products, in order to improve the exterior design and quality of products. We have also strengthened electronics and mechanism design and verification, and opened new molds for product mechanisms.

We expect to invest another NT\$304,477,000 in R&D expenditure in 2022, in hopes of offering greater diversity, more functions, and more complete product lines to enhance our product competitiveness and brand value, so that we can increase our market share and meet the different needs of our customers.

4. Main factors that affect the future success of R&D

The Company's main products include memory modules, flash memory products, and multimedia products. Due to the wide scope of product applications that are an integral part of daily life to consumers, our R&D focuses on function design and exterior design, in order to set ourselves apart from other products in the market and gain greater product competitiveness. Therefore, main factors that affect the future success of R&D include the collection of correct information on market trends, product function and exterior design, trends in industry standards, acquisition of key parts and components, and control over R&D progress.

(V) The effect of changes in important domestic and foreign policies and laws on the Company's financial position and business operations, and response measures

The Company's daily operations are in compliance with domestic and foreign laws and regulations. We monitor trends in domestic and foreign policies, as well as regulatory changes, and collect information for management to reference when making decisions. We also consult professionals to make timely adjustments to our business strategies.

So far changes in important domestic and foreign policies and laws have not had a material impact on the Company's financial position and business operations.

(VI) The effect of changes in technologies (such as information security risks) and the industry on the Company's financial position and business operations, and response measures

In response market demand and the impact of technological changes, we have not only diversified our product lines, but are also actively recruiting professionals from around the world to develop new products and technologies, so as to keep up with the products and technologies of multinational corporations. Hence, technological changes do not have a material negative impact on the Company's financial position and business performance.

In recent years, information security risks have increased significantly, and information security incidents have frequently occurred both domestically and internationally. In response, the Company has also strengthened information security-related matters. In addition to the continuous introduction of the latest information security defense technology and an information security management system, the Company also strengthened the resilience management of its information system. Such actions can help immediately resume the information system operations after an information security incident, and significantly reduce interruptions to the operations of the information system. Therefore, there should be no

significant adverse impact on the Company's financial business from information security risks.

(VII) Impact of change in corporate image on risk management and response measures

ADATA believes in giving back to society. Besides providing many employment opportunities every year, we are also enthusiastic about charity. The Company won Best Companies to Work for in Asia and the Asia Responsible Enterprise Awards for two consecutive years, and was also recognized by Taipei City as a two-star "Happy Enterprise." In addition to the irregular fundraiser and charity sale held inside the Company, we encourage employees to pool their resources and give back to society by making donations to orphanages, children welfare organizations, and nursing homes. We also have a long history of working with domestic and international social welfare organizations to promote educational programs for young children, school-age children and the youth, and have successfully helped nearly 10,000 children. Additionally, the Company also actively sponsors various sports events and e-sports teams to promote the development of sports activities in Taiwan. If an issue occurs that will impact our operations or company image, senior executives will immediately take response measures, issue statements for clarification, and maintain information transparency and open communication to prevent misunderstandings and rumors that may hurt our company image.

(VIII) Expected benefits and potential risks of merger and acquisition and response measures: N/A.

(IX) Expected benefits and potential risks of capacity expansion and response measures: N/A.

(X) Risks associated with over-concentration in purchases or sales, and response measures:

With consideration to the safety stock, level of cooperation in delivery time, and strategic procurements, the Company's top supplier accounted for 24.42% and 27.64% of purchases in the past two years. The supplier is a well-known DRAM/Flash IC manufacturer, and directly buying from the supplier provides a stable source of supply for a wide variety of products. Hence, our top supplier accounted for a relatively high percentage of purchases. However, with consideration to risks, we still maintain the policy of purchasing our main raw materials from multiple suppliers. This ensures competitive prices and sufficient sources of supply, giving us flexibility in raw materials purchases while lowering the risk of over-concentration in purchases.

The Company and subsidiaries included in the consolidated financial statements sell goods to a large number of customers, and among the top ten customers in the past two years, only one customer accounted for 7.5% of sales in 2021. Hence, this risk is relatively low.

(XI) Impact of mass transfer of equity by or change of directors, supervisors, or shareholders holding more than 10% interest on the Company and response measures: There was no mass transfer or equity or such changes in 2021 and up to the date of report.

(XII) The effect of changes in management right on the Company and response measures: There were no changes in management right in 2021 and up to the date of report.

(XIII) For litigious and non-litigious events, if the result of major litigious, non-litigious events, or administrative disputes, either concluded or ongoing, involving the company and its directors, supervisors, president, de facto responsible person, major shareholders with more than 10% shares, or subsidiaries may have a material impact on shareholders' equity or stock prices, disclose the facts in contention, amount, start date of litigation, main parties involved, and progress up to the date of report: None.

(XIV) Other significant risks and countermeasures: N/A

VII. Other material matters

The methods and assumptions used by the Company for estimating the fair value of financial products are as follows:

1. The book value of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other accounts receivable (including related parties), other current assets – restricted deposits, other non-current assets – refundable deposits, short-term borrowings, short-term bills payable, notes payable, accounts payable (including related parties), other payables, lease liabilities (current/non-current), corporate bonds payable, long-term borrowings (including those that mature within one year), and other non-current liabilities – refundable deposits) is a reasonable value close to the fair value.
2. Financial and non-financial instruments measured at fair value are classified by the Group based on the nature, characteristics, risks, and fair value level of the asset or liability. Please see Note 12 (3) of the 2021 consolidated financial statements for information on fair value.
3. The fair value of long-term borrowings is estimated based on the present value of expected cash flow. The discount rate is based on the interest rate of long-term borrowings that the Company can obtain with similar terms (similar maturity date).
4. If there prices in an active market for derivative financial products, then the fair value is the amount that can be obtained or must be paid by the Company on the date of report if the Company terminates the contracts. If no market prices are available, then a valuation method is used. Estimates and assumptions used by the Company are the same estimates and assumptions used by market participants when setting prices for financial products, and the information is accessible to the Company.
5. The Company does not use hedging accounting for financial products.

H. Special notes

I. Profiles of affiliates enterprises

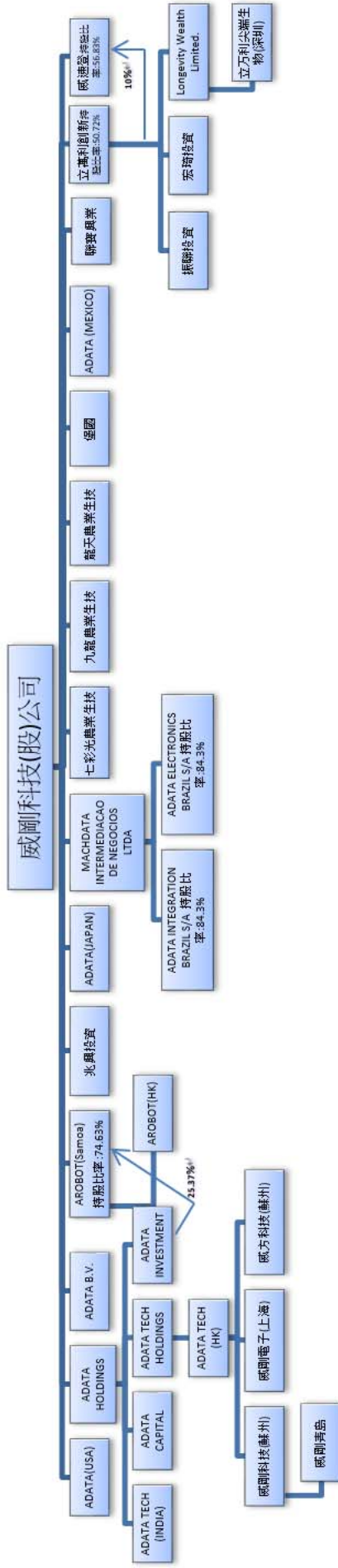
(I) Consolidated business report:

1. Overview of affiliated enterprises

(1) Organizational chart of affiliated enterprises:

If the shareholding ratio is not specified, it is a wholly-owned subsidiary.

Data date: Friday, December 31, 2021



- Companies with a controlling and subordinate relation concluded in accordance with Article 369-3 of the Company Act: N/A.
- Subordinate companies that the Company has direct or indirect control over the management of personnel, financial or business operations in accordance with Article 369-2 of the Company Act: N/A.

(2) Information on affiliated enterprises

Name of enterprise	Date of Establishment	Address	Paid-in capital		Main business and products
ADATA TECHNOLOGY (HK) CO., LTD.	2001.08.20	Unit P, 8th Floor, Kaiser Estate 3rd Phase, No. 11 Hok Yuen Street, Hung Hom, Kowloon, Hong Kong.	HKD	449,376,284	Trading of electronic materials, parts, and components.
Zhao-Xing Investment Co., Ltd.	2001.12.21	18F-6, No. 258, Liencheng Rd., Zhonghe District, New Taipei City	NTD	1,300,000,000	General investment.
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	2002.08.16	880 Columbia St., Brea, CA 92821 U.S.A.	USD	2,200,000	Trading of electronic materials, parts, and components.
ADATA Electronics (Shanghai) Co., Ltd.	2003.01.22	Room 202, No. 7, Lane 268, Shenhong Road, Minhang District, Shanghai, China	USD	4,000,000	Trading of electronic materials, parts, and components.
ADATA HOLDINGS CO., LTD.	2003.05.19	The Aall Bldg., 8 North Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies	USD	79,487,598	General investment.
ADATA Technology (Suzhou) Co., Ltd.	2004.01.07	No. 28, Xinfu Rd., East of Loufeng District, Suzhou Industrial Park	USD	40,000,000	Manufacturing and sale of electronic parts and components and computer peripherals.
ADATA TECHNOLOGY B.V.	2006.11.01	A.J. Ernststraat 595 D-1,1082 LD Amsterdam, The Netherlands.	EUR	300,020	Trading of electronic materials, parts, and components.
ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	2007.05.10	No. 28, Xinfu Rd., East of Loufeng District, Suzhou Industrial Park	USD	19,028,450	Manufacturing and sale of electronic parts and components and computer peripherals.
ADATA TECHNOLOGY HOLDINGS CO., LTD.	2007.08.21	Offshore Incorporation (Cayman) Limited, Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman KY1-1112, Cayman	USD	57,928,317	General investment.
ADATA INVESTMENT CO., LTD.	2010.06.10	Offshore Chambers, P.P.Box 217, Apia, Samoa	USD	4,386,944	General investment.
ADATA TECHNOLOGY (INDIA) PRIVATE LTD.	2008.09.10	OFFICE NO.801, 8TH FLR, A WING, LOTUS CORPORATE PARK, W.E. HIGHWAY, GOREGAON-E, MUMBAI-400063	INR	20,405,500	Manufacturing and sale of electronic parts and components and computer peripherals.
ADATA CAPITAL COMPANY LIMITED	2010.06.25	Offshore Chambers, P.O.Box 217, Apia, Samoa Offshore Chambers, P.O.Box 217, Apia, Samoa	USD	3,200,322	General investment.
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	2012.01.10	ALAMEDA BARROS 95, SANTA CECILIA, CEP 01232-001, SAO PAULO-SP, BRASIL	BRL	180,000,000	Trading of electronic materials, parts, and components.
Ci Cai Guang Agricultural Biotechnology Co., Ltd.	2012.10.26	2F-1., No. 258, Liencheng Rd., Zhonghe District, New Taipei City	NTD	750,000,000	Cultivation of cordyceps and farm related businesses.
Jiyou Long Agricultural Biotechnology Co., Ltd.	2012.12.12	2F-1., No. 258, Liencheng Rd., Zhonghe District, New Taipei City	NTD	181,000,000	Cultivation of cordyceps and farm related businesses.
Long Tian Agricultural Biotechnology Co., Ltd.	2012.12.12	2F-1., No. 258, Liencheng Rd., Zhonghe District, New Taipei City	NTD	771,000,000	Cultivation of cordyceps and farm related businesses.
ADATA TECHNOLOGY (JAPAN) CO., LTD.	2014.08.20	9F PROSTECH AKIHABARA 6-13-10 Soto Kanda Chiyoda-ku Tokyo-to 101-0021 JAPAN	JPY	30,000,000	Trading of electronic materials, parts, and components.
ADATA INTEGRATION BRAZIL S/A	2014.10.30	Rodovia SP 340, km 142.2 Condomínio Mantiqueira Parque Industrial Unidade 202, Santo Antônio de Posse, Brazil	BRL	156,113,298	Design, manufacturing, and sales of semiconductor parts and components
ADATA ELECTRONICS BRAZIL S/A	2014.10.30	Rodovia SP 340, km 142.2 Condomínio Mantiqueira Parque Industrial Unidade 202, Santo Antônio de Posse, Brazil	BRL	7,645,056	Manufacturing and sales of electronic parts and components.

Name of enterprise	Date of Establishment	Address	Paid-in capital	Main business and products
ALLIED TREASURE INC. LIMITED	2015.07.18	Unit P, 8th Floor, Kaiser Estate 3rd Phase, No. 11 Hok Yuen Street, Hung Hom, Kowloon, Hong Kong.	HKD 178,261,064	General investment.
ADATA TECHNOLOGY MEXICO SDRL DE CV	2014.11.20	Calle de Berna No. 6, Piso 3 Col. Juárez, Delegación Cuauhtémoc C.P. 06600 México D.F. TEL : 011-1963-55-55437427	MXN 4,100,000	Trading of electronic materials, parts, and components.
Jet Castle Limited	2015.09.10	Unit P, 8th Floor, Kaiser Estate 3rd Phase, No. 11 Hok Yuen Street, Hung Hom, Kowloon, Hong Kong.	USD 1,500,000	General investment.
AROBOT INNOVATION (SAMOA) HOLDINGS CO., Ltd	2017.03.10	Leve 1, Central Bank of Samoa Building, Beach Road, Apia, Samoa.	USD 1,340,000	General investment.
AROBOT INNOVATION (HK) CO., LTD.	2017.03.22	UNIT 706 HALESON BLDG NO 1 JUBILEE ST HONGKONG	HKD 7,668,607.20	General investment.
AWAYSPEED Technology Co., Ltd.	2019.12.18	18F., No. 736, Zhongzheng Rd., Zhonghe Dist., New Taipei City	NTD 60,000,000	Electric tricycle sales.
ADATA Technology (Qingdao) Co., Ltd.	2020.07.02	Building No. 3B, Qingdao Oceanec Valley, Aoshanwei Sub-district, Jimo District, Qingdao City, Shandong Province, China	RMB 100,000	Manufacturing and sale of electronic parts and components and smart in-vehicle devices
Liwanli Innovation Co., Ltd.	1991.6.14	16F-1 and 16F-2, No. 258, Liencheng Rd., Zhonghe District, New Taipei City	NTD 834,110,410	Trading of electronic materials, parts, and components and sales of biotechnology products.

(3) Information on identical shareholders of companies presumed to have control and subsidiary relationship: N/A.

(4) Industries covered by the operations of all affiliates and division of labor:

① Businesses operated by the Company and its affiliates include: Retail, manufacturing, and investment, see the "Main business and products" column in the table above.

② If the businesses of affiliates are related, describe the division of labor below:

A. The affiliated enterprises below manufacture electronics products:

* ADATA Technology Co., Ltd.

* ADATA Technology (Suzhou) Co., Ltd.

* ADATA INTEGRATION BRAZIL S/A.

B. The affiliated enterprises below sell electronics products:

* ADATA Technology Co., Ltd.

* ADATA TECHNOLOGY (U.S.A.) CO., LTD.

* ADATA TECHNOLOGY (HK) CO., LTD.

* ADATA INTEGRATION BRAZIL S/A.

* ADATA ELECTRONICS BRAZIL S/A

* ADATA Electronics (Shanghai) Co., Ltd.

* ADATA Technology (Qingdao) Co., Ltd.

* Liwanli Innovation Co., Ltd.

C. The affiliated enterprises below sell biotechnology products:

* Liwanli Innovation Co., Ltd.

(5) Information on directors, supervisors, and presidents of affiliates

December 31, 2021; Unit: shares; %

Name of enterprise	Title	Name or representative	Number of shares (Note)		Shareholding ratio
			Number of shares	Unit	
ADATA TECHNOLOGY (HK) CO., LTD.	Chairperson	Chen, Li-Pai	HKD	449,376,284	100%
Zhao-Xing Investment Co., Ltd.	Director	ADATA Technology Co., Ltd. Representative: Chen, Li-Pai (Chairperson)	NTD	130,000,000	100%
	Supervisor	Chen, Ling-Chuan and Lin, Tien-Chiung Representative: Chen, I-Shih		-	-
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Chairperson	Chen, Ling-Hua	USD	200,000	100%
ADATA Electronics (Shanghai) Co., Ltd.	Chairperson	Lin, Tien-Chiung	USD	4,000,000	100%
ADATA HOLDINGS CO., LTD.	Chairperson	Chen, Li-Pai	USD	78,787,597	100%
ADATA Technology (Suzhou) Co., Ltd.	Chairperson and President Supervisor	Lin, Tien-Chiung Chen, Chen-Chun	USD	40,000,000	100%
ADATA TECHNOLOGY B.V.	Director	Chen, Ling-Chuan	EUR	300,020	100%
ADVANCED DATA TECHNOLOGY (Suzhou) Co., Ltd.	Chairperson, President, and Supervisor	Lin, Tien-Chiung Chang, Wen-Yuan	USD	19,028,450	100%
ADATA TECHNOLOGY HOLDINGS CO., LTD.	Chairperson	Chen, Li-Pai	USD	57,928,317	100%
ADATA INVESTMENT CO., LTD.	Chairperson	Chen, Mei-Yun	USD	4,386,944	100%
ADATA TECHNOLOGY (INDIA) PRIVATE LTD.	Chairperson Director	Chen, Ling-Chuan Li, Tseng-Hua	USD	2,287,207	100%
ADATA CAPITAL COMPANY LIMITED	Chairperson	Chen, Chen-Chun	USD	3,200,322	100%
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Legal representative	MR. FERNANDO LIMA ARMANDO	BRL	180,000,000	100%
Ci Cai Guang Agricultural Biotechnology Co., Ltd.	Director	ADATA Technology Co., Ltd. Representative: Chen, Li-Pai (Chairperson)	NTD	75,000,000	100%
		Chen, Ling-Chuan Lin, Tien-Chiung Representative: Li, Shu-Hui			

Name of enterprise	Title	Name or representative	Number of shares held		
			Number of shares (Note)	Shareholding ratio	
Jiou Long Agricultural Biotechnology Co., Ltd.	Director	ADATA Technology Co., Ltd. Representative: Chen, Chia-Huei (Chairperson)	NTD	18,100,000	100%
Long Tian Agricultural Biotechnology Co., Ltd.	Director	ADATA Technology Co., Ltd. Representative: Lin, Tien-Chitung (Chairperson) Chen, Mei-Yun Ho, Shu Chuan Representative: Li, Tseng-Hua	NTD	77,100,000	100%
ADATA TECHNOLOGY (JAPAN) CO., LTD.	Chairperson	Chen, Ling-Chuan	JPY	600	100%
ADATA INTEGRATION BRAZIL S/A	President	Mr. Paulo Afonso Frias Trindade Junior	BRL	156,113,298	84.30%
ADATA ELECTRONICS BRAZIL S/A	President	Mr. Paulo Afonso Frias Trindade Junior	BRL	7,645,056	84.30%
Lianbao Enterprise Co., Ltd.	Chairperson	ADATA Technology Co., Ltd. Representative: Chen, Li-Pai (Chairperson)	HKD	178,776,000	100%
ADATA TECHNOLOGY MEXICO SDRL DE CV	President	Alvaro Huerta Guajardo	MXN	4,100,000	100%
Jet Castle Limited	Chairperson	Chen, Chen-Chun	USD	1,500,000	100%
AROBOT INNOVATION (SAMOA) HOLDINGS CO., Ltd	Chairperson	Chen, Chen-Chun	USD	1,000,000	74.63%
AROBOT INNOVATION (HK) CO.,LTD.	Chairperson	Chen, Chen-Chun	HKD	7,668,607.20	100%
AWAYSPEED Technology Co., Ltd.	Chairperson	Chen, Li-Pai	NTD	6,000,000	56.83
ADATA Technology (Qingdao) Co., Ltd.	Chairperson	Huang, Chien-Sheng	RMB	100,000	100%
Liwanli Innovation Co., Ltd.	Chairperson	Chen, Li-Ching	NTD	40,906,925	49.04%

Note: If the investee is a company limited by shares, the shareholding data includes number of shares and shareholding ratio. Otherwise it is the capital contribution amount and ratio.

2. Business overview of affiliated enterprises

(1) Financial position and business performance of affiliated enterprises:

December 31, 2021; Unit: NT\$1,000

Name of enterprise	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Net operating profit (losses)	After-tax profit (loss)	EPS (or loss per share) (NT\$)
ADATA TECHNOLOGY (HK) CO., LTD.	1,846,495	7,060,077	1,373,167	5,686,910	7,171,651	108,925	492,916	1.10
Zhao-Xing Investment Co., Ltd.	1,300,000	1,170,249	33,298	1,136,951	0	(371)	203,382	0.16
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	66,637	2,064,630	1,574,439	109,191	8,208,838	121,173	96,791	483.95
ADATA Electronics (Shanghai) Co., Ltd.	131,134	116,680	52,312	64,368	315,990	4,431	5,613	N/A
ADATA HOLDINGS CO., LTD.	2,530,583	5,926,443	6,920	5,919,523	0	(404)	477,819	6.01
ADATA Technology (Suzhou) Co., Ltd.	1,299,223	9,483,528	4,592,646	4,890,882	3,430,797	508,215	398,598	N/A
ADATA TECHNOLOGY B.V.	16,570	10,427	2,882	7,545	0	(29,662)	1,008	3.36
ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	592,704	781,159	151,172	765,987	16,833	3,252	1,146	N/A
ADATA TECHNOLOGY HOLDINGS CO., LTD.	1,847,058	5,656,535	0	5,656,535	0	0	492,916	8.51
ADATA INVESTMENT CO., LTD.	136	10,571	3,000	7,571	0	(2,976)	(2,610)	(0.54)
ADATA TECHNOLOGY (INDIA) PRIVATE LTD.	65,424	34,402	2,220	32,182	0	(5,644)	1,769	0.77
ADATA CAPITAL COMPANY LIMITED	94,605	32,798	1,909	30,889	0	(13,855)	(13,853)	(4.33)
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	1,466,139	1,278,474	125,993	1,152,481	0	(1,814)	477,895	2.65
Ci Cai Guang Agricultural Biotechnology Co., Ltd.	750,000	709,785	725	709,060	0	836	(4,114)	(0.05)
Jiou Long Agricultural Biotechnology Co., Ltd.	181,000	178,765	109	178,656	0	173	(173)	(0.01)
Long Tian Agricultural Biotechnology Co., Ltd.	771,000	733,302	492	732,810	0	1,955	(2,750)	(0.04)
ADATA TECHNOLOGY (JAPAN) CO., LTD.	7,977	2,490	10,870	14,080	0	56,918	1,354	2,255.90

Name of enterprise	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Net operating profit (losses)	After-tax profit (loss)	EPS (or loss per share) (NT\$)
ADATA INTEGRATION BRAZIL S/A	1,363,334	1,547,542	883,977	663,565	204,560	80,591	274,877	1.76
ADATA ELECTRONICS BRAZIL S/A	66,906	2,771,951	2,347,683	424,268	5,116,313	531,036	290,757	38.03
ADATA TECHNOLOGY MEXICO SDRL DE CV	6,872	10,603	2,545	8,058	0	(31,689)	863	N/A
ALLIED TREASURE INC. LIMITED	744,985	369,740	41	369,699	0	(40,696)	(40,675)	(0.23)
Jet Castle Limited	48,135	2,719	0	2,719	0	(30)	174	(0.12)
AROBOT INNOVATION (SAMOA) HOLDINGS CO., Ltd	40,401	7,654	0	7,654	0	(28)	941	(0.70)
AROBOT INNOVATION (HK) CO.,LTD.	29,618	9,934	0	9,934	0	(72)	969	(0.98)
Arobot Innovation Co., Ltd.	0	0	0	0	0	0	0	0.00
AWAYSPEED Technology Co., Ltd.	60,000	56,569	25,326	31,243	0	(1,920)	(1,914)	(0.32)
ADATA Technology (Qingdao) Co., Ltd.	438	418	0	418	0	1	(17)	N/A
Liwanti Innovation Co., Ltd.	992,054	1,006,752	220,317	786,435	292,587	(38,148)	45,563	0.55

(2) Consolidated financial statements of affiliated enterprises:

ADATA Technology Co., Ltd.

Statement on consolidated financial statements of affiliated enterprises

We hereby declare that companies that are to be included in the consolidated financial statements in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as companies that are to be included in consolidated financial statements of the parent company in accordance with IFRS10 in 2021 (From Friday, January 1, 2021 to Friday, December 31, 2021). All information on affiliated enterprises that must be disclosed in the consolidated financial statements was already disclosed in the abovementioned consolidated financial statements. Hence, we did not separately prepare consolidated financial statements of affiliated enterprises.

Hereby declares

Company name: ADATA Technology Co., Ltd.



Chairperson of the Board: Chen, Li-Pai



Tuesday, March 15, 2022

(3) Affiliation Report: N/A

II. For private placement of securities in the most recent year and up to the date of report, disclose the date and amount approved by the shareholders' meeting and Board of Directors, the basis and reasonableness of price setting, method for selecting designated persons, and reason why the private placement is necessary: N/A.

III. Holding or disposal of stocks of the Company by subsidiaries in the past year and up to the date of report

April 20, 2022; NT\$1,000; shares; %

Name of subsidiary	Paid-in capital	Source of funds	The Company's shareholding ratio	Date of acquisition or disposal	Number of shares acquired and amount	Number of shares disposed and amount	Gain (loss) on investments	Number of shares held and amount as of the date of report	Pledge status	Amount of endorsements/guarantees provided by the Company to subsidiaries	Amount of loans provided by the Company to subsidiaries
Liwanli Innovation Co., Ltd. and subsidiaries	NT\$834,110,000	Self-owned funds	50.72%	2022/3/3~2022/3/24	-	130,000 shares and NT\$11,531,000	NT\$4,142,000	1,200,000 shares and NT\$62,970,000	N/A	N/A	N/A

IV. Other supplemental information: N/A.

I. Matters, if any, that may affect shareholders' equity or securities price as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and as of the printing date of the annual report: N/A.

Appendix 1

ADATA TECHNOLOGY CO., LTD. AND ITS SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2021, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the companies that are required to be included in the consolidated financial statements of affiliates, are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standards No.10. If relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

ADATA TECHNOLOGY CO., LTD.

CHEN, LI PAI

March 15, 2022





Independent Auditors' Report Translated from Chinese

PWCR 21000393

To the Board of Directors and Shareholders of Adata Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Adata Technology Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent auditors (please refer to the "Other matter" section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters in relation to the consolidated financial statements for the year ended December 31, 2021, are outlined as follows:

Existence of sales revenue

Description

Please refer to Note 4(34) for accounting policies on recognition of revenue, Note 6(25) for details of operating revenue.

Fluctuation of top ten customers is due to business development. Any new top ten customer might have a material impact to the Group and sales revenue. Therefore, we consider the existence of sales revenue from new top ten customers a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of the internal controls over sales revenue and included sales transactions from new top ten customers in samples for test of controls.
2. We obtained management's evaluation of new top ten customers and agreed to significant related information;
3. Tested that the credit terms of new top ten customers have been approved appropriately.
4. Obtained and verified the sales details and relevant evidences.

5. Sample selected accounts receivable of new top ten customers to obtained the confirmation letter.

Valuation of inventory

Description

Please refer to Note 4(14) for the description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(6) for details of inventory.

The Group is primarily manufacturing and selling DRAM and NAND Flash products. Due to the highly competitive nature of the consumer electronics market, the Group's products have short life cycles and frequent fluctuation of price, causing higher risk of inventory market value decline. The Group estimates the net realisable value of inventory on the balance sheet date, and individually identifies each inventory at the lower of net realisable values and cost, also evaluates inventory ageing and its value in order to provide valuation loss.

As the evaluation of inventory requires critical judgement and the amount of inventory is significant, we consider the valuation of inventory a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained the policies of inventory valuation and determined whether the policies have been applied consistently.
2. Performed physical inventory count at the end of period to identify whether there are obsolete, damaged or unsalable inventories.
3. Obtained aging reports of each kind of inventory and tested the changes in ages of inventory. Selected samples with inventory number and verified to changes record, checked the accuracy of classification range of inventory ages and the effect to inventory value.

4. Obtained net realisable value reports of each kind of inventory and checked whether the calculation formulas have been applied consistently. Tested relevant parameters to supporting documents and recalculated the allowance for valuation losses item by item.

Other matter – Report of other independent auditors

We did not audit the financial statements of certain consolidated subsidiaries that are included in the consolidated financial statements. Those financial statements were audited by other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements and the information disclosed in Note 13 was based solely on the reports of other independent auditors. Total assets of NT\$4,525,443 thousand and NT\$2,034,823 thousand, constituted 13.8% and 7.2% of consolidated total assets as of December 31, 2021 and 2020. Total sales revenue of NT\$5,261,540 thousand and NT\$2,860,611 thousand, constituted 13.3% and 8.9% of consolidated total sales revenue for the years ended December 31, 2021 and 2020.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with an other matter paragraph, on the parent company only financial statements of Adata Technology Co., Ltd., as at and for the years ended December 31, 2021 and 2020.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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



資誠

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

Huang, Shih-Chun

黃世鈞



Yeh, Tsui-Miao

葉翠嫻



For and on behalf of PricewaterhouseCoopers, Taiwan

March 28, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.


ADATA TECHNOLOGY INC. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,119,730	10	\$ 2,778,355	10
1110	Financial assets at fair value through profit or loss - current	6(2)	1,057,056	3	1,097,141	4
1136	Current financial assets at amortised cost	6(1) and 8	903,409	3	1,011,658	4
1150	Notes receivable, net	6(4)	2,026	-	1,444	-
1170	Accounts receivable, net	6(4)(5)	5,168,756	16	3,750,817	13
1180	Accounts receivable - related parties	6(4) and 7(2)	-	-	3	-
1200	Other receivables	6(5)	434,222	1	461,417	2
1210	Other receivables - related parties	7(2)	45,739	-	48,372	-
1220	Current tax assets	6(31)	35,939	-	21,938	-
130X	Inventory	6(6)	9,083,027	28	6,894,710	25
1410	Prepayments		792,381	2	413,569	1
1470	Other current assets		285,504	1	268,220	1
11XX	Current Assets		<u>20,927,789</u>	<u>64</u>	<u>16,747,644</u>	<u>60</u>
Non-current assets						
1517	Total non-current financial assets at fair value through other comprehensive income	6(3)	590,806	2	496,495	2
1535	Non-current financial assets at amortised cost	6(1) and 8	1,716	-	1,716	-
1550	Investments accounted for under equity method	6(7)	3,390,328	10	2,986,280	11
1600	Property, plant and equipment	6(8) and 8	5,031,508	15	4,854,947	17
1755	Right-of-use assets	6(9)	98,705	-	126,737	-
1760	Investment property - net	6(11)(13) and 8	595,720	2	1,465,111	5
1780	Intangible assets	6(12)	712,287	2	760,791	3
1830	Biological assets - noncurrent		578	-	383	-
1840	Deferred income tax assets	6(31)	329,393	1	434,430	1
1900	Other non-current assets	6(4)(14)(19)	1,117,128	4	252,121	1
15XX	Non-current assets		<u>11,868,169</u>	<u>36</u>	<u>11,379,011</u>	<u>40</u>
1XXX	Total assets		<u>\$ 32,795,958</u>	<u>100</u>	<u>\$ 28,126,655</u>	<u>100</u>

(Continued)


ADATA TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBERS 2021 AND 2020
 (Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(15)	\$ 8,950,340	27	\$ 6,272,309	22
2110	Short-term notes and bills payable		500,000	2	200,000	1
2120	Current financial liabilities at fair value through profit or loss	6(2)	24,999	-	-	-
2130	Current contract liabilities	6(25)	41,714	-	12,440	-
2150	Notes payable		2,717	-	2,390	-
2170	Accounts payable		3,435,379	11	4,121,975	15
2180	Accounts payable - related parties	7(2)	385	-	1	-
2200	Other payables	7(2)	874,267	3	816,550	3
2230	Current income tax liabilities	6(31)	311,871	1	230,583	1
2250	Provisions for liabilities - current		12,396	-	13,786	-
2280	Current lease liabilities		34,752	-	39,213	-
2320	Long-term liabilities, current portion	6(18)	141,380	-	266,491	1
2399	Other current liabilities, others	6(16)	96,268	-	112,350	-
21XX	Current Liabilities		<u>14,426,468</u>	<u>44</u>	<u>12,088,088</u>	<u>43</u>
Non-current liabilities						
2530	Corporate bonds payable	6(17)	206,105	1	1,511,896	6
2540	Long-term borrowings	6(18)	4,632,726	14	4,230,118	15
2550	Non-current provisions		842	-	880	-
2570	Deferred income tax liabilities	6(31)	819,469	2	610,343	2
2580	Non-current lease liabilities		23,311	-	45,557	-
2600	Other non-current liabilities	6(7)	25,228	-	20,136	-
25XX	Non-current liabilities		<u>5,707,681</u>	<u>17</u>	<u>6,418,930</u>	<u>23</u>
2XXX	Total Liabilities		<u>20,134,149</u>	<u>61</u>	<u>18,507,018</u>	<u>66</u>
Equity attributable to owners of parent						
Share capital 6(21)						
3110	Share capital - common stock		2,636,713	8	2,363,736	8
Capital surplus 6(22)						
3200	Capital surplus		5,612,980	18	4,476,729	16
Retained earnings 6(23)						
3310	Legal reserve		1,035,889	3	927,421	3
3320	Special reserve		1,171,835	4	1,088,512	4
3350	Total unappropriated retained earnings (accumulated deficit)		3,018,248	9	1,768,769	6
Other equity interest 6(24)						
3400	Other equity interest		(1,284,605)	(4)	(1,318,554)	(4)
3500	Treasury stocks	6(21)	(275,230)	(1)	(352,810)	(1)
31XX	Equity attributable to owners of the parent		<u>11,915,830</u>	<u>37</u>	<u>8,953,803</u>	<u>32</u>
36XX	Non-controlling interest		<u>745,979</u>	<u>2</u>	<u>665,834</u>	<u>2</u>
3XXX	Total equity		<u>12,661,809</u>	<u>39</u>	<u>9,619,637</u>	<u>34</u>
Significant contingent liabilities and unrecognised contract commitments 9						
Significant events after the balance sheet date 11						
3X2X	Total liabilities and equity		<u>\$ 32,795,958</u>	<u>100</u>	<u>\$ 28,126,655</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.


ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan Dollars, except for earnings per share)

		Year ended December 31					
		2021			2020		
Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(25) and 7(2)	\$ 39,593,764	100	\$ 32,227,330	100	
5000	Operating costs	6(6)(29) and 7(2)	(33,822,576)	(85)	(27,451,615)	(85)	
5900	Net operating margin		<u>5,771,188</u>	<u>15</u>	<u>4,775,715</u>	<u>15</u>	
	Operating expenses	6(29) and 7(2)					
6100	Selling expenses		(1,424,595)	(4)	(1,256,580)	(4)	
6200	General & administrative expenses		(1,512,206)	(4)	(1,238,214)	(4)	
6300	Research and development expenses		(516,673)	(1)	(405,794)	(1)	
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	<u>359</u>	<u>-</u>	<u>12,968</u>	<u>-</u>	
6000	Total operating expenses		<u>(3,453,115)</u>	<u>(9)</u>	<u>(2,887,620)</u>	<u>(9)</u>	
6900	Operating profit		<u>2,318,073</u>	<u>6</u>	<u>1,888,095</u>	<u>6</u>	
	Non-operating income and expenses						
7100	Interest income		6,805	-	22,827	-	
7010	Other income	6(26) and 7(2)	418,684	1	134,855	-	
7020	Other gains and losses	6(27)	327,391	1	(140,910)	-	
7050	Finance costs	6(28)	(167,497)	(1)	(160,187)	(1)	
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	<u>369,722</u>	<u>1</u>	<u>229,457</u>	<u>1</u>	
7000	Total non-operating revenue and expenses		<u>955,105</u>	<u>2</u>	<u>86,042</u>	<u>-</u>	
7900	Profit before income tax		3,273,178	8	1,974,137	6	
7950	Income tax expense (benefit)	6(31)	(914,804)	(2)	(612,945)	(2)	
8200	Profit for the year		<u>\$ 2,358,374</u>	<u>6</u>	<u>\$ 1,361,192</u>	<u>4</u>	

(Continued)


ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan dollars, except for earnings per share)

Year ended December 31

Items	Notes	2021		2020	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311		\$ 2,637	-	\$ 942	-
8316		99,385	-	36,253	-
8320	6(24)				
		326	-	(996)	-
8349	6(31)				
		(4,710)	-	1,703	-
8310					
		97,638	-	37,902	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361		(282,595)	-	(170,037)	-
8370	6(24)				
		(110)	-	(53)	-
8399	6(31)				
		43,681	-	30,305	-
8360					
		(239,024)	-	(139,785)	-
8300					
		(\$ 141,386)	-	(\$ 101,883)	-
8500					
		\$ 2,216,988	6	\$ 1,259,309	4
Profit (loss), attributable to:					
8610		\$ 2,247,354	6	\$ 1,350,659	4
8620		\$ 111,020	-	\$ 10,533	-
Comprehensive income attributable to:					
8710		\$ 2,171,366	6	\$ 1,267,349	4
8720		\$ 45,622	-	(\$ 8,040)	-
Basic earnings per share 6(32)					
9750		\$	9.14	\$	6.10
Diluted earnings per share 6(32)					
9850		\$	8.59	\$	5.45

The accompanying notes are an integral part of these consolidated financial statements.



**ADATA TECHNOLOGY INCORPORATED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS END DECEMBER 31, 2020 AND 2019**
(Expressed in millions of New Taiwan dollars)

Notes	Capital				Other equity interest				Total	Non-controlling interest	Total equity		
	Share capital - common stock	Share capital awaiting retirement	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				Treasury stocks	
Year 2020													
Balance at January 1, 2020	\$ 2,237,943	\$ -	\$ 3,832,766	\$ 886,364	\$ 821,858	\$ 1,089,871	(\$ 640,574)	(\$ 490,156)	\$ -	\$ 162,762	\$ 7,575,310	\$ 671,610	\$ 8,246,920
Profit for the year	-	-	-	-	-	1,350,659	(121,212)	-	-	-	1,350,659	10,533	1,361,192
Other comprehensive income for the year	-	-	-	-	-	754	(121,212)	37,148	-	-	(83,310)	(18,573)	(101,883)
Total comprehensive income	-	-	-	-	-	1,351,413	(121,212)	37,148	-	-	1,267,349	(8,040)	1,259,309
Appropriations of 2019 net income	-	-	-	-	-	(41,057)	-	-	-	-	-	-	-
Legal reserve	-	-	-	41,057	-	(41,057)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	266,654	(266,654)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(311,159)	-	-	-	-	(311,159)	-	(311,159)
Issuance of convertible bonds	-	-	27,500	-	-	-	-	-	-	-	27,500	-	27,500
Conversion of convertible bonds	-	-	556,598	-	-	-	-	-	-	-	556,598	-	556,598
Repurchase outstanding shares	141,173	-	-	-	-	-	-	-	-	(282,450)	(282,450)	-	(282,450)
Acquisition of parent company's share by subsidiaries	-	-	-	-	-	-	-	-	-	(48,106)	(48,106)	-	(48,106)
Disposal of parent company's share by subsidiaries	-	-	3,687	-	-	-	-	-	-	13,522	17,209	-	17,209
Adjustments of capital surplus for company's cash dividend's received by subsidiaries	-	-	1,916	-	-	-	-	-	-	-	1,916	-	1,916
Issuance of employee restricted stocks	-	-	156,500	-	-	-	-	(156,500)	-	-	-	-	-
Compensation cost for employee restricted stocks	-	-	-	-	-	-	-	9,781	-	-	9,781	-	9,781
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	(42,959)	-	42,959	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries disposed to non-controlling interests	-	-	2,481	-	-	-	-	-	-	-	2,481	2,264	4,745
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	6,887	-	-	(10,686)	-	-	-	-	(3,799)	-	(3,799)
Retirement of treasury stocks	(15,380)	-	(111,606)	-	-	-	-	-	-	126,986	-	-	-
Balance at December 31, 2020	\$ 2,363,736	\$ -	\$ 4,476,729	\$ 927,421	\$ 1,088,512	\$ 1,768,769	(\$ 761,786)	(\$ 410,049)	(\$ 146,719)	(\$ 352,810)	\$ 8,953,803	\$ 665,834	\$ 9,619,637
Year 2021													
Balance at January 1, 2021	\$ 2,363,736	\$ -	\$ 4,476,729	\$ 927,421	\$ 1,088,512	\$ 1,768,769	(\$ 761,786)	(\$ 410,049)	(\$ 146,719)	(\$ 352,810)	\$ 8,953,803	\$ 665,834	\$ 9,619,637
Profit for the year	-	-	-	-	-	2,247,354	(174,730)	96,632	-	-	2,247,354	111,020	2,358,374
Other comprehensive income for the year	-	-	-	-	-	2,110	(174,730)	96,632	-	-	(75,988)	(65,398)	(141,386)
Total comprehensive income	-	-	-	-	-	2,249,464	(174,730)	96,632	-	-	2,171,366	45,622	2,216,988
Appropriations of 2020 net income	-	-	-	-	-	(108,468)	-	-	-	-	-	-	-
Legal reserve	-	-	-	108,468	-	(108,468)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	83,323	(83,323)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(808,194)	-	-	-	-	(808,194)	-	(808,194)
Conversion of convertible bonds	248,205	-	1,056,651	-	-	-	-	-	-	-	1,304,856	-	1,304,856
Issuance of employee restricted stocks	25,000	-	(25,000)	-	-	-	-	-	-	-	-	-	-
Compensation cost for employee restricted stocks	-	-	-	-	-	-	-	-	110,620	-	110,620	-	110,620
Exercise the right of Disengagement	(228)	-	(1,199)	-	-	-	-	-	1,427	-	92	-	92
Cancellation of employee restricted stocks	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	34,523	34,523
Adjustments of capital surplus for company's cash dividend's received by subsidiaries	-	-	4,235	-	-	-	-	-	-	-	4,235	-	4,235
Treasury stock transferred to the employee	-	-	101,472	-	-	-	-	-	-	77,580	179,052	-	179,052
Balance at December 31, 2021	\$ 2,636,713	\$ -	\$ 5,612,980	\$ 1,035,889	\$ 1,171,835	\$ 3,018,248	(\$ 936,516)	(\$ 313,417)	(\$ 34,672)	(\$ 275,230)	\$ 11,915,830	\$ 745,979	\$ 12,661,809

The accompanying notes are an integral part of these consolidated financial statements.


ADATA TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		\$ 3,273,178	\$ 1,974,137
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation of property, plant and equipment	6(29)	239,457	245,368
Depreciation of investment property	6(27)	4,496	5,053
Depreciation of right-of-use assets	6(29)	48,494	50,459
Amortisation expense of intangible assets	6(29)	64,300	65,742
Expected credit (gain) loss	12(2)	(359)	(12,968)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	6(27)	(467,119)	(43,279)
Interest expense	6(28)	167,497	160,187
Interest income		(6,805)	(22,827)
Dividend income	6(26)	(15,891)	(9,782)
Compensation cost of share-based payment awards	6(20)	222,375	9,781
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	6(7)	(369,722)	(229,457)
Loss (gain) on disposal of property, plant and equipment	6(27)	(446)	(197,544)
Gain on disposal of investment property	6(27)	(3,606)	(26,020)
Gain on disposal of investments accounted for using the equity method	6(27)	42	557
Impairment loss on investment accounted for using the equity method	6(27)	-	123,979
Impairment loss on investment property	6(27)	35,072	210,000
Impairment loss on intangible assets	6(27)	-	59,280
Gain on lease modification	6(27)	(564)	(75)
Loss on disposal of biological assets		225	245
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		523,179	322,157
Notes receivable, net		(582)	2,375
Accounts receivable, net		(1,466,185)	(916,409)
Accounts receivable-related parties, net		3	23,325
Other receivables		66,229	(50,360)
Other receivables-related parties		2,633	2,178
Inventories		(2,188,317)	(1,842,481)
Prepayments		(378,812)	(196,310)
Other non-current assets		(841)	(878)
Changes in operating liabilities			
Current contract liabilities		29,274	2,746
Notes payable		327	1,207
Accounts payable		(686,596)	1,020,420
Accounts payable - related parties		384	(253)
Contract liabilities-current		57,411	183,757
Notes payable		(1,428)	(6,980)
Accounts payable		(16,082)	28,287
Accounts payable-related parties		4,458	(2,057)
Cash (outflow) inflow generated from operations		(864,321)	933,560
Dividend received		315,891	259,782
Interest paid		(159,084)	(149,464)
Income tax paid		(484,749)	(243,420)
Net cash flows (used in) from operating activities		(1,192,263)	800,458

(Continued)


ADATA TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		\$ 12,347	\$ 18,225
Acquisition of financial assets at fair value through other comprehensive income-non-current		(5,840)	(95,716)
Proceeds from disposal of financial assets at fair value through other comprehensive income-non-current		-	16,104
Acquisition of financial assets at amortised cost-current		108,249	(351,351)
Acquisition of financial assets at amortised cost-Noncurrent		-	(17)
Acquisition of investments accounted for using the equity method		(383,671)	(786,504)
Proceeds from disposal of investments accounted for using the equity method		110	3,774
Acquisition of property, plant and equipment	6(33)	(387,439)	(114,549)
Proceeds from disposal of property, plant and equipment		15,900	618,275
Increase in refundable deposits		(3,449)	(5,752)
Decrease in refundable deposits		5,125	12,590
Acquisition of intangible assets	6(12)	(28,906)	(10,228)
Proceeds from disposal of investment property		793,122	69,147
(Increase) decrease in other current assets		(420)	(178)
Increase in other non-current assets		(17,284)	(176,773)
Prepayments for investments		(4,811)	(96,975)
Prepayments for equipment		(36,950)	-
Prepayments for real estate acquisition		(64,557)	-
Increase in other non-current assets		(815,271)	-
Acquisitions, net of cash acquired		87,777	-
Net cash flows used in investing activities		(725,968)	(899,928)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings	6(34)	2,678,031	2,989,913
Increase (decrease) in short-term notes and bills payable	6(34)	300,000	(500,000)
Issuance of convertible bonds	6(34)	-	995,000
Proceeds from long-term loans	6(34)	12,600,000	39,377,752
Repayment for long-term loans	6(34)	(12,322,503)	(41,777,498)
Increase in guarantee deposits received		4,353	1,246
Decrease in guarantee deposits received		(3,719)	(614)
Payments of lease liabilities	6(34)	(51,795)	(51,688)
Payments of cash dividends	6(23)	(808,194)	(311,159)
Purchase of treasury shares	6(21)	-	(282,450)
Transfer treasury stocks to employees	6(21)	67,297	-
Exercise the right of Disgorgement	6(22)	92	-
Acquisition of parent company's shares by subsidiaries		-	(48,106)
Proceeds from disposal of parent company's shares by subsidiaries		-	17,209
Disposal of ownership interests in subsidiaries (without losing control)		-	4,745
Net cash flows from financing activities		2,463,562	414,350
Effects of changes in foreign exchange rates		(203,956)	(20,990)
Net increase in cash and cash equivalents		341,375	293,890
Cash and cash equivalents at beginning of year		2,778,355	2,484,465
Cash and cash equivalents at end of year		\$ 3,119,730	\$ 2,778,355

The accompanying notes are an integral part of these consolidated financial statements.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) ADATA TECHNOLOGY CO., LTD. (the “Company”) was incorporated under the provisions of the Company Law of the Republic of China (R.O.C.) in May 2001. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacture of electronic components, wholesale, manufacture and export of electronic materials, investments, biotechnology development and agriculture.

(2) The Company’s shares have been traded on the Taipei Exchange since October 2004.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 15, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note: Earlier application from January 1, 2021 is allowed by FSC.

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use' proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts— cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022
The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.	

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These consolidated financial statements of the Group are prepared in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets and liabilities at fair value through other comprehensive income.
- (c) Defined benefit liabilities are recognised based on the net amount of pension fund assets and the present value of defined benefit obligation.

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
ADATA TECHNOLOGY CO., LTD.	ZHAO-XING INVESTMENT CO., LTD.	General investments	100	100	-
ADATA TECHNOLOGY CO., LTD.	AVIP TECHNOLOGY CO., LTD.	Manufacturing and trading of electronic components and computer peripheral	-	-	Note 3
ADATA TECHNOLOGY CO., LTD.	CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Agricultural biotech related business	100	100	-
ADATA TECHNOLOGY CO., LTD.	JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Agricultural biotech related business	100	100	-
ADATA TECHNOLOGY CO., LTD.	LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Agricultural biotech related business	100	100	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Trading of electronic materials and components	100	100	-

Investor	Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY B.V.	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (KOREA) CO., LTD.	Trading of electronic components and computer peripheral	-	100	Note 9
ADATA TECHNOLOGY CO., LTD.	MACHDATA INTERMENDIACAO DE NEGOCIOS LTDA	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (JAPAN) CO., LTD.	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY CO., LTD.	ADATA HOLDINGS CO., LTD.	General investments	100	100	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY MEXICO SDRL DE CV	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY CO., LTD.	ALLIED TREASURE INC. LIMITED	General investments	100	100	-
ADATA TECHNOLOGY CO., LTD.	JET CASTLE LIMITED	Development and manufacture of earphone	100	100	-
ADATA TECHNOLOGY CO., LTD.	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	General investments	74.63	74.63	-
ADATA TECHNOLOGY CO., LTD.	Awayspeed Technology Company Limited	Sale of electric tricycle	56.83	56.83	Note 5
ADATA TECHNOLOGY CO., LTD.	LIWANLI Innovation Co., Ltd.	Trading of electronic materials and components	50.72	49.04	-
ZHAO-XING INVESTMENT CO., LTD.	AROBOT INNOVATION CO., LTD.	Other machinery manufacturing	-	52.46	Note 7
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY HOLDINGS CO., LTD.	General investments	100	100	-
ADATA HOLDINGS CO., LTD.	ADATA INVESTMENT CO., LTD.	General investments	100	100	-
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY (INDIA) PVT. LTD.	Trading of electronic components and computer peripheral	100	100	-
ADATA HOLDINGS CO., LTD.	ADATA CAPITAL CO., LTD.	General investments	100	100	-
ADATA INVESTMENT CO., LTD.	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	General investments	25.37	25.37	-
ADATA TECHNOLOGY HOLDINGS CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY (HK) CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacturing of electronic components and computer peripheral	100	100	-
ADATA TECHNOLOGY (HK) CO., LTD.	ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacturing of electronic components and computer peripheral	100	100	-

Investor	Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
ADATA TECHNOLOGY (HK) CO., LTD.	ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY (HK) CO., LTD.	ADATA TECHNOLOGY (SHANDONG) CO., LTD.	Trading of electronic materials and components	-	-	Note 1
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	ADATA Technology (Qingdao) CO., LTD.	Manufacture and trade of electronic components and smart car equipment	100	100	Note 6
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	ADATA INTEGRATION BRAZIL S/A	Design, manufacture and trading of semiconductor components	84.30	84.3	-
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	ADATA ELECTRONICS BRAZIL S/A	Manufacturing of electronic components and computer components	84.30	84.3	-
ALLIED TREASURE INC. LIMITED	Alwin Co., LTD.	Trading, development and manufacture of earphone	40	40	-
JET CASTLE LIMITED	ERATO (HK) CORPORATION LIMITED	Development and manufacture of earphone	-	100	Note 8
ERATO (HK) CORPORATION LIMITED	ERATO (SZ) CORPORATION LIMITED	Development and manufacture of earphone	100	100	Note 2
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	AROBOT INNOVATION (HK) CO., LTD.	General investments	100	100	-
AROBOT INNOVATION (HK) CO., LTD.	AROBOT INNOVATION CO., LTD.	Other machinery manufacturing	-	47.54	Note 7
LIWANLI Innovation Co., Ltd.	Zhen Lian Investment Co., Ltd.	General investments	100	100	-
LIWANLI Innovation Co., Ltd.	Hong Qi Investment Co., Ltd.	General investments	100	100	-
LIWANLI Innovation Co., Ltd.	Longevity Wealth Limited	General investments	100	100	-
LIWANLI Innovation Co., Ltd.	Awayspeed Technology Company Limited	Sale of electric tricycle	10	10	Note 5
Longevity Wealth Limited	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Wholesale and retail of foods products	100	100	Note 4
Longevity Wealth Limited	Alwin Co., LTD.	Trading, development and manufacture of earphone	10	10	-

Aside from the subsidiaries, Adata Integration Brazil S/A, Adata Electronics Brazil S/A, Zhen Lian Investment Co., Ltd. and Hong Qi Investment Co., Ltd. were audited by other independent auditors, remaining subsidiaries were audited by the Company's appointed independent auditors.

Note 1: ADATA TECHNOLOGY (SHANDONG) CO., LTD. was approved to be deregistered by Rushan City's supervisory authority on April 26, 2017, and the investee was liquidated. On February 15, 2020, the deregistration was approved by the Investment Commission, MOEA.

Note 2: Erato (SZ) Corporation Limited was approved to be deregistered by Suzhou Industrial Park's supervisory authority on December 7, 2018, and the investee was liquidated. However, the deregistration is pending for approval from the Investment Commission, MOEA.

Note 3: AVIP TECHNOLOGY CO., LTD. was approved to be deregistered on April 1, 2020, and the investee was liquidated.

Note 4: The Company's sub-subsidiary, Longevity Wealth Limited, invested in \$8,999 (US\$ 300 thousand) to establish the company on September 2, 2019, and added an investment of \$20,999 (US\$700 thousand) and \$27,994 (US\$1,000 thousand) to the company in the year of 2020 and the first quarter of 2021, and held 100% of its equity interests. The total investment amount is \$57,992 (US\$2,000 thousand).

Note 5: The Company invested in \$34,100 to the company on April 10, 2020 and held 56.83% of its equity interest; the company also invested in \$6,000 to the company through its subsidiary, LIWANLI Innovation Co., Ltd, and holds 10% of its equity interest.

Note 6: The Company's grandson company-ADATA Technology (Suzhou) Co., Ltd. invested in \$438 (RMB\$100 thousand) to establish the company on July 2, 2020, and held 100% of its equity interests.

Note 7: AROBOT INNOVATION CO., LTD. was dissolved and liquidated on April 20, 2021.

Note 8: ERATO (HK) CORPORATION LIMITED was dissolved and liquidated with the announcement of Hong Kong Companies Registry on April 30, 2021.

Note 9: ADATA TECHNOLOGY (KOREA) CO., LTD. was dissolved and liquidated on November 11, 2021.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translations

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the exchange rates prevailing at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.
- D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of

the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor)-operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted-average method. The cost of finished goods and work-in-process comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. The item-by-item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(15) Investments accounted for using the equity method/associates and joint ventures

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised

in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method. Unrealised profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item

will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each component of property, plant and equipment that is significant is depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	20~50 years
Machinery and equipment	2~10 years
Office equipment	2~ 6 years
Others	1~10 years

(17) Leasing arrangements (lessee)-right-of-use assets/lease liabilities/leases (lessee)

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
 - (a) The amount of the initial measurement of lease liability; and
 - (b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 26~50 years.

(19) Intangible assets

A. Computer software and acquired special technology, are amortised on a straight-line basis, and their estimated useful lives are 1~10 years:

B. Goodwill arises in business combination accounted for by applying the acquisition method.

(20) Biological assets

Biological assets shall be measured at fair value. However, biological assets may be measured at accumulated cost if the fair value can not be obtained from the active market, and the alternative estimation of the fair value is obviously not reliable. Accumulated cost includes the initial acquisition cost and the capitalised cultivation cost. Biological assets will be reclassified as inventory and measured at fair value when biological assets are available for sales.

(21) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognised in profit or loss. Such recovery of impairment loss shall not result to the asset's carrying amount greater than its amortised cost where no impairment loss was recognised.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(22) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(23) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(24) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(25) Convertible bonds payable

Convertible bonds issued by the Group contain conversion right (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options, and put options. The Group classifies the

convertible bonds upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. Details are as follows:

- A. The embedded call options and put options are recognised initially at net fair value as ‘financial assets or financial liabilities at fair value through profit or loss’. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as ‘gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss’.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to ‘finance costs’ over the period of circulation by using the effective interest method.
- C. The embedded conversion right which meet the definition of an equity instrument are initially recognised in ‘capital surplus-share options’ at the residual amount of total issuance proceed less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion right is not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion right, the liability component of the bonds (including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus—share options’.

(26) Derecognition of financial liabilities

A financial liabilities is derecognised when the obligation under the liability specified in the contract is either discharged or cancelled or expires.

(27) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(28) Provisions for other liabilities

Provisions (including warranties, marketing subsidy and decommissioning liabilities, etc.) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation

and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(29) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(30) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.

(b) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, the Company will repurchase without paying consideration and retire those stocks, the Company recognises such stocks repurchased as share capital and a deduction to capital surplus at the grant date, in accordance with the terms of restricted stocks.

(31) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It

establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(32) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(33) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares

on the effective date of new shares issuance.

(34) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells memory and biotechnology related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales returns, volume discounts and sales discounts. Annual expected purchase and accumulated experience is used to estimate and provide for the volume discounts and sales discounts and allowances, which was recognised as refund liabilities, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date.
- (c) The sales usually are made with a credit term of cash on delivery and 120 days after monthly billings. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (d) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (e) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

- (a) The Group provides LED instalment services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided up to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the proportion of contract costs incurred for services performed as of the financial reporting date to the estimated total costs for the service contract.
- (b) The Group's revenues, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss

during the period when the management become aware of the changes in circumstances.

(35) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(36) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(37) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates are continually evaluated and adjusted based on historical experience and other factors. The above information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Investment property

The Group uses a portion of the property for its own use and another portion to earn rentals or for capital appreciation. When these portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own-use portion was immaterial.

(2) Critical accounting estimates and assumptions

A. Assessment of accounts receivable

The Company manages collections and assumes the related credit risks for their receivables. Management assesses customers' credit quality and collections periodically and adjusts customers' credit policies accordingly. In addition, impairment assessment of accounts receivable was implemented in accordance with IFRS 9. The Group applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis. The Group took into account factors that may influence customers' ability to pay, such as individual customer's past due period, financial status and economic condition at the balance sheet date and historical experience, and used the forecastability to assess the default possibility of accounts receivable.

B. Evaluation of inventories

In the inventory evaluation process, the Group must use judgment to evaluate the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Due to technological changes, environmental changes and sales conditions, the value of the inventory will change, which will affect the evaluation of the inventory.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and revolving funds	\$ 1,086	\$ 1,226
Checking accounts and demand deposits	3,008,384	1,409,070
Time deposits	100,260	1,248,059
Bills with repurchase agreement	-	120,000
	<u>\$ 3,109,730</u>	<u>\$ 2,778,355</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The cash and cash equivalents that were pledged to others as collaterals and listed as financial assets at amortised cost current and non current amounting to \$880,202 and \$1,716, \$990,613 and \$1,716 for the years ended December 31, 2021 and 2020, respectively. Related information is provided in Note 8.

C. The time deposits more than three months that were listed as financial assets at amortised cost current to \$23,207 and \$21,045 for the years ended December 31, 2021 and 2020, respectively.

(2) Financial assets and liabilities at fair value through profit or loss

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
-Listed (TSE and OTC) stocks	\$ 1,207,267	\$ 494,626
-Beneficiary certificates	30,180	511,000
-Put and call options of convertible bonds	1,978	7,773
-Gold passbook	-	111,075
-Non-hedging derivatives	-	4,156
-Financial products	2,824	2,407
	<u>1,242,249</u>	<u>1,131,037</u>
Valuation adjustment	(<u>185,193</u>)	(<u>33,896</u>)
	<u>\$ 1,057,056</u>	<u>\$ 1,097,141</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items:		
Financial liabilities held for trading		
- Non-hedging derivatives	\$ 24,999	\$ -

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Years ended December 31,	
	2021	2020
<u>Financial assets and liabilities at fair value through profit or loss</u>		
-Listed stocks, beneficiary certificates, gold passbook and financial products	\$ 462,099	56,091
-Non-hedging derivatives	1,791 (	22,639)
-Put and call options of convertible bonds	3,299	9,827
	<u>\$ 467,189</u>	<u>43,279</u>

B. The Group entered into contracts relating to derivative financial liabilities which were not accounted for under hedge accounting. The information is listed below:

Derivative instruments	December 31, 2021	
	Contract amount (in thousands) (notional principal)	Contract period
Current items:		
Forward foreign exchange contracts		
Sell BRL/Buy USD	USD 57,000	December 17, 2021 to January 7, 2022
Derivative instruments	December 31, 2020	
	Contract amount (in thousands) (notional principal)	Contract period
Current items:		
Forward foreign exchange contracts		
Sell BRL/Buy USD	USD 19,000	December 10, 2020 to January 11, 2021

The Group entered into the forward foreign exchange contracts to hedge exchange rate risk. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

D. Information relating to fair value is provided in Note 12(3).

(3) Financial assets at fair value through other comprehensive income

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current items-equity instruments:		
-Listed stocks and emerging stocks	\$ 115,200	\$ 115,200
-Unlisted stocks, non-emerging stocks and capital contribution certificate	<u>778,718</u>	<u>783,790</u>
	893,918	898,990
Valuation adjustment	(<u>303,112</u>)	(<u>402,495</u>)
	<u>\$ 590,806</u>	<u>\$ 496,495</u>

A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. Due to financial management, the Group sold equity investments at fair value amounting to \$0 and \$16,104 as well as recognised accumulated gains (losses) on disposal amounting to \$0 and (\$42,959) for the years ended December 31, 2021 and 2020, respectively.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive losses	<u>\$ 100,489</u>	<u>36,253</u>
Cumulative gains (losses) reclassified to retained earnings due to derecognition	<u>\$ -</u>	<u>(\$ 42,959)</u>
Dividend income recognised in profit or loss		
Held at end of year	\$ 2,161	\$ 2,005
Derecognised during the year	<u>-</u>	<u>-</u>
	<u>\$ 2,161</u>	<u>\$ 2,005</u>

D. The Group's has no financial assets at fair value through other comprehensive income pledged to others as collateral.

E. Information relating to fair value is provided in Note 12(3).

(4) Notes and accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 2,026	\$ 1,444
Accounts receivable	\$ 5,176,736	\$ 3,755,534
Accounts receivable-related parties	-	3
	<u>5,176,736</u>	<u>3,755,537</u>
Less: Allowance for uncollectible accounts	(7,980)	(4,717)
	<u>\$ 5,168,756</u>	<u>\$ 3,750,820</u>
Overdue receivables (shown as other non-current assets)	\$ 166	\$ 5,639
Less: Allowance for uncollectible accounts	(166)	(5,639)
	<u>\$ -</u>	<u>\$ -</u>

Overdue receivables refer to the amount that were outsourced for debt collections or were in debt litigations, or the balance at risk that were reported to insurance companies.

A. The ageing analysis of notes and accounts receivable and the information relating to credit risk are provided in Note 12(2).

B. As of December 31, 2021 and 2020, notes and accounts receivable were all from contracts with customers. And as of January 1, 2020, the balance of notes and accounts receivables from contracts with customers amounted to \$3,819 and \$2,950,943, respectively.

C. No collateral was held by the Group for above mentioned notes and accounts receivable.

(5) Transfer of financial assets

For the years ended December 31, 2021 and 2020, the Group entered into a factoring agreement with banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable, and the related information is as follows:

(USD amounts in thousands)

December 31, 2021

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Bank of Taiwan	\$ 100,121 (USD 3,617)	\$ 100,121 (USD 3,617)	USD 13,000	\$ 90,108 (USD 3,255)	\$ - (USD -)	Note 1
Bank of Taiwan	-	-	\$ 138,400	-	-	Note 1
Standard Chartered Bank	219,333 (USD 7,924)	219,333 (USD 7,924)	USD 19,735	197,400 (USD 7,132)	- (USD -)	Note 1
Mega International Commercial Bank	- (USD -)	- (USD -)	USD 32,000	- (USD -)	- (USD -)	Note 1
CTBC Bank	126,298 (USD 4,563)	126,298 (USD 4,563)	USD 21,700	113,668 (USD 4,107)	- (USD -)	Note 1
	<u>\$ 445,752</u>	<u>\$ 445,752</u>		<u>\$ 401,176</u>	<u>\$ -</u>	

(USD amounts in thousands)

December 31, 2020

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Bank of Taiwan	\$ 149,738 (USD 5,258)	\$ 149,738 (USD 5,258)	USD 13,000	\$ 134,764 (USD 4,732)	\$ - (USD -)	Note 2
Bank of Taiwan	-	-	\$ 142,400	-	-	Note 2
Standard Chartered Bank	209,633 (USD 7,361)	209,633 (USD 7,361)	USD 19,235	188,668 (USD 6,625)	- (USD -)	Note 2
Mega International Commercial Bank	69,377 (USD 2,436)	69,377 (USD 2,436)	USD 32,000	62,440 (USD 2,192)	- (USD -)	Note 2
CTBC Bank	146,252 (USD 5,135)	146,252 (USD 5,135)	USD 12,000	117,001 (USD 4,108)	- (USD -)	Note 2
	<u>\$ 575,000</u>	<u>\$ 575,000</u>		<u>\$ 502,873</u>	<u>\$ -</u>	

As of December 31, 2021 and 2020, the Group has retention for the factoring of accounts receivable (shown as "Other receivables") amounting to \$44,576 and \$72,127, respectively.

Note 1: The advanced amount carried the interest rate of 0.440%~0.867% as at December 31, 2021.

Note 2: The advanced amount carried the interest rate of 0.480%~0.900% as at December 31, 2020.

(6) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,752,247	(\$ 81,949)	\$ 1,670,298
Work in progress	3,481,382	(24,704)	3,456,678
Semi-finished goods	239,775	(6,029)	233,746
Finished goods	2,828,464	(154,742)	2,673,722
Merchandise	1,112,381	(63,798)	1,048,583
	<u>\$ 9,414,249</u>	<u>(\$ 331,222)</u>	<u>\$ 9,083,027</u>

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,162,275	(\$ 67,762)	\$ 1,094,513
Work in progress	3,436,132	(10,883)	3,425,249
Semi-finished goods	134,910	(1,832)	133,078
Finished goods	1,611,917	(68,509)	1,543,408
Merchandise	774,330	(75,868)	698,462
	<u>\$ 7,119,564</u>	<u>(\$ 224,854)</u>	<u>\$ 6,894,710</u>

A. Inventories are not pledged as collateral.

B. The cost of inventories recognised as expense for the year:

	Years ended Decmeber 31,	
	2021	2020
Cost of goods sold	\$ 33,617,292	\$ 27,420,400
(Gain on reversal of) loss on decline in market value	111,125	(6,808)
Others	94,159	38,023
	<u>\$ 33,822,576</u>	<u>\$ 27,451,615</u>

Gain on reversal was caused by the decrease in allowance for valuation loss arising from consumptions and sales of inventories with allowance for valuation loss.

(7) Investments accounted for using the equity method

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
A. Assets		
Associates:		
IROC CO., LTD.	\$ 592,441	\$ 586,175
ATRACK TECHNOLOGY INC.	394,475	338,861
SHANDONG ADATA FUNCTION TECHNOLOGY DEVELOPMENT CO., LTD.	867,393	876,118
SKYWIN Technology (Qingdao) Co., Ltd.	285,212	-
Others	<u>187,976</u>	<u>207,745</u>
	2,327,497	2,008,899
Joint ventures:		
Taiwan Sports Lottery Co., Ltd.	<u>1,062,831</u>	<u>977,381</u>
	<u>\$ 3,390,328</u>	<u>\$ 2,986,280</u>
B. Liabilities		
Associates:		
Others	<u>(\$ 1,422)</u>	<u>\$ -</u>

The investment gain accounted for using the equity method for the years ended December 31, 2021 and 2020 amounted to \$369,722 and \$229,457, respectively, based on the audited financial statements.

(A) Associates

The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

- (a) As of December 31, 2021 and 2020, the carrying amount of the Group's individually immaterial associates amounted to \$2,326,075 and \$2,008,899, respectively.
- (b) The summarised of Group's share of the operating results:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Loss for the year	(\$ 15,728)	(\$ 82,011)
Other comprehensive gain (loss), net of tax	<u>216</u>	<u>(1,049)</u>
Total comprehensive loss	<u>(\$ 15,512)</u>	<u>(\$ 83,060)</u>

- (c) The Group holds 28.27% of ATrack Technology Inc. and is the single largest shareholder of the company. Considering the degree of participation of other shareholders of ATrack Technology Inc. and the record of voting rights for major resolutions, the Group has only obtained two seats of seven in the board of directors of ATrack Technology Inc. That the Group has no actual ability to lead the relevant activities, so it has no control over the company and only has a significant influence.

(B) Joint venture

(a) The basic information of the joint ventures that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2021	December 31, 2020		
Taiwan Sports Lottery Co., Ltd.	Taiwan	47.62%	47.62%	Joint venture	Equity method

(b) The summarised financial information of the joint ventures, Taiwan Sports Lottery Co., Ltd., that are material to the Group is as follows:

i. Balance sheet

	Taiwan Sports Lottery Co., Ltd.	
	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 1,936,401	\$ 1,696,329
Other current assets	225,150	186,592
Current assets	2,161,551	1,882,921
Non-current assets	637,403	687,410
Total assets	\$ 2,798,954	\$ 2,570,331
Current financial liabilities (Note)	(\$ 233,560)	(\$ 179,944)
Other current liabilities	(239,896)	(233,119)
Current liabilities	(473,456)	(413,063)
Non-current liabilities	(93,598)	(104,809)
Total liabilities	(\$ 567,054)	(\$ 517,872)
Total net assets	\$ 2,231,900	\$ 2,052,459
Share in joint venture's net assets	\$ 1,062,831	\$ 977,381
Carrying amount of the joint venture	\$ 1,062,831	\$ 977,381

Note: It was excluding accounts payable, other payables and provision.

ii. Statement of comprehensive income

	Taiwan Sports Lottery Co., Ltd.	
	Years ended December 31,	
	2021	2020
Revenue	\$ 2,487,193	\$ 2,146,281
Depreciation and amortisation	(\$ 78,280)	(\$ 76,297)
Interest income	\$ 298	\$ 230
Profit before income tax	\$ 1,011,807	\$ 810,201
Income tax expense	(202,365)	(156,122)
Profit for the year from continuing operations	\$ 809,442	\$ 654,079
Total comprehensive income	\$ 809,442	\$ 654,079
Dividends received from joint venture	\$ 300,000	\$ 250,000

(c) The Group's principal joint venture, Taiwan Sports Lottery Co., Ltd., has no quoted market prices.

(8) Property, plant and equipment

	Land			Buildings and structures			Machinery and equipment			Office equipment			Construction in progress and equipment to be inspected			Others		
	Owner	-occupied	Lease	Owner	-occupied	Lease	Owner	-occupied	Lease	Owner	-occupied	Lease	Owner	-occupied	Owner	-occupied	Total	
																		Subtotal
At January 1, 2021																		
Cost	\$ 2,528,438	\$ 2,227,027	\$ 66,422	\$ 2,293,449	\$ 1,033,213	\$ 11,358	\$ 1,044,571	\$ 118,139	\$ 2,315	\$ 120,454	\$ -	\$ 665,688	\$ 6,652,600					
Accumulated depreciation	-	(796,319)	(24,785)	(821,104)	(544,956)	(10,052)	(555,008)	(88,004)	(2,315)	(90,319)	-	(331,222)	(1,797,653)					
	<u>\$ 2,528,438</u>	<u>\$ 1,430,708</u>	<u>\$ 41,637</u>	<u>\$ 1,472,345</u>	<u>\$ 488,257</u>	<u>\$ 1,306</u>	<u>\$ 489,563</u>	<u>\$ 30,135</u>	<u>\$ -</u>	<u>\$ 30,135</u>	<u>\$ -</u>	<u>\$ 334,466</u>	<u>\$ 4,854,947</u>					
2021																		
Opening net book amount as at January 1	\$ 2,528,438	\$ 1,430,708	\$ 41,637	\$ 1,472,345	\$ 488,257	\$ 1,306	\$ 489,563	\$ 30,135	\$ -	\$ 30,135	\$ -	\$ 334,466	\$ 4,854,947					
Additions	-	120,936	-	120,936	225,094	-	225,094	15,188	-	15,188	682	25,521	387,421					
Disposals	-	(115)	-	(115)	(10,081)	(1,306)	(11,387)	(87)	-	(87)	-	(3,865)	(15,454)					
Transfers for the year (Note)	16,142	27,482	(3,317)	24,165	17,347	-	17,347	3,277	-	3,277	-	37,760	98,691					
Depreciation charge	-	(87,302)	(2,566)	(89,868)	(76,744)	-	(76,744)	(13,040)	-	(13,040)	-	(59,805)	(239,457)					
Net exchange differences	(1,007)	(9,528)	(212)	(9,740)	(27,239)	-	(27,239)	(774)	-	(774)	-	(15,880)	(54,640)					
Closing net book amount as at December 31	<u>\$ 2,543,573</u>	<u>\$ 1,482,181</u>	<u>\$ 35,542</u>	<u>\$ 1,517,723</u>	<u>\$ 616,634</u>	<u>\$ -</u>	<u>\$ 616,634</u>	<u>\$ 34,699</u>	<u>\$ -</u>	<u>\$ 34,699</u>	<u>\$ 682</u>	<u>\$ 318,197</u>	<u>\$ 5,031,508</u>					
At December 31, 2021																		
Cost	\$ 2,543,573	\$ 2,365,865	\$ 62,093	\$ 2,427,958	\$ 1,144,342	\$ -	\$ 1,144,342	\$ 131,410	\$ -	\$ 131,410	\$ 682	\$ 671,981	\$ 6,919,946					
Accumulated depreciation	-	(883,684)	(26,551)	(910,235)	(527,708)	-	(527,708)	(96,711)	-	(96,711)	-	(353,784)	(1,888,438)					
	<u>\$ 2,543,573</u>	<u>\$ 1,482,181</u>	<u>\$ 35,542</u>	<u>\$ 1,517,723</u>	<u>\$ 616,634</u>	<u>\$ -</u>	<u>\$ 616,634</u>	<u>\$ 34,699</u>	<u>\$ -</u>	<u>\$ 34,699</u>	<u>\$ 682</u>	<u>\$ 318,197</u>	<u>\$ 5,031,508</u>					

	Buildings and structures			Machinery and equipment			Office equipment			Others		
	Land Owner -occupied	Owner -occupied	Lease	Subtotal	Owner -occupied	Lease	Subtotal	Owner -occupied	Lease	Subtotal	Owner -occupied	Total
At January 1, 2020												
Cost	\$ 2,893,761	\$ 2,333,348	\$ 47,432	\$ 2,380,780	\$ 1,089,375	\$ 11,358	\$ 1,100,733	\$ 119,515	\$ 2,315	\$ 121,830	\$ 703,988	\$ 7,201,092
Accumulated depreciation	-	(729,671)	(14,841)	(744,512)	(505,557)	(8,179)	(513,736)	(81,593)	(2,315)	(83,908)	(296,829)	(1,638,985)
	\$ 2,893,761	\$ 1,603,677	\$ 32,591	\$ 1,636,268	\$ 583,818	\$ 3,179	\$ 586,997	\$ 37,922	\$ -	\$ 37,922	\$ 407,159	\$ 5,562,107
2020												
Opening net book amount as at January 1	\$ 2,893,761	\$ 1,603,677	\$ 32,591	\$ 1,636,268	\$ 583,818	\$ 3,179	\$ 586,997	\$ 37,922	\$ -	\$ 37,922	\$ 407,159	\$ 5,562,107
Additions	-	6,266	-	6,266	64,743	-	64,743	7,299	-	7,299	31,732	110,040
Disposals	(333,655)	(79,045)	-	(79,045)	(4,127)	-	(4,127)	(188)	-	(188)	(3,716)	(420,731)
Transfers for the year (Note)	(29,779)	(34,878)	18,485	(16,393)	17,716	-	17,716	666	-	666	17,183	(10,607)
Depreciation charge	-	(79,117)	(9,502)	(88,619)	(79,289)	(1,873)	(81,162)	(12,427)	-	(12,427)	(63,160)	(245,368)
Net exchange differences	(1,889)	13,805	63	13,868	(94,604)	-	(94,604)	(3,137)	-	(3,137)	(54,732)	(140,494)
Closing net book amount as at December 31	\$ 2,528,438	\$ 1,430,708	\$ 41,637	\$ 1,472,345	\$ 488,257	\$ 1,306	\$ 489,563	\$ 30,135	\$ -	\$ 30,135	\$ 334,466	\$ 4,854,947
At December 31, 2020												
Cost	\$ 2,528,438	\$ 2,227,027	\$ 66,422	\$ 2,293,449	\$ 1,033,213	\$ 11,358	\$ 1,044,571	\$ 118,139	\$ 2,315	\$ 120,454	\$ 665,688	\$ 6,652,600
Accumulated depreciation	-	(796,319)	(24,785)	(821,104)	(544,956)	(10,052)	(555,008)	(88,004)	(2,315)	(90,319)	(331,222)	(1,797,653)
	\$ 2,528,438	\$ 1,430,708	\$ 41,637	\$ 1,472,345	\$ 488,257	\$ 1,306	\$ 489,563	\$ 30,135	\$ -	\$ 30,135	\$ 334,466	\$ 4,854,947

Note : Including amount transferred from prepayment for equipment (shown as 'Other non-current assets') and amount transferred to investment property.

Note A: No property, plant and equipment were capitalized interest.

Note B: Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements-lessee

A. The Group leases various assets including land, buildings, and transportation equipment. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be sold, subleased, lent to the third party or granted to the third party in any circumstance.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Land	Buildings	Transportation equipment	Total
Balance, January 1, 2021	\$ 42,496	\$ 81,514	\$ 2,727	\$ 126,737
Additions	-	34,097	1,906	36,003
Disposals	-	(10,237)	(114)	(10,351)
Depreciation	(1,192)	(45,292)	(2,010)	(48,494)
Net exchange differences	(322)	(4,859)	(9)	(5,190)
Balance, December 31, 2021	<u>\$ 40,982</u>	<u>\$ 55,223</u>	<u>\$ 2,500</u>	<u>\$ 98,705</u>

	Land	Buildings	Transportation equipment	Total
Balance, January 1, 2020	\$ 42,985	\$ 58,944	\$ 5,919	\$ 107,848
Additions	-	71,097	2,430	73,527
Depreciation	-	(772)	(1,788)	(2,560)
Disposals	(1,176)	(45,573)	(3,710)	(50,459)
Net exchange differences	687	(2,182)	(124)	(1,619)
Balance, December 31, 2020	<u>\$ 42,496</u>	<u>\$ 81,514</u>	<u>\$ 2,727</u>	<u>\$ 126,737</u>

C. Information on profit or loss in relating to lease contracts is as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,173	\$ 1,004
Expense on short-term lease contracts	29,451	26,052
Expense on leases of low-value assets	415	390
Gain arising from lease modifications	(564)	(75)
	<u>\$ 30,475</u>	<u>27,371</u>

D. Apart from the cash outflow relating to the lease expense mentioned above in Note 6(9)C., the principal repayment of lease liability for the year ended December 31, 2021 and 2020 amounted to \$51,795 and \$51,688.

E. The Group considered facts and circumstances affecting economic incentive in determining whether to exercise extension options or not. The reassessment would be made when a significant event occurs.

(10) Leasing arrangements-lessor

A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 1 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be sold, subleased, lent to the third party or granted to the third party in any circumstance

B. For the years ended December 31, 2021 and 2020, the Group recognised rent income in the amount of \$28,868 and \$28,497 based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Next 1 year	\$ 7,313	\$ 12,656
Next 2 years	4,010	1,612
Next 3 years	32	21
	<u>\$ 11,355</u>	<u>\$ 14,289</u>

(11) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2021</u>			
Cost	\$ 1,883,054	\$ 205,972	\$ 2,089,026
Accumulated depreciation and impairment	(597,559)	(26,356)	(623,915)
	<u>\$ 1,285,495</u>	<u>\$ 179,616</u>	<u>\$ 1,465,111</u>
<u>2021</u>			
Opening net book amount as at January 1	\$ 1,285,495	\$ 179,616	\$ 1,465,111
Disposals	(789,516)	-	(789,516)
Depreciation charge	-	(4,496)	(4,496)
Transfers for the year	(16,142)	(24,165)	(40,307)
Impairment loss	(35,072)	-	(35,072)
Closing net book amount as at December 31	<u>\$ 444,765</u>	<u>\$ 150,955</u>	<u>\$ 595,720</u>
<u>At December 31, 2021</u>			
Cost	\$ 444,765	\$ 177,422	\$ 622,187
Accumulated depreciation and impairment	-	(26,467)	(26,467)
	<u>\$ 444,765</u>	<u>\$ 150,955</u>	<u>\$ 595,720</u>

	Land	Buildings and structures	Total
<u>At January 1, 2020</u>			
Cost	\$ 1,871,978	\$ 189,018	\$ 2,060,996
Accumulated depreciation and impairment	(387,559)	(19,718)	(407,277)
	<u>\$ 1,484,419</u>	<u>\$ 169,300</u>	<u>\$ 1,653,719</u>
<u>2020</u>			
Opening net book amount as at January 1	\$ 1,484,419	\$ 169,300	\$ 1,653,719
Depreciation charge	-	(5,053)	(5,053)
Transfers for the year	29,779	16,876	46,655
Disposals	(18,703)	(1,507)	(20,210)
Impairment loss	(210,000)	-	(210,000)
Closing net book amount as at December 31	<u>\$ 1,285,495</u>	<u>\$ 179,616</u>	<u>\$ 1,465,111</u>
<u>At December 31, 2020</u>			
Cost	\$ 1,883,054	\$ 205,972	\$ 2,089,026
Accumulated depreciation and impairment	(597,559)	(26,356)	(623,915)
	<u>\$ 1,285,495</u>	<u>\$ 179,616</u>	<u>\$ 1,465,111</u>

A. Rental income from the investment property and direct operating expenses arising from the investment property are shown below:

	Years ended December 31,	
	2021	2020
Rental income from investment property	<u>\$ 18,365</u>	<u>\$ 20,087</u>
Direct operating expenses arising from the investment property that generated rental income for the year	<u>\$ 4,496</u>	<u>\$ 5,053</u>

B. The fair value of the investment property held by the Group as at December 31, 2021 and 2020 was \$690,995 and \$1,677,409, respectively. The above fair value is assessed by the Group's management with the market fair value of similar property.

C. No investment property were capitalised interest.

D. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(12) Intangible assets

	<u>Patent</u>	<u>Software</u>	<u>Technical skills</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2021</u>						
Cost	\$ 8,377	\$ 200,265	\$ 529,060	\$ 325,950	\$ 9,683	\$ 1,073,335
Accumulated amortisation and impairment	(2,419)	(156,989)	(143,453)	-	(9,683)	(312,544)
	<u>\$ 5,958</u>	<u>\$ 43,276</u>	<u>\$ 385,607</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 760,791</u>
<u>2021</u>						
Opening net book amount as at January 1	\$ 5,958	\$ 43,276	\$ 385,607	\$ 325,950	\$ -	\$ 760,791
Additions	-	28,906	-	-	-	28,906
Amortisation charge	(1,568)	(22,072)	(40,660)	-	-	(64,300)
Net exchange differences	(346)	(342)	(12,422)	-	-	(13,110)
December 31	<u>\$ 4,044</u>	<u>\$ 49,768</u>	<u>\$ 332,525</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 712,287</u>
<u>At December 31, 2021</u>						
Cost	\$ 7,410	\$ 227,946	\$ 511,199	\$ 325,950	\$ 9,411	\$ 1,081,916
Accumulated amortisation and impairment	(3,366)	(178,178)	(178,674)	-	(9,411)	(369,629)
	<u>\$ 4,044</u>	<u>\$ 49,768</u>	<u>\$ 332,525</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 712,287</u>
	<u>Patent</u>	<u>Software</u>	<u>Technical skills</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2020</u>						
Cost	\$ 14,427	\$ 195,412	\$ 554,413	\$ 325,950	\$ 10,193	\$ 1,100,395
Accumulated amortisation and impairment	(6,905)	(137,950)	(47,076)	-	(10,193)	(202,124)
	<u>\$ 7,522</u>	<u>\$ 57,462</u>	<u>\$ 507,337</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 898,271</u>
<u>2020</u>						
Opening net book amount as at January 1	\$ 7,522	\$ 57,462	\$ 507,337	\$ 325,950	\$ -	\$ 898,271
Additions	2,016	8,212	-	-	-	10,228
Transfers for the year	-	290	-	-	-	290
Amortisation charge	(1,370)	(21,390)	(42,982)	-	-	(65,742)
Impairment loss	-	-	(59,280)	-	-	(59,280)
Net exchange differences	(2,210)	(1,298)	(19,468)	-	-	(22,976)
December 31	<u>\$ 5,958</u>	<u>\$ 43,276</u>	<u>\$ 385,607</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 760,791</u>
<u>At December 31, 2020</u>						
Cost	\$ 8,377	\$ 200,265	\$ 529,060	\$ 325,950	\$ 9,683	\$ 1,073,335
Accumulated amortisation and impairment	(2,419)	(156,989)	(143,453)	-	(9,683)	(312,544)
	<u>\$ 5,958</u>	<u>\$ 43,276</u>	<u>\$ 385,607</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 760,791</u>

A. Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2021	2020
Operating costs	\$ 42,299	\$ 44,666
Selling expenses	643	744
General and administrative expenses	18,684	17,135
Research and development expenses	2,674	3,197
	<u>\$ 64,300</u>	<u>\$ 65,742</u>

B. The goodwill of the Group is generated by business combination with the subsidiary, LIWANLI Innovation Co., LTD. The recoverable amount is the fair value minus the disposal cost. The recoverable amount exceeds the book amount, so the goodwill is not impaired. The recoverable amount is the share price of LIWANLI Innovation Co., LTD.

C. No intangible assets were capitalised interest.

D. The Group has no intangible assets pledged to others.

(13) Impairment of non-financial assets

Details of the Group's impairment loss are as follows:

	Years ended December 31,			
	2021		2020	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-investment accounted for using the equity method (Note 1)	-	\$ -	(\$ 123,979)	\$ -
Impairment loss-investment property-land (Note 2)	(35,072)	-	(210,000)	-
Impairment loss-intangible assets (Note 3)	-	-	(59,280)	-
	<u>(\$ 35,072)</u>	<u>-</u>	<u>(\$ 393,259)</u>	<u>-</u>

Note 1: Some of the Group's investments accounted for using the equity method were impaired because the operation results were not as expected. The Company wrote down the carrying amount of the investments based on the recoverable amount and recognised an impairment loss accordingly. The recoverable amount was determined based on value-in-use calculations in the report prepared by independent appraisers. These calculations use post-tax cash flow projections based on financial budgets estimated by the management.

Note 2: The investment properties mainly are land and buildings in Taipei. The impairment losses was due to the land investment in Shihlin District, Taipei City. The management assessed impairment valuation based on the report prepared by independent real estate appraisers and market prices and recognised the difference between fair value and carrying amount as impairment losses.

Note 3: Some of the Group's expertise has been impaired due to poorer development than expected. The book amount has been adjusted to the recoverable amount and the impairment loss has been recognized. It is calculated based on the value in use of report prepared by independent appraisers. The value in use is based on the after-tax cash flow forecast of the financial budget predicted by the management.

(14) Other non-current assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Refundable deposits	\$ 53,498	\$ 55,174
Prepayments for equipment	107,922	101,749
Prepayments for real estate acquisition	815,271	-
Prepayments for investments	36,950	-
Others	103,487	95,198
	<u>\$ 1,117,128</u>	<u>\$ 252,121</u>

(15) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured loans	\$ 8,950,340	0.48%~12.662%	None
<u>Type of borrowings</u>	<u>December 31, 2020</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured loans	\$ 6,248,236	0.56%~6.72%	None
Secured bank loans	24,073	5.25%	Please refer to Note 8
	<u>\$ 6,272,309</u>		

Information on interest expense recognised in profit or loss is provided in Note 6(28).

(16) Other current liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Refund liabilities	\$ 72,105	\$ 77,218
Others	24,163	35,132
	<u>\$ 96,268</u>	<u>\$ 112,350</u>

(17) Bonds payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Bonds payable	\$ 210,400	\$ 1,563,100
Less: Discount on bonds payable	(4,295)	(51,204)
	<u>\$ 206,105</u>	<u>\$ 1,511,896</u>

- A. The terms of the 6th domestic secured convertible bonds issued by the Group are as follows:
- (a) The regulatory authority has approved the 6th domestic secured convertible bonds issued by the Group. The total issuance amount is \$1,500,000 at 100% of the bond's face value with coupon rate of 0%, covering a 5-year period of issuance and a circulation period from May 8, 2019 to May 8, 2024. The convertible bonds will be settled by cash with principal value at maturity. The bonds were listed on the Taipei Exchange on May 8, 2019.
 - (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Group during the period from three months after the bonds issuance date to the maturity date, except for the suspended transfer period as specified in the terms of the bonds or the regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - (c) The conversion price is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution triggered subsequently. The conversion price was NT\$52.2 per share at issuance. The conversion price was adjusted from NT\$52.2 (in dollars) per share to NT\$51 (in dollars) per share since July 27, 2020.
 - (d) The bondholders have the right to redeem the bonds at the price of the bonds' principal value plus 1.51% interests upon three years after the issuance date.
 - (e) The Group may repurchase all the outstanding bonds in cash at the bonds' principal value in the following 30 trading days when the closing price of the Group's common shares is above the conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
 - (f) The Group may repurchase all the outstanding bonds in cash at the bonds' principal value at any time when the outstanding balance of the bonds is less than 10% of total initial issuance amount during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
 - (g) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), repaid, and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
 - (h) As of December 31, 2021 and 2020, the convertible bonds of \$563,100 and \$724,500 had been converted into 11,041,046 and 14,117,325 shares of common stocks, respectively.
 - (i) As of December 31, 2021, the convertible bonds of \$0 had been repurchased by the Group from the Taipei Exchange.
 - (j) When issuance of convertible bonds, the equity conversion right amounting to \$58,800 were separated from the liability component and were recognised in 'capital surplus-share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts in accordance with IFRS 39 because the economic

characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective annual interest rates of the bonds after separation is 0.9724%.

- B. The terms of the 7th domestic secured convertible bonds issued by the Group are as follows:
- (a) The regulatory authority has approved the 7th domestic secured convertible bonds issued by the Group. The total issuance amount is \$1,000,000 at 100% of the bond's face value with coupon rate of 0%, covering a 5-year period of issuance and a circulation period from September 28, 2020 to September 28, 2025. The convertible bonds will be settled by cash with principal value at maturity. The bonds were listed on the Taipei Exchange on September 28, 2020.
 - (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Group during the period from three months after the bonds issuance date to the maturity date, except for the suspended transfer period as specified in the terms of the bonds or the regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - (c) The conversion price is set up based on the pricing model specified in the terms of the bonds and is subject to adjustments if the condition of the anti-dilution triggered subsequently. The conversion price was NT\$57.7 per share at issuance. The conversion price was adjusted from NT\$57.7 (in dollars) per share to NT\$56.1 (in dollars) per share since August 15, 2021 because of the distribution of cash dividends.
 - (d) The bondholders have the right to redeem the bonds at the price of the bonds' principal value plus 1.51% interests upon three years after the issuance date.
 - (e) The Group may repurchase all the outstanding bonds in cash at the bonds' principal value in the following 30 trading days when the closing price of the Group's common shares is above the conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
 - (f) The Group may repurchase all the outstanding bonds in cash at the bonds' principal value at any time when the outstanding balance of the bonds is less than 10% of total initial issuance amount during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
 - (g) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), repaid, and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
 - (h) For the years ended December 31, 2021 and 2020, the convertible bonds of \$789,600 and \$0 had been converted into 13,779,456 shares and 0 shares of common stocks, respectively.
 - (i) As of December 31, 2021, the convertible bonds of \$0 had been repurchased by the Group from the Taipei Exchange.

(j) When issuance of convertible bonds, the equity conversion right amounting to \$27,500 were separated from the liability component and were recognised in ‘capital surplus-share options’ in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective annual interest rates of the bonds after separation is 0.7172%.

(18) Long-term borrowings

<u>Borrowings</u>	<u>Borrowings period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2021</u>
Bank borrowings			
Bank syndicated loans(Note1)	Borrowing period is from March 19, 2021 to March 19, 2026; interest is repayable monthly, principal paid at maturity, revolving credit	None	\$ 4,450,000
Secured borrowings	Borrowing period is from July 7, 2017 to July 7, 2024; interest is repayable monthly, principal paid monthly, non-revolving credit	Please refer to Note 8	77,869
Unsecured borrowings	Borrowing period is from December 21, 2020 to December 21, 2025; principal paid half-yearly from the 18 th month, non-revolving credit	None	180,000
Unsecured borrowings	Borrowing period is from October 29, 2020 to April 29, 2022; interest is repayable monthly, principal paid monthly from the 7 th month, non-revolving credit	None	16,184
Unsecured borrowings	Borrowing period is from October 29, 2020 to April 29, 2022; interest is repayable monthly, principal paid monthly from the 7 th month, non-revolving credit	None	16,184
Unsecured borrowings	Borrowing period is from May 11, 2020 to May 11, 2022; interest is repayable monthly; principal is repayable every three months, non-revolving credit	None	21,305
Unsecured borrowings	Borrowing period is from June 2, 2020 to June 1, 2022; interest is repayable monthly, principal is repayable every three months, non-revolving credit	None	12,564
			4,774,106
Less: Long-term liabilities, Current portion			(141,380)
			\$ 4,632,726

The long-term borrowings carried interest rate of 0.1026%~14.050% as at December 31, 2021.

<u>Borrowings</u>	<u>Borrowings period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2020</u>
Bank borrowings			
Bank syndicated loans(Note2)	Borrowing period is from August 21, 2017 to August 21, 2022; interest is repayable monthly, principal paid at	None	\$ 2,500,000

Borrowings	Borrowings period and repayment term	Collateral	December 31, 2020
	maturity, revolving credit		
Secured borrowings	Borrowing period is from May 30, 2019 to May 20, 2022; interest is repayable monthly, principal paid at maturity, revolving credit	Please refer to Note 8	668,000
Secured borrowings	Borrowing period is from October 6, 2020 to October 6, 2022; interest is repayable monthly, principal paid at maturity, revolving credit	Please refer to Note 8	420,000
Secured borrowings	Borrowing period is from July 7, 2017 to July 7, 2024; interest and principal are repayable monthly, non-revolving credit	Please refer to Note 8	108,012
Unsecured borrowings	Borrowing period is from October 29, 2020 to April 29, 2022; interest is repayable monthly, principal paid monthly from the 7 th month, non-revolving credit	None	54,890
Unsecured borrowings	Borrowing period is from May 30, 2019 to May 30, 2022; interest is repayable monthly, principal is repayable at the 7th month maturity, revolving credit	None	132,000
Unsecured borrowings	Borrowing period is from October 6, 2020 to October 6, 2022; interest is repayable monthly, principal is repayable maturity, revolving credit	None	180,000
Unsecured borrowings	Borrowing period is from December 21, 2020 to December 21, 2025; principal paid half-yearly from the 18 th month, non-revolving credit	None	180,000
Unsecured borrowings	Borrowing period is from May 7, 2019 to May 7, 2021; interest is repayable every three months, principal is repayable every six months, non-revolving credit	None	91,850
Unsecured borrowings	Borrowing period is from October 29, 2020 to April 20, 2022; interest is repayable monthly; principal is repayable monthly from 7th month monthly, non-revolving credit	None	54,890
Unsecured borrowings	Borrowing period is from May 11, 2020 to May 11, 2022; interest is repayable monthly; principal is repayable every three months, non-revolving credit	None	64,180
Unsecured borrowings	Borrowing period is from June 2, 2020 to June 1, 2022; interest is repayable monthly, principal is repayable every three months, non-revolving credit	None	42,787
			4,496,609
Less: Long-term liabilities, Current portion			(266,491)
			\$ 4,230,118

The long-term borrowings carried interest rate of 0.148%~6.800% as at December 31, 2020.

Information on interest expense recognised in profit or loss is provided in Note 6(28).

Note1:In March 2021, the Company entered into a five-year syndicated loan agreement with 12 banks-Bank of Taiwan and as the lead bank and managing bank-and obtained a credit line in the amount of \$6,000,000. Since the second quarter of 2021, the loan agreement specifies that the financial ratios, including current ratio, the gearing ratio and interest coverage, and tangible net equity based on its annual parent company only financial statements audited by independent auditors and semi-annual parent company only financial statements reviewed by independent auditors shall conform to the terms and conditions.

The consolidated financial statements do not breached an undertaking under a long-term loan agreement at December 31, 2021.

Note2:In August 2017, the Company entered into a five-year syndicated loan agreement with 13 banks-Bank of Taiwan and as the lead bank and managing bank-and obtained a credit line in the amount of \$4,800,000. The loan agreement specifies that the financial ratios, including current ratio, the gearing ratio and interest coverage, and tangible net equity based on its annual parent company only financial statements audited by independent auditors and semi-annual parent company only financial statements reviewed by independent auditors shall conform to the terms and conditions.

The consolidated financial statements do not breached an undertaking under a long-term loan agreement at December 31, 2020.

(19) Pension plan

A. Defined benefit pension plan

- (a)The Company and the subsidiary, LIWANLI Innovation Co., Ltd., have defined benefit pension plans in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and the subsidiary, LIWANLI Innovation Co., Ltd., contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and the subsidiary, LIWANLI Innovation Co., Ltd., would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to qualify for retirement in the following

year, the Company and the subsidiary, LIWANLI Innovation Co., Ltd., will make contributions for the deficit by next March.

(b)The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	(\$ 24,643)	(\$ 26,710)
Fair value of plan assets	<u>45,149</u>	<u>43,503</u>
Net defined benefit assets (shown as other non-current assets)	<u>\$ 20,506</u>	<u>\$ 16,793</u>

Note: Given the subsidiary, LIWANLI Innovation Co., Ltd., has no worker with seniority subject to the Labor Standards Act after paying off the labor pension in accordance with the payment criteria of the Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds on February 7, 2018, LIWANLI Innovation Co., Ltd. applied the cancellation of the labor pension reserve account to Labor Affairs Department, New Taipei City Government on March 21, 2018. As of February 24, 2022, the application has not yet been approved by Labor Affairs Department, New Taipei City Government.

(c) Movements in net defined benefit assets are as follows:

	defined benefit obligations	Fair value of Plan assets	benefit asset (liability)
Year ended December 31, 2021			
Balance at January 1	(\$ 26,710)	\$ 43,503	\$ 16,793
Interest (expense) income	(99)	124	25
	<u>(26,809)</u>	<u>43,627</u>	<u>16,818</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	656	656
Change in demographic assumptions	(591)	-	(591)
Change in financial assumptions	1,121	-	1,121
Experience adjustments	<u>1,636</u>	<u>-</u>	<u>1,636</u>
	<u>2,166</u>	<u>656</u>	<u>2,822</u>
Pension fund contribution	-	866	866
Balance at December 31	<u>(\$ 24,643)</u>	<u>\$ 45,149</u>	<u>\$ 20,506</u>
	Present value of defined benefit obligations	Fair value of Plan assets	Net defined benefit asset (liability)
Year ended December 31, 2020			
Balance at January 1	(\$ 26,417)	\$ 40,926	\$ 14,509
Interest (expense) income	(200)	239	39
	<u>(26,617)</u>	<u>41,165</u>	<u>14,548</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,499	1,499
Change in financial assumptions	(1,354)	-	(1,354)
Experience adjustments	<u>1,261</u>	<u>-</u>	<u>1,261</u>
	<u>(93)</u>	<u>1,499</u>	<u>1,406</u>
Pension fund contribution	-	839	839
Balance at December 31	<u>(\$ 26,710)</u>	<u>\$ 43,503</u>	<u>\$ 16,793</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government

shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	<u>2021</u>	<u>2020</u>
Discount rate	<u>0.72%</u>	<u>0.37%</u>
Future salary increases	<u>4.50%</u>	<u>4.50%</u>

Mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Increase 0.25%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
December 31, 2021				
Effect on present value of defined benefit obligation	<u>(\$ 789)</u>	<u>813</u>	<u>\$ 1,577</u>	<u>(\$ 1,479)</u>
	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
December 31, 2020				
Effect on present value of defined benefit obligation	<u>(\$ 855)</u>	<u>\$ 881</u>	<u>\$ 1,683</u>	<u>(\$ 1,576)</u>

The sensitivity analysis above is based on one assumption which changed while the other conditions that remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2022 amounts to \$860.

(g) As of December 31, 2021, the weighted average duration of the retirement plan is 12.1 years.

B. Defined contribution pension plan

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s Mainland China subsidiaries, ADATA TECHNOLOGY (SUZHOU) CO., LTD., and ADATA ELECTRONICS (SHANGHAI) CO., LTD., have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage for the years ended December 31, 2021 and 2020 were both 13%~20%. Other than the monthly contributions, the Group has no further obligations.
- (c) The Company’s subsidiary, ADATA TECHNOLOGY (KOREA) Co., Ltd. has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the Republic of Korea are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (d) The Company’s subsidiaries, ADATA INTEGRATION BRAZIL S/A. and ADATA ELECTRONICS BRAZIL S/A. have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the Brazil are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (e) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2021 and 2020 were \$67,032 and \$41,831, respectively.

(20) Employee share-based payment

A. The Company’s share-based payment arrangements were as follows:

(a) Shares of employee restricted stocks

The Company proposed to issue a total of 2.5 million shares of employee restricted stocks with par value of \$10 (in dollars), totaling \$25,000, as resolved at meetings of Board of Directors and shareholders on March 27, 2020 and June 19, 2020, respectively. The employee restricted stocks were effective on October 13, 2020 as approved by the authorities, and were resolved at the meeting of Board of Directors to be issued on December 10, 2020 (the granted date) of 2.5 million shares with the subscription price of \$0 (in dollars) per share. The capital increase effective date was set on January 4, 2021. The aforementioned restricted stocks were issued for the full-time employees.

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>	<u>Settlement method</u>
Restricted stocks to employees	December 10, 2020	2,500,000 shares	2 years	Performance conditions achieved (Note)	Equity-settled

Note: For the employees who achieved both personal and company's performance requirements, the maximum ratio of vested stocks for different service periods of employees is as follows:

- (a) 50% of allocated stocks if the employee whose services have reached 1 year since the allocation of restricted stock.
- (b) 50% of allocated stocks if the employee whose services have reached 2 years since the allocation of restricted stock.

The aforementioned restricted stocks cannot be transferred or entitled to the dividend distribution during the vesting period, but voting right is not restricted on these stocks. Employees are required to return the stocks received if they resign during the vesting period.

(b) Treasury stock transferred to the employee

The Board of Directors of the Company resolved to transferred the treasury stock of 1,500,000 shares to employees at a subscription price of \$45 per share on July 15, 2021, the date of disbursement to employees is July 28, 2021.

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>	<u>Settlement method</u>
Treasury stock transferred to the employees	July 15,2021	1,500,000 shares	N/A	Immediately vested	Equity settled

B. Details of the above share-based payment agreement are as follows:

(a) Shares of employee restricted stocks

	2021		2020	
	<u>Amount (shares)</u>	<u>Weighted-average exercise price (in dollars)</u>	<u>Amount (shares)</u>	<u>Weighted-average exercise price (in dollars)</u>
Restricted stocks to employees outstanding at January 1, 2021	-	-	-	-
Issue restricted stocks to employees	2,500,000	-	-	-
Cancellation of restricted stocks to employees	(22,800)	-	-	-
Restricted stocks to employees outstanding at December 31	<u>2,477,200</u>	-	-	-
vested	<u>1,236,200</u>	-	-	-
not vested	<u>1,241,000</u>	-	-	-

(b) Treasury stock transferred to the employees

	2021		2020	
	Amount (shares)	Weighted-average exercise price (in dollars)	Amount (shares)	Weighted-average exercise price (in dollars)
Stocks options to employees outstanding at January 1, 2021	-	-	-	-
Issue stocks options to employees	1,500,000	45	-	-
Exercise stock options by employees	(1,500,000)	45	-	-
Stocks options to employees outstanding at December 31	-	-	-	-
Exercisable stock options	-	-	-	-

C. The relevant information about the fair value of the stock option option estimated in the share based payment transaction of the Company is as follows:

(a) Shares of employee restricted stocks

The fair value of stock options granted is measured using the Monte Carlo simulation model. Relevant information is as follows:

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise Price (in dollars)	Expected price Volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Restricted stocks to employees	December 10, 2020	74.7	-	39.8%	2 years	9.7%	0.2113% ~0.2289%	62.60

Note1: Expected price volatility rate was estimated by using the annualised standard deviation by using the daily rates of returns of the Company's historical stock prices.

(b) Treasury stock transferred to the employees

The fair value of stock options granted is measured using the Black-Scholes model.

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Treasury stock transferred to the employees	July 15, 2021	119.5	45	49.63%	0.041 years	0.0%	0.1786%	74.503

Note2: The expected volatility is calculated by using the stock price of the company in the last year as the sample range.

D. Related effects incurred on share-based payment transactions are shown below:

(a) Wages and salaries

Wages and salaries incurred on the abovementioned transactions are shown below:

	Years ended December 31,	
	2021	2020
Restricted stocks to employees	\$ 110,620	\$ 9,781
Treasury stock transferred to employee	111,755	-
	<u>\$ 222,375</u>	<u>\$ 9,781</u>

(b) Capital surplus

Capital surplus incurred on the abovementioned transactions are shown below:

	Years ended December 31,	
	2021	2020
Restricted stocks to employees	(\$ 26,199)	\$ 156,500
Treasury stock transferred to employee	101,472	-
	<u>\$ 75,273</u>	<u>\$ 156,500</u>

(21) Share capital

A. As of December 31, 2021, the Company's authorised capital was \$6,000,000, consisting of 600,000,000 shares of ordinary stock (including 25,000,000 shares reserved for employee stock options), and the paid-in capital was \$2,636,713 with a par value of \$10 (in dollars) per share, equivalent to 263,671,347 shares. The Company's actual outstanding shares was 259,710,347 shares, net of treasury shares. All proceeds from shares issued have been collected. Movements in the number of the Company's ordinary shares outstanding, excluding treasury stock, are as follows: (unit: shares)

	Year ended December 31,	
	2021	2020
At January 1	230,912,645	222,256,320
Conversion of convertible bonds	24,820,502	14,117,325
Purchase of treasury shares	-	(5,461,000)
Issue restricted stock to employees	2,500,000	-
Cancellation of restricted stock to employees	(22,800)	-
Treasury stock transferred to the employees	1,500,000	-
At December 31	<u>259,710,347</u>	<u>230,912,645</u>

The shares of the Company held by the subsidiary is the Company's treasury shares, movements in the number of the shares are as follows: (unit: shares)

	Year ended December 31,	
	2021	2020
At January 1	1,330,000	665,000
Acquisition of parent company's share by subsidiaries	-	692,000
Disposal of parent company's share by subsidiaries	-	(27,000)
At December 31	<u>1,330,000</u>	<u>1,330,000</u>

B. Conversion of convertible bonds

For the years ended December 31, 2021 and 2020, the Company issued 24,820,502 and 14,117,325 shares of ordinary shares because of conversion of secured convertible bonds. The registration for the issuance of conversation was partly completed.

C. Treasury shares

(a) The Company

- i. Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		December 31, 2021	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	3,961,000	\$ 204,870

		December 31, 2020	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	5,461,000	\$ 282,450

- ii. Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- iii. Pursuant to the R.O.C. Securities and Exchange Law, treasury stock should not be pledged as collateral and is not entitled to dividends before it is reissued to the employees.
- iv. Pursuant to the R.O.C. Securities and Exchange Law, treasury stocks should be reissued to the employees within three years and shares not reissued within the three-year period are to be retired.
- v. Details of repurchasing outstanding shares:

Year	Shares	Amount	Final termination for reissuance
2017(9 th)	5,623,000	\$ 464,268	November 2020
2020(10 th)	5,461,000	282,450	May 2023

(i) 2017(9th)

On November 23, 2017, the Board of Directors has resolved to transfer the 9th of repurchase outstanding shares to employees for 4,085,000 shares with transfer price of \$82.57 per share, the grant date is December 1, 2017, and the total amount is \$336,288 net of securities transactions tax. On December 15, 2017, those shares had been transferred to employees. On December 10, 2020, the Board of Directors of the Company resolved to retire remaining shares repurchased in 2017 (9th) in the shares of 1,538,000, and the registration for the retirement was completed.

(ii) 2020(10th)

On March 19, 2020, the Board of Directors of the Company resolved to purchase treasury shares. The expected number of shares to be repurchased was 6 million shares, and the Company has repurchased 5,461,000 shares amounting to \$282,450. The Board of Directors of the Company has resolved to transfer 1,500,000 treasury stocks that the Company repurchased in 2020 for the tenth time to employees at a transfer price of \$45 on July 15, 2021. The grant date of the shared-based payment giving is July 15, 2021. After the deduction of securities transaction tax, the amount of the securities transaction was \$67,297 and was actually transferred to the employee on July 15, 2021.

(b) The subsidiary

The subsidiary of the Company, LIWANLI Innovation Co., Ltd., and its subsidiaries is the subsidiary over which the Company has substantial control since June 30, 2017. The Company, however, holds less than 50% of the subsidiary's shares. Therefore, the shares of the Company acquired by the subsidiary and its subsidiaries are free from the restrictions of Article 167 of the Company Act and such investment on the Company's shares is a general investment. Details are as follows:

<u>Name of company holding the shares</u>	<u>December 31, 2021</u>	
	<u>Number of shares</u>	<u>Carrying amount</u>
LIWANLI Innovation Co., Ltd. and its subsidiaries	<u>1,330,000</u>	<u>\$ 70,360</u>

<u>Name of company holding the shares</u>	<u>December 31, 2020</u>	
	<u>Number of shares</u>	<u>Carrying amount</u>
LIWANLI Innovation Co., Ltd. and its subsidiaries	<u>1,330,000</u>	<u>\$ 70,360</u>

(22) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

2021

	Share premium	Stock options	Changes in ownership interests in subsidiaries	Donated assets	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Employee restricted stocks	Total
At January 1	\$ 4,189,302	\$ 49,574	\$ 23,801	\$ 374	\$ 46,470	\$ 10,708	\$ 156,500	\$ 4,476,729
Conversion of convertible bonds	1,100,439	(43,788)	-	-	-	-	-	1,056,651
Issuance of employee restricted stocks	-	-	-	-	-	-	(25,000)	(25,000)
Cancellation of employee restricted stocks	-	-	-	-	-	-	(1,199)	(1,199)
Adjustments to surplus reserve from dividends paid to subsidiary	-	-	-	-	4,235	-	-	4,235
Employee restricted shares vested	65,024	-	-	-	-	-	(65,024)	-
Exercise the right of Disgorgement	-	-	-	92	-	-	-	92
Treasury stock transferred to the employee	-	-	-	-	101,472	-	-	101,472
At December 31	\$ 5,354,765	\$ 5,786	\$ 23,801	\$ 466	\$ 152,177	\$ 10,708	\$ 65,277	\$ 5,612,980

2020

	Share premium	Stock options	Changes in ownership interests in subsidiaries	Donated assets	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Employee restricted stocks	Total
At January 1	\$ 3,629,654	\$ 50,474	\$ 23,801	\$ 374	\$ 127,123	\$ 1,340	\$ -	\$ 3,832,766
Issuance of convertible bonds	-	27,500	-	-	-	-	-	27,500
Conversion of convertible bonds	584,998	(28,400)	-	-	-	-	-	556,598
Treasury share transactions of subsidiaries	-	-	-	-	3,687	-	-	3,687
Adjustments to surplus reserve from dividends paid to subsidiary	-	-	-	-	1,916	-	-	1,916
Issuance of employee restricted stocks	-	-	-	-	-	-	156,500	156,500
Difference between consideration and carrying amount of subsidiaries disposed to non-controlling interests	-	-	-	-	-	2,481	-	2,481
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	6,887	-	6,887
Shares retired	(25,350)	-	-	-	(86,256)	-	-	(111,606)
At December 31	\$ 4,189,302	\$ 49,574	\$ 23,801	\$ 374	\$ 46,470	\$ 10,708	\$ 156,500	\$ 4,476,729

(23) Retained earnings

A. Earnings allocation under the Company's Articles of Incorporation

- (a) According to the amended articles of association adopted by the shareholders' Meeting on July 12, 2021
- (i) Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the accumulated legal reserve reaches the Company's total capital. Then, set aside or reverse special reserve based on the related regulations.
 - (ii) Appropriation of the Company's earnings shall be proposed by the Board of Directors and resolved by the stockholders based on the foregoing remaining earnings after distribution of remuneration to the directors and supervisors and bonuses to the employees plus the prior year's unappropriated retained earnings. Based on consistent and balanced principles, the Company's dividend policy is adopted taking into consideration the Company's operating results, financial structure and future operational plans. According to the dividend policy, cash dividends shall account for at least 10% of the total dividends distributed.
 - (iii) If all or part of dividends and bonuses or legal surplus reserves and capital reserves are paid in cash, the board of directors may be authorized to do so with the attendance of more than two-thirds of the directors and with the consent of a majority of the directors present and report to the shareholders' meeting.
- (b) Before the amended articles of association adopted by the shareholders' Meeting on July 12, 2021
- (i) Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the accumulated legal reserve reaches the Company's total capital. Then, set aside or reverse special reserve based on the related regulations.
 - (ii) Appropriation of the Company's earnings shall be proposed by the Board of Directors and resolved by the stockholders based on the foregoing remaining earnings after distribution of remuneration to the directors and supervisors and bonuses to the employees plus the prior year's unappropriated retained earnings. Based on consistent and balanced principles, the Company's dividend policy is adopted taking into consideration the Company's operating results, financial structure and future operational plans. According to the dividend policy, cash dividends shall account for at least 10% of the total dividends distributed.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

C. Unappropriated earnings

(a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve of \$138,382 on initial application of IFRSs in accordance with Financial-Supervisory-Securities-Corporate-Order No.1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. Distribution of earnings

(a) The appropriations of earnings of years 2020 and 2019 as resolved by the shareholders on July 12, 2021 and June 19, 2020 are as follows:

	Years ended December 31,			
	2020		2019	
	Amount	Dividends (in dollars)	Amount	Dividends (in dollars)
Legal reserve appropriated	\$ 108,468		\$ 41,057	
Special reserve appropriated	83,323		266,654	
Cash dividends	808,194	3.5	311,159	1.4
	<u>\$ 999,985</u>		<u>\$ 618,870</u>	

(b) As of March 15, 2022, the company has not yet resolved to pass the appropriation of earnings of year 2021.

(24) Other equity items

	2021			
	<u>Currency translation</u>	<u>Unrealised gains (losses) on valuation</u>	<u>Unearned stock-based employee compensation</u>	<u>Total</u>
At January 1	(\$ 761,786)	(\$ 410,049)	(\$ 146,719)	(\$ 1,318,554)
Cancellation of employee restricted stocks	-	-	1,427	1,427
Compensation cost for employee restricted stocks	-	-	110,620	110,620
Revaluation-gross:				
-Group	-	100,489	-	100,489
-Tax on Group	- (4,183)	-	- (4,183)	- (4,183)
-Associates	-	326	-	326
Currency translation differences:				
-Group	(218,301)	-	- (218,301)	(218,301)
-Tax on Group	43,681	-	-	43,681
-Associates	(110)	-	- (110)	(110)
At December 31	<u>(\$ 936,516)</u>	<u>(\$ 313,417)</u>	<u>(\$ 34,672)</u>	<u>(\$ 1,284,605)</u>

	2020			
	<u>Currency translation</u>	<u>Unrealised gains (losses) on valuation</u>	<u>Unearned stock-based employee compensation</u>	<u>Total</u>
At January 1	(\$ 640,574)	(\$ 490,156)	\$ -	(\$ 1,130,730)
Issuance of employee restricted stocks	-	-	(156,500)	(156,500)
Cost of employee restricted stocks	-	-	9,781	9,781
Revaluation-gross:				
-Group	-	36,253	-	36,253
-Tax on Group	-	1,891	-	1,891
-Associates	- (996)	-	- (996)	- (996)
Revaluation transferred to retained earnings-gross				
-Group	-	42,959	-	42,959
-Associates	-	-	-	-
Currency translation differences:				
-Group	(151,464)	-	- (151,464)	(151,464)
-Tax on Group	30,305	-	-	30,305
-Associates	(53)	-	- (53)	(53)
At December 31	<u>(\$ 761,786)</u>	<u>(\$ 410,049)</u>	<u>(\$ 146,719)</u>	<u>(\$ 1,318,554)</u>

(25) Operating revenue

A. The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

<u>Year ended December 31, 2021</u>	<u>Contract revenue</u>					
	<u>Country T</u>	<u>Country C</u>	<u>Country A</u>	<u>Country J</u>	<u>Others</u>	<u>Total</u>
Timing of revenue recognition						
At a point in time	\$ 7,698,017	\$ 12,682,488	\$ 12,611,897	\$ 2,091,059	\$ 4,390,481	\$ 39,473,942
Over time	<u>6</u>	<u>119,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,822</u>
	<u>\$ 7,698,023</u>	<u>\$ 12,802,304</u>	<u>\$ 12,611,897</u>	<u>\$ 2,091,059</u>	<u>\$ 4,390,481</u>	<u>\$ 39,593,764</u>

<u>Year ended December 31, 2020</u>	<u>Contract revenue</u>					
	<u>Country T</u>	<u>Country C</u>	<u>Country A</u>	<u>Country J</u>	<u>Others</u>	<u>Total</u>
Timing of revenue recognition						
At a point in time	\$ 4,349,393	\$ 11,397,065	\$ 10,443,447	\$ 1,516,225	\$ 4,507,974	\$ 32,214,104
Over time	<u>12,004</u>	<u>945</u>	<u>-</u>	<u>-</u>	<u>277</u>	<u>13,226</u>
	<u>\$ 4,361,397</u>	<u>\$ 11,398,010</u>	<u>\$ 10,443,447</u>	<u>\$ 1,516,225</u>	<u>\$ 4,508,251</u>	<u>\$ 32,227,330</u>

B. Contract liabilities

(a) The Group has recognised the following revenue-related contract liabilities:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>January 1, 2020</u>
Contract liabilities:			
Sales revenue and service revenue contract	<u>\$ 41,714</u>	<u>\$ 12,440</u>	<u>\$ 9,694</u>

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Sales revenue and service revenue contract	<u>\$ 12,440</u>	<u>\$ 7,315</u>

(26) Other income

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Rental revenue	\$ 28,868	\$ 28,497
Dividend income	15,891	9,782
Government grants	304,473	41,142
Other income	<u>69,452</u>	<u>55,434</u>
	<u>\$ 418,684</u>	<u>\$ 134,855</u>

(27) Other gains and losses

	Years ended December 31,	
	2021	2020
	\$ 446	\$ 197,544
Gains (losses) on disposal of property, plant and equipment		
Gain on disposal of investment property	3,606	26,020
(Losses) gains on disposal of investment accounted for using the equity method	(42)	(557)
Profit from lease modification	564	75
Net currency exchange losses	(48,863)	(16,340)
Net gains (losses) on financial assets and liabilities at fair value through profit or loss	467,119	43,279
Impairment loss on investment property	(35,072)	(210,000)
Impairment loss on intangible assets	-	(59,280)
Impairment loss on investments accounted for using the equity method	-	(123,979)
Depreciation charges on investment property	(4,496)	(5,053)
Others	(55,871)	7,381
	<u>\$ 327,391</u>	<u>(\$ 140,910)</u>

(28) Finance costs

	Years ended December 31,	
	2021	2020
Bank borrowings	\$ 158,235	\$ 147,015
Lease liabilities	1,173	1,004
Amortization of bond discount	8,089	12,168
	<u>\$ 167,497</u>	<u>\$ 160,187</u>

(29) Expenses by nature

	Years ended December 31,	
	2021	2020
Employee benefit expense	<u>\$ 2,094,340</u>	<u>\$ 1,744,084</u>
Depreciation charges on property, plant and equipment	<u>\$ 239,457</u>	<u>\$ 245,368</u>
Depreciation charges on right-of-use assets	<u>\$ 48,494</u>	<u>\$ 50,459</u>
Amortisation charges on intangible assets	<u>\$ 64,300</u>	<u>\$ 65,742</u>

(30) Employee benefit expenses

	Years ended December 31,	
	2021	2020
Wages and salaries	\$ 1,765,206	\$ 1,483,178
Labour and health insurance fees	136,268	112,997
Pension costs	67,007	41,792
Directors' remuneration	42,628	33,346
Other personnel expenses	83,231	72,771
	<u>\$ 2,094,340</u>	<u>\$ 1,744,084</u>

A. The Company's Articles of Incorporation provides that, if the Company has any profit for the current year, the Company ratio shall not be lower than 1% for employees' compensation in the form of shares or in cash as resolved by the Board of Directors. For employees of subsidiaries of the company meeting certain specific requirements can share the distribution, the qualification requirements are set by the Chairman of the Board. The Group can distribute directors' and supervisors' remuneration no higher than 1%.

A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. However, if a company has accumulated deficit, earnings should be used in offsetting losses, then distributed as the employees' compensation and directors' and supervisors' remuneration in accordance with above mentioned proportion.

B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$85,983 and \$93,219, respectively; directors' and supervisors' remuneration was accrued at \$28,661 and \$18,644, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 3% and 1% of distributable profit of current year for the year ended December 31, 2021.

Employees' compensation and directors' and supervisors' remuneration of 2020 amounting to \$93,219 and \$18,644, respectively, as resolved by the Board of Directors were in agreement with those amounts recognised in the 2020 financial statements. As of December 31, 2021, the amounts of \$93,219 and \$18,644 were distributed in the form of cash, respectively.

C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2021	2020
Current tax:		
Current income tax liabilities	\$ 311,871	\$ 230,583
Current income tax assets	(35,939)	(21,938)
Prior year tax refunded	1,239	5,091
Prepaid income tax	276,494	178,740
Prior year income tax (over) underestimation	(35,785)	(5,458)
Land value increment tax	34,156	-
Total current tax	<u>552,036</u>	<u>387,018</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>353,134</u>	<u>222,162</u>
Other:		
Effect on exchange rate	<u>9,634</u>	<u>3,765</u>
Income tax expense	<u>\$ 914,804</u>	<u>\$ 612,945</u>

(b) The Group did not have income tax charged/(credited) to equity. The income tax benefit (expense) relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2021	2020
Changes in fair value of financial assets at fair value through other comprehensive income	4,183	(\$ 1,891)
Currency translation differences	(43,681)	(30,305)
Remeasurement of defined benefit obligations	527	188
	<u>(\$ 38,971)</u>	<u>(\$ 32,008)</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 1,046,660	\$ 596,847
Tax exempt income by tax regulation	(150,595)	(51,869)
Gain on investments accounted for using equity the method	(91,274)	(99,265)
Share of loss of associates accounted for equity method	4,677	56,151
Capital reduction for cover accumulated deficits of associates accounted for equity method	(10,036)	-
Tax-exemption of domestic dividend income	(1,168)	(5,510)
Impairment loss on investment property	7,015	42,000
Impairment loss on investments accounted for using the equity method	-	17,128
Taxable loss not recognised as deferred tax assets	10,874	20,142
Change in assessment of realisation of deferred tax assets	64,099	55,749
Prior year income tax (over) underestimation	(35,785)	(5,458)
Usage of taxable loss not recognised as deferred tax assets	-	(9,896)
Land value increment tax	34,156	-
Others	36,181	(3,074)
Income tax expense	<u>\$ 914,804</u>	<u>\$ 612,945</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax loss are as follows:

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets:				
-Temporary differences:				
Loss on inventory	\$ 10,007	12,648	\$ -	\$ 22,655
Amount of allowance for bad debts that exceed the limit for tax purpose	10,163	-	-	10,163
Unrealised gross profit from sales	33,462	(31,549)	-	1,913
Payable for unpaid annual leave	4,831	929	-	5,760
Provisions for liabilities	2,100	(275)	-	1,825
Unrealised gain (loss) on valuation of financial assets	8,797	-	(4,183)	4,614
Unrealised loss on domestic investments accounted for using the equity method	70,197	(39,052)	-	31,145
Currency translation differences	190,447	-	43,681	234,128
Unrealised foreign exchange loss	2,931	(1,507)	-	1,424
Others	64,503	(57,425)	-	7,078
-Tax losses	36,992	(28,304)	-	8,688
Subtotal	<u>434,430</u>	<u>(144,535)</u>	<u>39,498</u>	<u>329,393</u>
Deferred tax liabilities:				
-Temporary differences:				
Net defined benefit asset	(3,179)	(179)	(527)	(3,885)
Unrealised gains on valuation	(13,032)	2,554	-	(10,478)
Unrealised gain on investments	(593,829)	(202,574)	-	(796,403)
Others	(303)	(8,400)	-	(8,703)
Subtotal	<u>(610,343)</u>	<u>(208,599)</u>	<u>(527)</u>	<u>(819,469)</u>
	<u>(\$ 175,913)</u>	<u>(\$ 353,134)</u>	<u>\$ 38,971</u>	<u>(\$ 490,076)</u>

	2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets:				
-Temporary differences:				
Loss on inventory	\$ 15,946	(\$ 5,939)	\$ -	\$ 10,007
Amount of allowance for bad debts that exceed the limit for tax purpose	10,163	-	-	10,163
Unrealised gross profit from sales	6,608	26,854	-	33,462
Payable for unpaid annual leave	4,226	605	-	4,831
Provisions for liabilities	3,494	(1,394)	-	2,100
Unrealised gain (loss) on valuation of financial assets	6,906	-	1,891	8,797
Unrealised loss on domestic investments accounted for using the equity method	74,691	(4,494)	-	70,197
Unrealised loss on biological assets	51	(51)	-	-
Currency translation differences	160,142	-	30,305	190,447
Unrealised foreign exchange loss	6,263	(3,332)	-	2,931
Others	20,204	44,299	-	64,503
-Tax losses	<u>215,582</u>	<u>(178,590)</u>	<u>-</u>	<u>36,992</u>
Subtotal	<u>524,276</u>	<u>(122,042)</u>	<u>32,196</u>	<u>434,430</u>
Deferred tax liabilities:				
-Temporary differences:				
Net defined benefit asset	(2,815)	(176)	(188)	(3,179)
Unrealised gains on valuation	(4,143)	(8,889)	-	(13,032)
Unrealised gain on investments	(502,703)	(91,126)	-	(593,829)
Others	<u>(374)</u>	<u>71</u>	<u>-</u>	<u>(303)</u>
Subtotal	<u>(510,035)</u>	<u>(100,120)</u>	<u>(188)</u>	<u>(610,343)</u>
	<u>\$ 14,241</u>	<u>(\$ 222,162)</u>	<u>\$ 32,008</u>	<u>(\$ 175,913)</u>

D. Expiration dates of unused taxable loss and amounts of unrecognised deferred tax assets are as follows:

December 31, 2021						
	Year incurred	Amount		Unrecognised deferred tax assets		Expiry year
		filed/assessed	Unused amount			
Zhao-Xing Investment Co., Ltd.	2014 (assessed)	\$ 24,356	\$ 24,356	\$ 24,356		2024
	2016 (assessed)	962	962	962		2026
	2017 (assessed)	33,642	33,642	33,642		2027
	2018 (assessed)	101,908	101,908	101,908		2028
	2020 (filed)	45,823	45,823	45,823		2030
	2021 (filed)	7,843	7,843	7,843		2031
CI CAI GUANG Biotechnology Agricultural Co., Ltd.	2013 (assessed)	1,750	1,750	1,750		2023
	2014 (assessed)	11,168	11,168	11,168		2024
	2015 (assessed)	6,202	6,202	6,202		2025
	2016 (assessed)	3,400	3,400	3,400		2026
	2017 (assessed)	2,767	2,767	2,767		2027
	2018 (assessed)	2,269	2,269	2,269		2028
	2019 (assessed)	4,186	4,186	4,186		2029
	2020 (filed)	2,032	2,032	2,032		2030
	2021 (filed)	1,147	1,147	1,147		2031
Jiou Long Agricultural Biotechnology Co., Ltd.	2013 (assessed)	502	502	502		2023
	2014 (assessed)	570	570	570		2024
	2015 (assessed)	149	149	149		2025
	2016 (assessed)	174	174	174		2026
	2017 (assessed)	168	168	168		2027
	2018 (assessed)	207	207	207		2028
	2019 (assessed)	172	172	172		2029
	2020 (filed)	192	192	192		2030
	2021 (filed)	173	173	173		2031
Long Tian Agricultural Biotechnology Co., Ltd.	2013 (assessed)	1,976	1,976	1,976		2023
	2014 (assessed)	9,979	9,979	9,979		2024
	2015 (assessed)	6,482	6,482	6,482		2025
	2016 (assessed)	5,205	5,205	5,205		2026
	2017 (assessed)	4,113	4,113	4,113		2027
	2018 (assessed)	3,181	3,181	3,181		2028
	2019 (assessed)	2,395	2,395	2,395		2029
	2020 (filed)	1,640	1,640	1,640		2030
	2021 (filed)	2,112	2,112	2,112		2031
Awayspeed Technology Company Limited	2020 (filed)	3,098	3,098	3,098		2030
	2021 (filed)	1,910	1,910	1,910		2031
Adata Integration	2017 (filed)	55,570	55,570	55,570		Unlimited duration
	2018 (filed)	52,808	52,808	52,808		Unlimited duration
	2019 (filed)	19,184	19,184	19,184		Unlimited duration
	2020 (filed)	3,220	3,220	3,220		Unlimited duration
	2021 (filed)	25,882	25,882	25,882		Unlimited duration
LIWANLI Innovation Co., Ltd.	2012 (assessed)	41,347	41,347	41,347		2022
	2015 (assessed)	55,485	55,485	55,485		2025
	2016 (assessed)	34,173	34,173	34,173		2026
	2019 (filed)	45,083	45,083	45,083		2029
	2021 (filed)	43,095	43,095	43,095		2031
		<u>\$ 669,700</u>	<u>\$ 669,700</u>	<u>\$ 669,700</u>		

December 31, 2020

	Year incurred	Amount		Unrecognised deferred tax	
		filed/assessed	Unused amount	assets	Expiry year
Zhao-Xing Investment Co., Ltd.	2014 (assessed)	\$ 24,356	\$ 24,356	\$ 24,356	2024
	2016 (assessed)	962	962	962	2026
	2017 (assessed)	33,642	33,642	33,642	2027
	2018 (assessed)	101,908	101,908	101,908	2028
	2019 (filed)	45,823	45,823	45,823	2029
CI CAI GUANG Biotechnology Agricultural Co., Ltd.	2013 (assessed)	1,750	1,750	1,750	2023
	2014 (assessed)	11,168	11,168	11,168	2024
	2015 (assessed)	6,202	6,202	6,202	2025
	2016 (assessed)	3,400	3,400	3,400	2026
	2017 (assessed)	2,767	2,767	2,767	2027
	2018 (assessed)	2,269	2,269	2,269	2028
	2019 (filed)	4,186	4,186	4,186	2029
	2020 (filed)	2,032	2,032	2,032	2030
Adata Technology (HK) Co., Ltd.	-	113,357	113,357	-	Unlimited duration
Jiou Long Agricultural Biotechnology Co., Ltd.	2013 (assessed)	502	502	502	2023
	2014 (assessed)	570	570	570	2024
	2015 (assessed)	149	149	149	2025
	2016 (assessed)	174	174	174	2026
	2017 (assessed)	168	168	168	2027
	2018 (assessed)	207	207	207	2028
	2019 (filed)	172	172	172	2029
	2020 (filed)	192	192	192	2030
Long Tian Agricultural Biotechnology Co., Ltd.	2013 (assessed)	1,976	1,976	1,976	2023
	2014 (assessed)	9,979	9,979	9,979	2024
	2015 (assessed)	6,482	6,482	6,482	2025
	2016 (assessed)	5,205	5,205	5,205	2026
	2017 (assessed)	4,113	4,113	4,113	2027
	2018 (assessed)	3,181	3,181	3,181	2028
	2019 (filed)	2,395	2,395	2,395	2029
	2020 (filed)	1,640	1,640	1,640	2030
Alwayspeed Technology Company Limited	2020 (filed)	3,098	3,098	3,098	2030
Adata Integration	2017 (filed)	62,824	62,824	-	Unlimited duration
	2018 (filed)	59,701	59,701	-	Unlimited duration
	2019 (filed)	20,136	20,136	-	Unlimited duration
LIWANLI Innovation Co., Ltd.	2012 (assessed)	41,347	41,347	41,347	2022
	2015 (assessed)	55,485	55,485	55,485	2025
	2016 (assessed)	34,173	34,173	34,173	2026
	2019 (filed)	45,083	45,083	45,083	2029
	2020 (filed)	24,026	24,026	24,026	2030
		<u>\$ 736,800</u>	<u>\$ 736,800</u>	<u>\$ 480,782</u>	

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Deductible temporary differences	\$ <u>444,649</u>	\$ <u>446,605</u>

F. The information of the Group's income tax assessment is as follows:

	<u>Assessment status</u>
The Company, CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD., JIOU LONG AGRICULTURAL, LONG TIAN AGRICULTURAL, ZHAO-XING INVESTMENT CO., LTD, Zhen Lian Investment Co., Ltd., Hong Qi Investment Co., Ltd., LIWANLI Innovation Co., Ltd., and Awayspeed Technology Company Limited	Assessed till 2019

(32) Earnings per share

	<u>Year ended December 31, 2021</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ <u>2,247,354</u>	<u>245,822</u>	\$ <u>9.14</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,247,354	245,822	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	1,195	
-Convertible bonds	4,860	13,051	
-Employee restricted stocks	-	<u>2,000</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>2,252,214</u>	<u>262,068</u>	\$ <u>8.59</u>

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,350,659	221,304	\$ 6.10
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,350,659	221,304	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	1,498	
-Convertible bonds	2,341	25,483	
-Employee restricted stocks	-	37	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,353,000	248,322	\$ 5.45

(33) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31,	
	2021	2020
Purchase of property, plant and equipment	\$ 387,421	\$ 110,040
Add: Opening balance of payable on equipment	3,352	7,861
Less: Ending balance of payable on equipment	(3,334)	(3,352)
Cash paid during the year	\$ 387,439	\$ 114,549

B. Financing activities with no cash flow effects:

	Years ended December 31,	
	2021	2020
Acquisition of right-of-use assets	\$ 36,003	\$ 73,527
Less: Additional lease liabilities during the year	(36,003)	(73,527)
Cash paid during the year	\$ -	\$ -

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Convertible bonds converted to capital stocks	\$ 1,304,856	\$ 697,771

(34) Changes in liabilities from financing activities

	Short-term		Long-term		
	Short-term borrowings	notes and bill payable	Bonds payable	borrowings (including current portion)	Lease liabilities (current/non-current)
At January 1, 2021	\$ 6,272,309	\$ 200,000	\$ 1,511,896	\$ 4,496,609	\$ 84,770
Increase in cash flow from financing activities	2,678,031	300,000	-	12,600,000	-
Decrease in cash flow from financing activities	-	-	-	(12,322,503)	(51,795)
Increase in lease liabilities	-	-	-	-	36,003
Amortisation of discounts on bonds payable	-	-	8,089	-	-
Changes in other non-cash items	-	-	(1,313,880)	-	(10,915)
At December 31, 2021	<u>\$ 8,950,340</u>	<u>\$ 500,000</u>	<u>\$ 206,105</u>	<u>\$ 4,774,106</u>	<u>\$ 58,063</u>

	Short-term		Long-term		
	Short-term borrowings	notes and bill payable	Bonds payable	borrowings (including current portion)	Lease liabilities (current/non-current)
At January 1, 2020	\$ 3,282,396	\$ 700,000	\$ 1,234,758	\$ 6,896,355	\$ 65,566
Increase in cash flow from financing activities	2,989,913	-	995,000	39,377,752	-
Decrease in cash flow from financing activities	-	(500,000)	-	(41,777,498)	(51,688)
Increase in lease liabilities	-	-	-	-	73,527
Amortisation of discounts on bonds payable	-	-	12,168	-	-
Changes in other non-cash items	-	-	(730,030)	-	(2,635)
At December 31, 2020	<u>\$ 6,272,309</u>	<u>\$ 200,000</u>	<u>\$ 1,511,896</u>	<u>\$ 4,496,609</u>	<u>\$ 84,770</u>

(35) Transactions with non-controlling interest

Disposal of equity interest of subsidiary

For the years ended December 31, 2021 and 2020, the Group disposed 0% and 0.24% issued shares of the subsidiary, LIWANLI Innovation Co., Ltd., respectively. As a result of the transaction, equity attributable to owners of parent was increased by \$0 and \$2,481, respectively.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
IROC Co., Ltd.	Associates
Weili Health Medical Technology Co., Ltd.	Associates
Atrack Technology Inc.	Associates

Names of related parties	Relationship with the Company
All In Digital Co., Ltd.	Associates
Function (Qindao) Marine Technology Co., Ltd.	Associates
Taiwan Biomedical Company	Associates
Shandong Function Technology Development Co., Ltd.	Associates
Taiwan Sports Lottery Co., Ltd.	Joint ventures
ATESTINC CO., LTD.	Other related party
Zhaolong Investment Co., Ltd.	Other related party
Esmond Natural (Taiwan) Co., Ltd.	Other related party
All directors and officials above vice general manager	The Group's key management and governance body

(2) Significant related party transactions and balances

A. Sales transactions

(a) Operating revenue:

Operating revenue arising from sales to related parties is as follows:

	Years ended December 31,	
	2021	2020
Associates	\$ 1,703	\$ 99,787
Other related parties	52	8
Joint ventures	-	841
	<u>\$ 1,755</u>	<u>\$ 100,636</u>

Sales price to related parties are based on market price. The collection terms were shipped after pre-payment of goods to 120 days and within 30 days for other related parties.

(b) Accounts receivable

Details of accounts receivable from related parties are as follows:

	December 31, 2021	December 31, 2020
Associates	<u>\$ -</u>	<u>\$ 3</u>

B. Purchases of goods:

(a) Purchases

Details of purchasing (returning) from related parties are as follows:

	Years ended December 31,	
	2021	2020
Associates	\$ 2,848	\$ 2,552
Other related parties	413	(72)
	<u>\$ 3,261</u>	<u>\$ 2,480</u>

The purchase price and payment terms that the Group provided to related parties are available to the third parties. The payment terms to the third parties were paid upon receipt of goods to 90 days after monthly billings, and the payment terms to the related parties were paid upon 30 days after receipt of goods to 60 days after monthly billings.

(b) Accounts payable

Details of accounts payable arising from purchases to related parties are as follows:

	December 31, 2021	December 31, 2020
Associates	\$ 337	\$ 1
Other related parties	48	-
	<u>\$ 385</u>	<u>\$ 1</u>

C. Lease and miscellaneous transactions

(a) Other income

The rent income and other income arising from lease, maintenance, repair, selling packaging material and rendering services are as follows:

	Years ended December 31,	
	2021	2020
Associates	\$ 155	\$ 104
Other related parties	340	-
	<u>\$ 495</u>	<u>\$ 104</u>

The decision and collection terms of rent for subletting office to related parties were agreed upon by both party, and were paid monthly at the inception of lease commencement.

(b) Other receivables

Other receivables arising from the aforementioned transactions and payments on behalf of others are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Associates	\$ 84	\$ 56
Other related parties	<u>10</u>	<u>13</u>
	<u>\$ 94</u>	<u>\$ 69</u>

D. Issuance of lottery

Other receivables

To obtain the issuance right for sports lottery, the Company issued a performance guarantee of \$2,000,000. The guarantee period is 10.5 years. As of December 31, 2021 and 2020, the information on other receivables from related parties arising from guaranteed expenses, interest expenses and payments on behalf of others is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Joint ventures	\$ 33,987	\$ 38,212

Additionally, in order to commit to the above performance guarantee, the amounts of collateral, which consists of a time deposit provided by joint ventures, were both \$100,610 as of December 31, 2021 and 2020.

E. Lottery management revenue

(a) Other income

Other income arising from rendering management services to related parties are as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Joint ventures	<u>\$ 11,658</u>	<u>\$ 10,091</u>

(b) Other receivables

Details of other receivables arising from above transactions are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Joint ventures	<u>\$ 11,658</u>	<u>\$ 10,091</u>

F. Other transactions

(a) Operating expenses/other payables

Research and development expense arising from rendering research and development services to related parties are as follows:

	Years ended December 31,	
	2021	2020
Associates	\$ 484	\$ 783
Other related parties	363	1,828
	<u>\$ 847</u>	<u>\$ 2,611</u>

As of December 31, 2021 and 2020, the other payables arising from aforementioned transactions were \$58 and \$969, respectively.

(b) Other payables

Other payables arising from payments on behalf of related parties are as follows:

	December 31, 2021	December 31, 2020
Associates	\$ 120	\$ 11
Other related parties	79	-
	<u>\$ 199</u>	<u>\$ 11</u>

G. Dividend income

(a) Investments accounted for using the equity method

Dividend income arising from investment in associates (shown as deduction of investment accounted for using the equity method) is as follows:

	Years ended December 31,	
	2021	2020
Joint ventures	<u>\$ 300,000</u>	<u>\$ 250,000</u>

(b) Other receivables

As of December 31, 2021 and 2020, other receivables arising from aforementioned transactions were both \$0.

H. Acquisition of financial assets

Counterparty	Accounts	No. of shares	Objects	Year ended	
				December 31, 2021	
				Consideration	
All In Digital Co., Ltd.	Investments accounted for using the equity method	180,000	Stocks	\$	1,800
Atrack Technology Inc.	Investments accounted for using the equity method	5,000,000	Private Stocks		<u>67,500</u>
				\$	<u>69,300</u>
				Year ended	
				December 31, 2020	
				Consideration	
Shandong Function Technology Development Co., Ltd.	Investments accounted for using the equity method	134,615,383	Capital contribution certificate of Shandong Function Technology Development Co., Ltd.	\$	733,448
Weili Health Medical Technology Co., Ltd.	Investments accounted for using the equity method	200,000	Stocks		<u>6,000</u>
				\$	<u>739,448</u>

I. Guarantee

The Group entered into a loan agreement with banks. Part of the loan is collateralised by a related party.

(3) Key management compensation

	Years ended December 31,	
	2021	2020
Short-term employee benefits	\$ 295,973	\$ 120,731
Post-employment benefits	1,049	920
Shared-based payments	40,440	3,466
	<u>\$ 337,462</u>	<u>\$ 125,117</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2021	December 31, 2020	
Current financial assets at amortised cost	\$ 880,202	\$ 990,613	Pledged to Sports Administration, Ministry of Education Sports, performance bond, credit facility
Non-current financial assets at amortised cost	1,716	1,716	Customs guarantee for imported goods
Property, plant and equipment	2,783,763	2,792,548	Credit facility and issuance of bonds payable
Investment property	258,252	1,084,479	Credit facility
	<u>\$ 3,923,933</u>	<u>\$ 4,869,356</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Significant contingent liabilities

None.

(2) Significant unrecognised contract commitments

A. As of December 31, 2021 and 2020, the Group issued promissory notes for borrowing facilities, issuance of bonds payable, accounts receivable factorings facilities, project guarantee and government subsidy program amounting to \$28,168,821 and \$24,041,718, respectively.

B. As of December 31, 2021 and 2020, the amount of commitments for purchasing and expanding and improving factory buildings were \$2,616,284 and \$11,468, respectively.

C. As of December 31, 2021 and 2020, the amount of outstanding letters of credit for inventory purchases and provision of endorsements and guarantees of the Group were \$1,086,640 and \$702,240, respectively.

D. In order to obtain the issuance right for sports lottery in 2013, the Company issued a performance guarantee of \$2,000,000 and used its subsidiaries' land as collateral. As of December 31, 2021 and 2020, the amount of collateral in both years were both \$708,178.

E. As of December 31, 2021 and 2020, the outstanding amount and the actual amount drawn down of guarantees endorsed by the Group for others were \$2,603,336, \$2,254,100 and \$2,388,530, \$2,086,258, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

To response the need of business and staff expansion of the group, the meeting of board of directors has resolved to purchase the real estate located in Neihu district, Taipei city for an estimated total

purchase price of \$738,665 at February 15, 2022.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the debt ratio. This ratio is calculated as total liabilities divided by total assets.

During the year ended December 31, 2021, the Group's strategy, was unchanged from 2020. As of December 31, 2021 and 2020, the debt to assets ratio was 61% and 66%, respectively.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 1,057,056	\$ 1,097,141
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	590,806	496,495
Financial assets at amortised cost		
Cash and cash equivalents	3,119,730	2,778,355
Notes receivable	2,026	1,444
Accounts receivable	5,168,756	3,750,817
Accounts receivable-related parties	-	3
Other receivables	434,222	461,417
Other receivables-related parties	45,739	48,372
Current financial assets at amortised cost	903,409	1,011,658
Non-current financial assets at amortised cost	1,716	1,716
Other non-current assets-guarantee deposits paid	53,498	55,174
	<u>\$ 11,376,958</u>	<u>\$ 9,702,592</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 24,999	\$ -
Financial liabilities at amortised cost		
Short-term borrowings	8,950,340	6,272,309
Short-term notes and bills payable	500,000	200,000
Notes payable	2,717	2,390
Accounts payable	3,435,379	4,121,975
Accounts payable-related parties	385	1
Other accounts payable	874,267	816,550
Bonds payable	206,105	1,511,896
Long-term borrowings (including current portion)	4,774,106	4,496,609
Other non-current liabilities-guarantee deposits received	19,226	18,592
	<u>\$ 18,787,524</u>	<u>\$ 17,440,322</u>
Lease liabilities-current	\$ 34,752	\$ 39,213
Lease liabilities-non-current	23,311	45,557
	<u>\$ 58,063</u>	<u>\$ 84,770</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Foreign exchange risk

- (i) The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- (ii) Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
- (iii) The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: U.S. dollars, RMB, Hong Kong dollars, Japanese dollars and Brazilian dollars). The information on assets and liabilities denominated in

foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2021			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	257,453	27.6800	\$ 7,126,299
USD:RMB	245,027	6.3720	6,782,347
USD:HKD	22,671	7.7994	627,533
JPY:NTD	59,339	0.2405	14,271
<u>Non-monetary items</u>			
USD:NTD	2,724	27.6800	75,400
HKD:NTD	1,293	3.5490	4,589
USD:HKD	3,887	7.7994	13,795
RMB:HKD	70,987	1.2240	308,368
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	350,668	27.6800	9,706,490
USD:RMB	248,801	6.3720	6,886,812
USD:HKD	49,147	7.7994	1,360,389
USD:BRL	46,414	5.7011	1,284,740
December 31, 2020			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	145,527	28.4800	\$ 4,144,609
USD:RMB	208,126	6.5067	5,927,439
USD:HKD	15,585	7.7539	443,861
JPY:NTD	150,796	0.2763	41,665
<u>Non-monetary items</u>			
USD:NTD	1,078	28.4800	30,701
HKD:NTD	1,298	3.6730	4,768
USD:HKD	7,035	7.7539	200,357
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	209,607	28.4800	5,969,607
USD:RMB	222,168	6.5067	6,327,345
USD:HKD	31,993	7.7539	911,161
USD:BRL	21,931	5.1886	624,595

(iv) The total exchange (loss) gain, including realised and unrealised, arising from

significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2021 and 2020, amounted to (\$48,863) and (\$16,340), respectively.

(v) Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2021			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 71,263	\$ -
USD:RMB	1%	67,823	-
USD:HKD	1%	6,275	-
JPY:NTD	1%	143	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(97,065)	-
USD:RMB	1%	(68,868)	-
USD:HKD	1%	(13,604)	-
USD:BRL	1%	(12,847)	-
Year ended December 31, 2020			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 41,446	\$ -
USD:RMB	1%	59,274	-
USD:HKD	1%	4,439	-
JPY:NTD	1%	417	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(59,696)	-
USD:RMB	1%	(63,273)	-
USD:HKD	1%	(9,112)	-
USD:BRL	1%	(6,246)	-

ii. Price risk

(i) The Group's equity securities, which are exposed to price risk, are the held financial

assets at fair value through profit or loss, financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

- (ii) The Group's investments in equity securities comprise shares, open-end funds, gold passbook and financial products issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$10,571 and \$10,971, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$5,908 and \$4,965, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

iii. Cash flow and fair value interest rate risk

- (i) The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and US dollars.
- (ii) The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- (iii) If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2021 and 2020 would have increased/decreased by \$142,244 and \$109,689, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost, at fair value through profit or loss.
- ii. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and

delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. Credit risk of investments in debt instruments at amortised cost refers to the risk of financial loss to the Group arising from default by the counterparties on the contract obligations. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- iv. Based on historical experience, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Group adopts the assumptions under historical experience, the default occurs when the contract payments are past due over 90 days.
- vi. The Group classifies customers' accounts receivable in accordance with geographic area and the nature of customer risk. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- viii. In terms of default financial assets, the Group will continue executing the recourse procedures to secure their rights. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures.
- ix. The Group used the forecastability of future economic situation to adjust historical and timely information to assess the default possibility of notes and accounts receivable and overdue receivables. The provision matrix is as follows:

	Not past due	Up to 90 days past due	Over 90 days past due	Individual assessment	Total
<u>December 31, 2021</u>					
Expected loss rate	0.03%-0.07%	0.21%~39.51%	100%	100%	
Notes receivable	\$ 2,026	\$ -	\$ -	\$ -	\$ 2,026
Accounts receivable	4,709,644	464,914	2,178	-	5,176,736
Over due receivable	-	-	-	166	166
Total book value	<u>\$ 4,711,670</u>	<u>\$ 464,914</u>	<u>\$ 2,178</u>	<u>\$ 166</u>	<u>\$ 5,178,928</u>
Loss allowance	<u>(\$ 2,924)</u>	<u>(\$ 2,878)</u>	<u>(\$ 2,178)</u>	<u>(\$ 166)</u>	<u>(\$ 8,146)</u>
	Not past due	Up to 90 days past due	Over 90 days past due	Individual assessment	Total
<u>December 31, 2020</u>					
Expected loss rate	0.03%-0.17%	0.21%~58.59%	100%	100%	
Notes receivable	\$ 1,444	\$ -	\$ -	\$ -	\$ 1,444
Accounts receivable	3,426,742	328,270	525	-	3,755,537
Over due receivable	-	-	-	5,639	5,639
Total book value	<u>\$ 3,428,186</u>	<u>\$ 328,270</u>	<u>\$ 525</u>	<u>\$ 5,639</u>	<u>\$ 3,762,620</u>
Loss allowance	<u>(\$ 2,071)</u>	<u>(\$ 2,121)</u>	<u>(\$ 525)</u>	<u>(\$ 5,639)</u>	<u>(\$ 10,356)</u>

x. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts and overdue receivables are as follows:

	2021		
	Accounts receivable	Overdue receivables	Total
At January 1	(\$ 4,717)	(\$ 5,639)	(\$ 10,356)
Expected credit impairment gain	(3,468)	3,827	359
Derecognised	37	1,888	1,925
Reclassifications	370	(370)	-
Effect of exchange rate changes	(202)	128	(74)
At December 31	<u>(\$ 7,980)</u>	<u>(\$ 166)</u>	<u>(\$ 8,146)</u>
	2020		
	Accounts receivable	Overdue receivables	Total
At January 1	(\$ 22,001)	(\$ 9,390)	(\$ 31,391)
Expected credit impairment gain	9,764	3,204	12,968
Derecognised	975	6,555	7,530
Reclassifications	5,998	(5,998)	-
Effect of exchange rate changes	547	(10)	537
At December 31	<u>(\$ 4,717)</u>	<u>(\$ 5,639)</u>	<u>(\$ 10,356)</u>

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated

by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2021 and 2020, the Group held aforementioned investments (excluding cash and cash equivalents) position of \$1,057,056 and \$1,097,141, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Group has the following undrawn borrowing facilities:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Floating rate:		
Expiring within one year	\$ 11,160,553	\$ 9,566,233
Expiring beyond one year	<u>2,816,000</u>	<u>2,300,000</u>
	<u>\$ 13,976,553</u>	<u>\$ 11,866,233</u>

The facilities expiring within one year are annual facilities subject to review at various dates during 2021.

- iv. The Group's derivative financial liabilities and non-derivative financial liabilities are analysed based on the remaining period at the balance sheet date to the contractual maturity date. Except for those listed in the table below, the Company's non-derivative financial liabilities will expire within 1 year and the amount of the Company's non-derivative financial liabilities were in line with the amount recognised in the balance sheet. The contractual undiscounted cash flows are disclosed as follows:

(i) Non-derivative financial liabilities

<u>December 31, 2021</u>	<u>Less than</u> <u>1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Lease liabilities (current/non-current)	\$ 35,319	\$ 23,637	\$ 58,956
Bonds payable	-	210,400	210,400
Long-term borrowings (including current portion)	141,490	4,673,388	4,814,878

<u>December 31, 2020</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Lease liabilities (current/non-current)	\$ 40,141	\$ 46,309	\$ 86,450
Bonds payable	-	1,563,100	1,563,100
Long-term borrowings (including current portion)	271,225	4,246,206	4,517,431

(ii) Derivative financial liabilities

The Group has no derivative financial liabilities as of December 31, 2021 and 2020.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in unlisted stocks Forward exchange contracts, financial products and issuance of put and call options and put options of convertible bonds is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The Group's investment in biological assets and private placement shares are included.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), other current assets-restricted bank deposits, other non-current assets-refundable deposits, other non-current assets-restricted bank deposits, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables, lease liabilities (current/non-current), bonds payable, long-term borrowings (include cerement portion) and other non-current liabilities-guarantee deposits received) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets and liabilities is follows:

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets (liabilities) at fair value through profit or loss				
- Equity securities, beneficiary certificates, gold passbook and financial products	\$ 1,052,247	\$ 2,831	\$ -	\$ 1,055,078
- Put and call options of convertible bonds	-	1,978	-	1,978
- Derivative instruction	-	(24,999)	(	( 24,999)
Financial assets at fair value through other comprehensive income				
- Equity securities	72,102	518,704	-	590,806
	<u>\$ 1,124,349</u>	<u>\$ 498,514</u>	<u>\$ -</u>	<u>\$ 1,622,863</u>
<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets (liabilities) at fair value through profit or loss				
- Equity securities, beneficiary certificates, gold passbook and financial products	\$ 1,086,958	\$ 2,410	\$ -	\$ 1,089,368
- Put and call options of convertible bonds	-	7,773	-	7,773
Financial assets at fair value through other comprehensive income				
- Equity securities	-	484,526	11,969	496,495
	<u>\$ 1,086,958</u>	<u>\$ 494,709</u>	<u>\$ 11,969</u>	<u>\$ 1,593,636</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares and gold passbook	Open-end fund
Market quoted price	Closing price	Net asset value

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3:

	2021	2020
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income
At January 1	\$ 11,969	\$ 10,033
Recognised in other comprehensive loss	10,674	1,936
Transfer out from Level 3	(22,643)	-
At December 31	<u>\$ -</u>	<u>\$ 11,969</u>

G. In 2021, due to the supplemental public issuance of private common shares of NANOPLUS LTD., sufficient observable market information could be obtained, so the Company transferred the fair value used from the third level to the first level. In 2020, there was no transfer in or out from the third tier.

H. Investment segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
	December 31, 2021	December 31, 2020				
Private placement shares	\$ -	\$ 11,969	Market comparable companies	Discount for lack of marketability	48%	The higher the discount for lack of marketability, the lower the fair value

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. For December 31, 2021 and 2020, there will be no significant effect on other comprehensive income from financial assets and liabilities categorised within Level 3 if the value of net assets increased and decreased by 1%.

(4) Others

Due to the outbreak of the novel coronavirus pneumonia (COVID-19) in January 2020 and the spread of the epidemic, governments across various countries have successively implemented various epidemic prevention measures. Although the number of working days in some areas has been reduced, the Group responded quickly and immediately adjusted the production capacity allocation in various regions. The overall production and sales of the Group were only slightly affected. The Group has also taken relevant countermeasures. In addition to continuing to maintain close contact with customers and manufacturers, it is also committed to strengthening employee health management to mitigate the impact on operations. The Group's consolidating financial status and consolidating operating results in 2021 will not be affected by the epidemic with a significant impact.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. 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 6.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 7.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(3).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investees

Names, locations, and other information of investee companies (not including investees in Mainland China): Please refer to table 9.

(3) Others

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 11.

(4) Major shareholders information

No shareholders holding more than 5% of the Company.

14. SEGMENT INFORMATION

(1) General information

Management has identified the operating segments based on the reports that are used to make strategic decisions. The reportable operating segments of the Group are distinguished by the products, electronics segment is engaged in R&D, manufacturing, and selling of memory modules, flash memory and computer peripherals biotech; biomedicine segment is engaged in selling of biotechnological products.

(2) Measurement of segment information

The Chief Operating Decision-Maker assesses the performance of the operating segments based on the operating income. This measurement basis includes operating revenue completion percentage, gross profit completion percentage, operating income completion percentage, etc.. The Chief Operating Decision-Maker reviews the conditions of overspending or underspending monthly, so as to assess the rationality of resource usage.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Electronics Segment	Biotech Segment	Total
<u>Year ended December 31, 2021</u>			
Revenue from external customer	\$ 39,546,318	\$ 47,446	\$ 39,593,764
Reportable segments income/(loss)	\$ 2,346,955	(\$ 28,882)	\$ 2,318,073
	Electronics Segment	Biotech Segment	Total
<u>Year ended December 31, 2020</u>			
Revenue from external customer	\$ 32,163,775	\$ 63,555	\$ 32,227,330
Reportable segments income/(loss)	\$ 1,979,196	(\$ 91,101)	\$ 1,888,095

(4) Reconciliation for segment asset/liability/profit (loss)

The revenue and expense from external parties reported to the Chief Operating Decision-Maker are measured in a manner consistent with that in the statement of comprehensive income. The Group did not provide the total assets and total liabilities of the Chief Operating Decision Maker for operating decision-making, and adopted a consistent measurement method with the assets and liabilities in the Group's financial statements.

A reconciliation of reportable segment profit to income before tax and continued operations is provided as follows:

	Years ended December 31,	
	2021	2020
Reportable segment income	\$ 2,318,073	\$ 1,888,095
Interest revenue	6,805	22,827
Other income	418,684	134,855
Other gains and losses	327,391	(140,910)
Finance costs	(167,497)	(160,187)
Share of loss of associates and joint ventures accounted for using the equity method	369,722	229,457
Income before tax from continuing operations	\$ 3,273,178	\$ 1,974,137

(5) Information on products and services

The external customer revenue is mainly from manufacturing, and selling of memory modules and flash memory products. Breakdown of revenue from all sources is as follows:

	Years ended December 31,	
	2021	2020
Sales revenue	\$ 39,473,942	\$ 32,214,104
Service revenue	119,822	13,226
	<u>\$ 39,593,764</u>	<u>\$ 32,227,330</u>

(6) Geographical information

Geographical information is as follows:

	Years ended December 31,			
	2021		2020	
	Revenue	Non-current assets	Revenue	Non-current assets
T Country	\$ 7,698,023	\$ 4,966,796	\$ 4,361,397	\$ 4,960,384
C Country	12,802,304	1,894,273	11,398,010	1,822,537
A Country	12,611,897	582,258	10,443,447	579,192
J Country	2,091,059	11,579	1,516,225	3,852
Others	4,390,481	27,016	4,508,251	22,158
	<u>\$ 39,593,764</u>	<u>\$ 7,481,922</u>	<u>\$ 32,227,330</u>	<u>\$ 7,388,123</u>

Note: Non-current assets exclude financial assets, deferred tax assets, pension plan assets, and rights under insurance contracts.

(7) Major customer information

The Group has no customers whose sales revenue from a single customer accounting for more than 10% of the consolidated total net operating revenue.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Loans to others

Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 1

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Other receivables due from related parties	Y	\$ 276,800	\$ 276,800	\$ -	3.5%	Short-term financing	\$ -	Operations	\$ -	None	\$ -	1,191,583	\$ 3,574,749	Note 1 and 2
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Other receivables due from related parties	Y	276,800	276,800	-	4.5%	Short-term financing	-	Operations	-	None	-	1,191,583	3,574,749	Note 1 and 2

Note 1: In accordance with Article 4 of the Operational Procedures for Loans to Others:

- (1) The Company's total lending amount must not exceed 40% of the net assets disclosed in the Company's latest financial statements, and not exceed 30% for short-term financing purpose.
- (2) The loans to each company entity whom the Company has transactions with, the lending amount must not exceed the higher of the Company's purchases from or sales to the counterparty.
- (3) The loans to each entity for short-term financing purpose must not exceed 10% of the net assets disclosed in the Company's latest financial statements.
- (4) Limit on the loans to others provided by the foreign companies whose voting rights are 100% owned directly and indirectly by the Company or limit on loans for financing granted by and to subsidiaries of which the ultimate parent directly or indirectly holds 100% of its voting shares is not applicable for the limit of 40% of the creditor's net assets. However, limit on the total loans to others and the individual loan must not exceed 40% of the Company's net assets disclosed in the Company's latest financial statements. Loans shall be matured in 1 year, which can be expended based on the actual situation under the approval from the Board of Directors. The abovementioned limit on the total loans to others and individual loans do not apply the following (2) and (3).

Note 2: Abovementioned net assets amount is based on the recent audited or reviewed financial report attested by the auditor.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 2

Number	Endorser/guarantor	Company name	Relationship with the endorser/guarantor	Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount as of December 31, 2021	Outstanding endorsement/guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/guarantees provided	Provision of endorsements/guarantees by parent company to subsidiary	Provision of endorsements/guarantees by subsidiary to parent company	Provision of endorsements/guarantees to the party in Mainland China	Footnote
0	ADATA TECHNOLOGY CO., LTD.	ADATA INTEGRATION BRAZIL	Note 2	\$ 1,191,583	\$ 415,200	\$ 276,800	\$ 116,525	\$ 55,360	2.32	\$ 5,957,915	Y	N	N	Note 3
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Note 2	1,191,583	692,000	692,000	503,039	-	5.81	5,957,915	Y	N	N	Note 3
1	LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	ADATA TECHNOLOGY CO., LTD.	Note 1	771,000	708,178	708,178	708,178	708,178	96.64	771,000	N	Y	N	Note 4
2	CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	ADATA TECHNOLOGY CO., LTD.	Note 1	750,000	697,659	697,659	697,659	697,659	98.39	750,000	N	Y	N	Note 4
3	JIU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	ADATA TECHNOLOGY CO., LTD.	Note 1	181,000	175,292	175,292	175,292	175,292	98.12	181,000	N	Y	N	Note 4
4	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTERGRATION BRAZIL S/A	Note 2	129,423	24,276	21,848	21,848	21,848	1.69	647,115	N	N	N	Note 3
4	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Note 2	129,423	38,842	31,559	31,559	31,559	2.44	647,115	N	N	N	Note 3
5	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Note 2	89,752	52,380	-	-	-	-	359,010	N	N	Y	Note 5

Note 1: The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

Note 2: The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

Note 3: In accordance with Article 4 of Operational Procedures for Provision of Endorsements and Guarantees to Others, the ceiling on total amount of endorsements/guarantees provided is:

(1) Less than 50% of the Company's net assets for total endorsements/guarantees provided for others

(2) Less than 10% of the Company's net assets for endorsements/guarantees provided for each entity the ceiling does not apply in each subsidiary to which the Company directly and indirectly has 100% voting rights but must not exceed 20% of the Company's net assets.

(3) The ceiling amount of endorsements/guarantees provided for each entity whom the Company has transactions with must not exceed the higher of the Company's purchases from or sales to the counterparty in addition to the aforementioned limitations.

Note 4: According to the Company's procedures for endorsement, the limits for endorsement amount are as follows:

- (1) The total amount of external endorsement may not exceed the Company's paid-in capital.
- (2) The total amount of endorsement to one company may not exceed 50% of the Company's paid-in capital, and the total amount of endorsement to the parent company or a subsidiary holding 100% of direct or indirect voting rights may not exceed the Company's paid-in capital.
- (3) The ceiling amount of endorsements/guarantees provided for each entity whom the Company has transactions with must not exceed the higher of the Company's purchases from or sales to the counterparty in addition to the aforementioned limitations.

Note 5: According to the company's procedures for endorsement, the limits for endorsement amount are as follows:

- (1) The total amount of external endorsement may not exceed 40% of the net assets disclosed in the company's latest financial statements.
 - (2) The total amount of endorsement to one company may not exceed 40% of the net assets disclosed in the company's latest financial statements.
 - (3) The total amount of endorsement provided between companies whose voting rights are 90% owned directly and indirectly by the Company may not exceed 10% the Company's net assets.
- The endorsement provided between companies whose voting rights are 100% owned directly and indirectly by the Company is not subjected to the limitation.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
Year ended December 31, 2021

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021			Footnote	
				Number of shares	Book value	Ownership (%)		Fair value
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -Mega Taiwan Financial and Conventional Industries Featured Dividend Fund	Not applicable	Financial assets at fair value through profit or loss-current	500,000	\$ 5,120	-	\$ 5,120	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -UBS (TW) Bond Fund – Fixed Income Fund of Funds	Not applicable	Financial assets at fair value through profit or loss-current	30,000	7,659	-	7,659	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - KGI ESG Sustainable Emerging Market Bond Fund-NA	Not applicable	Financial assets at fair value through profit or loss-current	20,000	5,435	-	5,435	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -PineBridge ESG Quantitative Global Equity Fund-A	Not applicable	Financial assets at fair value through profit or loss-current	20,000	5,824	-	5,824	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -BCGF ESG Multi-Asset Fund Hedged A2 USD	Not applicable	Financial assets at fair value through profit or loss-current	3,738	5,561	-	5,561	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - ARBOR TECHNOLOGY CORPORATION	None	Financial assets at fair value through profit or loss-current	690,599	15,331	0.93	15,331	-
ADATA TECHNOLOGY CO., LTD.	Domestic emerging private placement common stock - NANOPUS LTD.	None	Financial assets at fair value through other comprehensive profit or loss-current	1,257,232	\$ 44,930 72,102	0.73	\$ 44,930 72,102	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Media Development Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-current	3,000,000	-	15.87	-	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Abico Asia Capital Corp.	None	Financial assets at fair value through other comprehensive profit or loss-current	2,500,000	13,625	1.30	13,625	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock -TAIWAN ESPORTS LEAGUE CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-current	415,490	1,392	4.62	1,392	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - DIRECT CURRENT CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-current	494,450	8,722	5.29	8,722	-
					\$ 95,841		\$ 95,841	

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021			Footnote	
				Number of shares	Book value	Ownership (%)		Fair value
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - SHIH WEI NAVIGATION CO., LTD.	None	Financial assets at fair value through profit or loss-current	5,050,000	\$ 228,260	1.81	\$ 228,260	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - YANG MING MARINE TRANSPORT CORPORATION	None	Financial assets at fair value through profit or loss-current	1,860,000	225,060	0.05	225,060	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - LemTech Holdings Co., Ltd.	None	Financial assets at fair value through profit or loss-current	819,965	131,195	1.31	131,195	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - SINCERE NAVIGATION CORPORATION	None	Financial assets at fair value through profit or loss-current	1,760,000	51,392	0.30	51,392	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	None	Financial assets at fair value through profit or loss-current	900,000	128,250	0.02	128,250	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - WAN HAILINES LTD.	None	Financial assets at fair value through profit or loss-current	357,900	71,042	0.01	71,042	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Leadconn Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	327,683	\$ 835,199	5.38	\$ 835,199	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Abomen Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	8,568	-	0.03	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed preferred stock - Whistle Sports, Inc.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	600,000	43,845	0.68	43,845	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed preferred stock - JANUS TECHNOLOGY GROUP, INC.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	864,052	-	4.01	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Alpha Crystal Technology Corp.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	16,462	-	0.19	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Embestor Technology Inc.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	500,000	8,570	1.92	8,570	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - ACLOUD INTELLIGENCE SERVICES CORP. LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	7,610	16.67	7,610	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - MEGA GROWTH VENTURE CAPITAL CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	3,000,000	14,640	2.36	14,640	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed common stock - Joy capital Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	800,000	7,086	11.76	7,086	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - TransWorld Production Co.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	120,000	395	1.25	395	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Yi Sheng Security Service Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	-	9.35	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Mucho International Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	2,000,000	-	17.08	-	-
					\$ 82,146		\$ 82,146	

Securities held by	Marketable securities	Relationship with the securities issuer	As of December 31, 2021				Footnote
			Number of shares	Book value	Ownership (%)	Fair value	
ADATA INVESTMENT COMPANY LIMITED	Foreign non-listed company Capital Contribution Certificate	None	3,522,440	\$ -	0.67	\$ -	-
ADATA INVESTMENT COMPANY LIMITED	- Golden Crown Green Energy Ltd. Foreign non-listed company Capital Contribution Certificate	None	166,670	-	2.25	-	-
ADATA CAPITAL CO., LTD.	- Vantage Metro Limited Foreign non-listed company Capital Contribution Certificate	None	2,807,186	\$ 24,087	14.26	\$ 24,087	-
ADATA TECHNOLOGY (INDIA) PRIVATE LTD.	Foreign non-listed company Capital Contribution Certificate	None	250	\$ 24,087	1.60	\$ 24,087	-
ADATA TECHNOLOGY (HK) CO., LTD.	Foreign non-listed company Capital Contribution Certificate	None	10,257,355	\$ -	11.44	\$ -	-
ADATA TECHNOLOGY (HK) CO., LTD.	- LANGOGO GLOBAL LIMITED Foreign non-listed company Capital Contribution Certificate	None	7,407,400	81,323	7.41	81,323	-
ADATA TECHNOLOGY (HK) CO., LTD.	- JOINT MOUNTAIN TECHNOLOGY CO LTD Foreign non-listed company Capital Contribution Certificate	None	10,257,355	26,263	9.06	26,263	-
ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	- NOTTA Inc. CHINA MINSHENG BANK SUZHOU BARNCH - Special asset management dy king of public to B finance product	Not applicable	-	\$ 107,586 \$ 2,831	-	\$ 107,586 \$ 2,831	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate	None	1,000,000	\$ 2,831 \$ 4,344	10.00	\$ 2,831 \$ 4,344	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	- Beijing Function Capital Management Co.,Ltd. Foreign non-listed company Capital Contribution Certificate	None	323,778	108,740	1.44	108,740	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	- Shanghai shangguang Investment Co.,Ltd. Foreign non-listed company Capital Contribution Certificate	None	250,000	20,048	4.16	20,048	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	- Suzhou Qdreamer Technology Co.,Ltd Foreign non-listed company Capital Contribution Certificate	None	2,307,692	143,174	18.75	143,174	-
	- Qingdao Nuotai Biotechnology co. LTD			\$ 276,306		\$ 276,306	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021			Footnote
				Number of shares	Book value	Ownership (%)		Fair value
LIWANLI Innovation Co., Ltd.	Domestic listed common stock - WAN HAI LINES LTD.	None	Financial assets at fair value through profit or loss-current	33,000	\$ 6,551	-	6,551
LIWANLI Innovation Co., Ltd.	Domestic listed common stock - Yang Ming Marine Transport Corp.	None	Financial assets at fair value through profit or loss-current	200,000	24,200	0.01	24,200
LIWANLI Innovation Co., Ltd.	Non-listed common stock - DISK KING TECHNOLOGY CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	125,600	\$ 30,751	10.23	\$ 30,751
LIWANLI Innovation Co., Ltd.	Domestic listed common stock - DIRECT CURRENT CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	274,350	4,840	2.94	4,840
Zhen Lian Investment Co., Ltd.	Domestic listed common stock - EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	None	Financial assets at fair value through profit or loss-current	105,000	\$ 4,840	-	\$ 4,840
Zhen Lian Investment Co., Ltd.	Domestic listed common stock - SINCERE NAVIGATION CORPORATION	None	Financial assets at fair value through profit or loss-current	88,000	2,570	0.02	2,570
Hong Qi Investment Co., Ltd.	Domestic listed common stock - EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	None	Financial assets at fair value through profit or loss-current	240,000	\$ 17,532	-	\$ 17,532
Hong Qi Investment Co., Ltd.	Domestic listed common stock - SINCERE NAVIGATION CORPORATION	None	Financial assets at fair value through profit or loss-current	569,000	16,615	0.10	16,615
Hong Qi Investment Co., Ltd.	Domestic listed common stock - YANG MING MARINE TRANSPORT CORPORATION	None	Financial assets at fair value through profit or loss-current	284,000	34,364	0.01	34,364
Hong Qi Investment Co., Ltd.	Domestic listed common stock - WAN HAI LINES LTD.	None	Financial assets at fair value through profit or loss-current	176,000	34,936	0.01	34,936
Hong Qi Investment Co., Ltd.	Domestic common stock - LIN BIOSCIENCE, INC.	None	Financial assets at fair value through profit or loss-current	20,000	3,720	0.03	3,720
					\$ 123,835		\$ 123,835

Note: The fair value of listed stocks, OTC stocks, and closed-end mutual funds are based on latest quoted fair prices of accounting period. Open-end and balanced mutual funds are based on the net assets value at the balance sheet date. Gold passbooks are based on the international gold transaction price at the balance sheet date. Unlisted stocks are measured at fair value based on the Company's evaluation.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 4

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2021		Addition		Disposal		Balance as at December 31, 2021	
					Number of shares (Units)	Amount	Number of shares (Units)	Amount	Number of shares (Units)	Amount	Number of shares (Units)	Amount
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	Financial assets at fair value through profit or loss -current	-	-	-	\$ -	4,966,000	\$ 218,833	385,417	\$ 218,833	-	\$ -
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - SHIH WEI NAVIGATION CO., LTD.	Financial assets at fair value through profit or loss -current	-	-	-	-	11,044,000	619,806	299,370	314,763	5,050,000	228,260
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - YANG MING MARINE TRANSPORT CORPORATION	Financial assets at fair value through profit or loss -current	-	-	1,696	1,696	19,222,000	1,323,551	1,364,214	1,057,712	1,860,000	225,060
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	Financial assets at fair value through profit or loss -current	-	-	-	-	15,055,000	1,181,113	1,121,433	1,077,769	900,000	128,250
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - WAN HAI LINES LTD.	Financial assets at fair value through profit or loss -current	-	-	-	-	5,345,900	731,449	651,792	658,197	357,900	71,042
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - AES Holding Co., Ltd.	Financial assets at fair value through profit or loss -current	-	-	-	-	586,000	463,542	487,551	463,542	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic common stock -TEAM GROUP INC.	Financial assets at fair value through profit or loss -current	-	-	-	-	4,873,000	297,575	310,991	297,575	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - UNITED MICROELECTRONICS CORP.	Financial assets at fair value through profit or loss -current	-	-	1,800,000	84,870	10,165,000	553,422	642,213	637,627	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic common stock -T3EX Global Holdings Corp.	Financial assets at fair value through profit or loss -current	-	-	-	-	2,548,000	489,666	476,228	489,666	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic common stock -Wisdom Marine Lines Co., Limited	Financial assets at fair value through profit or loss -current	-	-	-	-	4,809,000	414,369	415,976	414,369	-	-
Hong Qi Investment Co., Ltd.	Domestic listed common stock - EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	Financial assets at fair value through profit or loss -current	-	-	-	-	3,878,000	289,196	280,433	247,557	240,000	34,200
Hong Qi Investment Co., Ltd.	Domestic listed common stock - YANG MING MARINE TRANSPORT CORPORATION	Financial assets at fair value through profit or loss -current	-	-	1,604	1,604	4,001,000	313,042	318,979	274,094	284,000	34,364

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Purchase of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2021

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Where the counterparty is a related party, the previously transferred information													
Real estate acquired by	Real estate	Transaction date or date of the event	Transaction Amount	Status of disbursements	Counterparty	Relationship with the seller	Owner	Relationship with the issuer	Date of transfer	Amount	Basis or reference used in setting the price	Reason for acquisition	Other commitments
ADATA TECHNOLOGY CO., LTD.	Other non-current assets- Prepayments for real estate acquisition	April 20, 2021	\$ 2,622,725	The first and second payments totalling \$655,781 have been made, the remaining \$1,966,944 has not been paid.	CHONG HONG CONSTRUCTION CO., LTD.	None	None	None	None	\$ -	Based on appraisal report issued by the real estate appraisal firm (resolved by board of directors)	To respond the need of business and staff expansion of the group	None
ADATA TECHNOLOGY CO., LTD.	Other non-current assets- Prepayments for real estate acquisition	May 3, 2021	\$ 797,449	The first and second payments totalling \$159,490 have been made, the remaining \$637,959 has not been paid.	QUAN WEI INVESTMENT CO., LTD.	None	None	None	None	\$ -	Based on appraisal report issued by the real estate appraisal firm (resolved by board of directors)	To respond the need of business and staff expansion of the group	None

ADATA 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
Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 6

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	The Company's Subsidiary	Sales	(\$ 6,890,057)	(21)	Collection within 90 days after sale	None	None	None	\$ 1,313,749	23	-
ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	The Company's Subsidiary	Sales	(196,393)	(1)	Collection within 90 days after sale	None	None	None	37,831	1	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	Sales	(7,755,684)	(23)	Collection terms are 90 days	None	None	None	1,369,666	24	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	Sales	(1,899,929)	(93)	Collection terms are 90 days	None	None	None	667,892	100	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD	ADATA TECHNOLOGY CO., LTD	The Company	Processing income	(3,008,205)	(88)	Collection terms are 60 days	None	None	None	3,267,437	48	-
ADATA TECHNOLOGY (HK) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	6,890,057	98	Collection within 90 days after sale	None	None	None	(1,313,749)	(99)	-
ADATA ELECTRONICS (SHANHAI) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	196,393	100	Collection within 90 days after sale	None	None	None	(37,831)	(92)	-
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	7,755,684	100	Collection terms are 90 days	None	None	None	(1,369,666)	(96)	-
ADATA ELECTRONICS BRAZIL S/A	ADATA INTEGRATION BRAZIL S/A	The Company's Subsidiary	Purchases	1,899,929	43	Collection terms are 90 days	None	None	None	(667,892)	(52)	-
ADATA TECHNOLOGY CO., LTD	ADATA TECHNOLOGY (SUZHOU) CO., LTD	The Company's Subsidiary	Processing fees	3,008,205	5	Collection terms are 60 days	None	None	None	(3,267,437)	(57)	-

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
 Year ended December 31, 2021

Table 7
 Expressed in thousands of NTD
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	The Company's Subsidiary	\$ 1,313,749	6.32	\$ -	Not applicable	\$ 1,028,836	\$ -
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	1,369,666	5.81	-	Not applicable	480,463	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	3,267,437	9.11	-	Not applicable	885,599	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	667,892	4.04	-	Not applicable	424,612	-

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Year ended December 31, 2021

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship	Transaction		Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 2)
				General ledger account	Amount		
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Parent company to subsidiary company	Sales	\$ 7,755,684	Note 3	20
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Parent company to subsidiary company	Accounts receivable	1,369,666	Note 4	4
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Sales	6,890,057	Note 3	17
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Accounts receivable	1,313,749	Note 4	4
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Sales	196,393	Note 3	1
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Accounts receivable	37,831	Note 4	-
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Process expense	3,008,205	Note 5	8
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Accounts payable	3,267,437	Note 5	10
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Sales	1,899,929	Note 3	5
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Accounts receivable	667,892	Note 4	2
2	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Subsidiary company to Subsidiary company	Sales return	477	Note 3	-
2	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Subsidiary company to Subsidiary company	Accounts receivable	46,202	Note 4	-

Note 1: The parent company is numbered "0". The subsidiaries are numbered in order starting from '1'.

Note 2: Regarding the ratio of transaction amount to consolidated total operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet accounts and based on accumulated amount in the interim to consolidated total operating revenues for income statement accounts.

Note 3: The sale prices were similar to those given to third parties.

Note 4: The credit terms made to the third party were cash on delivery and 120 days after monthly billings. The credit terms made to the related party were cash on delivery and 180 days after delivery.

Note 5: Processing price and payment terms to the related party are available to the third party.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

The related information on investees are as follows (not including investees in Mainland China)
Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020						
ADATA TECHNOLOGY CO., LTD.	CICAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	\$ 750,000	\$ 750,000	75,000,000	100.00	\$ 709,060	\$ 4,114	\$ 4,114	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ZHAO-XING INVESTMENT CO., LTD.	Republic of China	General Investment	1,295,001	895,001	130,000,000	100.00	1,136,951	203,382	203,382	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	181,000	181,000	18,100,000	100.00	178,656	(173)	(173)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	771,000	771,000	77,100,000	100.00	732,810	(2,750)	(2,750)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA HOLDINGS CO., LTD.	British Cayman Islands	General Investment	2,530,583	2,510,987	79,487,598	100.00	5,919,523	477,819	477,819	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	U.S.A.	Trading of electronic material and components	66,637	66,637	200,000	100.00	490,191	96,791	96,791	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY B.V.	Netherlands	Trading of electronic material and components	16,570	16,570	300,020	100.00	7,545	1,008	1,008	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (KOREA) CO., LTD.	Korea	Trading of electronic components and computer peripherals	-	2,880	-	-	-	(4,763)	(4,763)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Brazil	Trading of electronic material and components	1,466,139	1,319,656	180,000,000	100.00	1,152,481	477,895	477,895	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA Technology (Japan) Co., Ltd.	Japan	Trading of electronic material and components	7,977	7,977	600	100.00	14,080	1,354	1,354	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA Technology Mexico, SDRL De CV.	Mexico	Trading of electronic material and components	6,872	6,872	6,649,647	100.00	8,058	863	863	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ALLIED TREASURE INC. LIMITED	Hong Kong	General Investment	744,985	744,985	178,776,000	100.00	369,699	(40,675)	(40,675)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	JET CASTLE LIMITED	Hong Kong	General Investment	48,135	48,135	1,500,000	100.00	2,719	(174)	(174)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	Samoa Islands	General Investment	30,150	30,150	1,000,000	74.63	7,654	941	703	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Alwayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	34,100	34,100	3,410,000	56.83	31,243	(1,914)	(1,088)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	LIWANLI Innovation Co., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	992,054	992,054	40,906,925	50.72	786,435	45,563	8,051	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	IROC CO., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	561,657	561,657	6,748,970	26.20	467,080	24,042	6,299	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Weili Health Medical Technology Co., Ltd.	Republic of China	Portal website operation	24,000	24,000	800,000	39.41	14,830	(3,225)	(1,271)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Master Acoustics International Corp. Limited	Hong Kong	The sales of sound optimised resonator, sound optimised coating and bioacoustics	6,037	6,037	153,000	33.41	4,482	(45)	(17)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	55,000	55,000	5,500,000	23.50	-	-	-	Note 1(1)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021				Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2021		
				\$	\$			\$	\$		
ADATA TECHNOLOGY CO., LTD.	Taiwan Sports Lottery Co., Ltd.	Republic of China	Issuing or selling of Sports Lottery	250,000	250,000	25,000,000	47.62	1,062,831	809,442	385,450	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	390,374	322,874	8,337,316	26.14	351,481	(47,938)	10,489	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Taiwan Biomedical Company	Republic of China	Trading of healthcare and skincare products as well as developing of new drugs	13,000	13,000	1,300,000	13.00	-	-	-	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	All In Digital Co., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	1,800	-	180,000	18.00	(1,422)	(17,932)	3,222	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Amedifact Co., Ltd.	Republic of China	Medical equipment electronic and components	4,440	-	300,000	10.00	4,635	346	195	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Life Plus Co., Ltd.	Republic of China	Cloud service, cash flow payment integration, terminal point service	30,000	-	3,000,000	24.06	29,684	(35,069)	316	Note 1(1)
ZHAO-XING INVESTMENT CO., LTD.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	15,000	15,000	1,500,000	6.41	-	-	-	Note 1(1) and 2
ZHAO-XING INVESTMENT CO., LTD.	AROBOT INNOVATION CO., LTD.	Republic of China	Other machinery manufacturing	-	24,485	-	-	-	-	-	Note 1(1) and 2
ZHAO-XING INVESTMENT CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	8,917	8,947	677,954	2.13	42,994	(47,938)	-	Note 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY HOLDINGS CO., LTD.	British Cayman Islands	General Investment	1,847,058	1,847,058	57,928,317	100.00	5,656,535	492,916	-	Note 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY (INDIA) PVT. LTD.	India	Trading of electronic components and computer peripherals	65,424	65,424	2,287,207	100.00	32,182	1,769	-	Note 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA INVESTMENT COMPANY LIMITED	Samoa Islands	General Investment	135,653	132,874	4,386,944	100.00	9,796	(2,610)	-	Note 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA CAPITAL CO.,LTD.	Samoa Islands	General Investment	94,605	77,787	3,200,322	100.00	30,889	(13,853)	-	Note 1(1) and 2
ADATA INVESTMENT COMPANY LIMITED	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	Samoa Islands	General Investment	10,251	10,251	340,000	25.37	7,571	941	-	Note 1(1) and 2
ADATA TECHNOLOGY HOLDINGS CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Hong Kong	Trading of electronic material and components	1,846,495	1,846,495	449,376,284	100.00	5,686,910	492,916	-	Note 1(1) and 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTEGRATION BRAZIL S/A	Brazil	Design, manufacture and trading of semiconductor components	1,137,034	1,137,034	131,609,067	84.30	663,565	274,877	-	Note 1(2) and 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Brazil	Manufacture and trading of electronic components	55,462	55,462	6,445,056	84.30	424,268	290,757	-	Note 1(2) and 2
ALLIED TREASURE INC. LIMITED	Alwin Co., Ltd.	Samoa Islands	Research, development, sales and manufacture of earphones	130,520	130,520	4,000,000	40.00	34,122	(5)	-	Note 1(1) and 2
JET CASTLE LIMITED	ERATO (HK) CORPORATION LIMITED	Hong Kong	Research, development, sales and manufacture of earphones	-	16,215	-	-	-	-	-	Note 1(1) and 2
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	AROBOT INNOVATION (HK) CO., LTD.	Hong Kong	General Investment	29,618	29,618	984,000	100.00	9,934	969	-	Note 1(1) and 2
AROBOT INNOVATION (HK) CO., LTD.	AROBOT INNOVATION CO., LTD.	Republic of China	Other machinery manufacturing	-	29,000	-	-	-	-	-	Note 1(1) and 2
LIWANLI Innovation Co., Ltd.	Zhen Lian Investment Co., Ltd.	Republic of China	General Investment	67,000	67,000	-	100.00	95,464	19,352	-	Note 1(2) and 2
LIWANLI Innovation Co., Ltd.	Hong Qi Investment Co., Ltd.	Republic of China	General Investment	70,000	70,000	-	100.00	123,694	45,074	-	Note 1(2) and 2
LIWANLI Innovation Co., Ltd.	Longevity Wealth Limited	Hong Kong	General Investment	90,722	62,728	23,596,000	100.00	(11,250)	(6,246)	-	Note 1(1) and 2
LIWANLI Innovation Co., Ltd.	IROC CO., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	45,000	45,000	1,836,006	7.13	125,361	24,042	-	Note 1(1) and 2
LIWANLI Innovation Co., Ltd.	Taiwan Biomedical Company	Republic of China	Trading of healthcare and skincare products as well as developing of new drugs	12,000	12,000	1,200,000	12.00	-	-	-	Note 1(1) and 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021		Book value	Ownership (%)	Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	6,000 (\$)					
LIWANLI Innovation Co., Ltd.	Alwayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	\$ 6,000	\$ 6,000	600,000	10.00	\$ 6,000	10.00	\$ 1,914	-	Note 1 (1) and 2
LIWANLI Innovation Co., Ltd.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	30,000	30,000	3,000,000	12.82	-	-	-	-	Note 1 (1) and 2
LIWANLI Innovation Co., Ltd.	Life Plus Co., Ltd.	Republic of China	Cloud service, cash flow payment integration, terminal point service	4,440	-	300,000	10.00	4,440	10.00	346	-	Note 1 (1) and 2
Longevity Wealth Limited	Alwin Co., Ltd.	Samoa Islands	Research, development, sales and manufacture of earphones	30,420	30,420	1,000,000	10.00	18,142	10.00	(5)	-	Note 1 (1) and 2

Note 1: Indicate the basis for investment income (loss) recognition in the number of one of the following two categories:

(1) Financial statements audited by the independent auditors appointed by the Company

(2) Financial statements audited by other independent auditors.

Note 2: The investment income was recognised by a subsidiary company.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Information on investments in Mainland China
Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee as of December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
				Remitted to Mainland China	Remitted back to Taiwan								
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacture and trade of electronic components and computer peripherals	\$ 1,299,223	2	\$ -	\$ -	\$ 1,299,223	\$ 1,299,223	100.00	\$ 398,598	\$ 4,890,882	\$ -	Notes 2(1) and 3	
ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacture and trade of electronic components and computer peripherals	592,704	2	-	-	592,704	592,704	100.00	1,146	765,987	-	Notes 2(1) and 4	
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Trading of electronic material and components	131,134	2	-	-	131,134	131,134	100.00	5,613	64,368	-	Notes 2(1) and 5	
ERATO (SZ) CORPORATION LTD.	Research, development, sales and manufacture of earphones	3,019	2	-	-	3,019	3,019	100.00	-	-	-	Notes 2(1) and 6	
Suzhou Golden Crown New Energy Co., Ltd.	Manufacture and sale of solar cell, li-ion battery, battery	963,516	2	-	-	7,547	7,547	0.67	-	-	-	Notes 8	
Beijing Function Capital Management Co., Ltd.	Consulting for investments and consulting service for business management	51,673	3	-	-	-	-	10.00	-	4,344	-	Notes 9	
Shandong Function Technology Development Co., Ltd.	Consulting for investments and consulting service for business management	1,830,331	3	-	-	-	(6,714)	36.64	(2,460)	867,393	-	Notes 2(1) and 10	
Function (Qingdao) Marine Technology Co., Ltd.	The research and development and trading of biotechnology products	91,860	3	-	-	-	-	25.00	2,974	14,167	-	Notes 2(1) and 11	
Shanghai shangguang Investment Co., Ltd.	Consulting for investments and consulting service for business management	97,300	3	-	-	-	-	1.44	-	108,740	-	Notes 12	
Suzhou Qdreamer Technology Co., Ltd.	The internet technology research and development and services and computer software and hardware research and development	6,169	3	-	-	-	-	4.16	-	20,048	-	Notes 13	
Shenzhen Visualdeep Co., Ltd.	Development of network technology, providing network technology service and development and sales of software	64,738	3	-	-	-	(5,796)	24.00	(1,391)	67,878	-	Notes 2(1) and 14	
Ningbo Xinrou Biotechnology Co., LTD.	Research and development, producing, wholesale and retailing of food	34,848	3	-	-	-	(16,212)	30.00	(4,848)	47,860	-	Notes 2(1) and 15	
Qingdao Nuotai Biotechnology Co., LTD.	Producing and sales of marine biomaterial and research and development of biological products	53,612	3	-	-	-	-	18.75	-	143,174	-	Notes 16	
ADATA TECHNOLOGY (Qingdao) Co., LTD.	Manufacture and trade of electronic components and smart car equipment	438	3	-	-	-	(1)	100.00	(1)	418	-	Notes 2(1) and 17	
Skywin Technology (Qingdao) Co., Ltd.	Engineering technology research, test development, information consulting services and electronics wholesale of spare parts	856,050	3	-	-	-	(839)	33.33	(342)	285,212	-	Notes 2(1) and 18	
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Wholesale and retail of food products	57,992	2	29,998	27,994	57,992	(6,246)	100.00	(6,246)	(20,113)	-	Notes 2(1) and 19	

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: The investment gain and loss on investees were recognized based on the follows:

- (1) Same period financial statements were audited by independent auditors.
- (2) Same period financial statements were not audited by independent auditors.

Note 3: ADATA TECHNOLOGY (SUZHOU) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD 40,000 thousand. The case was approved by investment commission.

Note 4: ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD 26,500 thousand. The case was approved by investment commission.

Note 5: ADATA ELECTRONICS (SHANGHAI) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD 4,000 thousand. The case was approved by investment commission.

Note 6: ERATO (SZ) CORPORATION LTD. is a 100% owned subsidiary of ERATO (HK) CORPORATION LIMITED. ERATO (HK) CORPORATION LIMITED is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD 100 thousand. The case was approved by investment commission. Erato (SZ) Corporation Limited was approved to be deregistered by Suzhou Industrial Park's supervisory authority on December 7, 2018, and the investee was liquidated. However, the deregistration is pending for approval from the Investment Commission, MOEA.

Note 7: Through the Company's indirect wholly-owned subsidiary- ADATA INVESTMENT CO., LTD., the Company instructed BVI Success-Field Investment Ltd. to sell 3.57% ownership of GOLDEN CROWN GREEN ENERGY LTD. and indirectly acquired the ownership of Golden Crown Energy Co. and Dongguan Hunag Jiang Qing Cheng Electronics Factory. Total membership contribution was USD 1,031 thousand. The case was approved by the Investment Commission. Golden Crown Energy Co. and Dongguan Hunag Jiang Qing Cheng Electronics Factory filed cancellation registration to PRC on July 9, and March 2, 2012, respectively, the cancellation of investment was approved by investment commission on November 21, 2012. However, the facility of investment in Mainland China has not been released.

Note 8: Through the Company's indirect wholly-owned subsidiary- ADATA INVESTMENT CO., LTD., the Company instructed BVI Success-Field Investment Ltd. to sell 0.67% ownership of GOLDEN CROWN GREEN ENERGY LTD. and indirectly acquired the ownership of Suzhou Golden Crown New Energy Co., Ltd.. Total membership contribution was USD 248 thousand. The case was approved by the Investment Commission.

Note 9: The Company acquired a 10% equity interest in Beijing Function Capital Management Co., Ltd. in the amount of RMB 1,000 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 10: The Company acquired a 5.82% equity interest in Shandong Function Technology Development Co., Ltd. in the amount of RMB 29,531 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

The Company acquired a 30.82% equity interest in Shandong Function Technology Development Co., Ltd. in the amount of RMB 175,000 thousand through the Company's indirectly wholly-owned investee, ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 11: The Company acquired a 25% equity interest in Function (Qingdao) Marine Technology Co., Ltd. in the amount of RMB 5,000 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 12: The Company acquired a 1.44% equity interest in Shanghai shangguang Investment Co., Ltd. in the amount of RMB 12,999 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 13: The Company acquired a 4.16% equity interest in Suzhou Qdreamer Technology Co., Ltd. in the amount of RMB 5,000 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 14: The Company acquired a 24% equity interest in Shenzhen Visualdeep Co., Ltd. in the amount of RMB 14,385 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 15: The Company acquired a 30% equity interest in Ningbo Xinrou Biotechnology co. LTD in the amount of RMB 13,573 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 16: The Company acquired a 18.75% equity interest in Qingdao Nuotai Biotechnology co. LTD in the amount of RMB 30 million through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 17: The Company acquired a 100% equity interest in ADATA TECHNOLOGY (Qingdao) CO., LTD. in the amount of RMB 100 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 18: The Company acquired a 33% equity interest in Skywin Technology (Qingdao) Co., Ltd. in the amount of USD 10,000 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (HK) CO., LTD.

Note 19: The Company established and acquired a 100% equity interest in LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD. through the Company's indirectly wholly-owned investee, Longevity Wealth Limited. The actual investment was USD 1,000 thousand.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA(Note 1)
ADATA TECHNOLOGY CO., LTD.(Note 2)	\$ 2,066,820	\$ 2,354,741	\$ 7,149,498
LIWANLI Innovation Co., Ltd.(Note 3)	\$ 57,992	\$ 90,675	\$ 538,514

Note 1: The limitation is 60% of net worth.

Note 2: As of December 31, 2021, investment in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs amounted to US\$73,379 thousand.

Note 3: As of December 31, 2021, LIWANLI Innovation Co., Ltd.'s investment in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs amounted to US\$3,000 thousand.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area
Year ended December 31, 2021

Table 11

Expressed in thousands of NTD
(Except as otherwise indicated)

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing		Others	
	Amount	%	Amount	%	Balance at December 31, 2021	%	Balance at December 31, 2021	Purpose	Maximum balance during the year ended December 31, 2021	Balance at December 31, 2021		Interest rate
Investee in Mainland China												
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	Note
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	(477)	(1)	-	-	46,202	80	-	-	-	-	-	-
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	196,393	1	-	-	37,831	-	-	-	-	-	-	-

Note: The processing fees of the Company for the year ended December 31, 2021 amounted to \$3,008,205. Accounts payable of \$3,267,437 was recognised as of December 31, 2021.

Independent Auditors' Report Translated from Chinese

PWCR 21000394

To the Board of Directors and Shareholders of Adata Technology Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Adata Technology Co., Ltd. (the “Company”) as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audit of the parent company only financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters



Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 parent company only financial statements are stated as follows:

Existence of sales revenue

Description

Please refer to Note 4(32) for accounting policies on recognition of revenue, Note 6(26) for details of operating revenue.

Fluctuation of top ten customers is due to business development. Any new top ten customer might have a material impact to the Company. Therefore, we consider the existence of sales revenue from new top ten customers a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of the internal controls over sales revenue and included sales transactions from new top ten customers in samples for test of controls.
2. We obtained management's evaluation of new top ten customers and agreed to significant related information;
3. Tested that the credit terms of new top ten customers have been approved appropriately.
4. Obtained and verified the sales details and relevant evidences.
5. Sample selected accounts receivable of new top 10 customers to obtained the confirmation letter.

Valuation of inventory

Description

Please refer to Note 4(13) for the description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(6) for details of inventory.

The Company is primarily manufacturing and selling DRAM and NAND Flash products. Due to the highly competitive nature of the consumer electronics market, the Company's products have short life cycles and frequent fluctuation of price, causing higher risk of inventory market value decline. The Company estimates the net realisable value of inventory on the balance sheet date, and individually identifies each inventory at the lower of net realisable values and cost, also evaluates inventory ageing and its value in order to provide valuation loss.

As the amount of inventory is significant and the evaluation of inventory requires management's critical judgement, we consider the valuation of inventory a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained the policies of inventory valuation and determined whether the policies have been applied consistently.
2. Performed physical inventory count at the end of period to identify whether there are obsolete, damaged or unsalable inventories.
3. Obtained aging reports of each kind of inventory and tested the changes in ages of inventory. Selected samples with inventory number and verified to changes record, checked the accuracy of classification range of inventory ages and the effect to inventory value.
4. Obtained net realisable value reports of each kind of inventory and checked the logic of calculation formulas. Tested relevant parameters to supporting documents and recalculated the allowance for valuation losses item by item.

Other matter – Reference to the audits of other auditors



We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$1,198,992 thousand and NT\$809,414 thousand, constituting 3.7% and 2.9% of the total assets as at December 31, 2021 and 2020, respectively, and the comprehensive income recognised from associates and joint ventures accounted for under the equity method amounted to NT\$509,506 thousand and NT\$182,346 thousand, constituting 23.5% and 14.4% of the total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud



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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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



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

Huang, Shih-Chun

黃世鈞



Yeh, Tsui-Miao

葉翠苗



For and on behalf of PricewaterhouseCoopers, Taiwan

March 28, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such parent company only financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.


 A DATA TECHNOLOGY CO., LTD.
 PARENT COMPANY ONLY BALANCE SHEETS
 DECEMBER 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,798,769	6	\$ 924,454	4
1110	Financial assets at fair value through profit or loss - current	6(2)	46,908	-	857,232	3
1136	Current financial assets at amortised cost	6(1) and 8	807,360	3	844,776	3
1150	Notes receivable, net	6(4)	1,251	-	1,135	-
1170	Accounts receivable, net	6(4)(5)	3,056,192	9	1,477,375	5
1180	Accounts receivable - related parties	6(4) and 7(2)	2,722,146	8	2,175,279	8
1200	Other receivables	6(5)	270,810	1	431,875	2
1210	Other receivables - related parties	7(2)	45,865	-	48,644	-
1220	Current income tax assets	6(32)	1,111	-	1,111	-
130X	Inventory	6(6)	6,924,804	21	5,880,748	21
1410	Prepayments		47,586	-	62,785	-
1470	Other current assets		244,597	1	260,627	1
11XX	Current Assets		<u>15,967,399</u>	<u>49</u>	<u>12,966,041</u>	<u>47</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	95,841	-	37,896	-
1550	Investments accounted for under equity method	6(7) and 7(2)	13,482,128	41	11,550,995	42
1600	Property, plant and equipment	6(8) and 8	1,380,283	4	1,410,288	5
1755	Right-of-use assets	6(9)	13,770	-	19,519	-
1760	Investment property - net	6(11)(13) and 8	258,252	1	1,084,479	4
1780	Intangible assets	6(12)	34,697	-	30,598	-
1840	Deferred income tax assets	6(32)	315,486	1	380,379	1
1900	Other non-current assets	6(4)(14)(19)	1,141,694	4	137,281	1
15XX	Non-current assets		<u>16,722,151</u>	<u>51</u>	<u>14,651,435</u>	<u>53</u>
1XXX	Total assets		<u>\$ 32,689,550</u>	<u>100</u>	<u>\$ 27,617,476</u>	<u>100</u>

(Continued)


 A DATA TECHNOLOGIES CO., LTD.
 PARENT COMPANY ONLY FINANCIAL STATEMENTS
 DECEMBER 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(15)	\$ 7,987,928	24	\$ 5,474,420	20
2110	Short-term notes and bills payable		500,000	2	200,000	1
2130	Current contract liabilities	6(26)	36,343	-	6,903	-
2150	Notes payable		2,717	-	1,180	-
2170	Accounts payable		2,448,859	8	3,071,770	11
2180	Accounts payable - related parties	7(2)	3,267,437	10	2,733,998	10
2200	Other payables		592,188	2	565,832	2
2220	Other payables - related parties	7(2)	13,903	-	15,104	-
2230	Current income tax liabilities	6(32)	112,942	-	170,583	1
2250	Provisions for liabilities - current	6(21)	9,125	-	10,502	-
2280	Current lease liabilities		12,853	-	12,827	-
2320	Long-term liabilities, current portion	6(18)	75,143	-	30,143	-
2399	Other current liabilities, others	6(16) and 7(2)	62,648	-	84,273	-
21XX	Current Liabilities		<u>15,122,086</u>	<u>46</u>	<u>12,377,535</u>	<u>45</u>
Non-current liabilities						
2530	Corporate bonds payable	6(17)	206,105	1	1,511,896	6
2540	Long-term borrowings	6(18)	4,632,726	14	4,157,869	15
2570	Deferred income tax liabilities	6(32)	808,874	3	608,149	2
2580	Non-current lease liabilities		937	-	7,048	-
2600	Other non-current liabilities	6(7) and 7(2)	2,992	-	1,176	-
25XX	Non-current liabilities		<u>5,651,634</u>	<u>18</u>	<u>6,286,138</u>	<u>23</u>
2XXX	Total Liabilities		<u>20,773,720</u>	<u>64</u>	<u>18,663,673</u>	<u>68</u>
Share capital						
3110	Share capital - common stock	6(22)	2,636,713	8	2,363,736	9
Capital surplus						
3200	Capital surplus	6(23)	5,612,980	17	4,476,729	16
Retained earnings						
3310	Legal reserve	6(24)	1,035,889	3	927,421	3
3320	Special reserve		1,171,835	4	1,088,512	4
3350	Total unappropriated retained earnings (accumulated deficit)		3,018,248	9	1,768,769	6
Other equity interest						
3400	Other equity interest	6(25)	(1,284,605)	(4)	(1,318,554)	(5)
3500	Treasury stocks	6(22)	(275,230)	(1)	(352,810)	(1)
3XXX	Total equity		<u>11,915,830</u>	<u>36</u>	<u>8,953,803</u>	<u>32</u>
Significant contingent liabilities and unrecognised contract commitments						
9						
Significant events after the balance sheet date						
11						
3X2X	Total liabilities and equity		<u>\$ 32,689,550</u>	<u>100</u>	<u>\$ 27,617,476</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.


 ADATA TECHNOLOGY CO., LTD.
 PARENT COMPANY ONLY STATEMENT OF COMPREHENSIVE INCOME
 YEARS ENDED DECEMBER 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan Dollars, except for earnings per share)

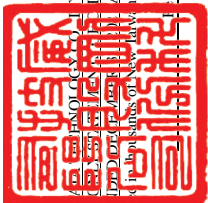
Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(26) and 7(2)	\$ 36,302,777	100	\$ 29,612,087	100
5000 Operating costs	6(6)(30) and 7(2)	(33,070,855)	(91)	(26,372,361)	(89)
5900 Net operating margin		3,231,922	9	3,239,726	11
5910 Unrealized profit from sales		(9,565)	-	(167,308)	-
5920 Realized profit on from sales		167,308	-	33,042	-
5950 Net operating margin		3,389,665	9	3,105,460	11
Operating expenses	6(30) and 7(2)				
6100 Selling expenses		(1,086,589)	(3)	(985,174)	(3)
6200 General & administrative expenses		(927,414)	(2)	(722,053)	(3)
6300 Research and development expenses		(341,078)	(1)	(316,043)	(1)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(683)	-	3,621	-
6000 Total operating expenses		(2,355,764)	(6)	(2,019,649)	(7)
6900 Operating profit		1,033,901	3	1,085,811	4
Non-operating income and expenses					
7100 Interest income		1,385	-	3,420	-
7010 Other income	6(27) and 7(2)	97,891	-	71,088	-
7020 Other gains and losses	6(28)	164,399	-	46,761	-
7050 Finance costs	6(29)	(120,783)	-	(138,749)	-
7070 Share of profit of associates and joint ventures accounted for using equity method, net	6(7)	1,574,656	4	684,183	2
7000 Total non-operating revenue and expenses		1,717,548	4	666,703	2
7900 Profit before income tax		2,751,449	7	1,752,514	6
7950 Income tax (expense) benefit	6(32)	(504,095)	(1)	(401,855)	(2)
8200 Profit for the year		\$ 2,247,354	6	\$ 1,350,659	4

(Continued)


ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan Dollars, except for earnings per share)

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Actuarial gain on defined benefit plan	6(19)	\$ 2,637	-	\$ 942	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(25)	54,186	-	13,943	-
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(25)	46,629	-	21,314	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(32)	(4,710)	-	1,703	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		98,742	-	37,902	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(25)	(218,301)	-	(151,464)	-
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(25)	(110)	-	(53)	-
8399	Income tax relating to the components of other comprehensive income	6(32)	43,681	-	30,305	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(174,730)	-	(121,212)	-
8300	Other comprehensive income for the year		<u>(\$ 75,988)</u>	-	<u>(\$ 83,310)</u>	-
8500	Total comprehensive income for the year		<u>\$ 2,171,366</u>	<u>6</u>	<u>\$ 1,267,349</u>	<u>4</u>
Basic earnings per share						
9750	Total basic earnings per share	6(33)	<u>\$ 9.14</u>		<u>\$ 6.10</u>	
Diluted earnings per share						
9850	Total diluted earnings per share	6(33)	<u>\$ 8.59</u>		<u>\$ 5.45</u>	

The accompanying notes are an integral part of these parent company only financial statements.



ALPHA OIL COMPANY LIMITED
PARENT COMPANY FINANCIAL STATEMENTS CHANGES IN EQUITY
YEARS ENDING 31 DECEMBER 2020 AND 2021
 (Expressed in thousands of New Zealand dollars)

Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Other equity interest		Treasury stocks	Total
							Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned stock-based employee compensation		
	\$ 2,237,943	\$ 3,832,766	\$ 886,364	\$ 821,858	\$ 1,089,871	\$ 640,574	\$ 490,156	\$ -	\$ (162,762)	\$ 7,575,310
6(25)	-	-	-	-	1,330,659	-	-	-	-	1,330,659
6(24)	-	-	-	-	754	(121,212)	37,148	-	-	(83,310)
	-	-	-	-	1,351,413	(121,212)	37,148	-	-	1,267,349
	-	-	41,057	-	(41,057)	-	-	-	-	-
	-	-	-	266,654	(266,654)	-	-	-	-	-
6(23)	-	27,500	-	-	311,159	-	-	-	-	311,159
6(23)	141,173	556,598	-	-	-	-	-	-	-	697,771
6(22)	-	-	-	-	-	-	-	-	(282,450)	(282,450)
	-	-	-	-	-	-	-	-	(48,106)	(48,106)
6(23)	-	3,687	-	-	-	-	-	-	-	3,687
6(20)	-	156,500	-	-	-	-	-	(156,500)	-	-
	-	1,916	-	-	-	-	-	9,781	-	9,781
6(25)	-	-	-	-	(42,959)	-	42,959	-	-	-
6(23)	-	2,481	-	-	-	-	-	-	-	2,481
	-	6,887	-	-	(10,686)	-	-	-	-	(3,799)
6(23)	(15,380)	(111,606)	-	-	-	-	-	126,986	-	-
	\$ 2,363,736	\$ 4,476,729	\$ 927,421	\$ 1,088,512	\$ 1,768,769	\$ 761,786	\$ 410,049	\$ 146,719	\$ (352,810)	\$ 8,953,803
	\$ 2,363,736	\$ 4,476,729	\$ 927,421	\$ 1,088,512	\$ 1,768,769	\$ 761,786	\$ 410,049	\$ 146,719	\$ (352,810)	\$ 8,953,803
6(25)	-	-	-	-	2,247,354	(174,730)	96,632	-	-	2,247,354
6(24)	-	-	-	-	2,249,464	(174,730)	96,632	-	-	2,171,366
	-	-	108,468	-	(108,468)	-	-	-	-	-
	-	-	-	83,323	(83,323)	-	-	-	-	-
	-	-	-	(808,194)	(808,194)	-	-	-	-	(808,194)
6(23)	248,205	1,056,651	-	-	-	-	-	-	-	1,304,856
6(20)	25,000	(25,000)	-	-	-	-	-	-	-	-
6(23)	(228)	92	-	-	-	-	-	110,620	-	110,620
	-	(1,195)	-	-	-	-	-	1,427	-	235
	-	4,235	-	-	-	-	-	-	-	4,235
	-	101,472	-	-	-	-	-	77,580	-	235
	\$ 2,636,713	\$ 5,612,980	\$ 1,035,889	\$ 1,171,835	\$ 3,018,248	\$ 936,516	\$ 313,417	\$ (34,672)	\$ (275,230)	\$ 11,915,830

The accompanying notes are an integral part of these parent company only financial statements.


ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,751,449	\$ 1,752,514
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation of property, plant and equipment	6(30)	42,750	48,405
Depreciation of investment property	6(28)	1,639	1,640
Depreciation of right-of-use assets	6(30)	19,014	20,096
Amortisation expense of intangible assets	6(30)	19,429	18,817
Expected credit (gain) loss	12(2)	683	(3,621)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	6(28)	(193,001)	(37,584)
Interest expense	6(29)	120,783	138,749
Interest income		(1,385)	(3,420)
Dividend income	6(27)	(5,840)	(3,650)
Compensation cost of share-based payment awards	6(20)	222,375	9,781
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	6(7)	(1,574,656)	(684,183)
Loss (gain) on disposal of property, plant and equipment	6(28)	-	(200,430)
Gain on disposal of investment property	6(28)	(3,606)	-
Gain on liquidation of investments accounted for using the equity method	7(2)	241	-
Impairment loss on investment accounted for using the equity method	6(28)	-	85,641
Impairment loss on investment property	6(28)	35,072	210,000
(Realised) unrealised gain on inter-affiliate accounts		(157,743)	134,266
Gain on lease modification	6(9)	(564)	(69)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		994,301	(91,158)
Notes receivable, net		(116)	2,368
Accounts receivable, net		(1,624,076)	(123,701)
Accounts receivable-related parties, net		(546,867)	(336,109)
Other receivables		205,596	(31,268)
Other receivables-related parties		2,779	6,364
Inventories		(1,044,056)	(1,517,985)
Prepayments		15,199	(23,509)
Other non-current assets		(891)	(878)
Changes in operating liabilities			
Current contract liabilities		29,440	2,453
Notes payable		1,537	1,180
Accounts payable		(622,911)	815,091
Accounts payable - related parties		533,439	393,495
Other payables		26,698	141,942
Other payables - related parties		(1,201)	1,625
Provisions for liabilities - current		(1,377)	(6,970)
Other current liabilities, others		(21,625)	47,736
Cash (outflow) inflow generated from operations		(777,491)	767,628
Dividend received		305,840	253,650
Interest paid		(112,989)	(128,243)
Income tax paid		(252,964)	(9,521)
Net cash flows (used in) from operating activities		(837,604)	883,514



ADATECH INC. (NYSE: ATEC), LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDING DECEMBER 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest received		\$ 1,430	\$ 3,727
(Increase) decrease in other current assets		16,030	(169,180)
Acquisition of financial assets at fair value through other comprehensive income-non-current		(3,759)	(9,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income-non-current		-	12,000
Acquisition of financial assets at amortised cost-current		-	(247,750)
Proceeds from disposal of financial assets at amortised cost-current		37,416	-
Acquisition of investments accounted for using the equity method	7(2)	(669,819)	(524,646)
Proceeds from disposal of investments accounted for using the equity method		-	4,745
Proceeds from liquidation of investments accounted for using the equity method	7(2)	536	4,597
Acquisition of property, plant and equipment	6(34)	(10,162)	(29,176)
Proceeds from disposal of property, plant and equipment		-	613,321
Increase in refundable deposits		(937)	(91)
Decrease in refundable deposits		1,615	7,168
Acquisition of intangible assets	6(12)	(23,528)	(5,282)
Proceeds from disposal of investment property		793,122	-
Prepayments for investments		(161,269)	-
Prepayments for equipment		(26,328)	33,818
Prepayments for real estate acquisition		(815,271)	-
Increase in other non-current assets		(1,326)	(41,003)
Net cash flows used in investing activities		<u>(862,250)</u>	<u>(346,752)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(35)	2,513,508	2,319,990
Increase (decrease) in short-term notes and bills payable	6(35)	300,000	(500,000)
Issuance of convertible bonds	6(35)	-	995,000
Proceeds from long-term loans	6(35)	12,600,000	39,160,000
Repayment for long-term loans	6(35)	(12,080,143)	(41,710,143)
Increase in guarantee deposits received		395	503
Decrease in guarantee deposits received		-	(748)
Payment of cash dividends	6(24)	(808,194)	(311,159)
Payments of lease liabilities	6(35)	(18,786)	(20,289)
Exercise the right of Disgorgement		92	-
Purchase of treasury shares	6(22)	-	(282,450)
Transfer treasury stocks to employees	6(22)	67,297	-
Net cash flows from (used in) financing activities		<u>2,574,169</u>	<u>(349,296)</u>
Net increase in cash and cash equivalents		874,315	187,466
Cash and cash equivalents at beginning of year		924,454	736,988
Cash and cash equivalents at end of year		<u>\$ 1,798,769</u>	<u>\$ 924,454</u>

The accompanying notes are an integral part of these parent company only financial statements.

ADATA TECHNOLOGY CO., LTD.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) ADATA TECHNOLOGY CO., LTD. (the “Company”) was incorporated under the provisions of the Company Law of the Republic of China (R.O.C.) in May 2001. The Company is primarily engaged in the manufacture of electronic components, wholesale, manufacture and export of electronic materials.

(2) The Company’s shares have been traded on the Taipei Exchange since October 2004.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 15, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note: Earlier application from January 1, 2021 is allowed by FSC.

The above standards and interpretations have no significant impact to the Company’s parent company only financial condition and parent company only financial performance based on the

Company's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company's parent company only financial condition and parent company only financial performance based on the Company's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9-comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Company's parent company only financial condition and parent company only financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets and liabilities at fair value through other comprehensive income.
- (c) Defined benefit liabilities are recognised based on the net amount of pension fund assets and the present value of defined benefit obligation.

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translations

Items included in the financial statements of Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional and presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

The operating results and financial position of all the subsidiaries and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the exchange rates prevailing at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Leasing arrangements (lessor)-operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted-average method. The cost of finished goods and work-in-process comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. The item-by-item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for using the equity method/ subsidiaries, associates and joint ventures

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise the losses in proportion to the ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- E. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- F. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- H. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

- I. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- J. The Company accounts for its interest in a joint venture using the equity method. Unrealised profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.
- K. Pursuant to the Regulations Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each component of property, plant and equipment that is significant is depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	20~50 years
Machinery and equipment	5~10 years
Office equipment	2~ 6 years
Others	1~10 years

(16) Leasing arrangements (lessee)-right-of-use assets/lease liabilities/leases (lessee)

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.
- The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- The amount of the initial measurement of lease liability; and
 - Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(18) Intangible assets

Intangible assets, mainly computer software are amortised on a straight-line basis, and their estimated useful lives are as follows:

Computer software	1~10 years
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(19) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognised in profit or loss. Such recovery of impairment loss shall not result to the asset's carrying amount greater than its amortised cost where no impairment loss was recognised.

(20) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(21) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Convertible bonds payable

Convertible bonds issued by the Company contain conversion right (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options, and put options. The Company classifies the convertible bonds upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. Details are as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation by using the effective interest method.

- C. The embedded conversion right which meet the definition of an equity instrument are initially recognised in ‘capital surplus-share options’ at the residual amount of total issuance proceed less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion right is not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion right, the liability component of the bonds (including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus-share options’.

(24) Derecognition of financial liabilities

A financial liabilities is derecognised when the obligation under the liability specified in the contract is either discharged or cancelled or expires.

(25) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(26) Provisions for other liabilities

Provisions (mainly are product warranties) are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(27) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

- (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.
- (b) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, the Company will repurchase without paying consideration and retire those stocks, the Company recognises such stocks repurchased as share capital and a deduction to capital surplus at the grant date, in accordance with the terms of restricted stocks.

(29) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only financial statements. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(30) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(31) Dividends

In 2019 and 2020, the cash dividends were distributed when the company's shareholders' meeting was resolved while recognized as liabilities. In 2021, in accordance with the Articles of Association of the Company stipulates that it is recognized as a liability in the financial statements after a special resolution of the board of directors. Also, the distribution of stock dividends shall be recognized as stock dividends to be distributed when the company's shareholders' meeting resolves the distribution, and shall be listed on the base date of issuance of new shares.

(32) Revenue recognition

A. Sales of goods

- (a) The Company manufactures and sells memory related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- (b) Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales returns, volume discounts and sales discounts. Annual expected purchase and accumulated experience is used to estimate and provide for the volume discounts and sales discounts and allowances, which was recognised as refund liabilities, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date.
- (c) The sales usually are made with a credit term of cash on delivery and 90 days after monthly billings. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- (d) The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (e) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

- (a) The Company provides LED instalment services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided up to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the proportion of contract costs incurred for services performed as of the financial reporting date to the estimated total costs for the service contract.
- (b) The Company's revenues, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(33) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates are continually evaluated and adjusted based on historical experience and other factors. The above information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

Investment property

The Company uses a portion of the property for its own use and another portion to earn rentals or for capital appreciation. When these portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own-use portion was immaterial.

(2) Critical accounting estimates and assumptions

A. Assessment of accounts receivable

The Company manages collections and assumes the related credit risks for their receivables. Management assesses customers' credit quality and collections periodically and adjusts customers' credit policies accordingly. In addition, impairment assessment of accounts receivable was implemented in accordance with IFRS 9. The Company applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis. The Company took into account factors that may influence customers' ability to pay, such as individual customer's past due period, financial status and economic condition at the balance sheet date and historical experience, and used the forecastability to assess the default possibility of accounts receivable.

B. Evaluation of inventories

The Company evaluates the amounts of normal inventory consumption, obsolete inventories and market selling value using judgements to estimate the net realisable value of inventories and writes down the cost of inventories to the net realisable value. Due to the technological innovation, environmental changes and sales performance, inventory values may change, which will affect the evaluation of inventories.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and revolving funds	\$ 462	\$ 563
Checking accounts and demand deposits	1,798,307	593,891
Time deposits	-	210,000
Bills with repurchase agreement	-	120,000
	<u>\$ 1,798,769</u>	<u>\$ 924,454</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company's cash and cash equivalents due to restricted use are recognised as current financial assets at amortised cost, value amounting \$807,360 and \$844,776 for the years ended December 31, 2021 and 2020, respectively.

(2) Financial assets and liabilities at fair value through profit or loss

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items:		
Financial assets (liabilities) mandatorily measured at fair value through profit or loss		
-Listed (TSE and OTC) stocks	\$ 19,732	\$ 255,032
-Beneficiary certificates	30,180	511,000
-Gold passbook	-	111,075
-Put and call options of convertible bonds	<u>1,978</u>	<u>7,773</u>
	51,890	884,880
Valuation adjustment	(<u>4,982</u>)	(<u>27,648</u>)
	<u>\$ 46,908</u>	<u>\$ 857,232</u>

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Financial assets and liabilities at fair value through profit or loss</u>		
-Listed stocks, beneficiary certificates and gold passbook	180,131	14,518
-Non-hedging derivatives	9,641	13,239
-Put and call options of convertible bonds	<u>3,229</u>	<u>9,827</u>
	<u>\$ 193,001</u>	<u>\$ 37,584</u>

B. The Company has no financial assets at fair value through profit or loss pledged to others.

C. Information relating to fair value is provided in Note 12(3).

(3) Financial assets at fair value through other comprehensive income

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current items-equity instruments:		
-Emerging stocks	\$ 115,200	\$ 115,200
-Unlisted stocks and non-emerging stocks	<u>91,959</u>	<u>88,200</u>
	207,159	203,400
Valuation adjustment	(<u>111,318</u>)	(<u>165,504</u>)
	<u>\$ 95,841</u>	<u>\$ 37,896</u>

A. The Company has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. Due to financial management, the Company sold equity investments at fair value amounting to \$0 and \$12,000 as well as recognised accumulated gains (losses) on disposal amounting to \$0

and \$4,194 for the years ended December 31, 2021 and 2020, respectively.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2021	2020
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income (losses)	\$ 54,186	\$ 13,943
Cumulative gains reclassified to retained earnings due to derecognition	\$ -	\$ 4,194
Dividend income recognised in profit or loss		
Held at end of year	\$ 1,450	\$ 1,250
Derecognised during the year	-	-
	<u>\$ 1,450</u>	<u>\$ 1,250</u>

D. The Company's has no financial assets at fair value through other comprehensive income pledged to others as collateral.

E. Information relating to fair value is provided in Note 12(3).

(4) Notes and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	\$ 1,251	\$ 1,135
Accounts receivable	\$ 3,058,521	\$ 1,478,632
Accounts receivable-related parties	2,722,146	2,175,279
	<u>5,780,667</u>	<u>3,653,911</u>
Less: Allowance for uncollectible accounts	(2,329)	(1,257)
	<u>\$ 5,778,338</u>	<u>\$ 3,652,654</u>
Overdue receivables (shown as other non-current assets)	\$ 166	\$ 838
Less: Allowance for uncollectible accounts	(166)	(838)
	<u>\$ -</u>	<u>\$ -</u>

Overdue receivables refer to the amount that were outsourced for debt collections or were in debt litigations, or the balance at risk that were reported to insurance companies.

A. The ageing analysis of notes and accounts receivable and the information relating to credit risk are provided in Note 12(2).

B. As of December 31, 2021 and 2020, notes and accounts receivable were all from contracts with customers. And as of January 1, 2020, the balance of notes and accounts receivables from contracts with customers amounted to \$3,503 and \$3,273,018, respectively.

C. No collateral was held by the Company for above mentioned notes and accounts receivable.

(5) Transfer of financial assets

For the years ended December 31, 2021 and 2020, the Company entered into a factoring agreement with banks to sell its accounts receivable. Under the agreement, the Company is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Company does not have any continuing involvement in the transferred accounts receivable. Thus, the Company derecognised the transferred accounts receivable, and the related information is as follows:

(USD amounts in thousands)

December 31, 2021						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Mega International Commercial Bank	\$ - 0	\$ - 0	USD 32,000	\$ - (USD 0)	\$ - (USD -)	Note 1
Bank of Taiwan	100,121 (USD 3,617)	100,121 (USD 3,617)	USD 13,000	90,108 (USD 3,255)	- (USD -)	Note 1
Bank of Taiwan	-	-	\$ 138,400	-	-	Note 1
Standard Chartered Bank	219,333 (USD 7,924)	219,333 (USD 7,924)	USD 19,735	197,400 (USD 7,132)	- (USD -)	Note 1
CTBC Bank	126,298 (USD 4,563)	126,298 (USD 4,563)	USD 21,700	113,668 (USD 4,107)	- (USD -)	Note 1
	<u>\$ 445,752</u>	<u>\$ 445,752</u>		<u>\$ 401,176</u>	<u>\$ -</u>	

(USD amounts in thousands)

December 31, 2020

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Mega International Commercial Bank	\$ 69,377 (USD 2,436)	\$ 69,377 (USD 2,436)	USD 32,000	\$ 62,440 (USD 2,192)	\$ - (USD -)	Note 2
Bank of Taiwan	149,738 (USD 5,258)	149,738 (USD 5,258)	USD 13,000	134,764 (USD 4,732)	- (USD -)	Note 2
Bank of Taiwan	-	-	\$ 142,400	-	-	Note 2
Standard Chartered Bank	209,633 (USD 7,361)	209,633 (USD 7,361)	USD 19,235	188,668 (USD 6,625)	- (USD -)	Note 2
CTBC Bank	146,252 (USD 5,135)	146,252 (USD 5,135)	USD 12,000	117,001 (USD 4,108)	- (USD -)	Note 2
	<u>\$ 575,000</u>	<u>\$ 575,000</u>		<u>\$ 502,873</u>	<u>\$ -</u>	

As of December 31, 2021 and 2020, the Company has retention for the factoring of accounts receivable (shown as "Other receivables") amounting to \$44,576 and \$72,127, respectively.

Note 1: The advanced amount carried the interest rate of 0.440%~0.867% as at December 31, 2021.

Note 2: The advanced amount carried the interest rate of 0.480%~0.900% as at December 31, 2020.

(6) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,093,500	(\$ 7,509)	\$ 1,085,991
Work in progress	3,454,209	(24,701)	3,429,508
Semi-finished goods	154,524	(5,585)	148,939
Finished goods	2,335,844	(75,478)	2,260,366
	<u>\$ 7,038,077</u>	<u>(\$ 113,273)</u>	<u>\$ 6,924,804</u>

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 876,000	(\$ 8,666)	\$ 867,334
Work in progress	3,434,987	(10,884)	3,424,103
Semi-finished goods	100,811	(1,608)	99,203
Finished goods	1,518,986	(28,878)	1,490,108
	<u>\$ 5,930,784</u>	<u>(\$ 50,036)</u>	<u>\$ 5,880,748</u>

A. Inventories are not pledged as collateral.

B. The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2021	2020
Cost of goods sold	\$ 32,976,299	\$ 26,379,477
(Gain on reversal of) loss on decline in market value	63,237 (	29,691)
Others	31,319	22,575
	<u>\$ 33,070,855</u>	<u>\$ 26,372,361</u>

Gain on reversal was caused by the decrease in allowance for valuation loss arising from sales of inventories with allowance for valuation loss.

(7) Investments accounted for using the equity method

The Company's long-term equity investments accounted for using the equity method is as follows:

Investee	December 31, 2021	December 31, 2020
Asset accounts:		
Subsidiaries:		
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	\$ 709,060	\$ 713,174
ZHAO-XING INVESTMENT CO., LTD.	1,136,951	514,440
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	178,656	178,829
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	732,810	735,560
LIWANLI Innovation Co., Ltd.	786,435	791,602
ADATA HOLDINGS CO., LTD.	5,919,523	5,174,557
ADATA TECHNOLOGY (U.S.A) CO., LTD.	490,191	405,618
ADATA TECHNOLOGY B.V.	7,545	7,370
ADATA TECHNOLOGY (KOREA) CO., LTD.	-	5,398
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	1,152,481	782,168
ADATA TECHNOLOGY (JAPAN) CO., LTD.	14,080	14,677
ADATA TECHNOLOGY MEXICO SDRL DE CV.	8,058	7,750
ALLIED TREASURE INC. LIMITED	369,699	423,924
JET CASTLE LIMITED	2,719	2,836
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	7,654	7,745
Alwayspeed Technology Company Limited	31,243	32,331
	<u>11,547,105</u>	<u>9,797,979</u>
Associates:		
IROC CO., LTD.	467,080	460,814
ATRACK TECHNOLOGY INC.	351,481	294,518
Others (Refer to Tables 9 and 10 of Note 13 for details)	53,631	20,303
	<u>872,192</u>	<u>775,635</u>
Joint ventures:		
Taiwan Sports Lottery Co., Ltd.	1,062,831	977,381
	<u>\$ 13,482,128</u>	<u>\$ 11,550,995</u>
Liabilities accounts(Other liabilities):		
Associates:		
Others	(\$ 1,422)	-

The investment gain accounted for using the equity method for the years ended December 31, 2021 and 2020 amounted to \$1,574,656 and \$684,183, respectively, of which the amounts of \$509,506

and \$182,346 were based on the financial statements audited by other auditors, and others were based on the financial statements audited by the auditors appointed by the Company.

A. Subsidiaries

Details of the Company's subsidiaries are provided in Note 4(3) of the Company's 2021 consolidated financial statements.

B. Associates

The Company's associates are all individually immaterial to the Company, and the carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarised below:

(a) As of December 31, 2021 and 2020, the carrying amount of the Company's individually immaterial associates amounted to \$870,770 and \$775,635, respectively.

(b) Share of the operating results are summarised below:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Loss for the year	(\$ 8,821)	(\$ 37,074)
Other comprehensive loss, net of tax	<u>216</u>	<u>(723)</u>
Total comprehensive loss	<u><u>(\$ 8,605)</u></u>	<u><u>(\$ 37,797)</u></u>

(c) The Company holds 26.14% of ATrack Technology Inc. and is the single largest shareholder of the company. Considering the degree of participation of other shareholders of ATrack Technology Inc. and the record of voting rights for major resolutions, the Company has only obtained two seats of seven in the board of directors of ATrack Technology Inc. That the Company has no actual ability to lead the relevant activities, so it has no control over the company and only has a significant influence.

C. Joint venture

(a) The basic information of the joint ventures that are material to the Company is as follows:

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u>		<u>Nature of relationship</u>	<u>Methods of measurement</u>
		<u>December 31, 2021</u>	<u>December 31, 2020</u>		
Taiwan Sports Lottery Co., Ltd.	Taiwan	47.62%	47.62%	Joint venture	Equity method

(b) The summarised financial information of the joint ventures, Taiwan Sports Lottery Co., Ltd., that are material to the Company is as follows:

i. Balance sheet

	Taiwan Sports Lottery Co., Ltd.	
	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 1,936,401	\$ 1,696,329
Other current assets	225,150	186,592
Current assets	<u>2,161,551</u>	<u>1,882,921</u>
Non-current assets	637,403	687,410
Total assets	<u>\$ 2,798,954</u>	<u>\$ 2,570,331</u>
Current financial liabilities (Note)	(\$ 233,560)	(\$ 179,944)
Other current liabilities	(239,896)	(233,119)
Current liabilities	<u>(473,456)</u>	<u>(413,063)</u>
Non-current liabilities	(93,598)	(104,809)
Total liabilities	<u>(\$ 567,054)</u>	<u>(\$ 517,872)</u>
Total net assets	<u>\$ 2,231,900</u>	<u>\$ 2,052,459</u>
Share in joint venture's net assets	<u>\$ 1,062,831</u>	<u>\$ 977,381</u>
Carrying amount of the joint venture	<u>\$ 1,062,831</u>	<u>\$ 977,381</u>

Note: It was excluding accounts payable, other payables and provision.

ii. Statement of comprehensive income

	Taiwan Sports Lottery Co., Ltd.	
	Years ended December 31,	
	2021	2020
Revenue	\$ 2,487,193	\$ 2,146,281
Depreciation and amortisation	(\$ 78,280)	(\$ 76,297)
Interest income	\$ 298	\$ 230
Profit before income tax	\$ 1,011,807	\$ 810,201
Income tax expense	(202,365)	(156,122)
Profit for the year from continuing operations	<u>\$ 809,442</u>	<u>\$ 654,079</u>
Total comprehensive income	<u>\$ 809,442</u>	<u>\$ 654,079</u>
Dividends received from joint venture	<u>\$ 300,000</u>	<u>\$ 250,000</u>

(c) The Company's principal joint venture, Taiwan Sports Lottery Co., Ltd., has no quoted market prices.

(8) Property, plant and equipment

	Land		Buildings and structures		Office equipment		Others		Total
	Owner-occupied		Owner-occupied	Lease	Owner-occupied		Owner-occupied		
At January 1, 2021									
Cost	\$ 882,409	\$ 534,574	\$ 17,229	\$ 551,803	\$ 28,990	\$ 246,538	\$ 1,709,740		
Accumulated depreciation	-	(179,334)	(3,306)	(182,640)	(23,228)	(93,584)	(299,452)		
	<u>\$ 882,409</u>	<u>\$ 355,240</u>	<u>\$ 13,923</u>	<u>\$ 369,163</u>	<u>\$ 5,762</u>	<u>\$ 152,954</u>	<u>\$ 1,410,288</u>		
2021									
Opening net book amount as at January 1	\$ 882,409	\$ 355,240	\$ 13,923	\$ 369,163	\$ 5,762	\$ 152,954	\$ 1,410,288		
Additions	-	149	-	149	4,784	5,181	10,114		
Disposals	-	-	-	-	-	-	-		
Transfers for the year (Note)	-	-	-	-	-	2,631	2,631		
Depreciation charge	-	(9,430)	(736)	(10,166)	(3,499)	(29,085)	(42,750)		
Closing net book amount as at December 31	<u>\$ 882,409</u>	<u>\$ 345,959</u>	<u>\$ 13,187</u>	<u>\$ 359,146</u>	<u>\$ 7,047</u>	<u>\$ 131,681</u>	<u>\$ 1,380,283</u>		
At December 31, 2021									
Cost	\$ 882,409	\$ 534,723	\$ 17,229	\$ 551,952	\$ 33,300	\$ 249,195	\$ 1,716,856		
Accumulated depreciation	-	(188,764)	(4,042)	(192,806)	(26,253)	(117,514)	(336,573)		
	<u>\$ 882,409</u>	<u>\$ 345,959</u>	<u>\$ 13,187</u>	<u>\$ 359,146</u>	<u>\$ 7,047</u>	<u>\$ 131,681</u>	<u>\$ 1,380,283</u>		

	Land		Buildings and structures			Office equipment		Others		Total	
	Owner-occupied		Owner-occupied	Lease	Subtotal	Owner-occupied		Owner-occupied			
At January 1, 2020											
Cost	\$ 1,216,064	\$	629,192	\$ 17,229	\$ 646,421	\$ 27,620	\$	231,828	\$	2,121,933	
Accumulated depreciation	-	(186,119)	(2,969)	(20,191)	(67,535)	(276,814)
	<u>\$ 1,216,064</u>	<u>\$</u>	<u>443,073</u>	<u>\$ 14,260</u>	<u>\$ 457,333</u>	<u>\$ 7,429</u>	<u>\$</u>	<u>164,293</u>	<u>\$</u>	<u>1,845,119</u>	
2020											
Opening net book amount as at January 1	\$ 1,216,064	\$	443,073	\$ 14,260	\$ 457,333	\$ 7,429	\$	164,293	\$	1,845,119	
Additions	-		3,270	-	3,270	2,222		19,208		24,700	
Disposals	(333,655)	(79,045)	(79,045)	-	(191)	(412,891)
Transfers for the year (Note)	-		480	-	480	-		1,285		1,765	
Depreciation charge	-	(12,538)	(337)	(12,875)	(3,889)	(31,641)
Closing net book amount as at December 31	<u>\$ 882,409</u>	<u>\$</u>	<u>355,240</u>	<u>\$ 13,923</u>	<u>\$ 369,163</u>	<u>\$ 5,762</u>	<u>\$</u>	<u>152,954</u>	<u>\$</u>	<u>1,410,288</u>	
At December 31, 2020											
Cost	\$ 882,409	\$	534,574	\$ 17,229	\$ 551,803	\$ 28,990	\$	246,538	\$	1,709,740	
Accumulated depreciation	-	(179,334)	(3,306)	(182,640)	(23,228)	(93,584)
	<u>\$ 882,409</u>	<u>\$</u>	<u>355,240</u>	<u>\$ 13,923</u>	<u>\$ 369,163</u>	<u>\$ 5,762</u>	<u>\$</u>	<u>152,954</u>	<u>\$</u>	<u>1,410,288</u>	

Note : Including amount traferred from prepayment for equipment (shown as 'Other non-current assets').

A: No property, plant and equipment were capitalized interest.

B: Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements-lessee

A. The Company leases various assets including buildings and structures and transportation equipment. Rental contracts are typically made for periods of 2 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be sold, subleased, lent to the third party or granted to the third party in any circumstance.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Buildings and structures	Transportation equipment	Total
Balance, January 1, 2021	\$ 18,275	\$ 1,244	\$ 19,519
Additions	22,621	995	23,616
Depreciation	(18,077)	(937)	(19,014)
Disposals	(10,237)	(114)	(10,351)
Balance, December 31, 2021	<u>\$ 12,582</u>	<u>\$ 1,188</u>	<u>\$ 13,770</u>

	Buildings and structures	Transportation equipment	Total
Balance, January 1, 2020	\$ 23,753	\$ 5,253	\$ 29,006
Additions	11,699	698	12,397
Depreciation	(17,177)	(2,919)	(20,096)
Disposals	-	(1,788)	(1,788)
Balance, December 31, 2020	<u>\$ 18,275</u>	<u>\$ 1,244</u>	<u>\$ 19,519</u>

C. Information on profit or loss in relating to lease contracts is as follows:

	Years ended December 31,	
	2021	2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 407	\$ 425
Expense on short-term lease contracts	5,006	5,792
Expense on leases of low-value assets	415	390
Gain on lease modification	(564)	(69)
	<u>\$ 5,264</u>	<u>\$ 6,538</u>

D. Apart from the cash outflow relating to the lease expense mentioned above in Note 6(9)C., the principal repayment of lease liability for the years ended December 31, 2021 and 2020 amounted to \$18,786 and \$20,289, respectively.

E. The Company considered facts and circumstances affecting economic incentive in determining whether to exercise extension options or not. The reassessment would be made when a significant event occurs.

(10) Leasing arrangements-lessor

A. The Company leases various assets including land and buildings. Rental contracts are

typically made for periods of 1 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be sold, subleased, lent to the third party or granted to the third party in any circumstance

B. For the years ended December 31, 2021 and 2020, the Company recognised rent income in the amount of \$9,361 and \$8,248, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2021	December 31, 2020
Next 1 year	\$ 6,442	\$ 3,509
Next 2 years	\$ 2,451	\$ 1,495
Next 3 years	32	-
	<u>\$ 8,925</u>	<u>\$ 5,004</u>

(11) Investment property

	Land	Buildings and structures	Total
<u>At January 1, 2021</u>			
Cost	\$ 1,608,161	\$ 83,603	\$ 1,691,764
Accumulated depreciation	-	(9,726)	(9,726)
Accumulated impairment	(597,559)	-	(597,559)
	<u>\$ 1,010,602</u>	<u>\$ 73,877</u>	<u>\$ 1,084,479</u>
<u>2021</u>			
Opening net book amount as at January 1	\$ 1,010,602	\$ 73,877	\$ 1,084,479
Disposals	(789,516)	-	(789,516)
Depreciation Charge	-	(1,639)	(1,639)
Impairment loss	(35,072)	-	(35,072)
Closing net book amount as at December 31	<u>\$ 186,014</u>	<u>\$ 72,238</u>	<u>\$ 258,252</u>
<u>At December 31, 2021</u>			
Cost	\$ 186,014	\$ 83,603	\$ 269,617
Accumulated depreciation	-	(11,365)	(11,365)
	<u>\$ 186,014</u>	<u>\$ 72,238</u>	<u>\$ 258,252</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2020</u>			
Cost	\$ 1,608,161	\$ 83,603	\$ 1,691,764
Accumulated depreciation	-	(8,086)	(8,086)
Accumulated impairment	(387,559)	-	(387,559)
	<u>\$ 1,220,602</u>	<u>\$ 75,517</u>	<u>\$ 1,296,119</u>
<u>2020</u>			
Opening net book amount as at January 1	\$ 1,220,602	\$ 75,517	\$ 1,296,119
Depreciation charge	-	(1,640)	(1,640)
Impairment loss	(210,000)	-	(210,000)
Closing net book amount as at December 31	<u>\$ 1,010,602</u>	<u>\$ 73,877</u>	<u>\$ 1,084,479</u>
<u>At December 31, 2020</u>			
Cost	\$ 1,608,161	\$ 83,603	\$ 1,691,764
Accumulated depreciation	-	(9,726)	(9,726)
Accumulated impairment	(597,559)	-	(597,559)
	<u>\$ 1,010,602</u>	<u>\$ 73,877</u>	<u>\$ 1,084,479</u>

A. Rental income from the investment property and direct operating expenses arising from the investment property are shown below:

	<u>2021</u>	<u>2020</u>
Rental income from investment property	<u>\$ 6,097</u>	<u>\$ 8,248</u>
Direct operating expenses arising from the investment property that generated rental income for the year	<u>\$ 1,639</u>	<u>\$ 1,640</u>

B. The fair value of the investment property held by the Company as at December 31, 2021 and 2020 was \$422,703 and \$1,280,498, respectively. The above fair value is assessed by the Company's management with the market fair value of similar property.

C. No investment property were capitalized interest.

D. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(12) Intangible assets

	Years ended December 31,	
	2021	2020
<u>At January 1</u>		
Cost	\$ 170,178	\$ 165,089
Accumulated amortisation and impairment	(139,580)	(121,181)
	<u>\$ 30,598</u>	<u>\$ 43,908</u>
Opening net book amount as at January 1	\$ 30,598	\$ 43,908
Additions	23,528	5,282
Transfers for the year	-	225
Amortisation charge	(19,429)	(18,817)
Closing net book amount as at December 31	<u>\$ 34,697</u>	<u>\$ 30,598</u>
<u>December 31</u>		
Cost	\$ 193,706	\$ 170,178
Accumulated amortisation and impairment	(159,009)	(139,580)
	<u>\$ 34,697</u>	<u>\$ 30,598</u>

A. Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2021	2020
Selling expenses	\$ 549	\$ 731
General and administrative expenses	16,174	14,889
Research and development expenses	2,673	3,197
Operating costs	33	-
	<u>\$ 19,429</u>	<u>\$ 18,817</u>

B. No intangible assets were capitalised interest.

C. The Company has no intangible assets pledged to others.

(13) Impairment of non-financial assets

Details of the Company's impairment loss are as follows:

	Years ended December 31,			
	2021		2020	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-investments accounted for using equity method (Note 1)	\$ -	\$ -	(\$ 85,641)	\$ -
Impairment loss-investment property-land (Note 2)	(35,072)	-	(210,000)	-
	<u>(\$ 35,072)</u>	<u>\$ -</u>	<u>(\$ 295,641)</u>	<u>\$ -</u>

Note 1: Some of the Company's investments accounted for using the equity method were impaired because the operation results were not as expected. The Company wrote down the carrying amount of the investments based on the recoverable amount and recognised an impairment loss accordingly. The recoverable amount was determined based on value-in-use calculations in the report prepared by independent appraisers. These calculations use post-tax cash flow projections based on financial budgets estimated by the management.

Note 2: The impairment on investment properties arose from the Company's land investment in Shihlin District, Taipei City. The management assessed impairment valuation based on the report prepared by independent real estate appraisers and market prices and recognised the difference between fair value and carrying amount as impairment losses.

(14) Other non-current assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Refundable deposits	\$ 41,725	\$ 42,403
Prepayments for equipment	36,810	13,113
Prepayments for real estate acquisition	815,271	-
Current prepayments for investments	161,269	-
Others	86,619	81,765
	<u>\$ 1,141,694</u>	<u>\$ 137,281</u>

(15) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured loans	\$ 7,987,928	0.48%~0.95%	None

<u>Type of borrowings</u>	<u>December 31, 2020</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured loans	\$ 5,474,420	0.56%~0.98%	None

Information on interest expense recognised in profit or loss is provided in Note 6(29).

(16) Other current liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Refund liabilities	\$ 18,520	\$ 21,969
Advance receipts for technology licensing revenue	36,246	41,699
Others	7,882	20,605
	<u>\$ 62,648</u>	<u>\$ 84,273</u>

(17) Bonds payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Bonds payable	\$ 210,400	\$ 1,563,100
Less: Discount on bonds payable	(4,295)	(51,204)
	<u>\$ 206,105</u>	<u>\$ 1,511,896</u>

A. The terms of the 6th domestic convertible bonds issued by the Company are as follows:

- (a) The regulatory authority has approved the 6th domestic secured convertible bonds issued by the Company. The total issuance amount is \$1,500,000 at 100% of the bond's face value with coupon rate of 0%, covering a 5-year period of issuance and a circulation period from May 8, 2019 to May 8, 2024. The convertible bonds will be settled by cash with principal value at maturity. The bonds were listed on the Taipei Exchange on May 8, 2019.
- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from three months after the bonds issuance date to the maturity date, except for the suspended transfer period as specified in the terms of the bonds or the regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of April 26, 2021, all the convertible bonds had been converted.
- (c) The conversion price is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution triggered subsequently. The conversion price was NT\$52.2 per share at issuance. The conversion price was adjusted from NT\$52.2 (in dollars) per share to NT\$51 (in dollars) per share since July 27, 2020.
- (d) The bondholders have the right to redeem the bonds at the price of the bonds' principal value plus 1.51% interests upon three years after the issuance date.
- (e) The Company may repurchase all the outstanding bonds in cash at the bonds' principal value in the following 30 trading days when the closing price of the Company's common shares is above the conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
- (f) The Company may repurchase all the outstanding bonds in cash at the bonds' principal value at any time when the outstanding balance of the bonds is less than 10% of total initial issuance amount during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
- (g) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), repaid, and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

- (h) For the years ended December 31, 2021 and 2020, the convertible bonds of \$563,100 and \$724,500 had been converted into 11,041,046 shares and 14,117,325 shares of common stocks, respectively.
 - (i) As of December 31, 2021, the convertible bonds of \$0 had been repurchased by the Company from the Taipei Exchange.
 - (j) When issuance of convertible bonds, the equity conversion right amounting to \$58,800 were separated from the liability component and were recognised in ‘capital surplus-share options’ in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts in accordance with IFRS 39 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective annual interest rates of the bonds after separation is 0.9724%.
- B. The terms of the 7th domestic secured convertible bonds issued by the Company are as follows:
- (a) The regulatory authority has approved the 7th domestic secured convertible bonds issued by the Company. The total issuance amount is \$1,000,000 at 100% of the bond’s face value with coupon rate of 0%, covering a 5-year period of issuance and a circulation period from September 28, 2020 to September 28, 2025. The convertible bonds will be settled by cash with principal value at maturity. The bonds were listed on the Taipei Exchange on September 28, 2020.
 - (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from three months after the bonds issuance date to the maturity date, except for the suspended transfer period as specified in the terms of the bonds or the regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - (c) The conversion price is set up based on the pricing model specified in the terms of the bonds and is subject to adjustments if the condition of the anti-dilution triggered subsequently. The conversion price was NT\$57.7 per share at issuance. The conversion price was adjusted from NT\$57.7 (in dollars) per share to NT\$56.1 (in dollars) per share since August 15, 2021 because of the distribution of cash dividends.
 - (d) The bondholders have the right to redeem the bonds at the price of the bonds’ principal value plus 1.51% interests upon three years after the issuance date.
 - (e) The Company may repurchase all the outstanding bonds in cash at the bonds’ principal value in the following 30 trading days when the closing price of the Company’s common shares is above the conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
 - (f) The Company may repurchase all the outstanding bonds in cash at the bonds’ principal value at any time when the outstanding balance of the bonds is less than 10% of total

initial issuance amount during the period from the date after three months of the bonds issuance to 40 days before the maturity date.

- (g) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), repaid and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- (h) For the years ended December 31, 2021 and 2020, the convertible bonds of \$789,600 and \$0 had been converted into 13,779,456 shares and 0 shares of common stocks, respectively.
- (i) As of December 31, 2021, the convertible bonds of \$0 had been repurchased by the Company from the Taipei Exchange.
- (j) When issuance of convertible bonds, the equity conversion right amounting to \$27,500 were separated from the liability component and were recognised in ‘capital surplus-share options’ in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective annual interest rates of the bonds after separation is 0.7172%.

(18) Long-term borrowings

<u>Borrowings</u>	<u>Borrowings period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2021</u>
Bank borrowings			
Bank syndicated loans (Note)	Borrowing period is from March 19, 2021 to March 19, 2026; interest is repayable monthly, principal paid at maturity, revolving credit	None	\$ 4,455,000
Secured borrowings	Borrowing period is from July 7, 2017 to July 7, 2024; interest is repayable monthly, principal paid monthly, non-revolving credit	Please refer to Note 8	77,869
Unsecured borrowings	Borrowing period is from December 21, 2020 to December 21, 2025; principal paid half-yearly from the 18 th month, non-revolving credit	None	180,000
			4,707,869
Less: Long-term liabilities, current portion			(75,143)
			\$ 4,632,726

The long-term borrowings carried interest rate of 1.0236%~1.05% as at December 31, 2021.

<u>Borrowings</u>	<u>Borrowings period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2020</u>
Bank borrowings			
Bank syndicated loans (Note2)	Borrowing period is from August 21, 2017 to August 21, 2022; interest is repayable monthly, principal paid at maturity, revolving credit	None	\$ 2,500,000
Secured borrowings	Borrowing period is from October 6, 2020 to October 6, 2022; interest is repayable monthly, principal paid at maturity, revolving credit	Please refer to Note 8	420,000

Borrowings	Borrowings period and repayment term	Collateral	December 31, 2020
Secured borrowings	Borrowing period is from May 30, 2019 to May 30, 2022; interest is repayable monthly, principal paid at maturity, revolving credit	Please refer to Note 8	668,000
Secured borrowings	Borrowing period is from July 7, 2017 to July 7, 2024; interest and principal are repayable monthly, non-revolving credit	Please refer to Note 8	108,012
Unsecured borrowings	Borrowing period is from October 6, 2020 to October 6, 2022; interest is repayable monthly, principal paid at maturity, revolving credit	None	180,000
Unsecured borrowings	Borrowing period is from May 30, 2019 to May 30, 2022; interest is payable monthly; principal is repayable at maturity, revolving credit	None	132,000
Unsecured borrowings	Borrowing period is from December 21, 2020 to December 21, 2025; interest is repayable monthly, principal paid at maturity, revolving credit	None	180,000
			4,188,012
Less: Long-term liabilities, current portion			(30,143)
			\$ 4,157,869

The long-term borrowings carried interest rate of 1.0242%~1.797% as at December 31, 2020.

Information on interest expense recognised in profit or loss is provided in Note 6(29).

Note1: In March 2021, the Company entered into a five-year syndicated loan agreement with 12 banks-Bank of Taiwan and as the lead bank and managing bank-and obtained a credit line in the amount of \$6,000,000. Since the second quarter of 2021, the loan agreement specifies that the financial ratios, including current ratio, the gearing ratio and interest coverage, and tangible net equity based on its annual parent company only financial statements audited by independent auditors and semi-annual parent company only financial statements reviewed by independent auditors shall conform to the terms and conditions.

The consolidated financial statements do not breached an undertaking under a long-term loan agreement at December 31, 2021.

Note2: In August 2017, the Company entered into a five-year syndicated loan agreement with 13 banks-Bank of Taiwan and as the lead bank and managing bank-and obtained a credit line in the amount of \$4,800,000. The loan agreement specifies that the financial ratios, including current ratio, the gearing ratio and interest coverage, and tangible net equity based on its annual parent company only financial statements audited by independent auditors and semi-annual parent company only financial statements reviewed by independent auditors shall conform to the terms and conditions.

The consolidated financial statements do not breached an undertaking under a long-term loan agreement at December 31, 2020.

(19) Pension plan

A. Defined benefit pension plan

(a) The Company has defined benefit pension plans in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	(\$ 24,643)	(\$ 26,710)
Fair value of plan assets	<u>34,613</u>	<u>33,152</u>
Net defined benefit assets (shown as other non-current assets)	<u>\$ 9,970</u>	<u>\$ 6,442</u>

(c) Movements in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of Plan assets	Net defined benefit asset (liability)
Year ended December 31, 2021			
Balance at January 1	(\$ 26,710)	\$ 33,152	\$ 6,442
Interest (expense) income	(99)	124	25
	(26,809)	33,276	6,467
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	471	471
Change in demographic assumptions	(591)	-	(591)
Change in financial assumptions	1,121	-	1,121
Experience adjustments	1,636	-	1,636
	2,166	471	2,637
Pension fund contribution	-	866	866
Balance at December 31	(\$ 24,643)	\$ 34,613	\$ 9,970
Year ended December 31, 2020			
Balance at January 1	(\$ 26,417)	\$ 31,039	\$ 4,622
Interest (expense) income	(200)	239	39
	(26,617)	31,278	4,661
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,035	1,035
Change in financial assumptions	(1,354)	-	(1,354)
Experience adjustments	1,261	-	1,261
	(93)	1,035	942
Pension fund contribution	-	839	839
Balance at December 31	(\$ 26,710)	\$ 33,152	\$ 6,442

(d) The Bank of Taiwan was commissioned to manage the Fund of the defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund

and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Discount rate	<u>0.72%</u>	<u>0.37%</u>
Future salary increases	<u>4.50%</u>	<u>4.50%</u>

Mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Increase 0.25%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
December 31, 2021				
Effect on present value of defined benefit obligation	<u>(\$ 789)</u>	<u>813</u>	<u>\$ 1,577</u>	<u>(\$ 1,479)</u>
	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
December 31, 2020				
Effect on present value of defined benefit obligation	<u>(\$ 855)</u>	<u>881</u>	<u>\$ 1,683</u>	<u>(\$ 1,576)</u>

The sensitivity analysis above is based on one assumption which changed while the other conditions that remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2021 amounts to \$860.

(g) As of December 31, 2021, the weighted average duration of the retirement plan is 12.1 years.

B. Defined contribution pension plan

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b)The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2021 and 2020 were \$31,931 and \$30,487, respectively.

(20) Share-based payment

A. The Company’s share-based payment arrangements were as follows:

(a) Shares of employee restricted stocks

The Company proposed to issue a total of 2.5 million shares of employee restricted stocks with par value of \$10 (in dollars), totaling \$25,000, as resolved at meetings of Board of Directors and shareholders on March 27, 2020 and June 19, 2020, respectively. The employee restricted stocks were effective on October 13, 2020 as approved by the authorities, and were resolved at the meeting of Board of Directors to be issued on December 10, 2020 (the granted date) of 2.5 million shares with the subscription price of \$0 (in dollars) per share. The capital increase effective date was set on January 4, 2021. The aforementioned restricted stocks were issued for the full-time employees.

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>	<u>Settlement method</u>
Restricted stocks to employees	December 10, 2020	2,500,000 shares	2 years	Performance conditions achieved (Note)	Equity-settled

Note: For the employees who achieved both personal and company’s performance requirements, the maximum ratio of vested stocks for different service periods of employees is as follows:

- (a) 50% of allocated stocks if the employee whose services have reached 1 year since the allocation of restricted stock.
- (b) 50% of allocated stocks if the employee whose services have reached 2 years since the allocation of restricted stock.

The aforementioned restricted stocks cannot be transferred or entitled to the dividend distribution during the vesting period, but voting right is not restricted on these stocks. Employees are required to return the stocks received if they resign during the vesting period.

(b) Treasury stock transferred to the employee

The Board of Directors of the Company resolved to transferred the treasury stock of 1,500,000 shares to employees at a subscription price of \$45 per share on July 15, 2021, the date of disbursement to employees is July 28, 2021.

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>	<u>Settlement method</u>
Treasury stock transferred to the employees	July 15,2021	1,500,000 shares	N/A	Immediately vested	Equity settled

B. Details of the above share-based payment agreement are as follows:

(a) Shares of employee restricted stocks

	2021		2020	
	Amount(shares)	Weighted-average exercise price (in dollars)	Amount(shares)	Weighted-average exercise price (in dollars)
Restricted stocks to employees outstanding at January 1, 2021	-	-	-	-
Issue restricted stocks to employees	2,500,000	-	-	-
Cancellation of restricted stocks to employees	(22,800)	-	-	-
Restricted stocks to employees outstanding at December 31	<u>2,477,200</u>	-	-	-
vested	<u>1,236,200</u>	-	-	-
not vested	<u>1,241,000</u>	-	-	-

(b) Treasury stock transferred to the employees

	2021		2020	
	Amount(shares)	Weighted-average exercise price (in dollars)	Amount(shares)	Weighted-average exercise price (in dollars)
Stocks options to employees outstanding at January 1, 2021	-	-	-	-
Issue stocks options to employees	1,500,000	45	-	-
Exercise stocks options by employees	(1,500,000)	45	-	-
Restricted stocks to employees outstanding at December 31	-	-	-	-
Exercisable stocks options	-	-	-	-

C. The relevant information about the fair value of the stock option estimated in the share based payment transaction of the Company is as follows:

(a) Shares of employee restricted stocks

The fair value of stock options granted is measured using the Monte Carlo simulation model.

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Restricted stocks to employees	December 10, 2020	74.7	-	39.8%	2 years	9.7%	0.2113% ~0.2289%	62.60

Note1:Expected price volatility rate was estimated by using the annualised standard deviation by using the daily rates of returns of the Company's historical stock prices.

(b) Treasury stock transferred to the employees

The fair value of stock options granted is measured using the Black-Scholes model.

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Treasury stock transferred to the employees	July 15,2021	119.5	45	49.63%	0.041 years	0.0%	0.1786%	74.503

Note2: The expected volatility is calculated by using the stock price of the company in the last year as the sample range.

D. Related effects incurred on share-based payment transactions are shown below:

(a) Wages and salaries

Wages and salaries incurred on the abovementioned transactions are shown below:

	Years ended December 31,	
	2021	2020
Restricted stocks to employees	\$ 110,620	\$ 9,781
Treasury stock transferred to employees	111,755	-
	<u>\$ 222,375</u>	<u>\$ 9,781</u>

(b) Capital surplus

Capital surplus incurred on the abovementioned transactions are shown below:

	Years ended December 31,	
	2021	2020
Restricted stocks to employees	(\$ 26,199)	\$ 156,500
Treasury stock transferred to employees	101,472	-
	<u>\$ 75,273</u>	<u>\$ 156,500</u>

(21) Provisions for liabilities

	Years ended December 31,	
	2021	2020
At January 1	\$ 10,502	\$ 17,472
Additional provisions	48,639	44,653
Used during the year	(50,016)	(51,623)
At December 31	<u>\$ 9,125</u>	<u>\$ 10,502</u>

Analysis of total provisions:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current	<u>\$ 9,125</u>	<u>\$ 10,502</u>

The Company's provisions for contingent service cost are related to the sale of memory products. The amount of provision for contingent service cost is estimated based on the product history of contingent service costs.

(22) Share capital

A. As of December 31, 2021, the Company's authorized capital was \$6,000,000, consisting of 600,000,000 shares of ordinary stock (including 25,000,000 shares reserved for employee stock options), and the paid-in capital was \$2,636,713 with a par value of \$10 (in dollars) per share, equivalent to 263,671,347 shares. The Company's actual outstanding shares was 259,710,347 shares, net of treasury shares. All proceeds from shares issued have been collected. Movements in the number of the Company's ordinary shares outstanding, excluding treasury stock, are as follows: (unit: shares)

	Years ended December 31,	
	<u>2021</u>	<u>2020</u>
At January 1	230,912,645	222,256,320
Conversion of convertible bonds	24,820,502	14,117,325
Purchase of treasury shares	-	(5,461,000)
Issue restricted stock to employees	2,500,000	-
Cancellation of restricted stocks to employees	(22,800)	-
Treasury stocks transferred to the employees	<u>1,500,000</u>	<u>-</u>
At December 31	<u>259,710,347</u>	<u>230,912,645</u>

In additions, the Company's shares held by the subsidiaries are considered as treasury shares. Information on the number of shares at the beginning and end of the year is as follows: (Unit: shares)

	Years ended December, 31	
	<u>2021</u>	<u>2020</u>
At January 1	1,330,000	665,000
Acquisition of parent company's share by subsidiaries	-	692,000
Disposal of parent company's share by subsidiaries	-	(27,000)
At December 31	<u>1,330,000</u>	<u>1,330,000</u>

B. Conversion of convertible bonds

For the years ended December 31, 2021 and 2020, the Company issued 24,820,502 shares and 14,117,325 shares of ordinary shares because of conversion of secured convertible bonds. The registration for part of the issuance of conversion was completed.

C. Treasury shares

(a) The Company

- i. Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		December 31, 2021	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	3,961,000	\$ 204,870

		December 31, 2020	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	5,461,000	\$ 282,450

- ii. Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- iii. Pursuant to the R.O.C. Securities and Exchange Law, treasury stock should not be pledged as collateral and is not entitled to dividends before it is reissued to the employees.
- iv. Pursuant to the R.O.C. Securities and Exchange Law, treasury stocks should be reissued to the employees within three years and shares not reissued within the three-year period are to be retired.
- v. Details of repurchasing outstanding shares:

Year	Shares	Amount	Final termination for reissuance
2017(9 th)	5,623,000	\$ 464,268	November 2020
2020(10 th)	5,461,000	282,450	May 2023

(i) 2017(9th)

On November 23, 2017, the Board of Directors has resolved to transfer the 9th of repurchase outstanding shares to employees for 4,085,000 shares with transfer price of \$82.57 per share, the grant date is December 1, 2017, and the total amount is \$336,288 net of securities transactions tax. On December 15, 2017, those shares had been transferred to employees. On December 10, 2020, the Board of Directors of the Company resolved to retire remaining shares repurchased in 2017 (9th) in the shares of 1,538,000, and the registration for the retirement was completed.

(ii) 2020(10th)

On March 19, 2020, the Board of Directors of the Company resolved to purchase treasury shares. The expected number of shares to be repurchased was 6 million shares, and the Company has repurchased 5,461,000 shares amounting to \$282,450. The Board of Directors of the Company has resolved to transfer 1,500,000 treasury stocks that the Company repurchased in 2020 for the tenth time to employees at a transfer price of \$45 on July 15, 2021. The grant date of the shared-based payment giving is July 15, 2021. After the deduction of securities transaction tax, the amount of the securities transaction was \$67,297 and was actually transferred to the employee on July 15, 2021.

(b)Subsidiaries

The subsidiary of the Company, LIWANLI Innovation Co., Ltd., and its subsidiaries is the subsidiary over which the Company has substantial control since June 30, 2017. The Company, however, holds less than 50% of the subsidiary's shares. Therefore, the shares of the Company acquired by the subsidiary and its subsidiaries are free from the restrictions of Article 167 of the Company Act and such investment on the Company's shares is a general investment. Details are as follows:

	<u>December 31, 2021</u>	
	<u>Number of shares</u>	<u>Carrying amount</u>
LIWANLI Innovation Co., Ltd. and its subsidiaries	1,330,000	\$ <u>70,360</u>

	<u>December 31, 2020</u>	
	<u>Number of shares</u>	<u>Carryingt amount</u>
LIWANLI Innovation Co., Ltd. and its subsidiaries	1,330,000	\$ <u>70,360</u>

(23) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

2021

	Share premium	Stock options	Changes in ownership interests in subsidiaries	Donated assets	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Employee restricted stocks	Total
At January 1	\$ 4,189,302	\$ 49,574	\$ 23,801	\$ 374	\$ 46,470	\$ 10,708	\$ 156,500	\$ 4,476,729
Conversion of convertible bonds	1,100,439	(43,788)	-	-	-	-	-	1,056,651
Issuance of employee restricted stocks	-	-	-	-	-	-	(25,000)	(25,000)
Cancellation of employee restricted stock	-	-	-	-	-	-	(1,199)	(1,199)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	-	-	4,235	-	-	4,235
Employee restricted shares vested	65,024	-	-	-	-	-	(65,024)	-
Exercise the right of Disgorgement	-	-	-	92	-	-	-	92
Transfer treasury stocks to employees	-	-	-	-	101,472	-	-	101,472
At December 31	\$ 5,354,765	\$ 5,786	\$ 23,801	\$ 466	\$ 152,177	\$ 10,708	\$ 65,277	\$ 5,612,980

	Share premium	Stock options	Changes in ownership interests in subsidiaries	Donated assets	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Employee restricted stocks	Total
At January 1	\$ 3,629,654	\$ 50,474	\$ 23,801	\$ 374	\$ 127,123	\$ 1,340	\$ -	\$ 3,832,766
Issuance of convertible bonds	-	27,500	-	-	-	-	-	27,500
Conversion of convertible bonds	584,998	(28,400)	-	-	-	-	-	556,598
Treasury share transactions of subsidiaries	-	-	-	-	3,687	-	-	3,687
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	-	-	1,916	-	-	1,916
Issuance of employee restricted stocks	-	-	-	-	-	-	156,500	156,500
Difference between consideration and carrying amount of subsidiaries disposed to non-controlling interests	-	-	-	-	-	2,481	-	2,481
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	6,887	-	6,887
Shares retired	(25,350)	-	-	-	(86,256)	-	-	(111,606)
At December 31	\$ 4,189,302	\$ 49,574	\$ 23,801	\$ 374	\$ 46,470	\$ 10,708	\$ 156,500	\$ 4,476,729

(24) Retained earnings/subsequent event

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the accumulated legal reserve reaches the Company's total capital. Then, set aside or reverse special reserve based on the related regulations.

Appropriation of the Company's earnings shall be proposed by the Board of Directors and resolved by the stockholders based on the foregoing remaining earnings after distribution of remuneration to the directors and supervisors and bonuses to the employees plus the prior year's unappropriated retained earnings. Based on consistent and balanced principles, the Company's dividend policy is adopted taking into consideration the Company's operating results, financial structure and future operational plans. According to the dividend policy, cash dividends shall account for at least 10% of the total dividends distributed.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

C. Unappropriated earnings

(a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve of \$138,382 on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. Distribution of earnings

(a) The appropriations of earnings of years 2020 and 2019 as resolved by the shareholders on July 12, 2021 and June 19, 2020 are as follows:

	Years ended December 31,			
	2020		2019	
	Amount	Dividends (in dollars)	Amount	Dividends (in dollars)
Legal reserve appropriated	\$ 108,468		\$ 41,057	
Special reserve appropriated	83,323		266,654	
Cash dividends	808,194	3.5	311,159	1.4
	<u>\$ 999,985</u>		<u>\$ 618,870</u>	

(b) As of March 15, 2022, the Company has not yet resolved to pass the appropriation of earnings of the year 2021.

(25) Other equity items

	2021			
	<u>Currency translation</u>	<u>Unrealised gains (losses) on valuation</u>	<u>Unearned stock-based employee compensation</u>	<u>Total</u>
At January 1	(\$ 761,786)	(\$ 410,049)	(\$ 146,719)	(\$ 1,318,554)
Cancellation of employee restricted stocks		-	1,427	1,427
Compensation cost for employee restricted stocks		-	110,620	110,620
Revaluation-gross:				
-Parent company	-	54,186	-	54,186
-Subsidiaries	-	46,303	-	46,303
-Tax on subsidiaries	-	(4,183)	-	(4,183)
-Associates	-	326	-	326
Currency translation differences:				
-Parent company	(218,301)	-	-	(218,301)
-Tax on currency translation differences	(110)	-	-	(110)
-Associates	<u>43,681</u>	-	-	<u>43,681</u>
At December 31	<u>(\$ 936,516)</u>	<u>(\$ 313,417)</u>	<u>(\$ 34,672)</u>	<u>(\$ 1,284,605)</u>

	2020			
	Currency translation	Unrealised gains (losses) on valuation	Unearned stock-based employee compensation	Total
At January 1	(\$ 640,574)	(\$ 490,156)	\$ -	(\$ 1,130,730)
Issuance of employee restricted stocks	-	-	(156,500)	(156,500)
Compensation cost for employee restricted stocks	-	-	9,781	9,781
Revaluation-gross:				
-Parent company	-	13,943	-	13,943
-Tax on parent company	-	(536)	-	(536)
-Subsidiaries	-	22,310	-	22,310
-Tax on subsidiaries	-	2,427	-	2,427
-Associates	-	(996)	-	(996)
Revaluation transferred to retained earnings-gross				
-Parent company	-	(4,194)	-	(4,194)
-Subsidiaries	-	47,153	-	47,153
Currency translation differences:				
-Parent company	(151,464)	-	-	(151,464)
-Associates	(53)	-	-	(53)
-Tax on currency translation differences	30,305	-	-	30,305
At December 31	<u>(\$ 761,786)</u>	<u>(\$ 410,049)</u>	<u>(\$ 146,719)</u>	<u>(\$ 1,318,554)</u>

(26) Operating revenue

A. The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

<u>Year ended December 31, 2021</u>	Contract revenue					
	Country T	Country C	Country A	Country J	Others	Total
Timing of revenue recognition						
At a point in time	\$ 7,666,409	\$ 12,387,956	\$ 9,766,866	\$ 2,091,059	\$ 4,390,481	\$ 36,302,771
Over time	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>
	<u>\$ 7,666,415</u>	<u>\$ 12,387,956</u>	<u>\$ 9,766,866</u>	<u>\$ 2,091,059</u>	<u>\$ 4,390,481</u>	<u>\$ 36,302,777</u>
<u>Year ended December 31, 2020</u>	Contract revenue					
	Country T	Country C	Country A	Country J	Others	Total
Timing of revenue recognition						
At a point in time	\$ 4,176,784	\$ 11,235,476	\$ 8,174,320	\$ 1,516,225	\$ 4,508,251	\$ 29,611,056
Over time	<u>1,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,031</u>
	<u>\$ 4,177,815</u>	<u>\$ 11,235,476</u>	<u>\$ 8,174,320</u>	<u>\$ 1,516,225</u>	<u>\$ 4,508,251</u>	<u>\$ 29,612,087</u>

B. Contract liabilities

(a) The Company has recognised the following revenue-related contract liabilities:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>January 1, 2020</u>
Contract liabilities:			
Sales revenue and service revenue contract	\$ 36,343	\$ 6,903	\$ 4,450

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Sales revenue and service revenue contract	\$ 6,903	\$ 4,028

(27) Other income

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Dividend income	\$ 5,840	\$ 3,650
Rental revenue	9,361	8,248
Government grants revenue	30,074	22,040
Other income	52,616	37,150
	<u>\$ 97,891</u>	<u>\$ 71,088</u>

(28) Other gains and losses

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Net (losses) gains on financial assets and liabilities at fair value through profit or loss	\$ 193,001	\$ 37,584
Net currency exchange gains	35,144	85,098
(Losses) gains on disposal of property, plant and equipment	-	200,430
Impairment loss on investments accounted for using the equity method	-	(85,641)
Gain on disposal of investment property	3,606	-
Depreciation charges on investment property	(1,639)	(1,640)
Impairment loss on investment property	(35,072)	(210,000)
Others	(30,641)	20,930
	<u>\$ 164,399</u>	<u>\$ 46,761</u>

(29) Finance costs

	Years ended December 31,	
	2021	2020
Bank borrowings	\$ 112,279	\$ 126,146
Lease liabilities	407	425
Amortization of bond discount	8,089	12,168
Others	8	10
	<u>\$ 120,783</u>	<u>\$ 138,749</u>

(30) Expenses by nature

	Years ended December 31,	
	2021	2020
Employee benefit expense	\$ 1,373,404	\$ 1,073,133
Depreciation charges on property, plant and equipment	\$ 42,750	\$ 48,405
Depreciation charges on right-of-use assets	\$ 19,014	\$ 20,096
Amortisation charges on intangible assets	\$ 19,429	\$ 18,817

(31) Employee benefit expenses

	Years ended December 31,	
	2021	2020
Wages and salaries	\$ 1,200,639	\$ 928,108
Labour and health insurance fees	66,589	56,298
Pension costs	31,906	30,448
Directors' remuneration	29,123	19,070
Other personnel expenses	45,147	39,209
	<u>\$ 1,373,404</u>	<u>\$ 1,073,133</u>

A. The Company's Articles of Incorporation provides that, if the Company has any profit for the current year, the Company ratio shall not be lower than 1% for employees' compensation in the form of shares or in cash as resolved by the Board of Directors. For employees of subsidiaries of the company meeting certain specific requirements can share the distribution, the qualification requirements are set by the Chairman of the Board. The Company can distribute directors' and supervisors' remuneration no higher than 1%.

A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. However, if a company has accumulated deficit, earnings should be used in offsetting losses, then distributed as the employees' compensation and directors' and supervisors' remuneration in accordance with above mentioned proportion.

B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$85,983 and \$93,219, respectively; directors' and supervisors' remuneration was accrued at \$28,611 and \$18,644, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 3% and 1% of distributable profit of current year for the year ended December 31, 2021.

Employees' compensation and directors' and supervisors' remuneration of 2020 amounting to \$93,219 and \$18,644, respectively, as resolved by the Board of Directors were in agreement with those amounts recognised in the 2020 financial statements. As of December 31, 2021, the amounts of \$93,219 and \$18,644 were distributed in the form of cash, respectively.

C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(32) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Current tax:		
Current income tax liabilities	\$ 112,942	\$ 170,583
Current income tax assets	(1,111)	(1,111)
Prior year tax refunded (paid)	1,111	1,111
Prepaid income tax	87,097	299
Prior year income tax (over) underestimation	(38,872)	(55)
	<u>34,156</u>	<u>-</u>
Total current tax	<u>195,323</u>	<u>170,827</u>
Deferred tax:		
Origination and reversal of temporary differences	380,772	231,028
Income tax expense	<u>\$ 504,095</u>	<u>\$ 401,855</u>

(b)The Company did not have income tax charged/(credited) to equity. The income tax (benefit) expense relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2021	2020
Changes in fair value of financial assets at fair value through other comprehensive income	\$ -	\$ 536
Currency translation differences	(43,681)	(30,305)
Remeasurement of defined benefit obligations	527	188
	<u>(\$ 43,154)</u>	<u>(\$ 29,581)</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	\$ 550,290	\$ 350,503
Tax exempt income by tax regulation	(37,808)	(34,521)
Gains on domestic investments accounted for using the equity method	(78,389)	(62,294)
Losses on domestic investments accounted for using the equity method	4,669	21,046
Capital reduction for cover accumulated deficits of associates accounted for equity method	(8,781)	-
Tax-exemption of domestic dividend income	(1,168)	(730)
Impairment loss on investment property	7,015	42,000
Impairment loss on investments accounted for using the equity method	-	17,128
Change in assessment of realisation of deferred tax assets	46,824	66,000
Prior year income tax (over) underestimation	(38,872)	(55)
Land value increment tax	34,156	-
Others	26,159	2,778
Income tax expense	<u>\$ 504,095</u>	<u>\$ 401,855</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax loss are as follows:

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
-Temporary differences:				
Loss on inventory	\$ 10,007	\$ 12,648	\$ -	\$ 22,655
Amount of allowance for bad debts that exceed the limit for tax purpose	10,163	-	-	10,163
Unrealised gross profit from sales	33,462	(31,549)	-	1,913
Unrealised loss on domestic investments accounted for using the equity method	70,197	(39,052)	-	31,145
Payable for unpaid annual leave	4,572	957	-	5,529
Provisions for liabilities	2,100	(275)	-	1,825
Currency translation differences	190,447	-	43,681	234,128
Unrealised foreign exchange loss	2,931	(1,507)	-	1,424
Others	<u>56,500</u>	<u>(49,796)</u>	<u>-</u>	<u>6,704</u>
Subtotal	<u>380,379</u>	<u>(108,574)</u>	<u>43,681</u>	<u>315,486</u>
Deferred tax liabilities:				
-Temporary differences:				
Unrealised gains on valuation	(13,032)	2,554	-	(10,478)
Net defined benefit assets	(1,288)	(179)	(527)	(1,994)
Unrealised investment income	<u>(593,829)</u>	<u>(202,573)</u>	<u>-</u>	<u>(796,402)</u>
Subtotal	<u>(608,149)</u>	<u>(200,198)</u>	<u>(527)</u>	<u>(808,874)</u>
Total	<u>(\$ 227,770)</u>	<u>(\$ 308,772)</u>	<u>\$ 43,154</u>	<u>(\$ 493,388)</u>

	2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
-Temporary differences:				
Loss on inventory	\$ 15,946	(\$ 5,939)	\$ -	\$ 10,007
Amount of allowance for bad debts that exceed the limit for tax purpose	10,163	-	-	10,163
Unrealised gross profit from sales	6,608	26,854	-	33,462
Unrealised loss on domestic investments accounted for using the equity method	74,691	(4,494)	-	70,197
Payable for unpaid annual leave	4,043	529	-	4,572
Provisions for liabilities	3,494	(1,394)	-	2,100
Currency translation differences	160,142	-	30,305	190,447
Unrealised foreign exchange loss	6,263	(3,332)	-	2,931
Others	9,679	47,357	(536)	56,500
-Tax losses	<u>190,418</u>	<u>(190,418)</u>	<u>-</u>	<u>-</u>
Subtotal	<u>481,447</u>	<u>(130,837)</u>	<u>29,769</u>	<u>380,379</u>
Deferred tax liabilities:				
-Temporary differences:				
Unrealised gains on valuation	(4,143)	(8,889)	-	(13,032)
Net defined benefit asset	(924)	(176)	(188)	(1,288)
Unrealised gain on investments	<u>(502,703)</u>	<u>(91,126)</u>	<u>-</u>	<u>(593,829)</u>
Subtotal	<u>(507,770)</u>	<u>(100,191)</u>	<u>(188)</u>	<u>(608,149)</u>
Total	<u>(\$ 26,323)</u>	<u>(\$ 231,028)</u>	<u>\$ 29,581</u>	<u>(\$ 227,770)</u>

D. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Deductible temporary differences	<u>\$ 166,934</u>	<u>\$ 166,934</u>

E. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(33) Earnings per share

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 2,247,354	245,822	\$ 9.14
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 2,247,354	245,822	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	1,178	
-Convertible bonds	4,860	13,051	
-Restricted stocks	-	2,000	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 2,252,214	262,051	\$ 8.59
	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 1,350,659	221,304	\$ 6.10
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 1,350,659	221,304	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	1,498	
-Convertible bonds	2,341	25,483	
-Restricted stocks	-	37	
assumed conversion of all dilutive potential ordinary	\$ 1,353,000	248,322	\$ 5.45

(34) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31,	
	2021	2020
Purchase of property, plant and equipment	\$ 10,114	\$ 24,700
Add: Opening balance of payable on equipment	3,352	7,828
Less: Ending balance of payable on equipment	(3,304)	(3,352)
Cash paid during the year	<u>\$ 10,162</u>	<u>\$ 29,176</u>

B. Financing activities with no cash flow effects:

	Years ended December 31,	
	2021	2020
Acquisition of right-of-use assets	\$ 23,616	\$ 12,397
Add: Additional lease liabilities during the year	(23,616)	(12,397)
Cash paid during the year	<u>\$ -</u>	<u>\$ -</u>

	Years ended December 31,	
	2021	2020
Convertible bonds converted to capital stocks	<u>\$ 1,304,856</u>	<u>\$ 697,771</u>

(35) Changes in liabilities from financing activities

	Short-term		Long-term		
	Short-term borrowings	notes and bill payable	Bonds payable	borrowings (including current portion)	Lease liabilities (current/non-current)
At January 1, 2021	\$ 5,474,420	\$ 200,000	\$ 1,511,896	\$ 4,188,012	\$ 19,875
Increase in cash flow from financing activities	2,513,508	300,000	-	12,600,000	-
Decrease in cash flow from financing activities	-	-	-	(12,080,143)	(18,786)
Increase in lease liabilities	-	-	-	-	23,616
Amortisation of discounts on bonds payable	-	-	8,089	-	-
Changes in other non-cash items	-	-	(1,313,880)	-	(10,915)
At December 31, 2021	<u>\$ 7,987,928</u>	<u>\$ 500,000</u>	<u>\$ 206,105</u>	<u>\$ 4,707,869</u>	<u>\$ 13,790</u>

	Short-term			Long-term	
	Short-term borrowings	notes and bill payable	Bonds payable	borrowings (including current portion)	Lease liabilities (current/non-current)
At January 1, 2020	\$ 3,154,430	\$ 700,000	\$ 1,234,758	\$ 6,738,155	\$ 29,624
Increase in cash flow from financing activities	2,319,990	-	995,000	39,160,000	-
Decrease in cash flow from financing activities	-	(500,000)	-	(41,710,143)	(20,289)
Increase in lease liabilities	-	-	-	-	12,397
Amortisation of discounts on bonds payable	-	-	12,168	-	-
Changes in other non-cash items	-	-	(730,030)	-	(1,857)
At December 31, 2020	<u>\$ 5,474,420</u>	<u>\$ 200,000</u>	<u>\$ 1,511,896</u>	<u>\$ 4,188,012</u>	<u>\$ 19,875</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
ADATA INTEGRATION BRAZIL S/A	Subsidiary
ADATA ELECTRONICS BRAZIL S/A	Subsidiary
ADATA TECHNOLOGY (HK) CO., LTD.	Subsidiary
ADATA TECHNOLOGY (INDIA) PVT. LTD.	Subsidiary
ADATA TECHNOLOGY (JAPAN) CO., LTD.	Subsidiary
ADATA TECHNOLOGY (KOREA) CO., LTD.	Subsidiary
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Subsidiary
ADATA TECHNOLOGY B.V.	Subsidiary
ADATA TECHNOLOGY MEXICO SDRL DE CV	Subsidiary
ADATA HOLDINGS CO., LTD.	Subsidiary
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Subsidiary
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Subsidiary
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Subsidiary
ZHAO-XING INVESTMENT CO., LTD.	Subsidiary
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Subsidiary

Names of related parties	Relationship with the Company
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Subsidiary
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Subsidiary
LIWANLI Innovation Co., Ltd.	Subsidiary
Alwayspeed Technology Company Limited	Subsidiary
IROC Co., Ltd.	Associate
Weili Health Medical Technology Co., Ltd.	Associate
Atrack Technology Inc.	Associate
Taiwan Biomedical Company	Associate
All In Oigital Co., Ltd.	Associate
Taiwan Sports Lottery Co., Ltd.	Joint venture
ATESTINC CO., LTD.	Other related party
Esmond Natural (Taiwan) Co., Ltd.	Other related party
All directors and officials above vice general manager	The Company's key management and governance body

(2) Significant related party transactions and balances

A. Sales transaction

(a) Operating revenue:

Operating revenue arising from sales to related parties is as follows:

	Years ended December 31,	
	2021	2020
Subsidiaries		
– ADATA TECHNOLOGY (HK) CO., LTD.	\$ 6,890,057	\$ 5,321,943
– ADATA TECHNOLOGY (U.S.A.) CO., LTD.	7,755,684	7,259,861
– Others	197,472	159,418
Associates	1,340	99,458
Other related parties	-	841
	<u>\$ 14,844,553</u>	<u>\$ 12,841,521</u>

Sales price to related parties are based on market price. The collection terms were advanced payment to 120 days and within 90 days for other related parties.

(b) Accounts receivable

Details of accounts receivable from related parties are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries		
– ADATA TECHNOLOGY (HK) CO., LTD.	\$ 1,313,749	\$ 866,381
– ADATA TECHNOLOGY (U.S.A.) CO., LTD.	1,369,666	1,301,763
– Others	38,731	7,135
	<u>\$ 2,722,146</u>	<u>\$ 2,175,279</u>

B. Purchases of goods:

(a) Purchases

Details of purchasing from related parties are as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Purchases of goods:		
Subsidiaries	\$ 88,708	\$ 134,870
Associates	582	127
	<u>\$ 89,290</u>	<u>\$ 134,997</u>
Purchases of services:		
Subsidiary		
– ADATA TECHNOLOGY (SUZHOU) CO., LTD.	<u>\$ 3,008,205</u>	<u>\$ 2,445,401</u>

The purchase price and payment terms that the Company provided to related parties are based on the market prices. The payment terms to the third parties were paid upon receipt of goods to 90 days after monthly billings, and the payment terms to the related parties were 60 days after monthly billings.

(b) Accounts payable

Details of accounts payable arising from purchasing from aforementioned related parties are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries		
– ADATA TECHNOLOGY (SUZHOU) CO., LTD.	\$ 3,267,437	\$ 2,733,994
– Others	-	3
Associates	-	1
	<u>\$ 3,267,437</u>	<u>\$ 2,733,998</u>

C. Acquisition of financial assets

Counterparty	Accounts	No. of shares	Objects	Year ended
				December 31, 2021
				Consideration
ZHAO-XING INVESTMENT CO., LTD.	Investments accounted for using the equity method	20,000,000	Stocks	\$ 400,000
ADATA HOLDINGS CO., LTD.	Investments accounted for using the equity method	700,000	Stocks	19,596
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	Investments accounted for using the equity method	29,008,675	Stocks	146,483
Atrack Technology Inc.	Investments accounted for using the equity method	5,000,000	Private common stocks	67,500
All In Digital Co.,Ltd.	Investments accounted for using the equity method	180,000	Stocks	1,800
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	Other non-current assets -current prepayments for investments	25,936,326	Stocks	131,239
				<u>\$ 766,618</u>

Counterparty	Accounts	No. of shares	Objects	Year ended
				December 31, 2020
				Consideration
ZHAO-XING INVESTMENT CO., LTD.	Investments accounted for using the equity method	19,000,000	Stocks	\$ 190,000
ADATA HOLDINGS CO., LTD.	Investments accounted for using the equity method	850,000	Stocks	24,896
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Investments accounted for using the equity method	39,560,000	Stocks	242,637
Alwayspeed Technology Company Limited	Investments accounted for using the equity method	3,410,000	Stocks	34,100
Weili Health Medical Technology Co., Ltd.	Investments accounted for using the equity method	200,000	Stocks	6,000
				<u>\$ 497,633</u>

D. Transactions on liquidation of subsidiaries

				<u>Year ended December 31, 2021</u>	
<u>Counterparty</u>	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Proceeds from liquidation</u>	<u>Gain (losses) on liquidation</u>
ADATA TECHNOLOGY (KOREA) CO., LTD.	Investments accounted for using the equity method	1,100,000	Stocks	<u>\$ 536</u>	<u>\$ 241</u>
				<u>Year ended December 31, 2020</u>	
<u>Counterparty</u>	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Proceeds from liquidation</u>	<u>Gain (losses) on liquidation</u>
AVIP TECHNOLOGY CO., LTD.	Investments accounted for using the equity method	1,400,000	Stocks	<u>\$ 4,597</u>	<u>\$ -</u>

E. Lease and miscellaneous transactions

(a) Other income

The rent income and other income arising from lease and rendering technology licensing are as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Subsidiaries	\$ 18,422	\$ 17,640
Associates	152	104
Other related parties	23	-
	<u>\$ 18,597</u>	<u>\$ 17,744</u>

The decision and collection terms of rent for subletting office to related parties were agreed upon by both party, and were paid monthly at the inception of lease commencement.

(b) Other receivables

Other receivables arising from the aforementioned transactions and payments on behalf of others are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries	\$ 126	\$ 272
Associates	84	56
Other related parties	10	13
	<u>\$ 220</u>	<u>\$ 341</u>

(c) Other non-current liabilities

Details of guarantee deposits received arising from the lease transactions are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries	\$ 123	\$ 123

(d) Other current liabilities

Details of other advance receipts arising from the technology licensing are as follows4:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries	\$ 36,246	\$ 41,699

F. Issuance of lottery

Other receivables

To obtain the issuance right for sports lottery, the Company issued a performance guarantee of \$2,000,000. The guarantee period is 10.5 years, the information on other receivables arising from guaranteed expenses, interest expenses and payments on behalf of others is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Joint ventures	\$ 33,987	\$ 38,212

Additionally, in order to commit to the above performance guarantee, the amounts of collateral, which consists of a time deposit provided by joint ventures, were both \$100,610 as of December 31, 2021 and 2020.

G. Lottery management revenue

(a) Other income

Other income arising from rendering management services to related parties are as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Joint ventures	<u>\$ 11,658</u>	<u>\$ 10,091</u>

(b) Other receivables

Details of other receivables arising from above transactions are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Joint ventures	\$ 11,658	\$ 10,091

H. Other transactions

(a) Operating expenses/other payables

- i. Service expense and other payables arising from rendering services to related parties are as follows:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Service expense:		
Subsidiaries	\$ 145,402	\$ 137,140
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other payables:		
Subsidiaries	\$ 13,356	\$ 13,842

- ii. Research and development expenses arising from rendering research and development services to subsidiaries and related parties for the years ended December 31, 2021 and 2020 were \$554 and \$2,001, respectively. As of December 31, 2021 and 2020, other payables arising from aforementioned transactions were \$153 and \$1057, respectively.

(b) Other payables

Other payables arising from payments on behalf of related parties are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries	\$ 245	\$ 194
Associates	120	11
Joint ventures	29	-
	<u>\$ 394</u>	<u>\$ 205</u>

(c) Other income/Other receivables

Dividend income arising from investment in associates (shown as deduction of investment accounted for using the equity method) is as follows:

	Years ended December 31,	
	2021	2020
Joint ventures	\$ 300,000	\$ 250,000

As of December 31, 2021 and 2020, other receivables arising from aforementioned transactions were both \$0.

I. Guarantee

(a) The Company entered into a loan agreement with banks. Part of the loan is collateralised by a related party.

(b) The Company entered into a loan agreement with banks. Details of the related parties' land pledged as guarantee are as follows:

	December 31, 2021	December 31, 2020
Subsidiaries	\$ 1,581,129	\$ 1,581,129

(c) The Company provision of endorsements and guarantees loan amount for subsidiaries as guarantor.

	Years ended December 31,	
	2021	2020
Guranteed amount		
-ADATA INTEGRATION BRAZIL S/A	\$ 276,800	\$ 256,320
-ADATA ELECTRONICS BRAZIL S/A	692,000	427,200
	<u>\$ 968,800</u>	<u>\$ 683,520</u>
Actual amount drawn down		
-ADATA INTEGRATION BRAZIL S/A	\$ 116,525	\$ 196,255
-ADATA ELECTRONICS BRAZIL S/A	503,039	284,800
	<u>\$ 619,564</u>	<u>\$ 481,055</u>

(3) Key management compensation

	Years ended December 31,	
	2021	2020
Short-term employee benefits	\$ 268,934	\$ 95,071
Post-employment benefits	942	774
Shared-based payment	40,440	3,466
	<u>\$ 310,316</u>	<u>\$ 99,311</u>

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	
Current financial assets at amortised cost	\$ 807,360	\$ 844,776	Pledged to Sports Administration, Ministry of EducationSports, performance bond, credit facility and proceeds from issuing bonds
Property, plant and equipment	1,202,635	1,211,419	Credit facility and proceeds from issuing bonds
Investment property	258,252	1,084,479	Credit facility
	<u>\$ 2,268,247</u>	<u>\$ 3,140,674</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Significant contingent liabilities

None.

(2) Significant unrecognised contract commitments

- A. As of December 31, 2021 and 2020, the Company issued promissory notes for borrowing facilities, proceeds from issuing bonds, accounts receivable factorings facilities, project guarantee and government subsidy program amounting to \$27,492,961 and \$22,746,107, respectively.
- B. As of December 31, 2021 and 2020, the Company has commitments to make future payments for the purchase of goods, plants expansion, office space and construction improvements that has committed to make future payments of \$2,604,903 and \$0, respectively.
- C. As of December 31, 2021 and 2020, the amounts of outstanding letters of credit issued by the Company for inventory purchases and provision of endorsements and guarantees were \$1,086,640 and \$702,240, respectively.
- D. To obtain the issuance right for sports lottery in 2013, the Company issued a performance guarantee of \$2,000,000 and used its subsidiaries' land as collateral. As of December 31, 2021 and 2020, the amount of collateral in both years were both \$708,178.
- E. Information on the endorsements and guarantees provided by the Company to related parties for the year ended is provided in Note 7(2).

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

To response the need of business and staff expansion of the group, the meeting of board of directors has resolved to purchase the real estate located in Neihu district, Taipei city for an estimated total purchase price of \$738,665 at February 15, 2022.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the debt ratio. This ratio is calculated as total liabilities divided by total assets.

During the year ended December 31, 2021, the Company's strategy, was unchanged from 2020. As of December 31, 2021 and 2020, the debt to assets ratio was 64% and 68%, respectively.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 46,908	\$ 857,232
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	95,841	37,896
Financial assets at amortised cost		
Cash and cash equivalents	1,798,769	924,454
Financial assets at amortised cost-current	807,360	844,776
Notes receivable	1,251	1,135
Accounts receivable	3,056,192	1,477,375
Accounts receivable-related parties	2,722,146	2,175,279
Other receivables	270,810	431,875
Other receivables-related parties	45,865	48,644
Other non-current assets-guarantee deposits paid	41,725	42,403
	<u>\$ 8,886,867</u>	<u>\$ 6,841,069</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 7,987,928	\$ 5,474,420
Short-term notes and bills payable	500,000	200,000
Notes payable	2,717	1,180
Accounts payable	2,448,859	3,071,770
Accounts payable-related parties	3,267,437	2,733,998
Other accounts payable	592,188	565,832
Other accounts payable-related parties	13,903	15,104
Bonds payable	206,105	1,511,896
Long-term borrowings (including current portion)	4,707,869	4,188,012
Other non-current liabilities-guarantee deposits received	<u>1,571</u>	<u>1,176</u>
	<u>\$ 19,728,577</u>	<u>\$ 17,763,388</u>
Lease liabilities-current	\$ 12,853	\$ 12,827
Lease liabilities-non-current	<u>937</u>	<u>7,048</u>
	<u>\$ 13,790</u>	<u>\$ 19,875</u>

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the management. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The management provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Foreign exchange risk

(i) The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

(ii) Management has set up a policy to require each department in the Company to manage their foreign exchange risk against their functional currency. Each department is required to hedge their entire foreign exchange risk exposure with the Company treasury

(iii) The Company's businesses involve some non-functional currency operations (the Company's functional currency is NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 257,379	27.6800	\$ 7,124,251
<u>Investments accounted for using the equity method</u>			
USD:NTD	\$ 226,782	27.6800	\$ 6,277,326
BRL:NTD	266,566	4.8552	1,294,231
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 350,688	27.6800	\$ 9,707,044
	December 31, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 144,732	28.4800	\$ 4,121,967
<u>Investments accounted for using the equity method</u>			
USD:NTD	\$ 201,454	28.4800	\$ 5,737,410
BRL:NTD	145,744	5.4890	799,989
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 209,607	28.4800	\$ 5,969,607

(iv) The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2021 and 2020, amounted to \$35,144 and \$85,098, respectively.

(v) Analysis of foreign currency market risk arising from significant foreign exchange variation:

		Year ended December 31, 2021		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 71,243	\$ -
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	(97,070)	\$ -
		Year ended December 31, 2020		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 41,220	\$ -
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	(59,696)	\$ -

ii. Price risk

- (i) The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- (ii) The Company's investments in equity securities comprise shares, gold passbook and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$469 and \$8,572, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$958 and \$379, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

iii. Cash flow and fair value interest rate risk

- (i) The Company's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's borrowings at variable rate were mainly denominated in New Taiwan dollars and US dollars.
- (ii) The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- (iii) If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2021 and 2020 would have increased/decreased by \$131,958 and \$98,624, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost, at fair value through profit or loss.
- ii. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Company's credit policy, each operating unit in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, considering their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The utilisation of credit limits is regularly monitored.
- iii. Credit risk of investments in debt instruments at amortised cost refers to the risk of financial loss to the Company arising from default by the counterparties on the contract obligations. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- iv. Based on historical experience, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Company adopts the assumptions under historical experience, the default occurs when the contract payments are past due over 90 days.

- vi. The Company applies the simplified approach using provision matrix to estimate expected credit loss according to the customers' risk characteristics.
- vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- viii. In terms of default financial assets, the Company will continue executing the recourse procedures to secure their rights. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures.
- ix. The Company used the forecastability of future economic situation to adjust historical and timely information to assess the default possibility of notes and accounts receivable and overdue receivables. The provision matrix is as follows:

	Not past due	Up to 90 days past due	Over 90 days past due	Individual assessment	Total
<u>December 31, 2021</u>					
Expected loss rate	0.05%	1%~3%	100%	100%	
Notes receivable	\$ 1,251	\$ -	\$ -	\$ -	\$ 1,251
Accounts receivable	5,715,855	64,724	88	-	5,780,667
Over due receivable	-	-	-	166	166
Total book value	<u>\$ 5,717,106</u>	<u>\$ 64,724</u>	<u>\$ 88</u>	<u>\$ 166</u>	<u>\$ 5,782,084</u>
Loss allowance	<u>(\$ 1,564)</u>	<u>(\$ 677)</u>	<u>(\$ 88)</u>	<u>(\$ 166)</u>	<u>(\$ 2,495)</u>
	Not past due	Up to 90 days past due	Over 90 days past due	Individual assessment	Total
<u>December 31, 2020</u>					
Expected loss rate	0.05%	1%~3%	100%	100%	
Notes receivable	\$ 1,135	\$ -	\$ -	\$ -	\$ 1,135
Accounts receivable	3,615,105	38,794	12	-	3,653,911
Over due receivable	-	-	-	838	838
Total book value	<u>\$ 3,616,240</u>	<u>\$ 38,794</u>	<u>\$ 12</u>	<u>\$ 838</u>	<u>\$ 3,655,884</u>
Loss allowance	<u>(\$ 855)</u>	<u>(\$ 390)</u>	<u>(\$ 12)</u>	<u>(\$ 838)</u>	<u>(\$ 2,095)</u>

The above ageing analysis was based on past due date.

- x. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts and overdue receivables are as follows:

	2021		
	Accounts receivable	Overdue receivables	Total
At January 1	(\$ 1,257)	(\$ 838)	(\$ 2,095)
Expected credit impairment gain (loss)	(1,072)	389	(683)
Derecognised	-	283	283
At December 31	<u>(\$ 2,329)</u>	<u>(\$ 166)</u>	<u>(\$ 2,495)</u>

	2020		
	Accounts receivable	Overdue receivables	Total
At January 1	(\$ 2,872)	(\$ 8,796)	(\$ 11,668)
Expected credit impairment gain (loss)	417	3,204	3,621
Reclassifications to overdue receivables	1,198	(1,198)	-
Derecognised	-	5,952	5,952
At December 31	<u>(\$ 1,257)</u>	<u>(\$ 838)</u>	<u>(\$ 2,095)</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
- ii. Surplus cash over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2021 and 2020, the Company held aforementioned investments (excluding cash and cash equivalent) position of \$46,908 and \$857,232, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Company has the following undrawn borrowing facilities:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Floating rate:		
Expiring within one year	\$ 9,561,802	\$ 8,822,355
Expiring beyond one year	<u>2,816,000</u>	<u>2,300,000</u>
	<u>\$ 12,377,802</u>	<u>\$ 11,122,355</u>

The facilities expiring within one year are annual facilities subject to review at various dates during 2022. The remaining facilities are for the Company's operational needs.

- iv. The Company's derivative financial liabilities and non-derivative financial liabilities are analyzed based on the remaining period at the balance sheet date to the contractual maturity date. Except for those listed in the table below, the Company's non-derivative financial liabilities will expire within 1 year and the amount of the Company's non-derivative financial liabilities were in line with the amount recognised in the balance sheet. The contractual undiscounted cash flows are disclosed as follow:

(i) Non-derivative financial liabilities

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Lease liabilities (current/non-current)	\$ 12,945	\$ 941	\$ 13,886
Bonds payable	-	210,400	210,400
Long-term borrowings (including current portion)	75,254	4,673,388	4,748,642
<u>December 31, 2020</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Lease liabilities (current/non-current)	\$ 13,015	\$ 7,088	\$ 20,103
Bonds payable	-	1,563,100	1,563,100
Long-term borrowings (including current portion)	30,576	4,170,866	4,201,442

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks, beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in unlisted stocks Forward exchange contracts, financial products and issuance of put and call options and put options of convertible bonds is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The Company's investment in private placement shares are included.

- B. Fair value information of investment property at cost is provided in Note 6(11).
C. Financial instruments not measured at fair value

The carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, current financial assets at amortised cost notes receivable, accounts receivable (including related parties), other receivables (including related parties), other non-current assets-refundable deposits, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables (including related parties), lease liabilities (current/non-current), bonds payable, long-term borrowings (include cerement portion) and other non-current liabilities-guarantee deposits received) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets and liabilities is follows:

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
- Equity securities, beneficiary certificates and gold passbook	\$ 44,930	\$ -	\$ -	\$ 44,930
- Put and call options of convertible bonds	-	1,978	-	1,978
Financial assets at fair value through other comprehensive income				
- Equity securities	72,102	23,739	-	95,841
	<u>\$ 117,032</u>	<u>\$ 25,717</u>	<u>\$ -</u>	<u>\$ 142,749</u>
<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
- Equity securities and beneficiary certificates	\$ 849,459	\$ -	\$ -	\$ 849,459
- Put and call options of convertible bonds	-	7,773	-	7,773
Financial assets at fair value through other comprehensive income				
- Equity securities	-	25,927	11,969	37,896
	<u>\$ 849,459</u>	<u>\$ 33,700</u>	<u>\$ 11,969</u>	<u>\$ 895,128</u>

(b) The methods and assumptions the Company used to measure fair value are as follows:

- i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed (TSE and OTC) stocks and gold passbook	Open-end fund
Market quoted price	Closing price	Net asset value

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The Company considers adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

E. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3:

	2021	2020
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income
At January 1	\$ 11,969	\$ 10,033
Recognised in other comprehensive income (loss)	10,674	1,936
Transfer out from level 3	(22,643)	-
At December 31	\$ -	\$ 11,969

G. In 2021, due to the supplemental public issuance of private common shares of NANOPLUS LTD., sufficient observable market information could be obtained, so the Company transferred the fair value used from the third level to the first level. In 2020, there was no transfer in or out

from the third tier.

H. Investment segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
	December 31, 2021	December 31, 2020				
Private placement shares	\$ -	\$ 11,969	Market comparable companies	Discount for lack of marketability	35%~48%	The higher the discount for lack of marketability, the lower the fair value

J. The Company has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. For December 31, 2021 and 2020, there will be no significant effect on other comprehensive income from financial assets and liabilities categorised within Level 3 if the value of net assets increased and decreased by 1%.

(4) Others

Due to the outbreak of the novel coronavirus pneumonia (COVID-19) in January 2020 and the spread of the epidemic, governments across various countries have successively implemented various epidemic prevention measures. Although the number of working days in some areas has been reduced, the Company responded quickly and immediately adjusted the production capacity allocation in various regions. The overall production and sales of the Group were only slightly affected. The Company has also taken relevant countermeasures. In addition to continuing to maintain close contact with customers and manufacturers, it is also committed to strengthening employee health management to mitigate the impact on operations. The Company's individual financial status and individual operating results in 2021 will not be affected by the epidemic with a significant impact.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: : Please refer to table 5.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None
- G. 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 6.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 7.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(3).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 9.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 10.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 11.

(4) Major shareholders information

No shareholders hold more than 5% of the Company's shares.

ADATA TECHNOLOGY CO., LTD.
Loans to others
Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 1

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Other receivables due from related parties	Y	\$ 276,800	\$ 276,800	\$ -	3.5%	Short-term financing	\$ -	-	\$ -	None	\$ -	1,191,583	\$ 3,574,749	Note 1 and 2
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Other receivables due from related parties	Y	276,800	276,800	-	4.5%	Short-term financing	-	Operations	-	None	-	1,191,583	3,574,749	Note 1 and 2

Note 1: In accordance with Article 4 of the Operational Procedures for Loans to Others:

- (1) The Company's total lending amount must not exceed 40% of the net assets disclosed in the Company's latest financial statements, and not exceed 30% for short-term financing purpose.
- (2) The loans to each company entity whom the Company has transactions with, the lending amount must not exceed the higher of the Company's purchases from or sales to the counterparty.
- (3) The loans to each entity for short-term financing purpose must not exceed 10% of the net assets disclosed in the Company's latest financial statements.
- (4) Limit on the loans to others provided by the foreign companies whose voting rights are 100% owned directly and indirectly by the Company or limit on loans for financing granted by and to subsidiaries of which the ultimate parent directly or indirectly holds 100% of its voting shares is not applicable for the limit of 40% of the creditor's net assets. However, limit on the total loans to others and the individual loan must not exceed 40% of the Company's net assets disclosed in the Company's latest financial statements. Loans shall be matured in 1 year, which can be expended based on the actual situation under the approval from the Board of Directors. The abovementioned limit on the total loans to others and individual loans do not apply the following (2) and (3).

Note 2: Abovementioned net assets amount is based on the recent audited or reviewed financial report attested by the auditor.

ADATA TECHNOLOGY CO., LTD.
Provision of endorsements and guarantees to others
Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 2

Number	Endorser/guarantor	Company name	Relationship with the endorser/guarantor	Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount as of December 31, 2021	Outstanding endorsement/guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/guarantees provided	Provision of endorsements/guarantees by parent company to subsidiary	Provision of endorsements/guarantees by subsidiary to parent company	Provision of endorsements/guarantees to the party in Mainland China	Footnote
0	ADATA TECHNOLOGY CO., LTD.	ADATA INTEGRATION BRAZIL	Note 2	\$ 1,191,583	\$ 415,200	\$ 276,800	\$ 116,525	\$ 55,360	2.32	\$ 5,957,915	Y	N	N	Note 3
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Note 2	1,191,583	692,000	692,000	503,039	-	5.81	5,957,915	Y	N	N	Note 3
1	LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	ADATA TECHNOLOGY CO., LTD.	Note 1	771,000	708,178	708,178	708,178	708,178	96.64	771,000	N	Y	N	Note 4
2	CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	ADATA TECHNOLOGY CO., LTD.	Note 1	750,000	697,659	697,659	697,659	697,659	98.39	750,000	N	Y	N	Note 4
3	JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	ADATA TECHNOLOGY CO., LTD.	Note 1	181,000	175,292	175,292	175,292	175,292	98.12	181,000	N	Y	N	Note 4
4	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTERGRATION BRAZIL S/A	Note 2	129,423	24,276	21,848	21,848	21,848	1.69	647,115	N	N	N	Note 3
4	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Note 2	129,423	38,842	31,559	31,559	31,559	2.44	647,115	N	N	N	Note 3
5	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Note 2	89,752	52,380	-	-	-	-	359,010	N	N	Y	Note 5

Note 1: The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

Note 2: The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

Note 3: In accordance with Article 4 of Operational Procedures for Provision of Endorsements and Guarantees to Others, the ceiling on total amount of endorsements/guarantees provided is:

(1) Less than 50% of the Company's net assets for total endorsements/guarantees provided for others

(2) Less than 10% of the Company's net assets for endorsements/guarantees provided for each entity to which the Company directly and indirectly has 100% voting rights but must not exceed 20% of the Company's net assets.

(3) The ceiling amount of endorsements/guarantees provided for each entity whom the Company has transactions with must not exceed the higher of the Company's purchases from or sales to the counterparty in addition to the aforementioned limitations.

Note 4: According to the Company's procedures for endorsement, the limits for endorsement amount are as follows:

- (1) The total amount of external endorsement may not exceed the Company's paid-in capital.
- (2) The total amount of endorsement to one company may not exceed 50% of the Company's paid-in capital, and the total amount of endorsement to the parent company or a subsidiary holding 100% of direct or indirect voting rights may not exceed the Company's paid-in capital.
- (3) The ceiling amount of endorsements/guarantees provided for each entity whom the Company has transactions with must not exceed the higher of the Company's purchases from or sales to the counterparty in addition to the aforementioned limitations.

Note 5: According to the company's procedures for endorsement, the limits for endorsement amount are as follows:

- (1) The total amount of external endorsement may not exceed 40% of the net assets disclosed in the company's latest financial statements.
 - (2) The total amount of endorsement to one company may not exceed 40% of the net assets disclosed in the company's latest financial statements.
 - (3) The total amount of endorsement provided between companies whose voting rights are 90% owned directly and indirectly by the Company may not exceed 10% the Company's net assets.
- The endorsement provided between companies whose voting rights are 100% owned directly and indirectly by the Company is not subjected to the limitation.

ADATA TECHNOLOGY CO., LTD.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 3

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021			Footnote	
				Number of shares	Book value	Ownership (%)		Fair value
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -Mega Taiwan Financial and Conventional Industries Featured Dividend Fund	Not applicable	Financial assets at fair value through profit or loss-current	500,000	\$ 5,120	-	\$ 5,120	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -UBS (TW) Bond Fund – Fixed Income Fund of Funds	Not applicable	Financial assets at fair value through profit or loss-current	30,000	7,659	-	7,659	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - KGI ESG Sustainable Emerging Market Bond Fund-NA	Not applicable	Financial assets at fair value through profit or loss-current	20,000	5,435	-	5,435	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -PineBridge ESG Quantitative Global Equity Fund-A	Not applicable	Financial assets at fair value through profit or loss-current	20,000	5,824	-	5,824	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -BCF ESG Multi-Asset Fund Hedged A2 USD	Not applicable	Financial assets at fair value through profit or loss-current	3,738	5,561	-	5,561	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - ARBOR TECHNOLOGY CORPORATION	None	Financial assets at fair value through profit or loss-current	690,599	15,331	0.93	15,331	-
ADATA TECHNOLOGY CO., LTD.	Domestic emerging private placement common stock - NANOPUS LTD.	None	Financial assets at fair value through other comprehensive profit or loss-current	1,257,232	\$ 44,930		\$ 44,930	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Media Development Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-current	3,000,000	-	15.87	-	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Abico Asia Capital Corp.	None	Financial assets at fair value through other comprehensive profit or loss-current	2,500,000	13,625	1.30	13,625	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock -TAIWAN ESPORTS LEAGUE CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-current	415,490	1,392	4.62	1,392	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - DIRECT CURRENT CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-current	494,450	8,722	5.29	8,722	-
					\$ 95,841		\$ 95,841	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021			Footnote	
				Number of shares	Book value	Ownership (%)		Fair value
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - SHIH WEI NAVIGATION CO., LTD.	None	Financial assets at fair value through profit or loss-current	5,050,000	\$ 228,260	1.81	\$ 228,260	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - YANG MING MARINE TRANSPORT CORPORATION	None	Financial assets at fair value through profit or loss-current	1,860,000	225,060	0.05	225,060	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - LemTech Holdings Co., Ltd.	None	Financial assets at fair value through profit or loss-current	819,965	131,195	1.31	131,195	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - SINCERE NAVIGATION CORPORATION	None	Financial assets at fair value through profit or loss-current	1,760,000	51,392	0.30	51,392	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	None	Financial assets at fair value through profit or loss-current	900,000	128,250	0.02	128,250	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - WAN HAILINES LTD.	None	Financial assets at fair value through profit or loss-current	357,900	71,042	0.01	71,042	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Leadconn Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	327,683	\$ 835,199	5.38	\$ 835,199	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Abomen Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	8,568	-	0.03	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed preferred stock - Whistle Sports, Inc.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	600,000	43,845	0.68	43,845	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed preferred stock - JANUS TECHNOLOGY GROUP, INC.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	864,052	-	4.01	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Alpha Crystal Technology Corp.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	16,462	-	0.19	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Embestor Technology Inc.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	500,000	8,570	1.92	8,570	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - ACLOUD INTELLIGENCE SERVICES CORP. LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	7,610	16.67	7,610	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - MEGA GROWTH VENTURE CAPITAL CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	3,000,000	14,640	2.36	14,640	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed common stock - Joy capital Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	800,000	7,086	11.76	7,086	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - TransWorld Production Co.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	120,000	395	1.25	395	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Yi Sheng Security Service Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	-	9.35	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Mucho International Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	2,000,000	-	17.08	-	-
					\$ 82,146		\$ 82,146	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021			Footnote
				Number of shares	Book value	Ownership (%)		Fair value
ADATA INVESTMENT COMPANY LIMITED	Foreign non-listed company Capital Contribution Certificate	None	Financial assets at fair value through other comprehensive profit or loss-non-current	3,522,440	\$ -	0.67	-
ADATA INVESTMENT COMPANY LIMITED	- Golden Crown Green Energy Ltd. Foreign non-listed company Capital Contribution Certificate	None	Financial assets at fair value through other comprehensive profit or loss-non-current	166,670	-	2.25	-
ADATA CAPITAL CO., LTD.	- Vantage Metro Limited Foreign non-listed company Capital Contribution Certificate	None	Financial assets at fair value through other comprehensive profit or loss-non-current	2,807,186	\$ 24,087	14.26	\$ 24,087
ADATA TECHNOLOGY (INDIA) PRIVATE LTD.	Foreign non-listed company Capital Contribution Certificate	None	Financial assets at fair value through other comprehensive profit or loss-non-current	250	\$ 24,087	1.60	\$ 24,087
ADATA TECHNOLOGY (HK) CO., LTD.	- Leaf Technologies Ltd. Foreign non-listed company Capital Contribution Certificate	None	Financial assets at fair value through other comprehensive profit or loss-non-current	10,257,355	\$ -	11.44	\$ -
ADATA TECHNOLOGY (HK) CO., LTD.	- LANGOGO GLOBAL LIMITED Foreign non-listed company Capital Contribution Certificate	None	Financial assets at fair value through other comprehensive profit or loss-non-current	7,407,400	81,323	7.41	81,323
ADATA TECHNOLOGY (HK) CO., LTD.	- JOINT MOUNTAIN TECHNOLOGY CO LTD Foreign non-listed company Capital Contribution Certificate	None	Financial assets at fair value through other comprehensive profit or loss-non-current	10,257,355	26,263	9.06	26,263
ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	- NOTTA Inc. CHINA MINSHENG BANK SUZHOU BARNCH - Special asset management dy king of public to B finance product	Not applicable	Financial assets at fair value through profit or loss-current	-	\$ 107,586 \$ 2,831	-	\$ 107,586 \$ 2,831
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	\$ 2,831 \$ 4,344	10.00	\$ 2,831 \$ 4,344
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	- Beijing Function Capital Management Co.,Ltd. Foreign non-listed company Capital Contribution Certificate	None	Financial assets at fair value through other comprehensive profit or loss-non-current	323,778	108,740	1.44	108,740
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	- Shanghai shangguang Investment Co.,Ltd. Foreign non-listed company Capital Contribution Certificate	None	Financial assets at fair value through other comprehensive profit or loss-non-current	250,000	20,048	4.16	20,048
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	- Suzhou Qdreamer Technology Co.,Ltd Foreign non-listed company Capital Contribution Certificate	None	Financial assets at fair value through other comprehensive profit or loss-non-current	2,307,692	143,174	18.75	143,174
	- Qingdao Nuotai Biotechnology co. LTD				\$ 276,306		\$ 276,306

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021			Footnote
				Number of shares	Book value	Ownership (%)		Fair value
LIWANLI Innovation Co., Ltd.	Domestic listed common stock - WAN HAI LINES LTD.	None	Financial assets at fair value through profit or loss-current	33,000	\$ 6,551	-	6,551
LIWANLI Innovation Co., Ltd.	Domestic listed common stock - Yang Ming Marine Transport Corp.	None	Financial assets at fair value through profit or loss-current	200,000	24,200	0.01	24,200
LIWANLI Innovation Co., Ltd.	Non-listed common stock - DISK KING TECHNOLOGY CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	125,600	\$ 30,751	10.23	\$ 30,751
LIWANLI Innovation Co., Ltd.	Domestic listed common stock - DIRECT CURRENT CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	274,350	4,840	2.94	4,840
Zhen Lian Investment Co., Ltd.	Domestic listed common stock - EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	None	Financial assets at fair value through profit or loss-current	105,000	\$ 4,840	-	\$ 4,840
Zhen Lian Investment Co., Ltd.	Domestic listed common stock - SINCERE NAVIGATION CORPORATION	None	Financial assets at fair value through profit or loss-current	88,000	2,570	0.02	2,570
Hong Qi Investment Co., Ltd.	Domestic listed common stock - EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	None	Financial assets at fair value through profit or loss-current	240,000	\$ 17,532	-	\$ 17,532
Hong Qi Investment Co., Ltd.	Domestic listed common stock - SINCERE NAVIGATION CORPORATION	None	Financial assets at fair value through profit or loss-current	569,000	16,615	0.10	16,615
Hong Qi Investment Co., Ltd.	Domestic listed common stock - YANG MING MARINE TRANSPORT CORPORATION	None	Financial assets at fair value through profit or loss-current	284,000	34,364	0.01	34,364
Hong Qi Investment Co., Ltd.	Domestic listed common stock - WAN HAI LINES LTD.	None	Financial assets at fair value through profit or loss-current	176,000	34,936	0.01	34,936
Hong Qi Investment Co., Ltd.	Domestic common stock - LIN BIOSCIENCE, INC.	None	Financial assets at fair value through profit or loss-current	20,000	3,720	0.03	3,720
					\$ 123,835		\$ 123,835

Note: The fair value of listed stocks, OTC stocks, and closed-end mutual funds are based on latest quoted fair prices of accounting period. Open-end and balanced mutual funds are based on the net assets value at the balance sheet date. Gold passbooks are based on the international gold transaction price at the balance sheet date. Unlisted stocks are measured at fair value based on the Company's evaluation.

ADATA TECHNOLOGY CO., LTD.

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2021

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2021			Addition			Disposal			Balance as at December 31, 2021					
					Number of shares (Units)	Amount		Number of shares (Units)	Amount		Number of shares (Units)	Selling price	Book value	Gain (loss) on disposal	Number of shares (Units)	Amount			
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	Financial assets at fair value through profit or loss -current	-	-	-	\$	4,966,000	\$	218,833		4,966,000	\$	385,417	\$	218,833	\$	166,584	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - SHIH WEI NAVIGATION CO., LTD.	Financial assets at fair value through profit or loss -current	-	-	-		11,044,000		619,806		5,994,000		299,370		314,763	(	15,393)	5,050,000	228,260
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - YANG MING MARINE TRANSPORT CORPORATION	Financial assets at fair value through profit or loss -current	-	-	58,000	1,696	19,222,000	1,323,551	1,323,551	1,364,214	17,420,000	1,057,712	1,364,214	306,502	1,057,712		306,502	1,860,000	225,060
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	Financial assets at fair value through profit or loss -current	-	-	-		15,055,000	1,181,113	1,181,113	1,121,433	14,155,000	1,077,769	1,121,433	43,664	1,077,769		43,664	900,000	128,250
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - WAN HAI LINES LTD.	Financial assets at fair value through profit or loss -current	-	-	-		5,345,900	731,449	731,449	651,792	4,988,000	658,197	651,792	6,405)	658,197	(	6,405)	357,900	71,042
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - AES Holding Co., Ltd.	Financial assets at fair value through profit or loss -current	-	-	-		586,000	463,542	463,542	487,551	586,000	463,542	487,551	24,009	463,542		24,009	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic common stock -TEAM GROUP INC.	Financial assets at fair value through profit or loss -current	-	-	-		4,873,000	297,575	297,575	310,991	4,873,000	297,575	310,991	13,416	297,575		13,416	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - UNITED MICROELECTRONICS CORP.	Financial assets at fair value through profit or loss -current	-	-	1,800,000	84,870	10,165,000	553,422	553,422	642,213	11,965,000	637,627	642,213	4,586	637,627		4,586	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic common stock -T3EX Global Holdings Corp.	Financial assets at fair value through profit or loss -current	-	-	-		2,548,000	489,666	489,666	476,228	2,548,000	489,666	476,228	13,438)	489,666	(	13,438)	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic common stock -Wisdom Marine Lines Co., Limited	Financial assets at fair value through profit or loss -current	-	-	-		4,809,000	414,369	414,369	415,976	4,809,000	414,369	415,976	1,607	414,369		1,607	-	-
Hong Qi Investment Co., Ltd.	Domestic listed common stock - EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	Financial assets at fair value through profit or loss -current	-	-	-		3,878,000	289,196	289,196	280,433	3,638,000	247,557	280,433	32,876	247,557		32,876	240,000	34,200
Hong Qi Investment Co., Ltd.	Domestic listed common stock - YANG MING MARINE TRANSPORT CORPORATION	Financial assets at fair value through profit or loss -current	-	-	58,000	1,604	4,001,000	313,042	313,042	318,979	3,775,000	274,094	318,979	44,885	274,094		44,885	284,000	34,364

ADATA TECHNOLOGY CO., LTD.
Purchase of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2021

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Where the counterparty is a related party, the previously transferred information														
Real estate acquired by	Real estate	Transaction date or date of the event	Transaction Amount	Transaction Amount	Status of disbursements	Counterparty	Relationship with the seller	Owner	Relationship with the issuer	Date of transfer	Amount	Basis or reference used in setting the price	Reason for acquisition	Other commitments
ADATA TECHNOLOGY CO., LTD.	Other non-current assets- Prepayments for real estate acquisition	April 20, 2021	\$ 2,622,725	\$ 2,622,725	The first and second payments totalling \$655,781 have been made, the remaining \$1,966,944 has not been paid.	CHONG HONG CONSTRUCTION CO., LTD.	None	None	None	None	\$ -	Based on appraisal report issued by the real estate appraisal firm (resolved by board of directors)	To respond the need of business and staff expansion of the group	None
ADATA TECHNOLOGY CO., LTD.	Other non-current assets- Prepayments for real estate acquisition	May 3, 2021	\$ 797,449	\$ 797,449	The first and second payments totalling \$159,490 have been made, the remaining \$637,959 has not been paid.	QUAN WEI INVESTMENT CO., LTD.	None	None	None	None	\$ -	Based on appraisal report issued by the real estate appraisal firm (resolved by board of directors)	To respond the need of business and staff expansion of the group	None

ADATA TECHNOLOGY CO., LTD.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 6

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	The Company's Subsidiary	Sales	(\$ 6,890,057) (	21)	Collection within 90 days after sale	None	None	None	\$ 1,313,749	23	-
ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	The Company's Subsidiary	Sales	(196,393) (	1)	Collection within 90 days after sale	None	None	None	37,831	1	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	Sales	(7,755,684) (	23)	Collection terms are 90 days	None	None	None	1,369,666	24	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	Sales	(1,899,929) (	93)	Collection terms are 90 days	None	None	None	667,892	100	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD	ADATA TECHNOLOGY CO., LTD	The Company	Processing income	(3,008,205) (	88)	Collection terms are 60 days	None	None	None	3,267,437	48	-
ADATA TECHNOLOGY (HK) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	6,890,057	98	Collection within 90 days after sale	None	None	None	(1,313,749) (	99)	-
ADATA ELECTRONICS (SHANHAI) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	196,393	100	Collection within 90 days after sale	None	None	None	(37,831) (	92)	-
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	7,755,684	100	Collection terms are 90 days	None	None	None	(1,369,666) (	96)	-
ADATA ELECTRONICS BRAZIL S/A	ADATA INTEGRATION BRAZIL S/A	The Company's Subsidiary	Purchases	1,899,929	43	Collection terms are 90 days	None	None	None	(667,892) (	52)	-
ADATA TECHNOLOGY CO., LTD	ADATA TECHNOLOGY (SUZHOU) CO., LTD	The Company's Subsidiary	Processing fees	3,008,205	5	Collection terms are 60 days	None	None	None	(3,267,437) (	57)	-

ADATA TECHNOLOGY CO., LTD.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2021

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021	Turnover rate	Amount	Action taken	Overdue receivables	
							Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	The Company's Subsidiary	\$ 1,313,749	6.32	\$ -	Not applicable	\$ 1,028,836	\$ -
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	1,369,666	5.81	-	Not applicable	480,463	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	3,267,437	9.11	-	Not applicable	885,599	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	667,892	4.04	-	Not applicable	424,612	-

ADATA TECHNOLOGY CO., LTD.

Significant inter-company transactions during the reporting periods

Year ended December 31, 2021

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship	Transaction		Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 2)
				General ledger account	Amount		
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Parent company to subsidiary company	Sales	\$ 7,755,684	Note 3	20
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Parent company to subsidiary company	Accounts receivable	1,369,666	Note 4	4
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Sales	6,890,057	Note 3	17
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Accounts receivable	1,313,749	Note 4	4
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Sales	196,393	Note 3	1
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Accounts receivable	37,831	Note 4	-
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Process expense	3,008,205	Note 5	8
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Accounts payable	3,267,437	Note 5	10
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Sales	1,899,929	Note 3	5
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Accounts receivable	667,892	Note 4	2
2	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Subsidiary company to Subsidiary company	Sales return	477	Note 3	-
2	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Subsidiary company to Subsidiary company	Accounts receivable	46,202	Note 4	-

Note 1: The parent company is numbered "0". The subsidiaries are numbered in order starting from '1'.

Note 2: Regarding the ratio of transaction amount to consolidated total operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet accounts and based on accumulated amount in the interim to consolidated total operating revenues for income statement accounts.

Note 3: The sale prices were similar to those given to third parties.

Note 4: The credit terms made to the third party were cash on delivery and 120 days after monthly billings. The credit terms made to the related party were cash on delivery and 180 days after delivery.

Note 5: Processing price and payment terms to the related party are available to the third party.

ADATA TECHNOLOGY CO., LTD.
The related information on investees are as follows (not including investees in Mainland China)
Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020						
ADATA TECHNOLOGY CO., LTD.	CICAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	\$ 750,000	\$ 750,000	75,000,000	100.00	\$ 709,060	\$ 4,114	\$ 4,114	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ZHAO-XING INVESTMENT CO., LTD.	Republic of China	General Investment	1,295,001	895,001	130,000,000	100.00	1,136,951	203,382	203,382	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	181,000	181,000	18,100,000	100.00	178,656	(173)	(173)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	771,000	771,000	77,100,000	100.00	732,810	(2,750)	(2,750)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA HOLDINGS CO., LTD.	British Cayman Islands	General Investment	2,530,583	2,510,987	79,487,598	100.00	5,919,523	477,819	477,819	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	U.S.A.	Trading of electronic material and components	66,637	66,637	200,000	100.00	490,191	96,791	96,791	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY B.V.	Netherlands	Trading of electronic material and components	16,570	16,570	300,020	100.00	7,545	1,008	1,008	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (KOREA) CO., LTD.	Korea	Trading of electronic components and computer peripherals	-	2,880	-	-	-	(4,763)	(4,763)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Brazil	Trading of electronic material and components	1,466,139	1,319,656	180,000,000	100.00	1,152,481	477,895	477,895	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA Technology (Japan) Co., Ltd.	Japan	Trading of electronic material and components	7,977	7,977	600	100.00	14,080	1,354	1,354	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA Technology Mexico, SDRL De CV.	Mexico	Trading of electronic material and components	6,872	6,872	6,649,647	100.00	8,058	863	863	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ALLIED TREASURE INC. LIMITED	Hong Kong	General Investment	744,985	744,985	178,776,000	100.00	369,699	(40,675)	(40,675)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	JET CASTLE LIMITED	Hong Kong	General Investment	48,135	48,135	1,500,000	100.00	2,719	(174)	(174)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	Samoa Islands	General Investment	30,150	30,150	1,000,000	74.63	7,654	941	703	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Alwayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	34,100	34,100	3,410,000	56.83	31,243	(1,914)	(1,088)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	LIWANLI Innovation Co., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	992,054	992,054	40,906,925	50.72	786,435	45,563	8,051	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	IROC CO., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	561,657	561,657	6,748,970	26.20	467,080	24,042	6,299	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Weili Health Medical Technology Co., Ltd.	Republic of China	Portal website operation	24,000	24,000	800,000	39.41	14,830	(3,225)	(1,271)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Master Acoustics International Corp. Limited	Hong Kong	The sales of sound optimised resonator, sound optimised coating and bioacoustics	6,037	6,037	153,000	33.41	4,482	(45)	(17)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	55,000	55,000	5,500,000	23.50	-	-	-	Note 1(1)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote	
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			Net profit (loss) of the investee for the year ended December 31, 2021
				\$	\$			\$			\$
ADATA TECHNOLOGY CO., LTD.	Taiwan Sports Lottery Co., Ltd.	Republic of China	Issuing or selling of Sports Lottery	250,000	250,000	25,000,000	47.62	1,062,831	809,442	385,450	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	390,374	322,874	8,337,316	26.14	351,481	(47,938)	10,489	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Taiwan Biomedical Company	Republic of China	Trading of healthcare and skincare products as well as developing of new drugs	13,000	13,000	1,300,000	13.00	-	-	-	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	All In Digital Co., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	1,800	-	180,000	18.00	(1,422)	(17,932)	3,222	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Amedifact Co., Ltd.	Republic of China	Medical equipment electronic and components	4,440	-	300,000	10.00	4,635	346	195	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Life Plus Co., Ltd.	Republic of China	Cloud service, cash flow payment integration, terminal point service	30,000	-	3,000,000	24.06	29,684	(35,069)	316	Note 1(1)
ZHAO-XING INVESTMENT CO., LTD.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	15,000	15,000	1,500,000	6.41	-	-	-	Note 1(1) and 2
ZHAO-XING INVESTMENT CO., LTD.	AROBOT INNOVATION CO., LTD.	Republic of China	Other machinery manufacturing	-	24,485	-	-	-	-	-	Note 1(1) and 2
ZHAO-XING INVESTMENT CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	8,917	8,947	677,954	2.13	42,994	(47,938)	-	Note 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY HOLDINGS CO., LTD.	British Cayman Islands	General Investment	1,847,058	1,847,058	57,928,317	100.00	5,656,535	492,916	-	Note 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY (INDIA) PVT. LTD.	India	Trading of electronic components and computer peripherals	65,424	65,424	2,287,207	100.00	32,182	1,769	-	Note 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA INVESTMENT COMPANY LIMITED	Samoa Islands	General Investment	135,653	132,874	4,386,944	100.00	9,796	(2,610)	-	Note 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA CAPITAL CO.,LTD.	Samoa Islands	General Investment	94,605	77,787	3,200,322	100.00	30,889	(13,853)	-	Note 1(1) and 2
ADATA INVESTMENT COMPANY LIMITED	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	Samoa Islands	General Investment	10,251	10,251	340,000	25.37	7,571	941	-	Note 1(1) and 2
ADATA TECHNOLOGY HOLDINGS CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Hong Kong	Trading of electronic material and components	1,846,495	1,846,495	449,376,284	100.00	5,686,910	492,916	-	Note 1(1) and 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTEGRATION BRAZIL S/A	Brazil	Design, manufacture and trading of semiconductor components	1,137,034	1,137,034	131,609,067	84.30	663,565	274,877	-	Note 1(2) and 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Brazil	Manufacture and trading of electronic components	55,462	55,462	6,445,056	84.30	424,268	290,757	-	Note 1(2) and 2
ALLIED TREASURE INC. LIMITED	Alwin Co., Ltd.	Samoa Islands	Research, development, sales and manufacture of earphones	130,520	130,520	4,000,000	40.00	34,122	(5)	-	Note 1(1) and 2
JET CASTLE LIMITED	ERATO (HK) CORPORATION LIMITED	Hong Kong	Research, development, sales and manufacture of earphones	-	16,215	-	-	-	-	-	Note 1(1) and 2
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	AROBOT INNOVATION (HK) CO., LTD.	Hong Kong	General Investment	29,618	29,618	984,000	100.00	9,934	969	-	Note 1(1) and 2
AROBOT INNOVATION (HK) CO., LTD.	AROBOT INNOVATION CO., LTD.	Republic of China	Other machinery manufacturing	-	29,000	-	-	-	-	-	Note 1(1) and 2
LIWANLI Innovation Co., Ltd.	Zhen Lian Investment Co., Ltd.	Republic of China	General Investment	67,000	67,000	-	100.00	95,464	19,352	-	Note 1(2) and 2
LIWANLI Innovation Co., Ltd.	Hong Qi Investment Co., Ltd.	Republic of China	General Investment	70,000	70,000	-	100.00	123,694	45,074	-	Note 1(2) and 2
LIWANLI Innovation Co., Ltd.	Longevity Wealth Limited	Hong Kong	General Investment	90,722	62,728	23,596,000	100.00	(11,250)	(6,246)	-	Note 1(1) and 2
LIWANLI Innovation Co., Ltd.	IROC CO., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	45,000	45,000	1,836,006	7.13	125,361	24,042	-	Note 1(1) and 2
LIWANLI Innovation Co., Ltd.	Taiwan Biomedical Company	Republic of China	Trading of healthcare and skincare products as well as developing of new drugs	12,000	12,000	1,200,000	12.00	-	-	-	Note 1(1) and 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021		Book value	Ownership (%)	Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	6,000 (\$)					
LIWANLI Innovation Co., Ltd.	Alwayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	\$ 6,000	\$ 6,000	600,000	10.00	\$ 6,000	10.00	1,914	-	Note 1 (1) and 2
LIWANLI Innovation Co., Ltd.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	30,000	30,000	3,000,000	12.82	-	12.82	-	-	Note 1 (1) and 2
LIWANLI Innovation Co., Ltd.	Life Plus Co., Ltd.	Republic of China	Cloud service, cash flow payment integration, terminal point service	4,440	-	300,000	10.00	4,440	10.00	346	-	Note 1 (1) and 2
Longevity Wealth Limited	Alwin Co., Ltd.	Samoa Islands	Research, development, sales and manufacture of earphones	30,420	30,420	1,000,000	10.00	18,142	10.00	5	-	Note 1 (1) and 2

Note 1: Indicate the basis for investment income (loss) recognition in the number of one of the following two categories:

(1) Financial statements audited by the independent auditors appointed by the Company

(2) Financial statements audited by other independent auditors.

Note 2: The investment income was recognised by a subsidiary company.

ADATA TECHNOLOGY CO., LTD.
Information on investments in Mainland China
Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee as of December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
				Remitted to Mainland China	Remitted back to Taiwan								
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacture and trade of electronic components and computer peripherals	\$ 1,299,223	2	\$ -	\$ -	\$ 1,299,223	\$ 1,299,223	100.00	\$ 398,598	\$ 4,890,882	\$ -	Notes 2(1) and 3	
ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacture and trade of electronic components and computer peripherals	592,704	2	-	-	592,704	592,704	100.00	1,146	765,987	-	Notes 2(1) and 4	
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Trading of electronic material and components	131,134	2	-	-	131,134	131,134	100.00	5,613	64,368	-	Notes 2(1) and 5	
ERATO (SZ) CORPORATION LTD.	Research, development, sales and manufacture of earphones	3,019	2	-	-	3,019	3,019	100.00	-	-	-	Notes 2(1) and 6	
Suzhou Golden Crown New Energy Co., Ltd.	Manufacture and sale of solar cell, li-ion battery, battery	963,516	2	-	-	7,547	7,547	0.67	-	-	-	Notes 8	
Beijing Function Capital Management Co., Ltd.	Consulting for investments and consulting service for business management	51,673	3	-	-	-	-	10.00	-	4,344	-	Notes 9	
Shandong Function Technology Development Co., Ltd.	Consulting for investments and consulting service for business management	1,830,331	3	-	-	-	(6,714)	36.64	(2,460)	867,393	-	Notes 2(1) and 10	
Function (Qingdao) Marine Technology Co., Ltd.	The research and development and trading of biotechnology products	91,860	3	-	-	-	15,927	25.00	2,974	14,167	-	Notes 2(1) and 11	
Shanghai shangguang Investment Co.,Ltd.	Consulting for investments and consulting service for business management	97,300	3	-	-	-	-	1.44	-	108,740	-	Notes 12	
Suzhou Qdreamer Technology Co.,Ltd	The internet technology research and development and services and computer software and hardware research and development	6,169	3	-	-	-	-	4.16	-	20,048	-	Notes 13	
Shenzhen Visualdeep Co., Ltd.	Development of network technology, providing network technology service and development and sales of software	64,738	3	-	-	-	(5,796)	24.00	(1,391)	67,878	-	Notes 2(1) and 14	
Ningbo Xinrou Biotechnology co., LTD.	Research and development, producing, wholesale and retailing of food	34,848	3	-	-	-	(16,212)	30.00	(4,848)	47,860	-	Notes 2(1) and 15	
Qingdao Nuotai Biotechnology co., LTD.	Producing and sales of marine biomaterial and research and development of biological products	53,612	3	-	-	-	-	18.75	-	143,174	-	Notes 16	
ADATA TECHNOLOGY (Qingdao) CO., LTD.	Manufacture and trade of electronic components and smart car equipment	438	3	-	-	-	(1)	100.00	(1)	418	-	Notes 2(1) and 17	
Skywin Technology (Qingdao) Co., Ltd.	Engineering technology research, test development, information consulting services and electronics wholesale of spare parts	856,050	3	-	-	-	(839)	33.33	(342)	285,212	-	Notes 2(1) and 18	
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Wholesale and retail of food products	57,992	2	27,994	-	29,998	57,992	100.00	(6,246)	(20,113)	-	Notes 2(1) and 19	

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: The investment gain and loss on investees were recognized based on the follows:

- (1) Same period financial statements were audited by independent auditors.
- (2) Same period financial statements were not audited by independent auditors.

Note 3: ADATA TECHNOLOGY (SUZHOU) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD 40,000 thousand. The case was approved by investment commission.

Note 4: ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD 26,500 thousand. The case was approved by investment commission.

Note 5: ADATA ELECTRONICS (SHANGHAI) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD 4,000 thousand. The case was approved by investment commission.

Note 6: ERATO (SZ) CORPORATION LTD. is a 100% owned subsidiary of ERATO (HK) CORPORATION LIMITED. ERATO (HK) CORPORATION LIMITED is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD 100 thousand. The case was approved by investment commission. Erato (SZ) Corporation Limited was approved to be deregistered by Suzhou Industrial Park's supervisory authority on December 7, 2018, and the investee was liquidated. However, the deregistration is pending for approval from the Investment Commission, MOEA.

Note 7: Through the Company's indirect wholly-owned subsidiary- ADATA INVESTMENT CO., LTD., the Company instructed BVI Success-Field Investment Ltd. to sell 3.57% ownership of GOLDEN CROWN GREEN ENERGY LTD. and indirectly acquired the ownership of Golden Crown Energy Co. and Dongguan Hunag Jiang Qing Cheng Electronics Factory. Total membership contribution was USD 1,031 thousand. The case was approved by the Investment Commission. Golden Crown Energy Co. and Dongguan Hunag Jiang Qing Cheng Electronics Factory filed cancellation registration to PRC on July 9, and March 2, 2012, respectively, the cancellation of investment was approved by investment commission on November 21, 2012. However, the facility of investment in Mainland China has not been released.

Note 8: Through the Company's indirect wholly-owned subsidiary- ADATA INVESTMENT CO., LTD., the Company instructed BVI Success-Field Investment Ltd. to sell 0.67% ownership of GOLDEN CROWN GREEN ENERGY LTD. and indirectly acquired the ownership of Suzhou Golden Crown New Energy Co., Ltd.. Total membership contribution was USD 248 thousand. The case was approved by the Investment Commission.

Note 9: The Company acquired a 10% equity interest in Beijing Function Capital Management Co., Ltd. in the amount of RMB 1,000 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 10: The Company acquired a 5.82% equity interest in Shandong Function Technology Development Co., Ltd. in the amount of RMB 29,531 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

The Company acquired a 30.82% equity interest in Shandong Function Technology Development Co., Ltd. in the amount of RMB 175,000 thousand through the Company's indirectly wholly-owned investee, ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 11: The Company acquired a 25% equity interest in Function (Qingdao) Marine Technology Co., Ltd. in the amount of RMB 5,000 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 12: The Company acquired a 1.44% equity interest in Shanghai shangguang Investment Co., Ltd. in the amount of RMB 12,999 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 13: The Company acquired a 4.16% equity interest in Suzhou Qdreamer Technology Co., Ltd. in the amount of RMB 5,000 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 14: The Company acquired a 24% equity interest in Shenzhen Visualdeep Co., Ltd. in the amount of RMB 14,385 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 15: The Company acquired a 30% equity interest in Ningbo Xinrou Biotechnology co. LTD in the amount of RMB 13,573 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 16: The Company acquired a 18.75% equity interest in Qingdao Nuotai Biotechnology co. LTD in the amount of RMB 30 million through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 17: The Company acquired a 100% equity interest in ADATA TECHNOLOGY (Qingdao) CO., LTD. in the amount of RMB 100 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 18: The Company acquired a 33% equity interest in Skywin Technology (Qingdao) Co., Ltd. in the amount of USD 10,000 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (HK) CO., LTD.

Note 19: The Company established and acquired a 100% equity interest in LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD. through the Company's indirectly wholly-owned investee, Longevity Wealth Limited. The actual investment was USD 1,000 thousand.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA(Note 1)
ADATA TECHNOLOGY CO., LTD.(Note 2)	\$ 2,066,820	\$	2,354,741	\$ 7,149,498
LIWANLI Innovation Co., Ltd. (Note 3)	57,992		90,675	538,514

Note 1: The limitation is 60% of net worth.

Note 2: As of December 31, 2021, investment in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs amounted to US\$73,379 thousand.

Note 3: As of December 31, 2021, LIWANLI Innovation Co., Ltd.'s investment in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs amounted to US\$3,000 thousand.

ADATA TECHNOLOGY CO., LTD.

Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area
Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 11

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing		Others	
	Amount	%	Amount	%	Balance at December 31, 2021	%	Balance at December 31, 2021	Purpose	Maximum balance during the year ended December 31, 2021	Balance at December 31, 2021		Interest rate
Investee in Mainland China												
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	Note
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	(477)	(1)	-	-	46,202	80	-	-	-	-	-	-
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	196,393	1	-	-	37,831	-	-	-	-	-	-	-

Note: The processing fees of the Company for the year ended December 31, 2021 amounted to \$3,008,205. Accounts payable of \$3,267,437 was recognised as of December 31, 2021.

ADATA TECHNOLOGY CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars)

Statement 1

Item	Description	Amount
Cash on hand and revolving funds		\$ 462
Bank savings:		
Demand deposits		
-TWD		553,857
-USD	USD 43,580,416.56, exchange rate 27.6800	1,206,306
-EUR	EUR 966,209.53, exchange rate 31.3200	30,262
-GBP	GBP 29,441.5, exchange rate 37.3000	1,098
-JPY	JPY 28,207,107, exchange rate 0.2405	6,784
		<u>\$ 1,798,769</u>

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars)

Statement 2

Client Name	Description	Amount	Note
General client -			
100010		\$ 792,040	
17339		323,199	
11207		200,870	
16982		168,708	
			None of the balances of each remaining client is greater than 5% of this account balance
Others		1,573,704	
Less: Allowances for uncollectible accounts		(2,329)	
		<u>3,056,192</u>	
Related parties -			
ADATA TECHNOLOGY (HK) CO., LTD.		1,313,749	
ADATA TECHNOLOGY (U.S.A.) CO., LTD.		1,369,666	
			None of the balances of each remaining client is greater than 5% of this account balance
Others		<u>38,731</u>	
		<u>2,722,146</u>	
		<u>\$ 5,778,338</u>	

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ADATA TECHNOLOGY CO., LTD.

STATEMENT OF INVENTORIES

DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars)

Statement 3

Item	Description	Amount		Note
		Cost	Net Realisable Value	
Raw materials	DRAM and NAND Flash	\$ 1,093,500	\$ 1,659,391	Net realisable value is the estimated selling price, less the estimated cost of completion and applicable variable selling expenses.
Work in progress	DRAM and NAND Flash	3,454,209	3,783,346	
Semi-finished goods	DRAM and NAND Flash	154,524	166,915	
Finished goods	DRAM and NAND Flash	2,335,844	2,698,810	
		7,038,077	<u>\$ 8,308,462</u>	
		(<u>113,273</u>)		
		<u>\$ 6,924,804</u>		

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 4

Name	Beginning Balance		Addition (Note 1)		Investment Income (Loss)	Other Adjustments (Note 2)	Decrease (Note 3)	Ending Balance		Net Equity		
	Shares (in shares)	Amount	Shares (in shares)	Amount				Shares (in shares)	Percentage of Ownership	Amount	Unit Price (in dollars)	Total	Collateral
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	75,000,000	\$ 713,174	-	\$ -	(\$ 4,114)	-	\$ -	100.00	\$ 709,060	9.45	\$ 709,060	None
ZHAO XING INVESTMENT CO., LTD.	90,000,000	514,440	40,000,000	400,000	203,382	19,129	-	100.00	1,136,951	8.75	1,136,951	None
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	18,100,000	178,829	-	-	(173)	-	-	100.00	178,656	9.87	178,656	None
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	77,100,000	735,560	-	-	(2,750)	-	-	100.00	732,810	9.50	732,810	None
ADATA HOLDINGS CO., LTD.	78,787,598	5,174,557	700,000	19,596	477,819	247,551	-	100.00	5,919,523	74.47	5,919,523	None
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	200,000	405,618	-	-	96,791 (12,218)	-	-	100.00	490,191	2,450.96	490,191	None
ADATA TECHNOLOGY B.V.	300,020	7,370	-	-	1,008 (833)	-	-	100.00	7,545	25.15	7,545	None
ADATA TECHNOLOGY (KOREA) CO., LTD.	1,100,000	5,398	-	-	(4,763)	142 (1,100,000)	(777)	-	-	-	-	None
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	150,991,325	782,168	29,008,675	146,483	477,895 (254,065)	-	-	100.00	1,152,481	6.40	1,152,481	None
ADATA TECHNOLOGY (JAPAN) CO., LTD.	600	14,677	-	-	1,354 (1,951)	-	-	100.00	14,080	23,466.67	14,080	None
ADATA TECHNOLOGY MEXICO SDRL DE CV.	6,649,647	7,750	-	-	863 (555)	-	-	100.00	8,058	1.21	8,058	None
ALLIED TREASURE INC. LIMITED	178,776,000	423,924	-	-	(40,675)	13,550	-	100.00	369,699	2.07	369,699	None
JET CASTLE LIMITED	1,500,000	2,836	-	-	(174)	57	-	100.00	2,719	1.81	2,719	None
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD	1,000,000	7,745	-	-	703 (794)	-	-	74.63	7,654	7.65	7,654	None
Awayspeed Technology Company Limited	3,410,000	32,331	-	-	(1,088)	-	-	56.83	31,243	9.16	31,243	None

Name	Beginning Balance		Addition (Note 1)		Other		Decrease (Note 3)		Ending Balance		Net Equity			
	Shares (in shares)	Amount	Shares (in shares)	Amount	Investment Income (Loss)	Adjustments (Note 2)	Shares (in shares)	Amount	Shares (in shares)	Percentage of Ownership	Amount	Unit Price (in dollars)	Total	Collateral
LJWANLI Innovation Co., Ltd.	40,906,925	\$ 791,602	-	\$ -	(\$ 8,051)	2,884	-	\$ -	40,906,925	50.72	\$ 786,435	19.22	\$ 786,435	None
IROC CO., Ltd.	9,312,882	460,814	-	-	6,299	(33)	(2,563,912)	-	6,748,970	26.20	467,080	69.21	467,080	None
Weili Health Medical Technology Co., Ltd.	800,000	15,775	-	-	(1,271)	326	-	-	800,000	39.41	14,830	18.54	14,830	None
Master Acoustics International Corp. Limited	153,000	4,528	-	-	(17)	(29)	-	-	153,000	33.41	4,482	29.29	4,482	None
Mucho Herb Biotech Co., Ltd.	5,500,000	-	-	-	-	-	-	-	5,500,000	23.50	-	-	-	None
ATrack Technology Inc.	5,914,731	294,518	5,000,000	67,500	(10,489)	(48)	(2,577,415)	-	8,337,316	26.14	351,481	42.16	351,481	None
Taiwan Biomedical Company	1,300,000	-	-	-	-	-	-	-	1,300,000	13.00	-	-	-	None
Taiwan Sports Lottery Co., Ltd.	25,000,000	977,381	-	-	385,450	-	(300,000)	-	25,000,000	47.62	1,062,831	42.51	1,062,831	None
All In Digital Co., Ltd.	-	-	180,000	1,800	(3,222)	-	-	-	180,000	18.00	(1,422)	(7.90)	(1,422)	None
Amedifact Co., Ltd.	-	-	300,000	4,440	195	-	-	-	300,000	10.00	4,635	15.45	4,635	None
Life Plus Co., Ltd.	-	-	3,000,000	30,000	(316)	-	-	-	3,000,000	24.06	29,684	9.89	29,684	None
Total (shown as assets)		\$ 11,550,995		\$ 669,819	\$ 1,574,656	\$ 13,987	(\$ 300,777)				\$ 13,482,128			
Total (shown as liabilities)		\$ -		\$ -	\$ -	\$ -	\$ -				(\$ 1,422)			

Note 1: The additions for the year were the additional investments.

Note 2: Other adjustments included accumulated translation adjustment of (\$218,411), unrealised gains/losses on financial products of \$42,446, unrealised gains or losses on sales between affiliates of \$157,743, and adjustments of capital surplus for company's cash dividends received by subsidiaries \$4,235.

Note 3: The decreases for the year were dividends received of (\$300,000), and disposal of investments accounted for using the equity method of (\$777).

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF COST OF PROPERTY, PLANT AND EQUIPMENT AND CHANGES IN ACCUMULATED DEPRECIATION

YEAR ENDED DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars)

Statement 5

Item	Beginning Balance	Addition	Decrease	Transfer	Ending Balance	Collateral
<u>Cost</u>						
Land	\$ 882,409	\$ -	\$ -	\$ -	\$ 882,409	Some are pledged as guarantee for bank loan facilities and proceeds from issuing bonds.
Buildings and structures	551,803	149	-	-	551,952	Some are pledged as guarantee for bank loan facilities and proceeds from issuing bonds.
Office equipment	28,990	4,784	(474)	-	33,300	None
Others	246,538	5,181	(5,155)	2,631	249,195	None
	<u>1,709,740</u>	<u>\$ 10,114</u>	<u>(\$ 5,629)</u>	<u>\$ 2,631</u>	<u>1,716,856</u>	
<u>Accumulated Depreciation</u>						
Buildings and structures	(182,640)	(10,166)	-	-	(192,806)	
Office equipment	(23,228)	(3,499)	474	-	(26,253)	
Others	(93,584)	(29,085)	5,155	-	(117,514)	
	<u>(299,452)</u>	<u>(\$ 42,750)</u>	<u>\$ 5,629</u>	<u>\$ -</u>	<u>(336,573)</u>	
Total	<u>\$ 1,410,288</u>				<u>\$ 1,380,283</u>	

Note 1: Information on depreciation methods and useful lives is provided in Note 4(15).

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF SHORT-TERM BORROWINGS
YEAR ENDED DECEMBER 31, 2021
 (Expressed in thousands of New Taiwan dollars)

Statement 6

Nature	Description	Ending Balance	Contract Period	Range of Interest Rate	Credit Line	Collateral	Note
Unsecured borrowings		\$ <u>7,987,928</u>	Expiring within one year	0.48%~0.95%	\$ <u>18,394,405</u>	None	Part of borrowings is guaranteed by the Company's chairman

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 7

Supplier Name	Description	Amount	Note
General suppliers -			
10192		\$ 513,946	
8		400,432	
10		177,022	
11903		156,983	
13132		146,937	
6413		140,634	
			None of the balances of each remaining supplier is greater than
Others		912,905	5% of this account balance
		<u>2,448,859</u>	
Related parties -			
ADATA TECHNOLOGY (SUZHOU) CO., LTD.		\$ 3,267,437	
		<u>\$ 5,716,296</u>	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 8

Creditor	Description	Amount	Contract Period	Interest Rate	Collateral	Note
13 syndicated banks including Bank of Taiwan	Working capital	\$ 4,450,000	2021.03.19-2026.03.19		None	The chairman of the company serves as the Joint guarantor
Chang Hwa Bank	Working capital	77,869	2017.07.07-2024.07.07		Property (Refer to Note 8)	The chairman of the company serves as the Joint guarantor
Export-Import Bank of the Republic of China	Working capital	<u>180,000</u>	2020.12.21-2025.12.21	1.0236%~1.05%	None	None
		<u>4,707,869</u>				
Less: Current portion (Shown as other current liabilities)		(<u>75,143</u>)				
		<u>\$ 4,632,726</u>				

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 9

Item	Volume	Amount	Note
DRAM	42,029 thousand pieces	\$ 17,178,054	
NAND Flash	93,472 thousand pieces	15,894,082	
Others		3,230,641	
		\$ 36,302,777	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF OPERATING COSTS
YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 10

Item	Amount	Note
Raw materials		
Beginning raw materials	\$ 876,000	
Add: Raw materials purchased	28,178,605	
Raw materials and supplies - warranty returns	12,486	
Raw materials and supplies - inventory surplus	209	
Less: Ending raw materials	(1,093,500)	
Raw materials sold	(4,054,544)	
Raw materials and supplies - miscellaneous uses	(142,167)	
Raw materials and supplies - loss on scrapping	(2,865)	
Raw materials used	<u>23,774,224</u>	
Semi-finished goods		
Add: Beginning semi-finished goods	100,811	
Costs of semi-finished goods purchased	1,446,190	
Semi-finished goods - warranty returns	4,450	
Less: Ending finished goods	(154,524)	
Semi-finished goods sold	(1,186,860)	
Semi-finished goods - miscellaneous uses	(20,106)	
Semi-finished goods- loss on scrapping	(1)	
Semi-finished goods used	<u>189,960</u>	
Direct labor	<u>3,892</u>	
Manufacturing expense	<u>3,800,165</u>	
Total manufacturing cost	27,768,241	
Add: Beginning work in Progress	3,434,987	
Less: Ending work in Progress	(3,454,209)	
Cost of finished goods	27,749,019	
Add: Beginning finished goods	1,518,986	
Costs of finished goods purchased	788,877	
Finished goods - warranty returns	56,833	
Finished goods - inventory surplus	1,018	
Less: Ending finished goods	(2,335,844)	
Finished goods - miscellaneous uses	(29,397)	
Finished goods - loss on scrapping	(14,597)	
Cost of finished goods sold	27,734,895	
Cost of raw materials sold	4,054,544	
Cost of semi-finished goods sold	<u>1,186,860</u>	
Cost of sales	32,976,299	
Loss on decline in market value, scrapping, physical inventory and revenue from sales of scraps	94,383	
Processing costs	<u>173</u>	
Operating costs	<u>\$ 33,070,855</u>	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF MANUFACTURING EXPENSE
DECEMBER 31, 2021
 (Expressed in thousands of New Taiwan dollars)

Statement 11

Item	Description	Amount	Note
Outsource processing expenses		\$ 3,793,185	
Others		6,980	None of the balances of each remaining supplier is greater than 5% of this account balance
		<u>\$ 3,800,165</u>	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF OPERATING EXPENSES
YEAR ENDED DECEMBER 31, 2021
 (Expressed in thousands of New Taiwan dollars)

Statement 12

Item	Selling Expense	Administrative Expense	Research and Development Expenses	Expected Credit Gain	Total
Wages and salaries	\$ 366,195	\$ 610,696	\$ 219,122	\$ -	\$ 1,196,016
Advertisement expense	131,756	490	123		132,369
Import/export (customs) and freight expense	250,940	3,285	315	-	254,540
Service expense	191,022	55,311	1,329	-	247,662
Other expenses (Note)	146,676	257,632	120,189	683	525,177
	<u>\$ 1,086,589</u>	<u>\$ 927,414</u>	<u>\$ 341,078</u>	<u>\$ 683</u>	<u>\$ 2,355,764</u>

Note: None of the balances of each remaining expense is greater than 5% of this account balance.

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ADATA TECHNOLOGY CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTISATION EXPENSES BY FUNCTION

YEAR ENDED DECEMBER 31, 2021 & 2020

(Expressed in thousands of New Taiwan dollars)

Statement 13

Nature Function	Year ended December 31, 2021			Year ended December 31, 2020		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	\$ 4,626	\$ 1,196,013	\$ 1,200,639	\$ 6,379	\$ 921,729	\$ 928,108
Labour and health insurance fees	468	66,121	66,589	553	55,745	56,298
Pension costs	218	31,688	31,906	279	30,169	30,448
Directors' emoluments	-	29,123	29,123	-	19,070	19,070
Other personnel expenses	397	44,750	45,147	459	38,750	39,209
Depreciation expense	4,120	57,644	61,764	4,527	63,974	68,501
Amortisation expense	33	19,396	19,429	-	18,817	18,817

Note:

- As at December 31, 2021 and 2020, the Company had 657 and 639 employees, respectively, both including 3 non-employee directors.
- A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information:
 - Average employee benefit expense in current year was \$2,055 ((Total employee benefit expense of current year-Total directors' remuneration of current year) / (Number of employees of current year-Number of non-employee directors of current year)).
 Average employee benefit expense in previous year was \$1,636 ((Total employee benefit expense of previous year -Total directors' remuneration of previous year) / (Number of employees of previous year-Number of non-employee directors of previous year)).
 - Average employees salaries in current year were \$1,836 (Total wages and salaries of current year/ (Number of employees of current year-Number of non-employee directors of current year)).
 Average employees salaries in previous year \$1,459 (Total wages and salaries of previous year/ (Number of employees of previous year-Number of non-employee directors of previous year)).
 - Adjustments of average employees salaries were 25.84% ((Average wages and salaries of current year - Average wages and salaries of previous year) /Average wages and salaries of previous year).

- (4) As the Company sets up independent directors, it has no supervisors' emoluments.
- (5) The Company's Salary and Compensation Policy (including directors, supervisors, managers and employees) is as follows:
- A. The remuneration of the Company's directors includes attendance fees and participation in the distribution of directors' remuneration based on annual profitability, and profitability, and is subject to the approval of the compensation committee to the board of directors.
- B. In addition to the monthly salaries of the Company's managers and employees, year-end bonuses are paid annually after salary adjustments and performance evaluations in accordance with the Company's Salary Management Regulations.
- In accordance with the Company's Articles of Incorporation, the Company shall set aside not less than 1% of the Company's annual profits for employee compensation, which shall be distributed in stock or cash by resolution of the Board of Directors.
- If the employees of the Company's subsidiaries meet certain conditions, they may also be distributed, and the Chairman of the Board of Directors is authorized to set such conditions; the Company may set aside not more than 1% of the above-mentioned profits by resolution of the Board of Directors.
- The Company may set aside not more than 1% of the above-mentioned amount as directors' remuneration by resolution of the board of directors. The Board of Directors shall resolve to distribute the remuneration to employees and directors by a resolution of the Board of Directors with two-thirds or more of the directors present and a majority of the directors present, and shall submit a report to the shareholders.
- The Board of Directors shall report to the shareholders' meeting. However, if the Company still has accumulated losses, the Company shall retain the amount of compensation in advance, and if there is any remaining balance, the Company shall distribute the employee's and director's remuneration in accordance with the aforementioned ratio.
- The remuneration of the manager shall be approved by the Compensation Committee to the Board of Directors.

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