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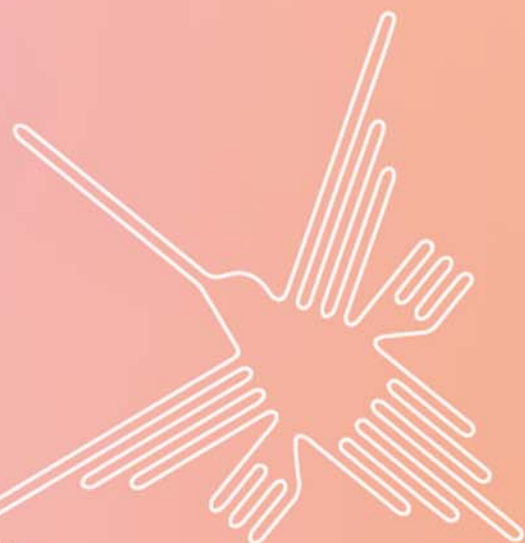
威剛科技股份有限公司
ADATA Technology Co., Ltd.

2020 Annual Report

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

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



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ADATA Technology Co., Ltd.
Table of Contents

A.	Letter to Shareholders	1
B.	Company Profile	3
I.	Date of Establishment: May 4, 2001	3
II.	Company history	3
C.	Corporate Governance Report	12
I.	Company organization.....	12
II.	Information on directors, supervisors, president, vice president, assistant vice president, and heads of departments and branch offices	15
III.	Implementation of Corporate Governance	34
IV.	Information on fees to CPA	80
V.	Information on the replacement of CPA.....	80
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	80
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	81
VIII.	Information on the relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree):	82
IX.	Shareholding of the Company, directors, supervisors, managerial officers, and enterprises that are directly or indirectly controlled by the Company in the investee company, and total shareholding percentage.....	84
D.	Capital overview	86
I.	Capital and shareholding	86
II.	Issuance of corporate bonds:.....	96
III.	Issuance of preferred shares: N/A.	98
IV.	Issuance of global depository receipts (GDR): N/A.....	98
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.	99
VI.	Issuance of restricted stock awards:	99
VII.	Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies: N/A.....	101
VIII.	Financing plans and implementation: N/A.	101
E.	Business overview	102
I.	Business activities	102
II.	Market, production and sales overview	117
III.	The Group's employees in the past two years and up to the date of report	124
IV.	Information on environmental protection expenses	125
V.	Labor-management relations	126
VI.	Important contracts.....	130
F.	Financial overview	131

I.	Condensed Balance Sheet and Statement of Comprehensive Income for the last five years.....	131
II.	Financial analysis of the last five years	137
III.	Audit Committee's review report in the most recent year	144
IV.	Financial statements for the most recent year: Please refer to Appendix 1 on pages 120-230 of the Annual Report for details.	145
V.	Financial statements of the parent company for the most recent year audited by the CPA: Please refer to Appendix 2 on pages 231-330 of the Annual Report for details.	145
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.....	145
G.	Review and analysis of financial status, financial performance, and risk management	146
I.	Financial position	146
II.	Financial performance	147
III.	Cash flows.....	148
IV.	Effect of major capital spending on financial position and business performance.....	149
V.	Reinvestment policy in the most recent year, main reason for profit or loss, improvement plan, and investment plan for the coming year:.....	149
VI.	Risk assessment for the most recent year and up to the date of report.....	149
VII.	Other important matters.....	156
H.	Special notes.....	158
I.	Profiles of affiliates enterprises.....	158
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.	166
III.	Holding or disposal of stocks of the Company by subsidiaries in the past year and up to the date of report	166
IV.	Other supplemental information: N/A.....	166
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.	166
	Appendix 1	167
	Appendix 2	2: 9

A. Letter to Shareholders

Dear Shareholders:

COVID-19 impacted the world in 2020 and significantly changed the way people lived, worked, learned, and their consumption behavior. We would like to first thank all shareholders for your support through such a challenging year to the entire world.

Facing such drastic changes in lifestyles and economic activity around the world, ADATA fully showed its resilience through even more flexible and cautious procurement and inventory management. The Company's brand value, customer relationships, global distribution channels, and e-commerce strategy began to show synergistic effects in the difficult macro environment. Combined with our diverse product lines that we have expanded over the years, the excellent capabilities of our R&D team, and our international patent portfolio, our business performance was not impacted by the pandemic even the slightest. Under the collective efforts of all employees, our 2020 revenue grew 26% to reach NT\$32.2 billion, net income after tax increase 2.3x, and EPS reached NT\$6.1, far better than our memory module competitors.

2020 Business Performance and R&D Results

Work from home and distance learning measures taken due to the pandemic drove up server, PC, and game sales over the past year. According to statistics of the research survey institute IDC, global PC shipments reached 303 million computers in 2020, up 13.1% year over year and the highest since 2015. The stay-at-home economy has driven continued growth of memory applications, and led to price hikes for both DRAM and NAND Flash in 2020 Q1.

ADATA successfully gained a cost advantage from its inventory through its high sensitivity and flexibility in the memory industry, and achieved a record high gross margin of 23.55% in the first quarter, laying the foundation for profits in 2020 with annual revenue trending upwards each quarter. Annual revenue of SSD surpassed NT\$10 billion for the first time, growing over 40% year over year, with both revenue and shipments reaching record highs.

Our memory business was not impacted by the pandemic and continued to grow. We also began to see results in 2020 from the eSports and motor power system businesses that we have been actively developing in recent years. Optimistic about the significant growth in demand on notebooks and eSports, ADATA's eSports brand XPG worked together with Intel and launched the first eSports notebook "XENIA" in April 2020, entering the eSports notebook market with a product that will give consumers more bang for their buck, which allowed it to achieve excellent sales performance in North America and Southeast Asia. XPG continues to launch eSports peripherals, such as headsets, keyboards, computer cases, and fans, with high cost performance ratios, offering products that make eSports a lifestyle in order to seize business opportunities.

Furthermore, our electric motor power system formally entered the green energy logistics market last year after years of development. We believe that "zero emissions, low noise, and safe" electric vehicles are the way of the future. Global logistics demand has significantly increased due to the impact of COVID-19, and it caused us to accelerate the launch of our electric tricycle under the brand "AWAYSPEED." AWAYSPEED's first commercial electric tricycle will fill in the market gap between two wheel and four wheel vehicles in the logistics market, and meet the transportation needs of small businesses, agriculture, fisheries, and livestock markets.

In addition to our excellent business performance, we continue to strengthen our corporate sustainability and talent cultivation. Despite the highly uncertain global economic situation and contracting employment market due to the pandemic, we continued to recruit talent last year under the campaign "2020 Rising Star," recruiting new graduates and newcomers in the workplace. We laid out a two-year comprehensive training plan, investing even more resource into talent cultivation, so as to accumulate capabilities for future development. Furthermore, we have made long-term efforts in public interest and brand development, and was recognized with numerous

domestic and international awards in 2020, including the 2020 Best 25 Taiwan Global Brands, Best Companies to Work for in Asia in 2020, Asia Responsible Enterprise Awards, Gold Award for Sports Sponsorship in 2020, and the Exercise Enterprise Certification from the Sports Administration.

2021 Business policy and important production and marketing policies

Looking towards 2021, we expect people to make less contact with each other before the pandemic is under control and vaccination is complete, and working and learning from home will become the new norm in the post-pandemic era. As people more frequently use digital applications, shipments of 5G smartphones, notebooks, tablet PCs, and game consoles, or even data centers will continue to increase. The significant increase in memory on each device will drive the growth of global demand on memory, and the memory market can be expected to enter a new phase of growth.

We have stayed on top of industry trends and are optimistic about the recovery of the memory market this year. We not only expect to see DRAM prices gradually rise, but also see NAND Flash prices rise as soon as the first half of the year. We took the initiative of purchasing memory and other parts and components at the end of 2020 before prices began to rise, so we are fully prepared. We believe that the strategy of having ample and flexible inventory will not only meet customer demand and expand our business scale, but will also fully reflect on our profit this year. Further, shipments and revenue from our XPG eSports products, electric vehicle motors and control systems, commercial electric tricycles of ALWAYSPEED, and industrial control business will also significantly increase compared with last year.

With regard to products, we have planned a complete series of consumer and industrial grade memory products to meet the demand from 5G high speed Internet access, IoT, and multimedia. For the upcoming generation of memory DDR5, we are working closely with the two major motherboard manufacturers in testing the new platform for DDR5. Once Intel announces its new platform, ADATA will launch the latest DDR memory module at the same time to meet the high performance computing requirements of corporate computers, multimedia content creators, and eSports players. We plan to begin mass production of SD Express memory cards that meet the latest SD 7.0 specifications before the second quarter this year in response to the rapidly growing multimedia content creator market in recent years. We achieved ultra high speed data transmission by adding PCIe and NVMe interface to SD memory cards.

Finally, we would like to thank our shareholders for your long-term support and concern. We will continue to expand the scale of our operations through diverse product lines, and continue to uphold the brand spirit of bravely engaging in innovation. We believe that with the collective efforts of our employees, our overall performance this year will reach new heights, and we look forward to sharing our profits with all shareholders and employees as we continue to take strides towards the next 20 years of excellence at ADATA.

Chairperson of the Board: Chen, Li-Pai



Manager: Chen, Ling-Chuan





Head of Accounting: Tseng, Shu-Ling




B. Company Profile

I. Date of Establishment: 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>
	<p>December</p> <p>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</p>

Year	Item	
	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."
	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."
	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.

Year	Item	
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.
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.
	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.
2015	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.
	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.

Year	Item	
	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.
2016	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.
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 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.

Year		Item
	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 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 2019 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).

Year	Item	
	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, WhatsApp, and WeChat to build a connection with people in daily life and raise brand awareness.	
December	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.	
2021	January	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

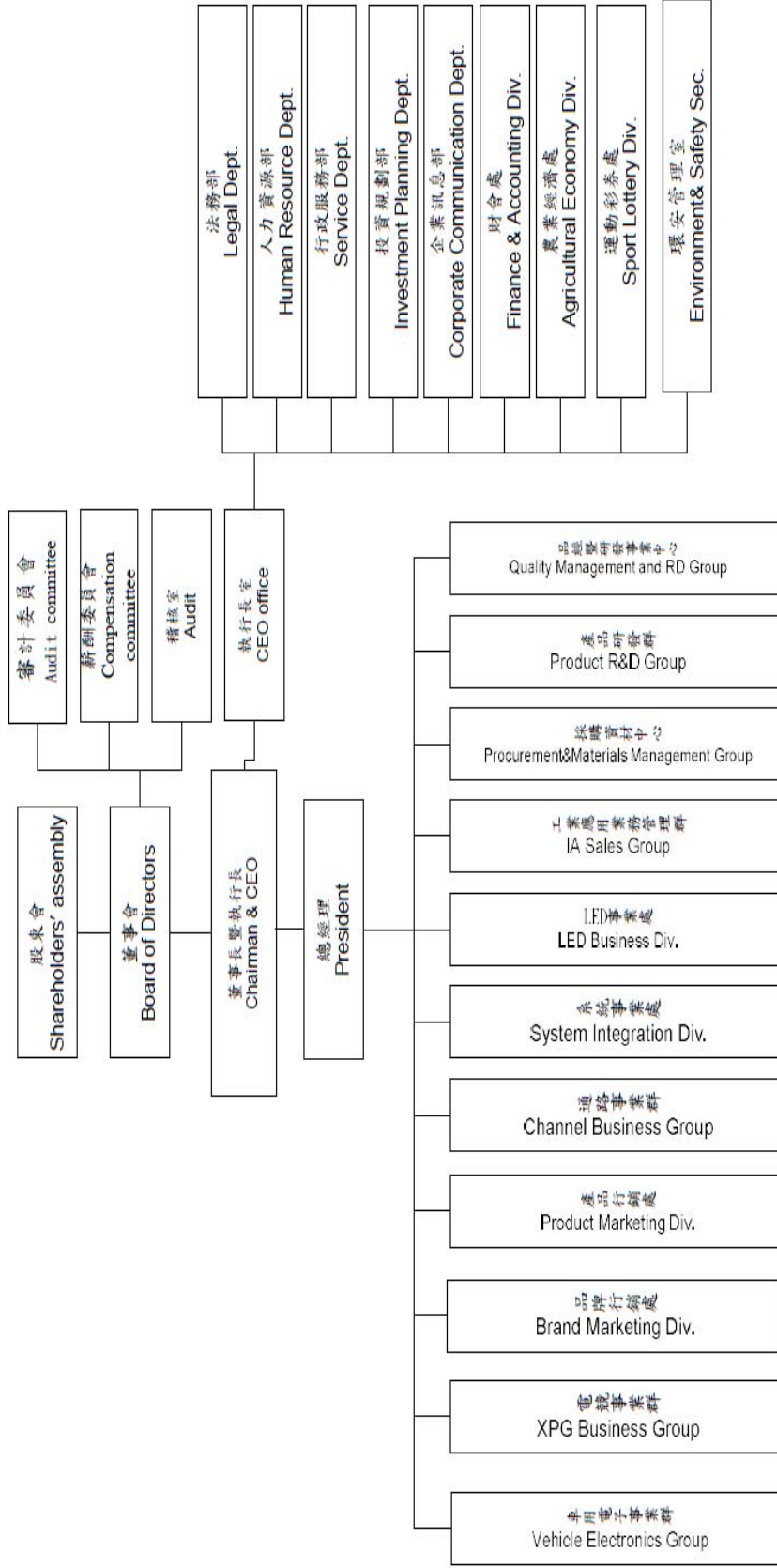
Year	Item
	Ming Chuan University for having a positive impact on society and outstanding achievements.
February	Invited to participate in the Branding Taiwan Forward – Corporate Sharing Event and share the bittersweet process of brand development, as well as ADATA's abundant results in pursuing innovative brand development.
April	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.

C. Corporate Governance Report

I. Company organization

(I) Organizational structure

Effective date: 2021/3/31



(II) Business operations of major departments

Data date: March 31, 2021

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

Department	Main responsibilities
Materials Procurement Center	<ol style="list-style-type: none"> 1. Formulate and execute the procurement strategy 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

April 30, 2021

Title	Nationality or place of registration	Name	Gender	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		Experience (Education)	Other positions at the Company or elsewhere	Title	Name	Relationship	Remarks
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage						
Chairperson	ROC	Chen, Li-Pai	Male	2020.6.19	3	2001.08.22	4,237,210	1.86	4,447,210	1.75	5,927,876	2.34	4,973,000	1.96	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, Twinmos Technologies Inc.	ADATA Tech-CEO ZHAO-XING Investment-Chairperson ZHAO-LONG Investment-Director CI CAI GUANG Agricultural-Chairperson Taiwan Sports Lottery-Director (representative) IROC-Vice Chairperson Awaysped Tech-Chairperson Pao.Da. Investment-Chairperson TSEL--Director (representative) All In Digital-Chairperson ADATA HOLDINGS-HOLDINGS-Chairperson ADATA Tech HOLDINGS-HOLDINGS-Chairperson ADATA (HK) -Chairperson ADATA Tech	Director	Chen, Ling-Chuan	Spouse	Note 2

Title	Nationality or place of registration	Name	Gender	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		Experience (Education)	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	
																(KOREA)-Director ALLIED TREASUR- Chairperson ALWIN- Chairperson				
Director	ROC	Chen, Ling-Chuan	Female	2020.6.19	3	2001.04.25	5,927,876	2.6	5,927,876	2.34	4,447,210	1.75	1,699,000	0.67	Department of Business Administration, Ming Chuan University Vice President of Procurement, Boqu Co., Ltd. Vice President of Procurement, Twinnos Technologies Inc.	ADATA Tech-GM TrendForce-Director ATESTINC -Chairperson, ZHAO-XING Investment-Director (representative) CI CAI GUANG Agricultural-Director (representative) ADATA Tech (USA)-CFO ADATA Tech B.V. Director ADATA Tech (KOREA)-Director ADATA Tech (INDIA) - Chairperson ADATA Tech (JAPAN) - Chairperson MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA- Chairperson	Chairperson	Chen, Li-Pai	Spouse	Note 2
Director	ROC	Bao Da Investment Co., Ltd.; Representative: Chen, Yen-Shu	-	2020.6.19	3	2008.06.13	2,036,800	0.9	2,366,800	0.93	0	0	0	0	Department of Finance, National Sun Yat-sen University Manager, Finance Department, UMC	ADATA Tech -Financial Officer IROC-Director (representative) ADATA Tech (KOREA)-Director	N/A	N/A	N/A	N/A

Title	Nationality or place of registration	Name	Gender	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		Experience (Education)	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	2,366,800	0.93	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	ADATA Tech-VP ADATA Tech (SUZHOU) - Chairperson ADATA (SHANGHAI) - Chairperson ADVANCED DATA Tech (SUZHOU) - Chairperson CI CAI GUANG Agricultural-Director (representative) LONG TIAN Agricultural-Chairperson Taiwan Sports Lottery-Director (representative) ZHAO-LONG Investment- Director (representative)	N/A	N/A	N/A	N/A
		Representative: Lin, Tien-Chiung	Male	2020.6.19		2019.2.15	0	0	6,000	0	0	0	0	0	0					
Director	ROC	Bao Da Investment Co., Ltd.:	-	2020.6.19	3	2008.06.13	2,036,800	0.9	2,366,800	0.93	0	0	0	0	Department of Japanese, Tamkang University Procurement Manager, Transcend Information, Inc. Director, Procurement Division, Area South Electronic Corp.	ADATA Tech-VP TrendForce-Supervisor ADATA Tech (KOREA)-Chairperson	N/A	N/A	N/A	N/A
		Representative: Wu, Tsung-Ting	Male	2020.6.19		2014.6.23	0	0	0	0	0	0	0	0	0					
Director	ROC	Bao Da Investment Co., Ltd.:	-	2020.6.19	3	2008.06.13	2,036,800	0.9	2,366,800	0.93	0	0	0	0	Ming Chi University of Technology Sales Manager,	ADATA Tech-VP	N/A	N/A	N/A	N/A

Title	Nationality or place of registration	Name	Gender	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		Experience (Education)	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	
		Representative: Kang, Chien-Chung	Male	2020.6.19		2017.6.7	3,503	0	6,503	0	0	0	0	0	Synnex Technology International Corporation Deputy Sales Manager, Hon Hai Precision Industry Co., Ltd. Assistant Vice President, HIM Technology Inc.					
Independent director	ROC	Li, Tsung-Jung	Male	2020.6.19	3	2005.09.30	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.	Hongxiang Investment - Chairperson NU Inc.- Director, Reallusion Inc.- Director Sunny Pharmtech Inc.- Director	N/A	N/A	N/A	N/A
Independent director	ROC	Huang, Kuan-Mo (Note 1)	Male	2020.6.19	3	2011.6.15	0	0	0	0	0	0	0	0	MBA Program, National Sun Yat-sen University Assistant Vice President, Investment Department, China Development Industrial Bank President, Premier Capital Management Corp.	Changzhan Asset Management- Chairperson, T-Flex Techvest PCB- Independent Director and Member of the Audit Committee Taiwan PCB Techvest.- Independent Director and Member of the Audit Committee and Member of the Compensation Committee	N/A	N/A	N/A	N/A

Title	Nationality or place of registration	Name	Gender	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		Experience (Education)	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	
Independent director	ROC	Chen, Tzu-Chang	Male	2020.6.19	3	2017.6.7	0	0	0	0	0	0	0	0	MBA, Seattle University	Tung Ho Tea-Chairperson Hojja Asset Management-Chairperson, Hezhou Investment-Chairperson	N/A	N/A	N/A	N/A

Note 1: Independent Director Huang, Kuan-Mo resigned on April 1, 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

April 30, 2021

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. Professional qualifications and independence of directors or supervisors

April 30, 2021

Name	Has at least five years work experience and the following professional qualifications			Meet the independence criteria (Note)												Number of other public companies in which the individual is concurrently serving as an independent director
	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Chen, Li-Pai			V					V	V			V		V	V	0
Chen, Ling-Chuan			V					V	V			V		V	V	0
Bao Da Investment Co., Ltd. Representative: Chen, Yen-Shu			V				V	V	V	V		V	V	V		0
Bao Da Investment Co., Ltd. Representative: Wu, Tsung-Ting			V				V	V	V	V	V	V	V	V		0
Bao Da Investment Co., Ltd. Representative: Kang, Chien-Chung			V		V		V	V	V	V	V	V	V	V		0
Bao Da Investment Co., Ltd. Representative: Lin, Tien-Chiung			V				V	V	V	V	V	V	V	V		0
Huang, Kuan-Mo			V	V	V	V	V	V	V	V	V	V	V	V	V	2
Li, Tsung-Jung			V	V	V	V	V	V	V	V	V	V	V	V	V	0
Chen, Tzu-Chang			V	V	V	V	V	V	V	V	V	V	V	V	V	0

Note: If the director or supervisor meets any of the following criteria in the two years before being elected or during the term of office, please check, "✓", the corresponding boxes:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).

- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, is a top five shareholder, or appointed a representative as the Company's director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
- (6) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
- (7) Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
- (8) Not a director, supervisor, or managerial officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the company or to any affiliate of the company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.
- (10) Not a spouse or relative of second degree or closer to any other directors.
- (11) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.
- (12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.

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

April 30, 2021

Title	Nationality	Name	Gender	Date of appointment	Shares held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	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	4,447,210	1.75	5,927,876	2.34	4,973,000	1.96	Graduate Program, Department of Industrial Engineering and Management, National Tsing Hua University Department of Electrical Engineering, Feng Chia University Chairperson, Boqui Co., Ltd. President, Twinmos Technologies Inc.	ZHAO-XING Investment-Chairperson ZHAO-LONG Investment-Director CI CAI GUANG Agricultural-Chairperson Taiwan Sports Lottery-Director (representative) IROC-Vice Chairperson Awayspeed Tech-Chairperson Pao.Da. Investment-Chairperson TSEL--Director (representative) All In Digital-Chairperson ADATA HOLDINGS-Chairperson ADATA Tech HOLDINGS-Chairperson ADATA (HK)-Chairperson ADATA Tech (KOREA)-Director ALLIED TREASUR-Chairperson AL WIN-Chairperson	President	Chen, Ling-Chuan	Spouse	Note 1

Title	Nationality	Name	Gender	Date of appointment	Shares held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	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	
President	ROC	Chen, Ling-Chuan	Female	2014.4.1	5,927,876	2.34	4,447,210	1.75	1,699,000	0.67	Department of Business Administration, Ming Chuan University Vice President of Procurement, Boqu Co., Ltd. Vice President of Procurement, Twinmos Technologies Inc.	TrendForce- Director ATESTINC -Chairperson, ZHAO-XING Investment-Director (representative) CI CAI GUANG Agricultural-Director (representative) ADATA Tech (USA)-CFO ADATA Tech B.V. Director ADATA Tech (KOREA)-Director ADATA Tech (INDIA) - Chairperson ADATA Tech (JAPAN) -Chairperson MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA- Chairperson	CEO	Chen, Li-Pai	Spouse	Note 1

Title	Nationality	Name	Gender	Date of appointment	Shares held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	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	Lin, Tien-Chiung	Male	2014.1.1	6,000	0	0	0	0	0	0	ADATA Tech (SUZHOU) - Chairperson ADATA (SHANGHAI) - Chairperson ADVANCED DATA Tech (SUZHOU) - Chairperson CI CAI GUANG (representative) LONG TIAN Agricultural-Chairperson Taiwan Sports Lottery-Director (representative) ZHAO-LONG Investment-Director (representative)	N/A	N/A	N/A	N/A
Vice President	ROC	Kang, Chien-Chung	Male	2014.1.1.6	6,503	0	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.	N/A	N/A	N/A	N/A	N/A

Title	Nationality	Name	Gender	Date of appointment	Shares held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	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	Wu, Tsung-Ting	Male	2014.1.1.6	0	0	0	0	0	0	Department of Japanese, Tamkang University Procurement Manager, Transcend Information, Inc. Director, Procurement Division, Area South Electronic Corp.	TrendForce- Supervisor /ADATA Tech (KOREA)- Chairperson	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, Chunghwa Picture Tubes, Ltd. Manager, ASUS	N/A	N/A	N/A	N/A	N/A
Vice President	ROC	Chiang, Chang-Hsien	Male	2017.1.1	5,000	0	0	0	0	0	Department of Electrical Engineering, National Taipei University of Technology 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	N/A
Vice President	ROC	Hsieh, Tai-Kao	Male	2018.8.10	34,000	0.01	3,000	0	0	0			N/A	N/A	N/A	N/A

Title	Nationality	Name	Gender	Date of appointment	Shares held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	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	Li, Ching-Fa	Male	2021.4.20	0	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	N/A
Director and Financial Officer of the Accounting Division	ROC	Chen, Yen-Shu	Male	2019.11.11	1,000	0	0	0	0	0	Department of Finance, National Sun Yat-sen University Manager, Finance Department, UMC	IROC-Director (representative) ADATA Tech (KOREA)-Director	N/A	N/A	N/A	N/A
Manager and Accounting Supervisor of the Accounting Division	ROC	Tseng, Shu-Ling	Female	2019.11.11	2,000	0	0	0	0	0	Master of Accounting, Fu Jen Catholic University Manager, Lanner Electronics Inc.	N/A	N/A	N/A	N/A	N/A
Audit Office Manager	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, 2020, NT\$1,000

Title	Name	Director's remuneration				Pay received as an employee (Note 3)				Ratio of total remuneration (A+B+C+D) to net income after tax		Ratio of total compensation (A + B + C + D + E + F + G) to net income after tax		Remuneration received from invested companies other than subsidiaries or the parent company		
		Remuneration (A)	Severance pay and pension (B)	Directors' remuneration (C) (Note 2)	Business expense (D)	Salary, bonus and special allowance (E)	Severance pay and pension (F) (Note 1)	Employee bonuses (G) (Note 2)		The Company	All Consolidated Entities	The Company	All Consolidated Entities			
Directors	Chen, Li-Pai	0	0	2,071	33	28,591	0	2,676	0	0	2,676	0	2.47%	3.49%	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	10,358	150	26,617	524	2,541	0	524	2,541	0	2.97%	3.2%	N/A	
	Bao Da Investment Co., Ltd. Representative: Wu, Tsung-Ting															
	Bao Da Investment Co., Ltd. Representative: Kang, Chien-Chung															
	Huang, Kuan-Mo															
	Li, Tsung-Jung	0	0	6,215	243	0	0	0	0	0	0	0	0	0.48%	0.48%	N/A
	Chen, Tzu-Chang															
	Independent director															

Note 1: Allocation of severance pay and pension expense.

Note 2: The Board of Directors approved the distribution of NT\$18,644,000 as directors' remuneration and NT\$93,219,000 as employee bonuses for 2020 on March 24, 2021. This table shows the proposed amount calculated based on last year's actual distribution.

Note 3: Please page 31 of this Annual Report for a list of directors who are concurrently employees.

Range of remuneration chart

Remuneration scale applicable to the Company's directors	Name of director		
	Total of (A+B+C+D)	All Consolidated Entities	Total of (A+B+C+D+E+F+G)
	The Company	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)	<p>Directors: Chen, Li-Pai and Chen, Ling-Chuan 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: Li, Tsung-Jung, Huang, Kuan-Mo, Chen, Tzu-Chang</p>	<p>Directors: Chen, Ling-Chuan 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: Li, Tsung-Jung, Huang, Kuan-Mo, Chen, Tzu-Chang</p>	<p>Independent director: Li, Tsung-Jung, Huang, Kuan-Mo, Chen, Tzu-Chang</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</p>	<p>Directors: Bao Da Investment</p>	<p>Directors: Bao Da Investment Bao Da Investment Co., Ltd. Representative – Lin, Tian-Chiung Bao Da Investment Co., Ltd. Representative – Wu, Tsun-Ting Bao Da Investment Co., Ltd. Representative – Kang, Chien-Chung</p>

NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-	Directors: Chen, Ling-Chuan	Directors: Chen, Ling-Chuan
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)	-	-	Directors: Chen, Li-Pai	Directors: Chen, Li-Pai
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-	-	-
NT\$100,000,000 and above	-	-	-	-
Total	10	10	10	10

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, 2020, NT\$1,000

Title	Name	Salary (A)		Severance pay and pension (B) (Note 1)		Bonuses and allowances, etc. (C)		Employee bonuses (D) (Note 4)				Ratio of total remuneration (A+B+C+D) to net income after tax (%)		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	Cash amount	Stock amount	The Company	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	25,384	30,546	774	774	47,523	47,523	6,986	0	6,986	0	5.97%	6.35%	N/A	
Vice President	Cheng, Li-Hsiung														
Vice President	Chiang, Chang-Hsien														
Vice President	Chou, Chen-Hsi (Note 2)														
Vice President	Hsieh, Tai-Kao														

Note 1: Allocation of severance pay and pension expense.

Note 2: Chou, Chen-Hsi resigned on February 29, 2020, so the amount of remuneration in the table above is for January and February 2020.

Note 3: The Board of Directors approved the distribution of NT\$93,219,000 as 2020 employee bonuses on March 24, 2021. 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)	Chou, Chen-Hsi	Chou, Chen-Hsi
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Cheng, Li-Hsiung	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Lin, Tien-Chiung	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Chen, Ling-Chuan; Kang, Chien-Chung;	Chen, Ling-Chuan; Cheng, Li-Hsiung; Kang,

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

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

December 31, 2020. NT\$1,000

	Title	Name	Stock amount	Cash amount	Total	Ratio of total amount to net income (%)
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	7,651	7,651	0.57%
	Vice President	Chiang, Chang-Hsien				
	Vice President	Chou, Chen-Hsi				
	Vice President	Hsieh, Tai-Kao				
	Financial officer	Chen, Yen-Shu				
	Head of accounting	Tseng, Shu-Ling				

Note 1: The Board of Directors approved the distribution of NT\$93,219,000 as 2020 employee bonuses on March 24, 2021. 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			
	2019		2020	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Director	19.84%	29.12%	5.92%	7.17%
Supervisor (Note)	0%	0%	0%	0%
President and vice presidents	23.94%	25.35%	5.97%	6.35%

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 11 Board meetings in the most recent year (2020), and attendance of directors is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance in person (%)	Remarks
Chairperson	Chen, Li-Pai	11	0	100%	Re-elected during the annual shareholders' meeting on June 19, 2020
Director	Chen, Ling-Chuan	10	1	91%	Re-elected during the annual shareholders' meeting on June 19, 2020
Director	Bao Da Investment Co., Ltd. Representative of institution: Lin, Tien-Chiung	10	1	91%	Re-elected during the annual shareholders' meeting on June 19, 2020
Director	Bao Da Investment Co., Ltd. Representative of institution: Chen, Yen-Shu	11	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	10	1	91%	Re-elected during the annual shareholders' meeting on June 19, 2020
Director	Bao Da Investment Co., Ltd. Representative of institution: Kang, Chien-Chung	9	2	82%	Re-elected during the annual shareholders' meeting on June 19, 2020
Independent director	Huang, Kuan-Mo	11	0	100%	Re-elected during the annual shareholders' meeting on June 19, 2020
Independent director	Li, Tsung-Jung	10	1	91%	Re-elected during the annual shareholders' meeting on June 19, 2020
Independent director	Chen, Tzu-Chang	11	0	100%	Re-elected during the annual shareholders' meeting on June 19, 2020

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
25th meeting of the 7th-term 2020.1.17	1. 2019 year-end bonus of the CEO proposed by the Remuneration Committee.	✓	N/A
	2. 2019 year-end bonus of managerial officers proposed by the Remuneration Committee.	✓	N/A
	3. 2019 incentives for managerial officers proposed by the Remuneration Committee.	✓	N/A
	4. 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			
27th meeting of the 7th-term 2020.3.27	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
	3. Proposal to issue restricted stock awards in 2020.	✓	N/A

Independent directors' opinions: N/A			
The Company's handling of independent directors' opinions: N/A			
Resolution: Approved by all directors in attendance			
28th meeting of the 7th-term 2020.4.20	1. 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			
29th meeting of the 7th-term 2020.5.20	1. Bonuses for managerial officers proposed by the Remuneration Committee.	✓	N/A
	2. Raises for managerial officers proposed by the Remuneration Committee.	✓	N/A
	3. Incentives for managerial officers proposed by the Remuneration Committee.	✓	N/A
	4. Proposal to issue seventh domestic secured convertible corporate bonds.	✓	N/A
Independent directors' opinions: N/A			
The Company's handling of independent directors' opinions: N/A			
Resolution: Approved by all directors in attendance			
30th meeting of the 7th-term 2020.6.12	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			
2nd meeting of the 8th-term 2020.8.14	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
Independent directors' opinions: N/A			
The Company's handling of independent directors' opinions: N/A			

Resolution: Approved by all directors in attendance			
3rd meeting of the 8th-term 2020.9.25	1. Bonuses for managerial officers proposed by the Remuneration Committee.	✓	N/A
	2. Proposal to establish the Regulations for First Issuance of Restricted Stock Awards in 2020.	✓	N/A
	3. Proposal to dispose of real estate.	✓	N/A
	4. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.	✓	N/A
	5. Proposal for the Company to provide endorsement and guarantee for investee ADATA INTERGRATION BRAZIL S.A.	✓	N/A
	6. 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			
4th meeting of the 8th-term 2020.11.9	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			
5th meeting of the 8th-term 2020.12.10	1. Bonuses for managerial officers proposed by the Remuneration Committee.	✓	N/A
	2. Distribution of first issuance of restricted stock awards in 2020 proposed by the Remuneration Committee.	✓	N/A
	3. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.	✓	N/A

	4. Proposal for the Company to provide a loan to investee ADATA ELECTRONICS BRAZIL S.A.	✓	N/A
	5. Proposal for the Company to provide a loan to investee ADATA INTERGRATION 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. Specify the name of the director, agenda item, reason for recusal, and participation in voting of directors who recused themselves from agenda items they have a conflict of interest:

(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 2020.

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. Goals for enhancing Board functions in the current year and most recent year (such as establishing an Audit Committee and increasing information transparency) and evaluation of implementation status:

(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 11 meetings in 2020, and attendance of independent directors in each meeting is as follows:

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

2020	1/17	3/19	3/27	4/20	5/20	6/12	6/19	8/14	9/25	11/9	12/10
Huang, Kuan-Mo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Li, Tsung-Jung	☆	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chen, Tzu-Chang	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

(II) Operation of the Audit Committee

In the most recent year (2020), the Audit Committee convened 8 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	Huang, Kuan-Mo	8	0	100%	Re-elected as a Committee member on June 19, 2020
Independent director	Li, Tsung-Jung	7	1	88%	Re-elected as a Committee member on June 19, 2020
Independent director	Chen, Tzu-Chang	8	0	100%	Re-elected as a Committee member on June 19, 2020

Other disclosures:

I. 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

II. Where any of the following circumstances occurs with respect to the operations of the Audit Committee, the date, session, details of the motions, 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
19th meeting of the 1st-term 2020.1.17	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

20th meeting of the 1st-term 2020.3.27	1. Proposal to acknowledge the 2019 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 amend the Company's "Rules of Procedure for Board of Directors Meetings."		
	4. Proposal to amend the Audit Committee Charter.		
	5. Proposal for the Company to provide endorsement and guarantee for investee ADATA ELECTRONICS BRAZIL S.A.		
	6. Proposal to issue restricted stock awards in 2020.		
21st meeting of the 1st-term 2020.4.20	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
22nd meeting of the 1st-term 2020.5.20	1. Proposal to issue seventh domestic secured convertible corporate bonds.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
1st meeting of the 2nd-term 2020.6.19	1. Proposal to elect the 2nd-term convener.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
2nd meeting of the 2nd-term 2020.8.14	1. Proposal to acknowledge the 2020 Q2 financial statements.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.		

		3. Proposal to examine if the Company has any disguised financing.		
3rd meeting of the 2nd-term 2020.9.25		1. Proposal to establish the Regulations for First Issuance of Restricted Stock Awards in 2020.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
		2. Proposal to dispose of real estate.		
		3. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.		
		4. Proposal for the Company to provide endorsement and guarantee for investee ADATA INTERGRATION BRAZIL S.A.		
		5. Proposal for the Company to provide endorsement and guarantee for investee ADATA ELECTRONICS BRAZIL S.A.		
4th meeting of the 2nd-term 2020.12.10		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.		
		3. Proposal to amend the internal control system.		
		4. Proposal to amend the Internal Audit Enforcement Rules		

(II) Besides the matters above, other resolutions adopted with the approval of two-thirds or more of all directors, without having been passed by the Audit Committee: None.

III. If independent directors recused from themselves from an agenda item in which they have a conflict of interest, specify the name of the independent director, agenda item, reason for recusal, and participation in voting: 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. Does the company establish and disclose its corporate governance 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 and shareholders' equity				
(I) Does the company establish internal operating procedures for handling shareholder suggestions, questions, complaints or litigation and handled related matters accordingly?	✓		(I) The Company has appointed a spokesperson to handle related issues.	
(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?	✓		(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) Does the company establish and implement risk management and firewall systems within its conglomerate structure?	✓		(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.	N/A
(IV) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(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 Company also	

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			irregularly reviews the regulations to comply with current laws and meet practical management needs.	
<p>III. Composition and duties of the Board of Directors</p> <p>(I) Does the board of directors develop and implement a diversified policy for the composition of its members?</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 directors?</p> <p>(IV) Does the company regularly evaluate the independence of CPAs?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) 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 reviews Board performance to gradually improve corporate governance. The Board of Directors passed the Board of Directors Self-Evaluation and Peer Evaluation Regulations on March 27, 2020, and conducted an evaluation on March 24, 2021. 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</p>	N/A

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			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 March 24, 2021, and the Board of Directors determined that the accountants met the independence criteria.	
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)?	✓		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.	N/A
V. Does the Company have communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), a stakeholder section on the Company website, and properly respond to important CSR issues of concern to stakeholders?		✓	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. Does the company designate a professional shareholder service agency to deal with shareholder affairs?	✓		The Company commissioned Concord Securities Co., Ltd. Transfer Agency Department to handle the Company's shareholder services, and the Company	N/A

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			also established Regulations for Stock Affairs for related affairs.	
<p>VII. Information disclosure</p> <p>(I) Does the company establish a corporate website to disclose information regarding the company's financial, business and corporate governance status?</p> <p>(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)?</p> <p>(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 statements, as well as monthly operation results, before the prescribed time limit?</p>	<p>✓</p> <p>✓</p>	<p>✓</p>	<p>(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.</p> <p>(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.</p> <p>(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.</p>	N/A
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	✓		(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	

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			<p>health promotion activities for health management.</p> <p>2. Employee grievance channels: The Company established an employee opinion box for employees to voice their opinion on any matter.</p> <p>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.</p> <p>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.</p> <p>5. The Company established various systems and regulations for work hours, leave, remuneration and 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</p>	<p>N/A</p> <p>N/A</p>

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>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 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</p>	

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			<p>various risks. Please page 149 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. 	
<p>IX. Specify the improvement of corporate governance with reference to the evaluation of corporate 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)</p>				

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
Item No.	Evaluation indicators in 2020			Improvement measures in 2020
1.9	Does the company upload the English version of the meeting notice 30 days prior to the regular shareholders' meeting?			The Company will plan related operations and disclose the information in 2021.
1.10	Does the company upload the English version procedures manual and supplemental materials 30 days prior to the annual shareholders' meeting?			The Company will plan related operations and disclose the information in 2021.
1.11	Does the company upload the English version of the annual report 7 days prior to the annual shareholders' meeting?			The Company will plan related operations and disclose the information in 2021.
2.2	Has the company established a Board diversity policy and disclosed the implementation of the diversity policy in its annual report and on its company website?			The Company will carefully establish such policy and disclose the information on the company website.

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

1. Profile of Remuneration Committee members

Identity	Criteria	Has at least five years work experience and the following professional qualifications			Meet the independence criteria (Note)										Number of other public companies in which the member also serves as a member of their Remuneration Committee	Remarks	
		Lecturer or above at the department of business administration, law, finance, accounting, or a field required by the Company's business at a public or private college	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10			
Independent director	Huang, Kuan-Mo	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	-
Independent director	Li, Tsung-Jung	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	-
Independent director	Chen, Tzu-Chang	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	-

Note: If the committee member meets any of the following criteria in the two years before being appointed or during the term of office, please check "✓" in the corresponding boxes:

- (1) Not an employee of the Company or its affiliated enterprise.
- (2) Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, is a top five shareholder, or appointed a representative as the Company's director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
- (6) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
- (7) Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).

- (8) Not a director, supervisor, or managerial officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the company or to any affiliate of the company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.
- (10) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.

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 (2020) the Remuneration Committee met 9 times, and the members' qualifications and attendance are as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Convener	Huang, Kuan-Mo	9	0	100%	Re-elected on June 19, 2020
Committee Member	Li, Tsung-Jung	8	1	89%	Re-elected on June 19, 2020
Committee Member	Chen, Tzu-Chang	9	0	100%	Re-elected on June 19, 2020

Other disclosures:

I. 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
20th meeting of the 3rd-term 2020.01.17	1. Proposal to review the distribution of year-end bonuses to managerial officers of ADATA Technology Co., Ltd.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to review the distribution of prize money to managerial officers of ADATA Technology Co., Ltd.		
21st meeting of the 3rd-term 2020.03.27	1. Proposal to review the distribution of employee bonuses and directors' remuneration by ADATA Technology Co., Ltd. in 2019.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to review the issuance of restricted stock awards by ADATA Technology Co., Ltd. in 2020.		

		3. Proposal to review the distribution of prize money to managerial officers of ADATA Technology Co., Ltd.		
22nd meeting of the 3rd-term 2020.5.20	1.	Proposal to review the distribution of special performance bonuses to managerial officers of ADATA Technology Co., Ltd. serving as directors and supervisors of Taiwan Sports Lottery Company.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2.	Proposal to review the annual raise of managerial officers of ADATA Technology Co., Ltd., effective on April 1, 2020.		
	3.	Proposal to review the distribution of incentives to managerial officers of ADATA Technology Co., Ltd.		
	4.	Please discuss the proposal to amend the Remuneration Committee Charter.		
23rd meeting of the 3rd-term 2020.06.12	1.	Proposal to review the distribution of directors' remuneration by ADATA Technology Co., Ltd. in 2019.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2.	Proposal to review the distribution of incentives to managerial officers of ADATA Technology Co., Ltd.		
1st meeting of the 4th-term 2020.06.19	1.	Proposal to review the election of the 4th-term convener of the Remuneration Committee.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion

2nd meeting of the 4th-term 2020.08.14	1. Proposal to review the distribution of bonuses to managerial officers of ADATA Technology Co., Ltd.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
3rd meeting of the 4th-term 2020.09.25	1. Proposal to establish the Company's Regulations for First Issuance of Restricted Stock Awards 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 bonuses to managerial officers of ADATA Technology Co., Ltd.		
4th meeting of the 4th-term 2020.11.09	1. Proposal to review the distribution of bonuses to managerial officers of ADATA Technology Co., Ltd.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to review the distribution of employee bonuses to managerial officers of ADATA Technology Co., Ltd. in 2019.		
	3. Proposal to review the distribution of the first issuance of restricted stock awards to managerial officers of ADATA Technology Co., Ltd. in 2020.		
5th meeting of the 4th-term 2020.12.10	1. Proposal to review the distribution of incentives to managerial officers of ADATA Technology Co., Ltd.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2. Proposal to review the distribution of the first issuance of restricted stock awards to managerial officers		

		of ADATA Technology Co., Ltd. in 2020.			
		3. Review the change of document number for the Remuneration Committee Charter of ADATA Technology Co., Ltd.			
<p>II. 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) Fulfillment of social responsibility and deviations from the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons

Evaluation item	Implementation status		Deviations from the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
I. 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 has not established related risk management policies or strategies, and 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.
II. Has the company established a fully (or partially) dedicated unit to promote CSR? Does the Board of Directors authorize the senior management to handle such matters and report its implementation to the Board of Directors?		✓	Even though the Company currently does not have a dedicated unit for promoting corporate social responsibility, the Administration Department and Human Resources Department handle operations and make improvements relating social responsibility issues, including environmental and social issues.
III. Environmental issues (I) Has the company established a suitable environmental management system based on the characteristics of the industry? (II) Is the company committed to improving the efficiency of various resources and utilizing renewable materials to reduce the environmental	✓ ✓		(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. (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
			No significant difference.
			N/A

Evaluation item	Implementation status			Deviations from the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary	
<p>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>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) 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>(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 10,553 tons and 9,710 tons in 2019 and 2020, respectively, which is a reduction of 8.68%, and total waste was 13 tons/year.</p>	
<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>✓</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</p>	N/A

Evaluation item	Implementation status			Deviations from the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary	
(III) Has the company provided employees with a safe and healthy working environment, and routinely implemented safety and health education for employees?	✓		Company's business performance is reflected on employee bonuses. (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.	
(IV) Has the company established an effective career developmental plan for its employees?	✓		(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.	
(V) Does the company comply with relevant regulations and international standards in customer health and safety, customer privacy, and marketing and labeling its goods and services, and has it established consumer rights protection policies and complaint procedures?	✓		(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 improving our quality and customer satisfaction, so that we can achieve the goal of sustainable development.	N/A
(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?	✓		(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	

Evaluation item	Implementation status		Deviations from the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
V. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?			Company maintains good relationships with suppliers and jointly fulfills corporate social responsibility.
VI. If the company has established corporate social responsibility principles based on "Corporate Social Responsibility 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 corporate social responsibility report.
VII. Other important information to facilitate a better understanding of the company's corporate social responsibility practices: (I) Environmental Protection, Safety, and Health Management Statement: 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. 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.			
(II) EHS promotion organization: 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.			
(III) Risk management: Senior executives conduct reviews of the impact on the Company's EHS, and verify if improvement and control goals are able to effectively lower			

Evaluation item	Implementation status		Deviations from the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons	
	Yes	No		
<p>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 2020, 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> <ol style="list-style-type: none"> Labor health protection: <ol style="list-style-type: none"> 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. 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. 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. 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. Epidemic prevention: In response to the COVID-19 pandemic in 2020, we formulated a complete epidemic prevention plan in advance and implemented various epidemic prevention measures to ensure the health and safety of all employees. Safety and health management plan: 				
	Strategy	Plan	Goal	
	Health promotion Loss prevention	30% of job applicants were interviewed via video conferencing		A total of 504 interviews were conducted in the first half of 2020, in which 153 interviews (30% and above) were via video conferencing and reduced carbon emission by approximately 308 kg, protecting the health and safety of approximately 100 employees from 1.5-hour interviews with 153 job applications, which would require about 230 hours.
	Energy/Resource management Loss prevention	J18F corridor improvements		To reduce the frequency of employees taking the elevator, we made improvements to J18F corridor and set up an unmanned store and furniture on April 6, adding a shoe cabinet for visitors and space for employee meetings and leisure. This ensures that our 300 employees have a healthy and safe environment in a 3,322 m2 workplace for a combined 600,000 hours.

Evaluation item	Implementation status		Deviations from the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons						
	Yes	No							
Health promotion	80% of SU sales returns are completed by our system	After streamlining the process, SU productions management/TP sales management/TP warehouse/TP IQC labor hours can be reduced by approximately 2138.9 hours, and computerized operations can save approximately 641.67 kWh.							
Health promotion	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.							
(V) Environmental management:	<p>1. Environmental philosophy:</p> <p>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:</p> <p>(1) Environment: Energy/Resource management, pollution control, and GHG inventory.</p> <p>(2) Product: Develop innovative green technologies and green products.</p> <p>(3) Operations: Green and clean production, green supply chain, and green logistics.</p> <p>(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. Goal:</p> <p>(1) In 2019, we set the goal to reduce electricity consumption by 5% per unit product before 2020, and achieved a 10.26% reduction in 2020 with the energy conservation measures proposed by employees. We are currently implementing various reduction measures for energy conservation and carbon reduction.</p> <p>(2) In 2019, we set the goal to increase recycling by 15% before 2020, and achieved a 17.09% increase in recycling in 2019 with the waste reduction and reuse measures proposed by employees at the head office. We are currently implementing various waste reduction and reuse measures for energy conservation and waste reduction.</p> <p>4. Environmental protection management plan:</p> <table border="1"> <thead> <tr> <th>Strategy</th> <th>Plan</th> <th>Goal</th> </tr> </thead> <tbody> <tr> <td>Develop green products</td> <td>Reduced packaging materials for flash products by 20%</td> <td>The difference in number of boxes for SU800NS38\SU650NS38F in January-December 2020 was 1,416 boxes, reducing the volume of packaging materials by 67.34%. The difference for</td> </tr> </tbody> </table>			Strategy	Plan	Goal	Develop green products	Reduced packaging materials for flash products by 20%	The difference in number of boxes for SU800NS38\SU650NS38F in January-December 2020 was 1,416 boxes, reducing the volume of packaging materials by 67.34%. The difference for
Strategy	Plan	Goal							
Develop green products	Reduced packaging materials for flash products by 20%	The difference in number of boxes for SU800NS38\SU650NS38F in January-December 2020 was 1,416 boxes, reducing the volume of packaging materials by 67.34%. The difference for							

Evaluation item	Implementation status		Deviations from the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
Pollution control			CARD was 17 boxes, reducing the volume of packaging materials by 43.92%. The difference for UFD was 62 boxes, reducing the volume of packaging materials by 51.23%, and also reducing risks by approximately 1,495 injuries.
Energy/Resource management GHG inventory	Reduced electricity consumption of copy machines by 40%		The TEC of copy machines was originally 37.16 kWh/week, and became 19.89 kWh/week after replacement, reducing carbon emissions by 475.9 kg a year.
Energy/Resource management GHG inventory	Completed 100% of supplier audits via documents or local support instead of overseas business trips		Protected the health and safety of approximately 600 employees from infection during the pandemic, and reduced carbon emissions from transportation by approximately 0.75 tons.
Develop green products	Used LED lights with the energy saving mark		Marketing energy efficient products improves the Company's environmental protection image, and a total of 44,439 PCS of light bulbs with the energy saving mark, 33,602 PCS of daylight light bulbs, and 11,177 PCS of yellow light bulbs were sold as of December 2020, which will reduce carbon emission by approximately 651 tons.
Energy/Resource management GHG inventory	Server room VPN server load≤40%		The VPN server load balance ensures normal operation with 400 users for approximately 800,000 labor hours. IT personnel do not need to handle abnormalities on site, which reduces labor hours by 36 hours/year and lowers the probability of cluster infection. The reduction in use of transportation tools reduces fuel consumption and carbon emission.
Energy/Resource management GHG inventory	Replaced 55% of old notebooks in 2020		1. More efficient computers reduce boot time by approximately 7,500 minutes/year 2. Reduces electricity consumption by approximately 1,050 kWh
Energy/Resource management GHG inventory	Modified the energy efficient cooling tower for the central air conditioning system in 2020		Reduced electricity consumption by approximately 324,000 kW a year
5. GHG inventory:	<p>In recent years, climate change has become the most severe environmental issue faced by the world since the 21st century. We have dedicated our efforts to compiling our GHG inventory to monitor or GHG emissions, and provide a feasible direction for GHG reduction, in order to fulfill our corporate social responsibility and responsibility as a citizen of the Earth, and also support the competent authority's energy conservation and carbon reduction policy. We implement feasible reduction work plans in hopes of mitigating global warming through systematic GHG reduction measures, ensuring the sustainable development of environment resources, the economy, and society.</p> <p>We compiled a GHG inventory for our head office in Taipei and factories in 2010, and manage the GHG inventory according to requirements of ISO/CNS-14064-1. The GHG inventory was verified by an impartial third party. Our CO2 emissions in 2019 and 2020 were 10,553 tons and 9,710 tons,</p>		

Evaluation item	Implementation status		Deviations from the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
<p>respectively, which is a reduction of 8.68%. We will continue to implement various energy conservation and carbon reduction measures to achieve our reduction goals.</p> <p>6. Energy/Resource management: Besides voluntarily compiling our GHG inventory, we are also making active efforts to achieve our energy conservation and carbon reduction goals, such as replacing energy efficient lights, letting computers automatically go into hibernation mode, installing power socket timers, assigning responsibility areas for shutting of lights, controlling the air conditioning at 26 degrees, controlling the time for delivery of goods, virtual IT servers, simpler packaging for delivery, reducing stickers on boxes, reducing paper pallets, improving transportation effectiveness, electronic catalogues, recycling and reusing stationary, reducing paper cup use, recycling excess heat from compressors, using PLA corn starch eco-friendly tableware, organizing environmental education courses, and charity sale of used goods.</p> <p>7. Develop green products: We implemented projects to optimize product design, design energy efficient products, design packaging with reduced materials, upgrade products, reduce the amount of samples retained, and reduce water consumption.</p> <p>8. Waste management: In order to effectively achieve waste management and sustainable resource use, our waste management strategy first focuses on establishing recycling categories and setting up sorting facilities. This increases the amount of waste that is recycled and reduces the amount of waste that is incinerated and buried. The integrated management operations are carried out by dedicated personnel appointed in accordance with applicable environmental protection laws and regulations. Furthermore, the Company strictly selects waste clearance and treatment companies that meet qualifications, and irregularly inspects the companies' waste treatment procedures to ensure that the waste is properly handled in accordance with the law. This meets requirements set forth in environmental protection related laws and regulations, and also contributes to the growingly severe environmental issues.</p> <p>(VI) Community involvement: The Company signed a MOU on disaster prevention with Zhonghe District Office in October 2018, participated in disaster prevention drills of Zhonghe District, signed a MOU on disaster prevention with New Taipei City Government in 2019, and was invited to participate in the Disaster Prevention and Relief Project of New Taipei City in 2020.</p> <p>(VII) Other environment safety awards: TP head office: The Company won the ISO 14001 Plus Award in 2018, received the Exercise Enterprise Certification from the Sports Administration in 2018, recognized as an outstanding healthy workplace in 2018, won the Award of Excellence and Internet Popularity Award in the 2019 National Workplace Creativity Awards, and received the Exercise Enterprise Certification again in 2020. SZ factory: Won the Excellent Organization Award during the safe production month of Suzhou Dushuhu Kejiao Innovation District Administration in June 2020, won the Safe Training Leading Organization Award from the Suzhou Industrial Park State Administration of Work Safety in 2020, and won the Award of Excellence in Green Energy Efficiency from Suzhou Industrial Park in 2020.</p>	Summary		

(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>✓</p>	<p>No</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>
<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>✓</p>	<p>(I)</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>Even though the Company has not established a dedicated unit, it</p>

Evaluation item	Implementation status		Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
(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?	✓	✓	(II) The Company does not have a dedicated unit. Departments fulfill the Company's corporate social responsibility within the scope of their duties.
(III) Does the company establish policies to prevent conflict of interests, provide appropriate channels for filing related complaints and implement the policies accordingly?	✓		(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.
(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?	✓		(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.
(V) Does the company regularly hold internal and external educational trainings on ethical corporate management?	✓		(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.
III. Operation of the whistleblowing system			
(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?	✓		(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.
(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?	✓		(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.
(III) Does the company provide proper whistleblower	✓		(III) The Company encourages employees to use the communication

N/A

Evaluation item	Implementation status		Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	
protection?			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.
IV. Enhancing information disclosure (I) Does the company disclose information regarding the company's ethical corporate management principles and implementation status on its website and the Market Observation Post System?	✓		(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 information disclosures to lower investors' risks, and prevents operational risks caused by the Company's image. N/A
V. If the company established Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, describe its operations and discrepancies: None.			
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)			
(I) The Company complies with the Company Act, Securities and Exchange 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.			
(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.			
(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.			
(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 insider 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.			

- (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	2020/10/21	2020/10/21	Securities & Futures Institute	Case study on fraudulent financial statements	3	Yes
			2020/12/16	2020/12/16	Securities & Futures Institute	Human resources and integration issues in the merger and acquisition process	3	Yes
Director	Chen, Ling-Chuan	2020/6/19	2020/11/12	2020/11/12	Securities & Futures Institute	How companies face information security governance – From the perspective of legal practices	3	Yes
			2020/11/26	2020/11/26	Securities & Futures Institute	Intellectual property rights management and operational risks of companies	3	Yes
Representative of institutional director	Lin, Tien-Chiung	2020/6/19	2020/8/11	2020/8/11	Securities & Futures Institute	Functions of the Board of Directors from the Perspective of Corporate Fraud Prevention	3	Yes
			2020/8/20	2020/8/20	Securities & Futures Institute	Case study on breaches of trust by directors and supervisors and practices for determining breach of trust	3	Yes
Representative of institutional director	Chen, Yen-Shu	2020/6/19	2020/9/18	2020/9/18	Taiwan Corporate Governance Association	Giving institutional investors a bigger role in corporate governance	3	Yes
			2020/10/20	2020/10/20	Taiwan Corporate Governance Association	Evaluation of board functions and performance	3	Yes
			2020/9/21	2020/9/21	Taipei Exchange	Corporate Governance 3.0 – Sustainable Development Blueprint Summit	3	Yes
			2020/10/28	2020/10/28	Accounting	Analysis of the	6	Yes

Title	Name	Date of appointment	Date of continuing education		Organizer	Course Name	Hours	Does continuing education comply with regulations
			Start	End				
					Research and Development Foundation	latest corporate governance policy and compliance auditing practices of corporate governance personnel		
Representative of institutional director	Wu, Tsung-Ting	2020/6/19	2020/9/24	2020/9/24	Securities & Futures Institute	Blockchain Principles and Applications	3	Yes
			2020/11/26	2020/11/26	Securities & Futures Institute	Business opportunities from 5G key technologies and applications	3	Yes
Representative of institutional director	Kang, Chien-Chung	2020/6/19	2020/9/2	2020/9/2	Securities & Futures Institute	Case study on fraudulent financial statements	3	Yes
			2020/9/2	2020/9/2	Securities & Futures Institute	AML/CFT Practices	3	Yes
Independent director	Huang, Kuan-Mo	2020/6/19	2020/8/4	2020/8/4	Corporate Operation Association	"Overview of shareholders' equity – Disputes over management right" Forum	3	Yes
			2020/8/24	2020/8/24	Taipei Exchange	TWSE/TPEX-listed companies' insider equity briefing	3	Yes
Independent director	Li, Tsung-Jung	2020/6/19	2020/8/27	2020/8/27	Securities & Futures Institute	Business opportunities from 5G key technologies and applications	3	Yes
			2020/9/15	2020/9/15	Securities & Futures Institute	Analysis and practices in response to international tax trends under the new corporate governance blueprint	3	Yes
Independent director	Chen, Tzu-Chang	2020/6/19	2020/9/2	2020/9/2	Securities & Futures Institute	Case study on fraudulent financial statements	3	Yes
			2020/9/4	2020/9/4	Securities & Futures Institute	Issues of employee bonuses and directors' remuneration – The amendment to	3	Yes

Title	Name	Date of appointment	Date of continuing education		Organizer	Course Name	Hours	Does continuing education comply with regulations
			Start	End				

(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	2020/9/4	2020/9/4	Securities & Futures Institute	Corporate Governance Evaluation Practices Seminar	3	Yes
		2020/9/15	2020/9/15	Securities & Futures Institute	Introduction to the business judgment rule and related cases	3	Yes
		2020/10/28	2020/10/28	Accounting Research and Development Foundation	Analysis of the latest corporate governance policy and compliance auditing practices of corporate governance personnel	6	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	2020/11/12	2020/11/12	Computer Audit Association	Audits of network and system security practices	6	Yes
		2020/11/20	2020/11/20	Computer Audit Association	Seminar on IT audit practices	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: March 24, 2021

In 2020, 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 aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability of reporting, and compliance with applicable laws and regulations.
- II. There are inherent limitations to even the most well designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. Moreover, the operating environment and situation may change, impacting the effectiveness of the internal control system. 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 "Regulations Governing Establishment of Internal Control Systems by Public Companies" (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 December 31, 2020 (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 March 24, 2021, 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:

New Taipei City Government Labor Affairs Department conducted a labor inspection at the Company on June 11, 2020, and imposed a total fine of NT\$96,000, including NT\$48,000 for not providing 30 minutes of rest after 4 consecutive hours of work in accordance with Article 35 of the Labor Standards Act, and NT\$48,000 for not recording daily attendance to the minute (Lao-Jian-Zi No. 10947819111 from New Taipei City Government) in accordance with Article 30, Paragraph 6 of the Labor Standards Act. This was a one-time event and we immediately made improvements.

- (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
2020.6.19	1. Acknowledgment of the 2019 business report and financial statements	Passed as proposed after the chairperson consulted all attending shareholders	1. None.
	2. Acknowledgment of the 2019 dividend distribution proposal		2. Cash dividends in the amount of NT\$311,158,848 were distributed to shareholders according to the 2019 dividend distribution proposal. The shareholders' meeting authorized the chairperson to set the record date and dividends were distributed on August 11, 2020.
	3. Proposed amendment to the Rules of Procedure for Shareholders' Meetings		3. None.
	4. Proposal to issue restricted stock awards		4. Became effective on October 13, 2020 after obtaining approval from the FSC.

2. Important resolutions of the Board of Directors

Board meeting	Date of meeting	Major resolutions	Resolution
25th meeting of the 7th-term	2020.1.17	1. Distribution of the 2019 year-end bonus of the CEO proposed by the Remuneration Committee. 2. Distribution of the 2019 year-end bonus of managerial officers proposed by the Remuneration Committee.	All proposals were passed as proposed by all directors in attendance without

Board meeting	Date of meeting	Major resolutions	Resolution
		<ol style="list-style-type: none"> 3. Distribution of the 2019 incentives for managerial officers proposed by the Remuneration Committee. 4. Proposal to amend the internal control system. 5. Proposal to amend the Regulations for Handling Material Insider Information. 6. Proposal to change the Company's paid-in capital in 2019 Q4. 	objection.
26th meeting of the 7th-term	2020.3.19	<ol style="list-style-type: none"> 1. Proposal to buyback the Company's shares for transfer to employees. 	All proposals were passed as proposed by all directors in attendance without objection.
27th meeting of the 7th-term	2020.3.27	<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 2019. 3. Proposal to acknowledge the 2019 business report and financial statements. 4. 2019 dividend distribution proposal. 5. Proposal to approve the Statement on Internal Control. 6. Proposal to establish the Board of Directors Self-Evaluation and Peer Evaluation Regulations. 7. Proposal to amend the Company's "Rules of Procedure for Board of Directors Meetings." 8. Proposal to amend the Audit Committee Charter. 9. Proposed amendment to the Rules of Procedure for Shareholders' Meetings. 10. Proposal to convene the 2020 annual shareholders' meeting. 11. Proposal for election of all directors and independent directors of the Company. 12. Proposal for the Board of Directors to nominate director and independent director candidates. 13. Waiver of the non-compete clause for newly appointed directors and independent directors. 14. Proposal to evaluate the accountants' independence. 15. Proposal to apply to financial institutions for short-term loans. 16. Proposal to apply to financial institutions for factoring. 17. Proposal for the Company to provide endorsement and guarantee for investee ADATA ELECTRONICS BRAZIL S.A. 	All proposals were passed as proposed by all directors in attendance without objection.

Board meeting	Date of meeting	Major resolutions	Resolution
		<ul style="list-style-type: none"> 18. Proposal to change the Company's paid-in capital in 2020 Q1. 19. Proposal to issue restricted stock awards in 2020. 	
28th meeting of the 7th-term	2020.4.20	<ul style="list-style-type: none"> 1. Proposal to acknowledge the 2020 Q1 financial statements. 2. Proposal to change the Company's paid-in capital in 2020 Q2. 3. Proposal to apply to financial institutions for short-term loans. 4. Proposal to apply to financial institutions for mid-term and long-term loans. 5. Proposal to apply to financial institutions for guarantee for convertible bonds. 6. Proposal for the Company to provide endorsement and guarantee for investee ADATA ELECTRONICS BRAZIL S.A. 7. Proposal to review the qualifications of directors (including independent directors). 	All proposals were passed as proposed by all directors in attendance without objection.
29th meeting of the 7th-term	2020.5.20	<ul style="list-style-type: none"> 1. Bonuses for managerial officers proposed by the Remuneration Committee. 2. Raises for managerial officers proposed by the Remuneration Committee. 3. Incentives for managerial officers proposed by the Remuneration Committee. 4. Proposal to amend the Remuneration Committee Charter. 5. Proposal to apply to financial institutions for short-term loans. 6. Proposal to apply to financial institutions for loans for overseas investments. 7. Proposal to issue seventh domestic secured convertible corporate bonds. 	All proposals were passed as proposed by all directors in attendance without objection.
30th meeting of the 7th-term	2020.6.12	<ul style="list-style-type: none"> 1. Distribution of directors' remuneration in 2019 proposed by the Remuneration Committee. 2. Incentives for managerial officers proposed by the Remuneration Committee. 3. Proposal to discuss the Company's future intentions for investees Liwanli Innovation Co., Ltd., iROC Corporation, and ATrack Technology Inc. 4. Proposal to apply to financial institutions for short-term loans. 	All proposals were passed as proposed by all directors in attendance without objection.
1st meeting of the 8th-term	2020.6.19	<ul style="list-style-type: none"> 1. Proposal to elect the Company's chairperson. 2. Proposal to elect members of the Company's Remuneration Committee. 3. Proposal to elect members of the Company's Audit Committee. 	All proposals were passed as proposed by all directors in attendance without objection.
2nd meeting of the 8th-term	2020.8.14	<ul style="list-style-type: none"> 1. Bonuses for managerial officers proposed by the Remuneration Committee. 2. Proposal to acknowledge the 2020 Q3 financial statements. 3. Proposal to change the Company's paid-in 	All proposals were passed as proposed by all directors in

Board meeting	Date of meeting	Major resolutions	Resolution
		<p>capital in 2020 Q3.</p> <p>4. Proposal to apply to financial institutions for short-term loans.</p> <p>5. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.</p> <p>6. Proposal to examine if the Company has any disguised financing.</p>	attendance without objection.
3rd meeting of the 8th-term	2020.9.25	<p>1. Bonuses for managerial officers proposed by the Remuneration Committee.</p> <p>2. Proposal to establish the Regulations for First Issuance of Restricted Stock Awards in 2020.</p> <p>3. Proposal to dispose of real estate.</p> <p>4. Proposal to apply to financial institutions for short-term loans.</p> <p>5. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.</p> <p>6. Proposal for the Company to provide endorsement and guarantee for investee ADATA INTERGRATION BRAZIL S.A.</p> <p>7. Proposal for the Company to provide endorsement and guarantee for investee ADATA ELECTRONICS BRAZIL S.A.</p>	All proposals were passed as proposed by all directors in attendance without objection.
4th meeting of the 8th-term	2020.11.19	<p>1. Bonuses for managerial officers proposed by the Remuneration Committee.</p> <p>2. Distribution of 2019 employee bonuses to managerial officers proposed by the Remuneration Committee.</p> <p>3. Proposal to set the record date for the first issuance of restricted stock awards in 2020.</p> <p>4. Distribution of first issuance of restricted stock awards to managerial officers in 2020 proposed by the Remuneration Committee.</p> <p>5. Proposal to acknowledge the 2020 Q3 financial statements.</p> <p>6. Proposal to apply to financial institutions for short-term loans.</p> <p>7. Proposal to waive the non-compete clause for the Company's managerial officers.</p>	All proposals were passed as proposed by all directors in attendance without objection.
5th meeting of the 8th-term	2020.12.10	<p>1. Bonuses for managerial officers proposed by the Remuneration Committee.</p> <p>2. Proposal to set the record date for the first issuance of restricted stock awards in 2020.</p> <p>3. Distribution of first issuance of restricted stock awards in 2020 proposed by the Remuneration Committee.</p> <p>4. Proposed 2021 business plan.</p> <p>5. Proposed 2021 audit plan.</p> <p>6. Proposal to apply to financial institutions for short-term loans.</p> <p>7. Proposal to apply to financial institutions for syndicated loan.</p> <p>8. Proposal to apply to financial institutions for factoring.</p> <p>9. Proposal to apply to financial institutions for foreign currency and financial derivative</p>	All proposals were passed as proposed by all directors in attendance without objection.

Board meeting	Date of meeting	Major resolutions	Resolution
		<p>trading limit.</p> <p>10. Proposal for the Company to provide a loan to investee ADATA ELECTRONICS BRAZIL S.A.</p> <p>11. Proposal to retire treasury stock from the ninth share buyback for capital reduction and to set the record date.</p> <p>12. Proposal to amend the Accounting System.</p> <p>13. Proposal to amend the Operating Procedures for Financial and Business Transactions between Affiliated Enterprises.</p> <p>14. Proposal to amend the Remuneration Committee Charter.</p> <p>15. Proposal to amend the internal control system.</p> <p>16. Proposal to amend the Internal Audit Enforcement Rules</p> <p>17. Proposal to amend the Regulations for Internal Control Self-Evaluations.</p>	
6th meeting of the 8th-term	2021.2.3	<p>1. Bonuses for managerial officers proposed by the Remuneration Committee.</p> <p>2. Proposal to amend the internal control system.</p> <p>3. Proposal to apply to financial institutions for short-term loans.</p> <p>4. Proposal to change the counterparty of endorsement and guarantee provided by the Company to investee ADATA ELECTRONICS BRAZIL S.A.</p>	All proposals were passed as proposed by all directors in attendance without objection.
7th meeting of the 8th-term	2021.3.24	<p>1. Bonuses for managerial officers proposed by the Remuneration Committee.</p> <p>2. Proposed distribution of employee bonuses and directors' remuneration in 2020.</p> <p>3. Proposal to acknowledge the 2020 business report and financial statements.</p> <p>4. 2020 dividend distribution proposal.</p> <p>5. Proposal to approve the Statement on Internal Control.</p> <p>6. Proposal to amend the Audit Committee Charter.</p> <p>7. Proposed amendment to the Rules of Procedure for Shareholders' Meetings.</p> <p>8. Proposal to convene the 2021 annual shareholders' meeting.</p> <p>9. Proposal to change the Company's paid-in capital in 2021 Q1.</p> <p>10. Proposal to determine the remuneration to the Company's accountants.</p> <p>11. Proposal to evaluate the accountants' independence.</p> <p>12. Proposal to apply to financial institutions for short-term loans.</p> <p>13. Proposal to acquire real estate.</p>	All proposals were passed as proposed by all directors in attendance without objection.
8th meeting of the 8th-term	2021.3.24	<p>1. Distribution of directors' remuneration in 2020 proposed by the Remuneration Committee.</p> <p>2. Bonuses for managerial officers proposed by</p>	All proposals were passed as proposed by all

Board meeting	Date of meeting	Major resolutions	Resolution
		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 ELECTRONICS BRAZIL S.A. 9. Proposal to amend the Articles of Incorporation. 10. Proposal to amend the Procedures for Acquisition and Disposal of Assets. 11. Proposal for by-election of one independent director. 12. Proposal for the Board of Directors to nominate candidates for one independent director seat. 13. Proposal to waive the non-compete clause for the newly appointed independent director. 14. Proposal to resolve on the qualifications of independent directors. 15. Proposal to acquire real estate.	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	1	-

IV. Information on fees to CPA

(I) Brackets of fees to CPA

Name of accounting firm	Name of CPA		Audit period	Remarks
PricewaterhouseCoopers Taiwan	Huang, Shih-Chun	Yeh, Tsui-Miao	2020/1/1~2020/12/31	-

Unit: NT\$1,000

Amount bracket		Fee category	Audit fee	Non-audit fee	Total
1	Less than NT\$2,000,000				
2	NT\$2,000,000 (inclusive) to NT\$4,000,000				
3	NT\$4,000,000 (inclusive) to NT\$6,000,000			V	
4	NT\$6,000,000 (inclusive) to NT\$8,000,000				
5	NT\$8,000,000 (inclusive) to NT\$10,000,000				
6	NT\$10,000,000 (inclusive) or above		V		V

- (II) 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.

Unit: NT\$1,000

Name of accounting firm	Name of CPA	Audit fee	Non-audit fee					Audit period
			System design	Business registration	Human resources	Other (Note)	Subtotal	
PricewaterhouseCoopers Taiwan	Huang, Shih-Chun Yeh, Tsui-Miao	14,430	0	0	0	4,130	4,130	2020/1/1~2020/12/31

Note: Services include transfer pricing report fee in the amount of NT\$2,999,000, business tax related fees in the amount of NT\$601,000, and other service fees in the amount of NT\$530,000.

- (III) 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:

Not applicable because the Company did not change accountants in 2020.

- (IV) 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:

Not applicable because the Company's audit fees in 2020 did not decrease 10% compared to 2019.

V. Information on the replacement of CPA

The Company did not replace its accountants in 2020.

- 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	2020		2021 up to April 30	
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares
Chairperson	Chen, Li-Pai	0	0	210,000	0
Director	Chen, Ling-Chuan	0	0	0	0
Director	Bao Da Investment Co., Ltd.	180,000	0	150,000	0
Independent director	Li, Tsung-Jung	0	0	0	0
Independent director	Huang, Kuan-Mo (Note 1)	0	0	0	0
Independent director	Chen, Tzu-Chang	0	0	0	0
CEO	Chen, Li-Pai	0	0	210,000	0
President	Chen, Ling-Chuan	0	0	0	0
Vice President	Kang, Chien-Chung	0	0	3,000	0
Vice President	Wu, Tsung-Ting	0	0	0	0
Vice President	Lin, Tien-Chiung	5,000	0	1,000	0
Vice President	Cheng, Li-Hsiung	0	0	0	0
Vice President	Chiang, Chang-Hsien	0	0	0	0
Vice President	Hsieh, Tai-Kao	31,000	0	3,000	0
Vice President	Li, Ching-Fa (Note 2)	0	0	0	0
Financial officer	Chen, Yen-Shu	0	0	1,000	0
Head of accounting	Tseng, Shu-Ling	1,000	0	0	0

Note 1: Huang, Kuan-Mo resigned on April 1, 2021.

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):

April 30, 2021

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 (%)	(or name)	Relationship	
Chen, Ling-Chuan	5,927,876	2.34	4,447,210	1.75	1,699,000	0.67	Chen, Li-Pai Bao Da Investment Yin Yi Investment	Spouse Major shareholder Major shareholder	
Yi Yin Investment Co., Ltd.	4,973,000	1.96	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	
Chen, Li-Pai	4,447,210	1.75	5,927,876	2.34	4,973,000	1.96	Chen, Ling-Chuan Bao Da Investment Yi Yin Investment	Spouse Person in charge Major shareholder	
Berkeley Capital SBL/PB investment account under the custody of Citibank	2,678,000	1.06	0	0	0	0	N/A	N/A	
Vanguard emerging markets investment account under the custody of JPMorgan Chase Bank	2,657,000	1.05	0	0	0	0	N/A	N/A	
PGIA International Composite Stock Price Index under the custody of JPMorgan Chase Bank	2,527,467	1.00	0	0	0	0	N/A	N/A	
ADATA Technology under the custody of CTBC Bank	2,500,000	0.99	0	0	0	0	N/A	N/A	
Bao Da Investment Co., Ltd.:	2,366,800	0.93	0	0	0	0	Chen, Li-Pai Chen, Ling-Chuan	Major shareholder Major shareholder	
Legal Representative: Chen, Li-Pai	4,447,210	1.75	5,927,876	2.34	4,973,000	1.96	Chen, Ling-Chuan	Spouse Major	

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 (%)	(or name)	Relationship	
President Securities Corp.	2,045,002	0.81	0	0	0	0	n Yi Yin Investment	shareholder	
Cathay Securities Corporation	1,897,582	0.75	0	0	0	0	N/A	N/A	

IX. Shareholding of the Company, directors, supervisors, managerial officers, and enterprises that are directly or indirectly controlled by the Company in the investee company, and total shareholding percentage.

December 31, 2020 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	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
ZHAO-SING Investment CO., LTD	90,000,000	100.00	-	-	90,000,000	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 TECHNOLOGY (KOREA) CO., LTD.	1,100,000	100.00	-	-	1,100,000	100.00
ADATA HOLDINGS CO., LTD.	78,787,598	100.00	-	-	78,787,598	100.00
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	150,991,325	100.00	-	-	150,991,325	100.00
Qicaiguang Agricultural Biotech Co., Ltd.	75,000,000	100.00	-	-	75,000,000	100.00
Jiulong Agricultural Biotech Co., Ltd.	18,100,000	100.00	-	-	18,100,000	100.00
Longtian Agricultural Biotech 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	(Note 2)	100.00	-	-	(Note 2)	100.00
JET CASTLE LIMITED	1,500,000	100.00	-	-	1,500,000	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	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
AROBOT INNOVATION(SAMOA) HOLDINGS CO., LTD.	1,000,000	74.63	340,000	25.37	1,340,000	100.00
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	49.04	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\$1,000; April 30, 2021

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 2004.06.15
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 2004.08.13
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 2005.01.24
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 2005.04.28
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 2005.06.30
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 2006.01.17
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 2005.12.23
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 2006.04.19
July 2006	10	160,000	1,600,000	115,781	1,157,812	Employee stock	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)
						warrants 4,050		No. 09501154930 dated 2006.07.20
September 2006	10	400,000	4,000,000	137,987	1,379,873	Capitalization of profits in the amount of 207,881 Employee stock warrants 14,180	N/A	Jin-Guan-Zheng-Yi-Zi No. 0950128936 dated 2006.07.06
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 2006.10.18
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 2007.01.18
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 2007.04.18
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 2007.07.25
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 2007.04.02
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 2007.07.06
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 2007.10.17
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 2008.01.25
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 2008.06.30
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 2008.07.31
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 2008.07.01
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 2008.10.17

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)
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 2008.11.21
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 2009.04.15
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 2009.07.15
September 2009	10	400,000	4,000,000	224,342	2,243,423	Cash capital increase via private placement in the amount of 120,000	N/A	Jing-Shou-Shang-Zi No. 09801215150 dated 2009.09.18
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 2009.10.21
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 2010.01.18
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 2010.04.20
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 2010.07.19
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 2010.09.16
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 2011.01.19
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 2011.03.15
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 2011.07.05
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 2011.09.13

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)
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 2013.07.01
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 2013.09.27
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 2013.12.19
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 2014.04.17
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 2014.07.15
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 2014.09.30
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 2014.11.27
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 2018.01.03
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 2018.08.29
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 2018.11.23
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 2020.01.30
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 2020.04.23
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 2020.05.07

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)
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 2020.09.14
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 2020.12.31
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 2021.01.29
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 2021.04.07

Type of stock	Authorized capital (shares)			Remarks
	Shares issued and outstanding (Note)	Unissued shares	Total	
Ordinary shares	253,791,607	146,208,393	400,000,000	TPEX-listed shares

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

(II) Shareholder structure

April 30, 2021

Shareholder structure	Government institutions	Financial institutions	Other institutions	Individuals	Foreign institutions and foreigners	Total
Quantity						
Number of people	1	9	325	59,413	177	59,925
Number of shares held	594,000	4,106,000	41,334,026	177,248,353	30,509,228	253,791,607
Shareholding ratio (%)	0.23%	1.62%	16.28%	69.84%	12.03%	100.00%

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

(III) Shareholding distribution

April 30, 2021

Shareholding range	Number of shareholders	Number of shares held	Shareholding ratio (%)
1- 999	23,237	937,379	0.37%
1,000- 5,000	31,219	54,783,690	21.59%
5,001- 10,000	2,870	22,570,645	8.89%
10,001- 15,000	863	10,786,143	4.25%
15,001- 20,000	528	9,839,796	3.88%
20,001- 30,000	420	10,859,281	4.28%
30,001- 40,000	201	7,181,482	2.83%
40,001- 50,000	129	6,030,049	2.38%
50,001- 100,000	220	16,532,838	6.51%
100,001- 200,000	119	16,764,083	6.60%
200,001- 400,000	53	15,321,477	6.04%
400,001- 600,000	17	8,581,277	3.38%
600,001- 800,000	14	9,598,475	3.78%
800,001- 1,000,000	16	14,664,723	5.78%
1,000,001- 99,999,999,999	19	49,340,269	19.44%
Total	59,925	253,791,607	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 30, 2021. Unit: shares

Name of major shareholder	Number of shares held	Shareholding ratio (%)
Chen, Ling-Chuan	5,927,876	2.34%
Yi Yin Investment Co., Ltd.	4,973,000	1.96%
Chen, Li-Pai	4,447,210	1.75%
Berkeley Capital SBL/PB investment account under the custody of Citibank	2,678,000	1.06%
Vanguard emerging markets investment account under the custody of JPMorgan Chase Bank	2,657,000	1.05%
PGIA International Composite Stock Price Index under the custody of JPMorgan Chase Bank	2,527,467	1.00%
ADATA Technology under the custody of CTBC Bank	2,500,000	0.99%
Bao Da Investment Co., Ltd.:	2,366,800	0.93%
President Securities Corp.	2,045,002	0.81%
Cathay Securities Corporation	1,897,582	0.75%
Total	32,019,937	12.62%

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

Unit: 1,000 shares; NTD

Item		Year		2019 (Distributed in 2020)	2020 (Distributed in 2021)	2021 up to March 31
Stock price	Highest			73.00	77.80	91.80
	Lowest			37.95	38.10	68.30
	Average			53.50	62.35	80.28
Net worth per share	Before distribution			34.19	39.00	39.00 (Note 5)
	After distribution			33.99	(Note 1)	-
Earnings Per Share	Weighted average shares			216,987	221,304	221,304 (Note 5)
	Earnings per share	Before retroactive adjustment		1.90	5.45	5.45 (Note 5)
		After retroactive adjustment		1.90	(Note 1)	-
Dividends per share	Cash dividends			1.4	3.50 (Note 1)	-
	Stock dividends	Earnings		-	- (Note 1)	-
		Capital surplus Stock dividend		-	- (Note 1)	-
	Accumulated unpaid dividend			-	-	-
Return on investment analysis	Price-earnings ratio (Note 3)			28.16	11.44	-
	Price-dividend ratio (Note 4)			38.21	17.81 (Note 1)	-
	Cash dividend yield (Note 5)			2.62	5.61 (Note 1)	-

Note 1: The 2020 dividend distribution proposal was passed by the Board of Directors on March 24, 2021, and still needs to be approved in the 2021 annual general meeting.

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, 2021 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 2020.

(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, and then submit the proposal to the shareholders' meeting for resolution.

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 shareholders meeting

The Board of Directors approved the 2020 dividend distribution proposal on March 24, 2021, in which NT\$808,194,258 in cash dividends will be distributed (temporarily set at NT\$3.5 per share).

(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 2020 employee bonuses of NT\$93,218,831 and directors' remuneration of NT\$18,643,766 estimated by the Company was the same as the amounts approved by the Board of Directors on March 24, 2021.
 - (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 24, 2021 adopted the resolution to distribute NT\$93,218,831 in employee bonuses and NT\$18,643,766 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 employee bonuses to be paid in stocks as a percentage of the sum of net income after tax on the stand alone financial statements and total employee bonuses: 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 bonuses and directors' remuneration distributed in 2019 was NT\$27,532,237 and NT\$5,506,447, respectively. Estimates were made based on the percentage specified in the Articles of Incorporation (2019 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 30, 2021

Stock buyback (already completed)	
Date of Board resolution	September 13, 2017
Batch of buyback	Ninth (batch)
Purpose of buyback	Transfer shares to employees
Duration of buyback	From September 14, 2017 to November 13, 2017
Price range of buyback	NT\$54 to NT\$113.60
Type and number of shares bought back	5,623,000 ordinary shares
Amount of shares bought back	NT\$464,268,011
Shares bought back as a percentage of shares expected to be bought back (%)	94%
Number of shares retired and transferred	Transferred 4,085,000 shares to employees on December 15, 2017; retired 1,538,000 shares on December 10, 2020
Cumulative number of the Company's shares held	0 shares
Cumulative number of the Company's shares held as a percentage of current outstanding shares (%)	0%

Stock buyback (already completed)	
Date of Board resolution	March 19, 2020
Batch of buyback	Tenth (batch)
Purpose of buyback	Transfer shares to employees
Duration of buyback	From March 20, 2020 to May 18, 2020
Price range of buyback	NT\$27.5 to 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	N/A
Cumulative number of the Company's shares held	5,461,000 ordinary shares
Cumulative number of the Company's shares held as a percentage of current outstanding shares (%)	2.15%

II. Issuance of corporate bonds:

Issuance of corporate bonds

April 30, 2021

Type of Corporate Bonds	Sixth domestic secured corporate bonds	Seventh domestic secured corporate bonds	
Date of issue	May 8, 2019	September 28, 2020	
Par value	NT\$100,000	NT\$100,000	
Place of issue and trading	-	-	
Issue price	Issued by denomination	Issued by denomination	
Total amount	NT\$1,500,000,000	NT\$1,000,000,000	
Interest Rate	Annual interest of 0%	Annual interest of 0%	
Period	Five-year term: Maturity date: May 8, 2024	Five-year term: Maturity date: September 28, 2025	
Guarantor agency	Chang Hwa Commercial Bank, Ltd.	Hua Nan Commercial Bank, Ltd.	
Trustee	CTBC Bank Co., Ltd.	CTBC Bank Co., Ltd.	
Underwriting institution	E.SUN Securities Co., Ltd.	E.SUN Securities Co., Ltd.	
Certified lawyer	Huang, Tai-Yuan	Huang, Tai-Yuan	
CPA	Yeh, Tsui-Miao and Wang, Fang-Yu	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.	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\$0	NT\$776,300,000	
Terms of redemption or early repayment	See the Issuance and Conversion Regulations for details	See the Issuance and Conversion Regulations for details	
Restrictive clauses	See the Issuance and Conversion Regulations for details	See the Issuance and Conversion Regulations for details	
Names of credit rating agency, rating date, rating of corporate bonds	-	-	
Other rights attached	Amount converted (exchanged or subscribed) to ordinary shares, GDRs, or other negotiable securities up to the date of annual report publication	NT\$1,500,000,000	NT\$223,700,000
	Issuance and Conversion (Exchange or Subscription) Regulations	See the Issuance and Conversion Regulations for details	See the Issuance and Conversion Regulations for details
Issuance and conversion, exchange or subscription regulations, potential dilution caused by issuance conditions, and effect on	Progress already reached 100% as of April 30, 2021. Conversion was completed and over-the-counter trading has been suspended, converted into a total of 29,227,317 ordinary shares.	Assuming that holders of the convertible corporate bonds all convert the bonds into ordinary shares at the price of NT\$57.7,	

Type of Corporate Bonds	Sixth domestic secured corporate bonds	Seventh domestic secured corporate bonds
shareholders' equity		the maximum possible dilution is 5.3%. Hence, it will not have a material impact on shareholders' equity.
Name of custodial institution	-	

Information on Convertible Corporate Bond

April 30, 2021

Type of Corporate Bonds		Sixth domestic secured convertible corporate bonds	
Item \ Year		2020	The current year up to April 30, 2021
		Market price of convertible corporate bonds	Highest	151.00	191.00
Lowest	107.00		134.40
Average	124.03		157.85
Conversion price		NT\$51 per share	Conversion was completed and over-the-counter trading has been suspended
Date of issuance and conversion price		May 8, 2019 NT\$52.2 per share	Same as the left
Method for fulfilling conversion obligation		Issuance of new shares	Same as the left

Type of Corporate Bonds		Seventh domestic secured convertible corporate bonds	
Item \ Year		2020	The current year up to April 30, 2021
		Market price of convertible corporate bonds	Highest	136.05	204.00
Lowest	109.10		127.00
Average	116.43		153.27
Conversion price		NT\$57.7 per share	Same as the left
Date of issuance and conversion price		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 30, 2021

Type of restricted stock awards	First issuance of restricted stock awards in 2020
Effective date	October 13, 2020
Date of issue	February 24, 2021
Number of new shares from restricted stock awards	2,500,000 shares
Issue price	N/A
Shares issued through restricted stock awards as a percentage of current outstanding shares	0.99%
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 two years 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 or subscribed to by employees who fail to meet vesting conditions	The restricted stock awards may be taken back by the Company without compensation and retired.
Number of restricted shares taken back or	0 shares

bought back	
Number of shares with restrictions lifted	0 shares
Number of shares with restrictions not yet lifted	2,500,000 shares
Number of shares with restrictions not yet lifted as a percentage of current outstanding shares (%)	0.99%
Impact on shareholders equity	Dilution of the Company's future EPS is limited, and there is no material impact on shareholder equity.

(II) Managers who obtained employee stock warrants and the names of the top ten employees in terms of employee stock warrants acquired or subscribed for

April 30, 2021

	Title	Name	Shares obtained through restricted stock awards	Shares obtained through restricted stock awards as a percentage of current outstanding shares (Note 2)	Restrictions that were lifted				Restrictions not yet lifted			
					Number of unrestricted shares	Issue price	Issuance amount	Number of unrestricted shares as a percentage of current outstanding shares (Note 2)	Number of restricted shares	Issue price	Issuance amount	Number of restricted shares as a percentage of current outstanding shares (Note 2)
Manager	CEO	Chen, Li-Pai	924,000	0.40%	0	0	0	0%	924,000	0	0	0.40%
	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	Chou, Chen-Hsi (Note 1)										
	Vice President	Hsieh, Tai-Kao										
	Financial officer	Chen, Yen-Shu										
	Head of accounting	Tseng, Shu-Ling										
Employees	Senior Executive Assistant	Li, Tseng-Hua	560,000	0.25%	0	0	0	0%	560,000	0	0	0.25%
	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: Chou, Chen-Hsi resigned on February 29, 2020.

Note 2: Calculated using the 228,514,902 registered shares approved by the Ministry of Economic Affairs on January 29, 2021.

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	2019 revenue	Revenue breakdown	2020 revenue	Revenue breakdown
DRAM products	11,407,001	44.62%	14,586,407	45.26%
Flash products and others	14,155,439	55.38%	17,640,923	54.74%
Total	25,562,440	100.00%	32,227,330	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	Major parts and components of eSports PC, overclocking DRAM, high speed PCIe Gen3 SSD, PCIe Gen 4 SSD, and other eSports peripherals.
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 market originally expected demand on memory to rapidly increase in 2020 following the rise of 5G applications, AI, IoT, and automotive electronics, as well as the expansion of large data centers. However, the outbreak of COVID-19 not only changed the

way consumers, schools, companies, and the government operated and communicated, but also disrupted the development of the tech industry. The COVID-19 pandemic fueled the growth of the stay-at-home economy in 2020, and the significant increase in work from home, distance learning, video conferencing, and online shopping stimulated demand on notebooks, tablet PCs, and servers. Even the PC industry was booming, which had not been seen for a while.

According to statistics of the research survey institute IDC, global PC shipments reached 303 million computers in 2020, up 13.1% year over year and the highest since 2015. Shipments of notebooks and Chromebooks remained at high levels and supported the demand on standard DRAM and SSD, allowing memory prices to remain relatively stable. With strong demand on PC and fluctuations in demand on servers and smartphones, overall demand on memory showed positive growth in 2020, despite average selling price (ASP) declining over the year. Still the margin of decline was significantly lower than 2019. According to a survey by DRAMeXchange, the output value of the global DRAM industry reached US\$67.1 billion in 2020, an increase of 6.1%, while ASP declined by approximately 13% over the year, lower than the over 40% decline in 2019. The output value of the global NAND flash industry reached US\$56.9 billion, up 26.6%, while ASP declined approximately 3.6%, which is still significantly better than the decline of 46% in 2019.

1. Overview of the DRAM industry

Global demand on PC and smartphones clearly lacked growth momentum between 2017 and 2019. Data centers began to adjust their inventory in the second half of 2018, and resulted in excessive supply in the market. Hence, Korean and American memory manufacturers have been very cautious in their capital expenditures over the past few years, and have not implemented any large scale capacity expansion projects.

Continuing the conservative strategy of upstream manufacturers controlling capital expenditures and production in recent years, new DRAM production capacity is expected to be very limited in 2021, and the increase in production capacity will be mainly due to higher yield from process scaling. The top three DRAM manufacturers currently have 80% and above of their capacity in 1Xnm, 1Ynm, and 1Znm processes. Besides increasing the percentage accounted for by 1Znm processes in the future, new generation 1 α process technology will begin mass production, and EUV will be used for mass production of DRAM, accelerating the application in high-end markets such as data centers and 5G applications. DRAMeXchange estimates that the capital expenditures of upstream manufacturers in 2021 will be the same as 2020, DRAM wafer start will increase by approximately 7.2% for the year, and DRAM bit output will increase approximately 18%.

In terms of applications, the top three DRAM applications are smartphones, servers, and PC, accounting for approximately 40%, 34%, and 13%. Server applications continue to show the highest growth out of the top three applications due to the continued growth in demand on cloud computing, and demand growth is expected to reach 20% in 2021. Furthermore, even as the world enters the post-pandemic era and countries began to administer COVID-19 vaccines, work from home and distance learning have already become global trends that are expected to continue driving demand on PC. DRAMeXchange also estimates that demand on PC applications will grow nearly 18% in 2021, which is not only a new high since 2015, but also the first time its growth will surpass smartphones. Overall, we are optimistic about strong demand from PC and data centers, as well as a significant increase in 5G smartphone shipments. Coupled with emerging applications such as automotive electronics and IoT, global demand on DRAM in 2021 expected to grow 18% compared with last year, and insufficient supply of DRAM is expected to continue for an entire year.

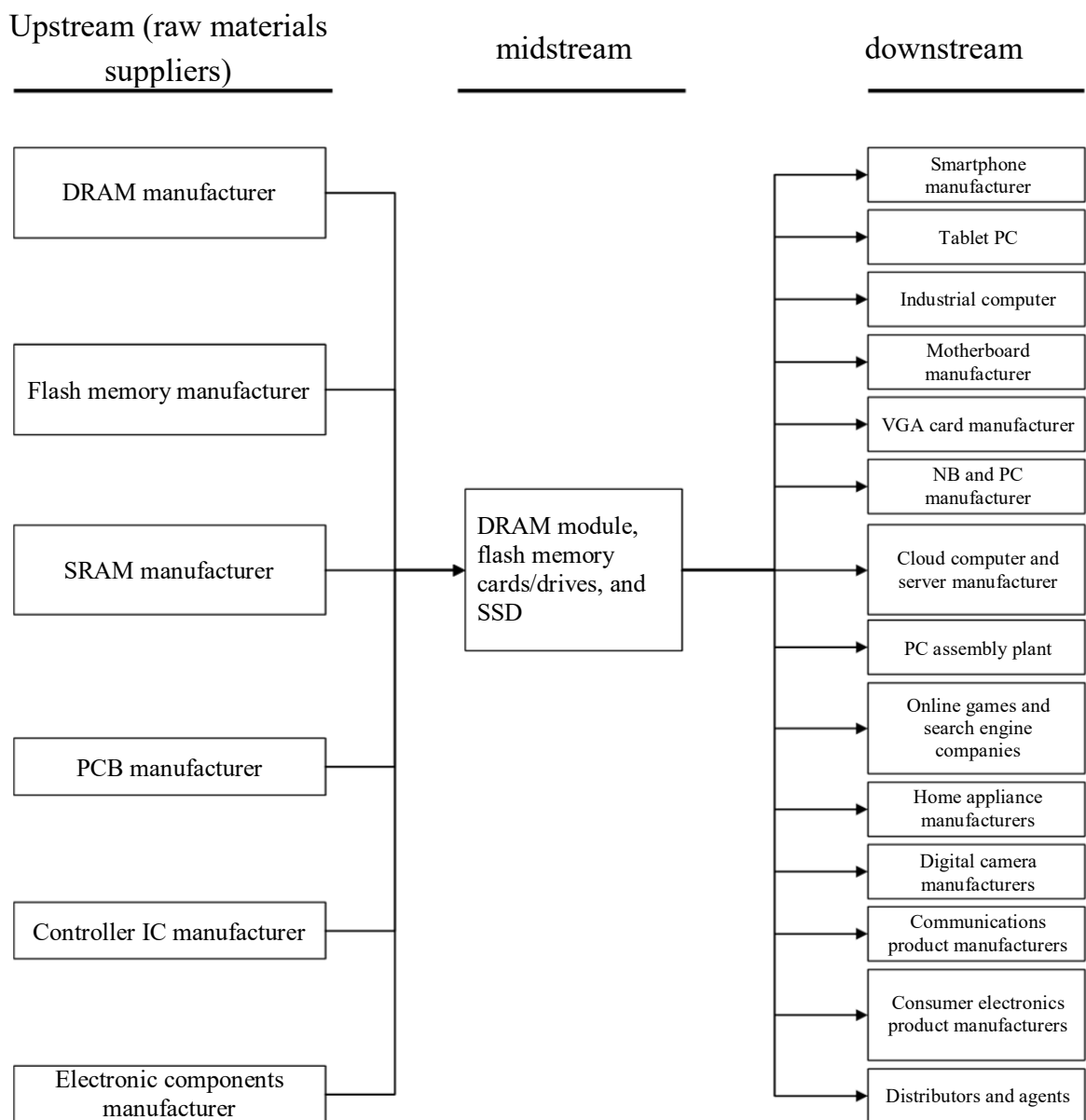
2. Overview of the flash memory industry

NAND flash manufacturers have been much more aggressive in their capital expenditures and expansion plans compared to the DRAM industry in recent years, and Samsung and Kioxia all have plans to expand new product lines. Samsung is not only continuing its Phase II capacity expansion in Xian, but also started deploying a 3D NAND production line in its Pyeongtaek Plant 2. Kioxia is slowly expanding its Kitakami City K1 Plant, and also plans to begin construction of its Yokkaichi City Fab 7 and Kitakami City K2 Plant in 2021 Q1, which will increase its production capacity after 2022. Furthermore, China's Yangtze Memory Technologies Co., Ltd. plans to double its production capacity in 2021, and will skip 96-layer to 128-layer 3D NAND to catch up with process technology. According to DRAMeXchange, capital expenditures of NAND flash manufacturers worldwide only increased 7.7% in 2020, but will significantly increase 32% in 2021, and global NAND flash bit output growth will increase from 31% in the previous year to 36% in 2021.

The reason for such aggressive expansion by NAND flash manufacturers is the expectation for high growth in demand. The market expects smartphones, cloud storage, SSD, and game consoles to drive global demand on NAND flash to increase 35% each year between 2021 and 2023. Due to the deferred effects of 5G applications emerging this year and the continued growth of cloud storage and remote applications, DRAMeXchange expects smartphones, consumer SSD and corporate SSD to account for 80% and above of NAND flash output this year. It is worth noting that strong demand on semiconductor foundry service at the end of 2020 resulted in a shortage of SSD controller IC, which caused SSD terminal applications to stock up in advance and accelerated the use of high capacity SSD. Demand from PC, smartphones, and servers increased NAND flash consumption in 2021 Q1, and NAND flash prices are expected to rise sooner starting in the second quarter.

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

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



- ① Upstream: DRAM module manufacturers are at the midstream of the supply chain. The upstream consists of DRAM module-related raw materials manufacturers, and raw materials include DRAM, printed circuit board (PCB), passive components, and controller IC.
- ② Midstream: The midstream of the DRAM module industry consists of DRAM module manufacturers, which mainly process DRAM PCB, passive components, and controller IC into DRAM modules, and then sell the DRAM modules to downstream application companies.
- ③ Downstream: The downstream of the DRAM 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, and distributors and agents.

4. Product trends

The DRAM market is currently an oligopolistic market dominated by three manufacturers, which have been relatively conservative and cautious with their capital expenditures and capacity expansion in recent years. Aside from process scaling, overall increase in production capacity has been very limited. The main processes of the three major manufacturers are all 1Xnm and 1Ynm in 2020, and they will focus on 1Znm and 1 α processes, which use EUV technology, in mass production in 2021. Upstream memory manufacturers stressed that the new generation DRAM process not only has higher transmission speed and performance, but also smaller packages, which can meet design requirements of 5G multi-lens smartphones and foldable devices. The scope of product applications will be expanded in the future and extended into the field of automobiles.

Furthermore, Intel will launch a processor platform that supports DDR5 in 2021 H2, and the three major DRAM manufacturers have formally begun to switch to their DDR5 product lines. The market expects 2021 to be the first year for DDR5, which will first be used in the server market, and then formally be used in the PC market in 2022.

As for NAND flash, the race in product technology continues. In 2020, 92/96-layer products were the mainstream. Based on the plans of upstream manufacturers, the percentage accounted for by 100-layer and above products will significantly increase in 2021 to gain a cost advantage and increase profit margins and market share. In a different aspect, manufacturers continue to develop new generation special process memory technology, including the 3D XPoint technology jointly developed by Intel and Micron, Z-NAND of Samsung, and XL-Flash of Kioxia were all developed for data centers and high-end applications markets.

With 2021 designated as the year of 5G, major mobile phone brands around the world are all launching their latest 5G smartphones, and it has reflected on the demand on memory capacity. In the case of a 5G smartphone other than Apple's flagship iPhone, the highest specs have reached 16G RAM and 512GB of storage space, while the RAM of iPhone 12 Pro has also increased to 6GB.

5. Product Competition

DRAM and NAND Flash prices are affected by changes in supply and demand in addition to the gradual development towards oligopoly in the upstream of the industry. Keeping track of industry dynamics and maintaining a steady source of material supply through business cycles becomes a major challenge for management. 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, so that customers are provided with sufficient resources.

As for product development, faster development of new products and expansion of their application scopes are the tools that memory module manufacturers need to expand their presence. Applications such as gaming, industrial control, IoT, and automotive electronics have great growth potential, and are the emerging blue oceans that ADATA is focusing its efforts on. Our company provides customized industrial control solutions and proactively develops its own exclusive software and firmware technologies, making it a

one-stop source for customers looking for high performance, high reliability, high stability, and high added value. Furthermore, we have obtained the highest level certification for in-vehicle devices IATF 16949: 2016, and have achieved the unified standard of the global automobile industry with respect to product design, production process, and product quality. As such, we are able to manufacture products that meet their specifications.

(III) Overview of Technology and R&D

1. R&D expenses in the past year

Unit: NT\$1,000; %

Item \ Year	2020	2021 Q1
R&D expenses	405,794	-
Operating revenue	32,227,330	-
R&D expenditure as a percentage of operating revenue	1.26%	-

Note: As of the date of report, 2021 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
2020	DRAM memory modules <ul style="list-style-type: none"> ■ OBM DDR4 2666(19-19-19-43) 1.2V U-DIMM/SODIMM/VLP UDIMM 32GB Increased the capacity of a single memory module from 16GB to 32GB and the maximum capacity of a system is 128GB. ■ OBM DDR4 3200(22-22-22-52) 1.2V U-DIMM 8GB/16GB/32GB Meets the demand of current and next generation CPUs in PC on memory speed and bandwidth. ■ OBM DDR4 3200(22-22-22-52) 1.2V SO-DIMM 8GB/16GB/32GB DDR4-3200 became the standard for notebooks in 2020 2H, and we have make preparations to meet the demand from OBM, SI, and IA customers. ■ OBM DDR4 3200(22-22-22-52) 1.2V VLP U-DIMM 8GB/16GB/32GB The products provided to IA customers and PC and 1U servers in Greater China meet the demand on higher speeds and capacity. ■ XPG DDR4 3600 (14-15-15) 1.45V U-DIMM 8GB/16GB ■ XPG DDR4 3200 (14-14-14)/(14-18-18) 1.35V U-DIMM 8GB/16GB High speed low latency product, read and write speed 20-30% faster than DDR4-2666 products, and allows users of older generation platforms to also enjoy the smooth experience provided by overclocking. ■ XPG DDR4 5738 (LN2)8GB sets world record with its overclocking technology SPECTRIX D60 is the world's first large area RGB lighting series that has attracted market attention and caused competitors to launch similar products. The extreme overclocking of the D60 series successfully set the record for fastest speed.
	Solid state drives (SSD)
	<ul style="list-style-type: none"> ■ The world's first four-channel Gen4 x 4 PCIe SSD has a single-sided design that can be applied in the notebook market and is available in 512GB/1TB/2TB. ■ FALCON is the first PCIe with eight-channel SSD, DDR less, and capacity up to 2TB. ■ SWORD FISH, two-sided design, DDR less, four-channel design, and capacity up to 2TB.
	Memory card
	<ul style="list-style-type: none"> ■ High Endurance microSDXC/SDHC UHS-I memory card was developed specifically for dash cams and surveillance systems, and can be used to write high definition video over a long period of time, meeting A2 (APP Performance Class 2) standards. It improves app access performance and energy efficiency, and achieves Video Speed Class V30, which is a minimum write speed of 80MB/S. Furthermore, the memory card is water proof, shock resistant, x-ray resistant, and resistant to extremely high and low temperatures, and can keep on recording day after day in harsh environments.
	UFD
	<ul style="list-style-type: none"> ■ The UV350 flash drive has a clean and simple design without a cap, so users do not need to worry about losing the cap. The tail end has a charm hole so that it will be easier to carry around. It has a capacity of up to 64GB, USB 3.2 Gen 1 storage speed, and can easily store thousands of photos or audiovisual files.
	External HDD
	<ul style="list-style-type: none"> ■ HM800: 3.5" USB3.1 product with capacity reaching 8TB. It is a compact 3.5" external HDD that supports TV recording, and can both record and play TV programs and videos. Furthermore, it has a thoughtful one-key backup function that will automatically backup files with one touch, so that you can store every touching video! ■ HD770G: 2.5" USB3.1 product with capacity reaching 2TB. It is ADATA's first RGB Durable external HDD with exclusive lighting effects technology and proprietary lighting effects technology, using asymmetrical geometric patterns for RGB lights to shine through. Its water/dust resistance exceeds IP68 and it has military grade shock resistance. Furthermore, it has three layers of special shock resistant material that provides data with impermeable protection, and RGB lights to light up its surroundings!
	External SSD
	<ul style="list-style-type: none"> ■ SE800, USB3.2, built-in PCIe controller, transmission speed reaching 1000/1000MB per second, and water and dust resistant design. ■ SC680/SC685, USB3.2, and transmission speed reaching 530/460MB per second. ■ SD600Q: Read/Write speed can reach up to 440MB per second, 4 times faster than conventional external HDD, and uses new 3D flash memory with excellent performance and high stability, so that there is no delay in data transmission. Only weighs 60g, both light and portable, and has military grade shock

Year	R&D Project Results
	<p>resistance, quiet, excellent cooling, and lower power consumption. It can be used by notebooks, PC, Android phones, and tablet PC, and its cool and wild sporty design makes it a new option for external storage devices!</p>
	<p>■ SE760: An external SSD that brings together elegance and high performance developed exclusively for business professionals. Simple streamlined design with a metal case and hairline pattern. Offers the quality of luxury goods to improve the user's professional image. Uses the USB 3.2 Gen 2 Type-C interface and has a read speed reaching 1000 MB/s, 12.5x faster than conventional external HDD, significantly shortening data transmission time. Supports numerous operating systems, including Windows, Mac, and Android, so that word data can be transferred at will, making it the best external storage devices for workers.</p>
	<p>Power bank</p>
	<p>■ S10000 (10000mAh) has 10000mAh of power, two USB ports with maximum current reaching 2.1A, so that it can charge two mobile devices at the same time. It also 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.</p>
	<p>■ S20000D (20000mAh) has 20000mAh of power, two USB ports with maximum current reaching 2.1A, so that it can charge two mobile devices at the same time. It has a battery percentage display function and also 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.</p>
	<p>■ T10000 (10000mAh) has 10000mAh of power, two USB ports with maximum current reaching 2.1A, so that it can charge two mobile devices at the same time. It also has five smart protection mechanisms, including over-charge protection, over-discharge protection, short-circuit protection, over voltage protection, and over current protection.</p>
	<p>■ T5000C (5000mAh) has 5000mAh of power, one USB port with maximum current reaching 2.1A, and one USB Type C port with maximum current reaching 3A, so that it can charge two mobile devices at the same time. It is ADATA's first power bank to support USB Type C, and also 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.</p>
	<p>XPG products: Mouse and keyboard</p>
	<p>■ SUMMONER uses the world famous CHERRY MX RGB mechanical keyswitch, speed silver switch: Low actuation point for fast and sensitive response. Blue switch: Distinct "click" sound when pressed to provide clear tactile feedback. Red switch: Silent without clear tactile feedback. RGB lights have up to 7 built-in light effect modes. Multimedia control – Real-time volume and audio adjustment. Macro key – Turns on game mode to rapidly record keyboard shortcuts. 100% N-Key Rollover – Prevents actuation from becoming ineffective due to conflicting signals. Magnetic ergonomic wrist rest is fast and easy to install or remove.</p>
	<p>■ Battleground XL CORDURA® military grade fabric is scratch and wear resistant, and water repellent, allowing your mouse to maintain excellent stability. Ergonomic soft surface gives your wrist and arm excellent comfort. Anti-slip rubber base design provides outstanding stability, allowing it to securely stick to the surface and effectively prevent fabric from accumulating and obstructing mouse movement.</p>
	<p>■ HEADSHOT is the world's first revolutionary and innovative eSports mouse that represents the convergence of two innovation trends: AI and 4D printing. 4D printing technology is 3D printing plus materials science, and products will automatically form over time and maintain their shape. A unique eSports mouse specifically made for each individual professional gamer is created using structures that are able to maintain their shape and tailored to the palm size and habits of each individual. HEADSHOT's sensor can reach 16000DPI, its design is fine tuned based on ergonomics and aesthetics, giving it both functionality and aesthetic appearance. This will undoubtedly make it the hottest eSports mouse in recent years.</p>
	<p>■ PRIMER uses a high spec OMRON micro switch that can withstand 20 million clicks, insisting on its durability and comfort. It is equipped with an optical sensor reaching 12,000dpi for excellent operability and unparalleled precision. The five-stage DPI adjustment allows users to free switch between cursor speed, easily adjusting it to a state that most suits them. The built-in RGB lights and ergonomic design provides the utmost comfort and sets the tone for a campaign.</p>
	<p>XPG products: Audio products</p>
	<p>■ PRECOG is the world's first dual-driver pro-gaming headset with an electrostatic + dynamic structure that generate powerful sound effects that will blow you away, and further optimized the dynamic base. Electrostatic driver: Provides clear high pitch sound. Dynamic driver: Provides a full and solid base sound.</p>

Year	R&D Project Results
	<p>Built-in FPS, virtual 7.1 and music modes. When the FPS mode is turned on, it will enhance the user's situational awareness. Environmental noise cancellation technology effectively eliminates ambient noise from the microphone, and the ergonomic ear cushions are made from memory foam thinner in the front and thicker at the back to fit your head shape and reduce pressure. The auto-adjust headband balances the ear cups and provides just the right amount of clamping force. The rotatable ear cups swivel so you can place them flat when you are resting. Equipped with USB Type-C and 3.5mm control boxes that come with USB adapter for cross-platform compatibility, including Switch, PC, notebook, XBOX, PS4, and eSports phones.</p>
	<p>■ XPG products: Computer parts and components</p>
	<p>■ LEVANTE 240 ARGB CPU cooler uses state-of-the-art Asetek cooling technology to ensure the best cooling quality for CPU temperature control. The 0.15mm thin copper skived fins provide larger cooling area and improve the heat exchange efficiency. Comes with two 120mm fans with dual RGB (each with 24 ARGB LED) and supports synchronization with the ARGB light effects of motherboards made by different manufacturers. The low noise FDB PWM fan was designed with an automatic reboot mechanisms with a MTBF reaching 40,000 at 40°C, optimize cooling performance and fan noise.</p>
	<p>■ CORE REACTOR is an 80 Plus gold certified fully modular power supply unit that comes in 650W, 750W, and 850W, and achieves up to 92% power conversion efficiency. It uses a LLC circuit and Japanese-made capacitors that can withstand temperatures up to 105°C, effectively reducing noise by up to 35%, increasing power stability. Cybenetics LAMBDA/ETA-A certified with better noise levels and usage efficiency, and obtained noise level and efficiency certifications. Built-in smart fan temperature control function that can maintain fan speed within the most suitable range to achieve low noise levels. Controls voltage and speed at 3.3V and 660rpm when turned on, and only begins to change when load reaches 50%, which increases service life. Industrial grade protection mechanisms, over-current protection (OCP); Over-voltage protection (OVP); Under-voltage protection (UVP); Over-power protection (OPP); Short-circuit protection (SCP); Over-temperature protection (OTP); No-load operation (NLO); Surge and inrush protection (SIP).</p>
	<p>■ BATTLECRUISER has a stunning appearance with an aluminum construction and 4 glass panels, built-in with 4 ARGB fans that have 12 light effect modes, a magnetic front panel, and a modular tool-less design. Its excellent airflow design with four 120mm silent fans achieve outstanding cooling performance. Supports up to 300mm E-ATX motherboards and up to 400mm graphics cards; the front panel and top panel can support up to 360mm liquid cooler and three 120mm fans. Has excellent expandability and can support up to 2+1 3.5" and 5+2 2.5" HDD/SSD. Multi-function I/O interface that is easy to use and built in with Type C and Type A ports for extensive compatibility.</p>
	<p>■ INVADER consists of a metal structure and transparent panels with 12 built-in lighting effect modes. The magnetic and tool-less installation design makes it easy to setup without any tools. Its excellent airflow design with a 120mm silent fan achieves outstanding cooling performance. The modular design can support 360mm liquid cooling, three 120mm fans, and the top panel can support 240mm liquid cooling and two 120mm fans. The modular hard disk frame design provides excellent expandability and can support up to 2+1 3.5" and 2+2 2.5" HDD/SSD.</p>
	<p>■ Prime ARGB Extension Cable-MB extension cable uses high brightness ARGB LED. Besides using the controller to adjust lighting effects, it is also compatible with the RGB light control software of major motherboard manufacturers. The 24pin interface can be used for motherboard extension cable, and the controller has 8 built-in ARGB lighting effects. PRIME ARGB motherboard extension cord has patented optical fiber sleeving, which has a fine texture and effectively increases transmittance, making ARGB lighting effects even more colorful. With its 16AWG pure copper strand cables, XPG PRIME ARGB extension cord has excellent transmission efficiency and reduces energy waste.</p>
	<p>■ Prime ARGB Extension Cable-VGA graphics card extension cable uses high brightness ARGB LED, and is compatible with the RGB light control software of major motherboard manufacturers. The 8Pin(6+2) interface can be used for graphics card extension cords, and comes with two power cords for different ways to connect your graphics card. PRIME ARGB graphics card extension cord has patented optical fiber sleeving, which has a fine texture and effectively increases transmittance, making ARGB lighting effects even more colorful. With its 16AWG pure copper strand cables, XPG PRIME ARGB graphics card extension cord has excellent transmission efficiency and reduces energy waste.</p>
	<p>XPG products: Gaming Notebook</p>
	<p>■ XENIA gaming notebook was jointly designed with Intel, the world's leading chip manufacturer. This 15.6" notebook has a resolution of 1080P, 144Hz IPS monitor, cool appearance, light weight, the new 9th generation core, RTX2070 Max Q graphics card, and storage devices will be XPG SX8200 Pro 1TB M.2</p>

Year	R&D Project Results
	SSD and 32GB DDR4, making it a light weight fashionable notebook with extreme performance.
	<p>XPG products: Gaming PC</p> <ul style="list-style-type: none"> GAIA Ghost Canyon Mini PC GAIA is a mini PC jointly developed with Intel for gaming. Its design is the same as the Ice Lake gaming notebook and new generation NUC products to be announced by Intel. The main feature is the ability to install Core i9, i7, and i5 processors in 5L, and it has dual slots for installing graphics cards, an exchangeable PCI slot for motherboards (up to 8 inches), and can support up to RTX 2070 graphics cards. It is also equipped with dual port Thunderbolt 3 and 500W 80PLUS®Platinum certified compact PSU below. The mini PC provides powerful performance. Comes in white and pink and offers an extraordinary experience with mini PCs. The storage devices will be XPG SX8200 Pro 1TB M.2 SSD and 32GB DDR4.
2021	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.
	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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.
	SDD Enclosure
	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. 	
<ul style="list-style-type: none"> 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 	

Year	R&D Project Results
	<p>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.</p>
	<ul style="list-style-type: none"> ■ 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. ■ 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.

Year	R&D Project Results
	<p>■ 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> <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> <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>
	<p>■ 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.</p> <p>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.</p>
	<p>■ 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.</p> <p>■ 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>
	<p>XPG products: Audio products</p>
	<p>■ 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.</p> <p>■ 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.</p> <p>■ 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</p>

Year	R&D Project Results
	<p>frequency range of 5Hz to 50kHz, allowing gamers to experience the thrill of battle with audio quality close to the original sound.</p> <ul style="list-style-type: none"> ■ 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 highest spec 15.6" notebook – XPG XENIA Xe, declaring the ascension of industry leaders. The notebook 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. Supports Wi-Fi 6 and Thunderbolt 4 and has excellent connectivity. 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. ■ 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.

(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 overview

(I) Market analysis

1. Sales regions of main products

Unit: NT\$1,000; %

Region \ Year		2019		2020	
		Sales amount	Percentage (%)	Sales amount	Percentage (%)
Domestic sales		3,109,928	12.17	3,576,822	11.10
Exports	Europe	3,910,752	15.30	4,209,863	13.06
	Asia	10,613,754	41.52	12,712,745	39.45
	Americas	6,963,500	27.24	10,380,162	32.21
	Other	964,506	3.77	1,347,738	4.18
	Total	25,562,440	100.00	32,227,330	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 2020, ADATA is 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 our flexible distribution channel strategy.

3. Future supply and demand situation and market growth

(1) DRAM memory modules

The DRAM market went into a correction in 2018, and DRAM manufacturers have been conservative in their capital expenditures and DRAM bit output in recent years. According to statistics of DRAMeXchange, the capital expenditures of DRAM upstream manufacturers only increased 6% in 2021 compared to 2020, and wafer start increased approximately 7.2%. Global DRAM bit output is expected to increase approximately 18% in 2021, similar to the increase of 19% in 2020 and 14% in 2019, and the increase was mainly from advanced processes, which has a relatively limited increase.

On the demand side, the outbreak of COVID-19 led to the rise of the stay-at-home economy. With more and more people working from home and engaging in distance learning, it has driven an increase in notebook and server shipments. The launch of 5G phones and game consoles, as well as the accelerated transformation of digital products, continue to increase DRAM applications.

According to statistics, the amount of DRAM used in servers accounted for approximately 34% of overall DRAM output in 2021, in which bit output increased about 20%, and remained the highest among DRAM applications. DRAMeXchange estimates that DRAM in mobile devices will account for 40% DRAM output in 2021, while standard DRAM will account for 13%.

(2) NAND flash related applications and products

Optimistic about the high growth potential of the NAND flash market, which will be driven by demand from 5G, IoT, self-driving cars, cloud data storage, and new generation game consoles using SSD as its storage device, NAND flash manufacturers have been relatively aggressive in developing process technologies and expanding capacity compared with the DRAM industry. From a long-term perspective, all NAND

flash manufacturers have capacity expansion plans, and Yangtze Memory Technologies Co., Ltd., which is just entering the market, will soon 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 of smartphones, data centers, and game consoles on NAND flash will continue to grow significantly between 2021 and 2023, maintaining annual growth rates of 30% and above. The new generation game consoles PS5 and Xbox Series S and X use SSD instead of HDD as their storage device. The game consoles also plan to support external SSD in the future, and the demand will create new growth momentum for the NAND flash market. Furthermore, the massive amount of data from work from home, distance learning, and online conferences due to the pandemic has also driven demand on cloud storage. Corporate demand on SSD and NAND flash will also continue to rise. Corporate demand on SSD is expected to grow over 40% annually in the next 2-3 years, the fastest among all NAND flash applications.

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 built supply chain relationships through the strategies of diversification and long-term partnerships since it was established, 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 field of memory modules. Through long-term cooperation and interactions, ADATA has been able to stay up-to-date on trends in 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 line and continue to launch new products in the memory market.

- (2) Flexible brand strategy and seizing the eSports market through diversification

ADATA continued to develop high profit margin businesses in recent years, including XPG eSports products, electric vehicle motors and control systems, commercial electric tricycles of ALWAYSPEED, and industrial control. The Company's gaming brand XPG not only develops high performance memory modules, SSD, and gaming headsets, but also worked with Intel for the first time to become a system developer, launching the first gaming notebook "XENIA" and mini gaming PC "GAIA." With the goal to create a comprehensive eSports lifestyle, seize the gaming peripherals market, and expand product lines to liquid coolers, cases, and fans, allowing gamers to experience gaming with extreme performance.

Furthermore, our electric motor power system formally entered the green energy logistics market last year after years of development, and we established the brand "ALWAYSPEED." ALWAYSPEED launched the first commercial electric tricycle targeting urban logistics demand. It is the first electric tricycle with capacity reaching 200 kg and container capacity over 800L, and is the only electric tricycle in Taiwan to meet EU regulations for turning stability. Besides conventional commercial transportation applications, ALWAYSPEED will continue to launch other models to meet the needs of different groups on electric vehicles.

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

(1) Advantages:

- ① Digital transformation in the post-pandemic era will create new business opportunities from memory applications:

People have already changed the way they work, learn, and live due to the COVID-19 pandemic in 2020. Even in the post pandemic era with people gradually being vaccinated, people will not return to their old way of life. Work from home and e-learning will only become even more pervasive, becoming the new norm in the future. 5G applications that were put on hold due to the pandemic will begin to pick up the pace of development as the pandemic subsides. Smartphones, cloud computing, IoT, and electric vehicle applications will all create massive demand on memory, and further drive the development of applications in the memory industry. Sumit Sadana, executive vice president and chief business officer at Micron Technology, said that 5G phones will more than double in 2021. The number of 5G phones worldwide was still less than 250 million 2020, but is expected to grow to 500 million in 2021. In the past, a typical phone had about 64GB of memory. In the future, this will be upgraded to 128GB and high-end phones will be upgraded from 128GB to 256GB.

Following upgrades of 5G applications and self-driving vehicle systems, demand on memory will also show rapidly growth. DRAMeXchange expects the average DRAM capacity of an electric vehicle to only be 4GB in 2021, but once DRAM specifications reach LPDDR5, the amount of DRAM on each vehicle will grow n-fold to 8GB, 14GB, and even 20GB, and average usage will far exceed current PCs or smartphones.

- ② New generation game consoles using SSD and the rise of cloud gaming will create new demand on memory:

The upgrade of NAND flash technology and decline of unit cost have led to the rapid rise of SSD applications. Over 80% of notebooks are now equipped with SSD, and Microsoft and Sony formally launched their new generation game console with SSD instead of HDD at the end of 2020; each game console is equipped with SSD that has a capacity of 512GB to 1TB, which has created new demand in the NAND flash market. Game console manufacturers will allow a second SSD to be added and continue to increase memory capacity in the future to meet the needs of gamers to store more high-end games. DRAMeXchange expects SSD shipments for game consoles to account for 3-5% of global SSD shipments in the next 2-3 years. Furthermore, Google, Microsoft, and NVIDIA have entered the cloud gaming market, and demand on server processing and data storage from cloud gaming platforms will inevitably rise in the future to provide consumers with a high speed, stable, and high definition gaming experience.

(2) Unfavorable factors and response measures:

- ① International trade wars are unpredictable and have impact global industries:

From the US-China trade war that started in 2018 to Japan imposing export controls on South Korea in 2019, trade sanctions between countries not only impact two countries, but also the global economy, markets, and industries. In the case of the technology industry, the US imposed 15%-25% tariffs on US\$362 billion worth of products imported from China. This forced electronics companies that relied on China for manufacturing to relocate their production bases to Taiwan, Thailand, and Vietnam. Even though the US and China have a temporary truce and signed the phase one agreement, which suspends tariffs on consumer electronics products such

as notebooks and smartphones, the technology industry diversifying its risks and OEMs relocating their production lines is a trend that can no longer be stopped.

Response measures:

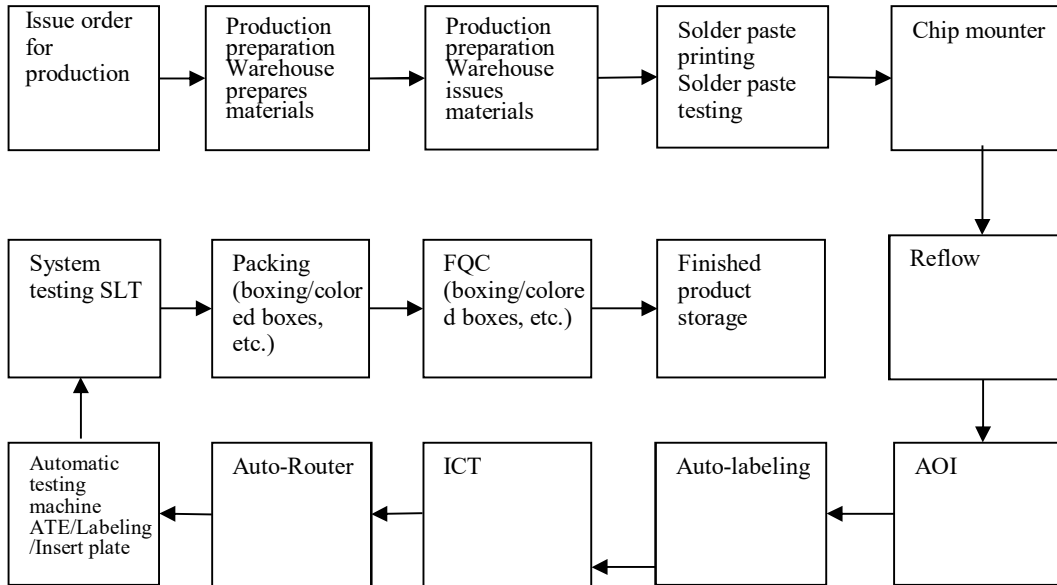
- A. Diversification of suppliers and production bases: The Company has adopted the strategy of diversifying its suppliers for years to prevent the risk of supply and production being too concentrated. The world's main memory manufacturers, including American, Korean, and Taiwanese manufacturers and China's Yangtze Memory Technologies Co., Ltd., 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. 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 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, Nanya Technology Corporation, Supreme Electronics Co., Ltd., SanDisk, INTEL, and Micron Technology, Inc.	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	2019				2020				2021 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	6,719,546	29.02	N/A	B11	6,732,599	24.42	N/A	N/A	-	-	N/A
2	B02	2,738,529	11.83	N/A	B06	5,684,625	20.62	N/A	N/A	-	-	N/A
3	B06	2,515,580	10.86	N/A	B02	3,431,279	12.45	N/A	N/A	-	-	N/A
	Other	11,184,223	48.29	N/A	Other	11,722,702	42.52	N/A	Other	-	-	N/A
	Net purchase	23,157,878	100.00	N/A	Net purchase	27,571,205	100.00	N/A	Net purchase	-	-	N/A

Note: As of the date of report, 2021 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:

ADATA 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	2019				2020				2021 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	2,008,984	7.87	N/A	A15	1,979,264	6.14	N/A	N/A	-	-	N/A
2	A12	964,534	3.77	N/A	A05	1,719,818	5.34	N/A	N/A	-	-	N/A
3	A05	913,678	3.57	N/A	A17	1,176,863	3.65	N/A	N/A	-	-	N/A
	Other	21,675,244	84.79	N/A	Other	27,351,385	84.87	N/A	Other	-	-	N/A
	Net sales	25,562,440	100.00	N/A	Net sales	32,227,330	100.00	N/A	Net sales	-	-	N/A

Note: As of the date of report, 2021 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, one customer accounted for 5% of total sales in 2019, and two customers accounted for 5% of total sales in 2020, 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; NT\$1,000

Output quantity and value	Year	2019			2020		
		Production capacity	Output volume	Output value	Production capacity	Output volume	Output value
Main products							
Memory modules		14,500	13,825	11,155,198	17,400	16,972	13,060,129
Flash memory products		26,300	25,915	9,644,770	27,000	26,606	10,851,610
Total		40,800	39,740	20,799,968	44,400	43,578	23,911,739

6. Sales volume and value in the past two years

Unit: 1,000; NT\$1,000

Sales volume and value	Year	2019				2020			
		Domestic sales		Exports		Domestic sales		Exports	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Main Products									
DRAM products		7,775	1,457,819	10,922	9,949,182	3,604	1,157,783	22,998	13,428,624
NAND Flash products		4,828	940,181	53,609	9,985,709	5,249	1,269,003	63,510	12,964,352
Other		18,471	710,873	11,056	2,518,676	18,723	366,337	52,016	3,041,231
Total		31,074	3,108,873	75,587	22,453,567	27,576	2,793,123	138,524	29,434,207

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

Unit: Individual

Year		2019	2020	The current year up to March 31, 2021
Number of employees	Manager	220	231	227
	General employees	877	954	944
	Production line Staff	596	651	802
	Total	1693	1836	1973
Average age		39.46	35.17	34.59
Average years of service		4.95	3.51	3.27
Academic qualification	Doctoral Degree	0.61%	0.61%	0.60%
	Master	23.51%	26.00%	27.00%
	Bachelor	68.40%	66.78%	64.80%
	Senior High School	6.72%	6.00%	7.00%
	Senior High School and below	0.76%	0.61%	0.60%

IV. Information on environmental protection expenses

(I) 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 is fully in compliance with the Restriction of Hazardous Substances Directive (RoHS) (EU) 2011/65 (Pb, Cd, Hg, Cr6+, PBBs, and PBDEs) and Commission Delegated Directive (EU) 2015/863 (EU) 2015/863 (DEHP, BBP, DBP, and DIBP). The Company has completed eco-friendly lead-free processes, eco-friendly materials procurements, and established environmental protection related regulations, and has also purchased testing equipment for eco-friendly products. Eco-friendly processes were completed in 2006, and the Company continued to raise awareness of environmental protection, completing the update to RoHS2.0 2011/64 in 2020.

(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. The Company's major objectives and management plans are summarized below:

Serial No.	Goal	Target	Management plan	Implementation results
1	Prevent fire accidents from occurring	0 fire accidents	Fire accident management plan	0 fire accidents
2	Safety education and training	<ol style="list-style-type: none"> 1. 100% coverage of level 3 safety education 2. Continue to 100% implement certification training (safety management, occupational health management, special operation/management personnel, safety squad leader, X-ray, and chemicals management) 3. Implement 100% of internal training projects (factory/department 	Implementation Plan for the Responsibility System for Safety in Production	Achieved 100% of training in items 1-5.

Serial No.	Goal	Target	Management plan	Implementation results
		level) 4. Implement 100% change training 5. Implement 100% of related training		
3	Safety testing and inspection	Special equipment testing rate reaches 100%	Implementation Plan for the Responsibility System for Safety in Production	Achieved 100% special equipment testing
4	Environment monitoring	Environment monitoring 2 times/year	Implementation Plan for the Responsibility System for Safety in Production	Achieved environment monitoring 2 times/year
5	Risk management	Risk identification and assessment covered 100% of positions	Implementation Plan for the Responsibility System for Safety in Production	Risk identification and assessment achieved coverage of 100% positions
6	Emergency response management	The Plan for Emergency Response Drills was 100% implemented	Implementation Plan for the Responsibility System for Safety in Production	The Plan for Emergency Response Drills was 100% implemented
7	Correction and prevention	Correction and prevention measures 100% implemented	Implementation Plan for the Responsibility System for Safety in Production	Correction and prevention measures 100% achieved
8	Reduces the occurrence of accidents	Minor incidents ≤ 15 per month 0 incidents resulted in death, severe injury, mild injury, or economic losses reaching 3 days and above 0 occupational diseases	Implementation Plan for the Responsibility System for Safety in Production	Minor incidents ≤ 15 per month 0 incidents resulted in death, severe injury, mild injury, or economic losses reaching 3 days and above 0 occupational diseases

V. 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.

(I) 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 Mid-Autumn Festival and birthdays, and subsidies for marriage childbirth, and funeral.

- 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:
- 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 2020 are as follows:

No.	Category	Number of courses	Course hours
1	Orientation	14	28.5
2	Specialized training	19	25
3	General knowledge training	34	47.5
4	Management training	4	8.5
5	Auditing laws	19	58
Total		90	167.5

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, planning, procurement, quality, R&D, and EHS.

General knowledge training: Provides all employees with creative thinking, presentation techniques, and new legal knowledge.

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

Auditing laws: 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.
- (II) 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:

New Taipei City Government Labor Affairs Department conducted a labor inspection at the Company on June 11, 2020, and imposed a total fine of NT\$96,000, including NT\$48,000 for not providing 30 minutes of rest after 4 consecutive hours of work in accordance with Article 35 of the Labor Standards Act, and NT\$48,000 for not recording daily attendance to the minute (Lao-Jian-Zi No. 10947819111 from New Taipei City Government) in accordance with Article 30, Paragraph 6 of the Labor Standards Act. This was a one-time event and we immediately made improvements.

VI. Important contracts

April 30, 2021

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 to 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	Bank of Taiwan, etc. Thirteen banks	August 21, 2017 to August 21, 2022	Long-term borrowings	Maintain a certain financial ratio

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, 2021 (Note 3)
			2016	2017	2018	2019	2020	
Current assets			13,799,363	15,928,611	9,518,142	13,225,969	16,747,644	-
Property, plant and equipment			5,507,593	6,136,590	5,646,282	5,562,107	4,854,947	-
Intangible assets			77,421	418,203	963,351	898,271	760,791	-
Other Assets			5,377,146	5,553,893	6,540,494	5,218,609	5,763,273	-
Total Assets			24,761,523	28,037,927	22,668,269	24,904,956	28,126,655	-
Current liabilities	Before distribution		11,885,238	10,423,499	11,908,968	8,061,767	12,088,088	-
	After distribution		12,755,739	11,732,623	11,952,605	8,372,926	(Note 2)	-
Non-current liabilities			3,913,383	7,411,557	2,927,234	8,596,269	6,418,930	-
Total liabilities	Before distribution		15,798,621	17,835,056	14,836,202	16,658,036	18,507,018	-
	After distribution		16,669,122	19,144,180	14,879,839	16,969,195	(Note 2)	-
Equity attributable to owners of parent			8,689,839	9,141,584	7,190,825	7,575,310	8,953,803	-
Share capital			2,299,734	2,241,724	2,197,254	2,237,943	2,363,736	-
Capital surplus			3,686,816	3,642,203	3,586,935	3,832,766	4,476,729	-
Retained earnings	Before distribution		3,229,022	4,056,806	2,463,820	2,798,093	3,784,702	-
	After distribution		2,358,521	2,747,682	2,420,183	2,486,934	(Note 2)	-

Other equity	(611)	(533,983)	(854,658)	(1,130,730)	(1,318,554)	-
Treasury stock	(525,122)	(265,166)	(202,526)	(162,762)	(352,810)	-
Non-controlling interest	273,063	1,060,657	641,242	671,610	665,834	-
Total equity	Before distribution	8,962,902	10,202,241	7,832,067	8,246,920	9,619,637
	After distribution	8,092,401	8,893,117	7,788,430	7,935,761	(Note 2)

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

Note 2: The 2020 dividend distribution proposal was passed by the Board of Directors on March 24, 2021, and still needs to be approved in the 2021 annual general meeting.

Note 3: As of the date of report, 2021 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, 2021 (Note 3)
		2016	2017	2018	2019	2020	
Current assets		11,793,637	12,424,204	7,340,373	10,209,397	12,966,041	-
Property, plant and equipment		1,610,354	1,988,501	1,729,368	1,845,119	1,410,288	-
Intangible assets		67,783	66,908	52,437	43,908	30,598	-
Other Assets		12,127,433	13,619,761	14,133,351	12,950,353	13,210,549	-
Total Assets		25,599,207	28,099,374	23,255,529	25,048,777	27,617,476	-
Current liabilities	Before distribution	13,013,195	11,667,033	13,236,023	9,007,914	12,377,535	-
	After distribution	13,883,696	12,976,157	13,279,660	9,319,074	(Note 2)	-
Non-current liabilities		3,896,173	7,290,757	2,828,681	8,465,552	6,286,138	-
Total liabilities	Before distribution	16,909,368	18,957,790	16,064,704	17,473,467	18,663,673	-
	After distribution	17,779,869	20,266,914	16,108,341	17,784,626	(Note 2)	-
Equity attributable to owners of parent		8,689,839	9,141,584	7,190,825	7,575,310	8,953,803	-

Share capital		2,299,734	2,241,724	2,197,254	2,237,943	2,363,736	-
Capital surplus		3,686,816	3,642,203	3,586,935	3,832,766	4,476,729	-
Retained earnings	Before distribution	3,229,022	4,056,806	2,463,820	2,798,093	3,784,702	-
	After distribution	2,358,521	2,747,682	2,420,183	2,486,934	(Note 2)	-
Other equity		(611)	(533,983)	(854,658)	(1,130,730)	(1,318,554)	-
Treasury stock		(525,122)	(265,166)	(202,526)	(162,762)	(352,810)	-
Non-controlling interest		-	-	-	-	-	-
Total equity	Before distribution	8,689,839	9,141,584	7,190,825	7,575,310	8,953,803	-
	After distribution	7,819,338	7,832,460	7,147,188	7,264,151	(Note 2)	-

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

Note 2: The 2020 dividend distribution proposal was passed by the Board of Directors on March 24, 2021, and still needs to be approved in the 2021 annual general meeting.

Note 3: After the IFRS was implemented in 2013, Q1 to Q3 data is consolidated for disclosures, so there is no data for 2021 Q1 disclosed in the standalone financial statements.

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, 2021 (Note 3)
	2016	2017	2018	2019	2020	
Operating revenue	23,237,520	32,311,514	31,640,561	25,562,440	32,227,330	-
Operating margin	3,308,787	4,425,120	1,914,746	2,828,616	27,451,615	-
Operating profit and loss	1,140,887	1,864,383	(773,039)	108,890	4,775,715	-
Non-operating income and expense	472,323	421,511	530,164	516,436	86,042	-
Pre-tax profit	1,613,210	2,285,894	(242,875)	625,326	1,974,137	-
Net income from continuing operations	1,309,604	1,792,370	(229,202)	410,522	1,361,192	-
Loss from discontinued operations	-	-	-	-	-	-
Net income (loss)	1,309,604	1,792,370	(229,202)	410,522	1,361,192	-
Other comprehensive income (net after tax)	(151,557)	(675,681)	(420,963)	(278,315)	(101,883)	-
Total comprehensive income	1,158,407	1,116,689	(650,165)	132,207	1,259,309	-
Net income attributable to owners of the parent	1,334,066	1,722,952	(178,817)	412,940	1,350,659	-
Net income attributable to non-controlling interest	(24,462)	69,418	(50,385)	(2,418)	10,533	-
Total comprehensive income (loss) attributable to owners of the parent	1,164,074	1,190,812	(535,664)	147,455	1,267,349	-
Total comprehensive income (loss) attributable to non-controlling interest	(6,027)	(74,123)	(114,501)	(15,248)	(8,040)	-
Earnings per share (loss) (NT\$) (Note 2)	6.21	8.00	(0.82)	1.90	6.10	-

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, 2021 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, 2021
		2016	2017	2018	2019	2020	
Operating revenue		22,716,155	31,377,138	30,380,998	24,224,889	29,612,087	-
Operating margin		2,464,285	3,267,273	1,015,780	1,761,606	3,105,460	-
Operating profit and loss		908,628	1,533,978	(860,832)	(138,727)	1,085,811	-
Non-operating income and expense		610,085	514,460	539,713	623,675	666,703	-
Pre-tax profit		1,518,713	2,048,438	(321,119)	484,948	1,752,514	-
Net income from continuing operations		1,334,066	1,722,952	(178,817)	412,940	1,350,659	-
Loss from discontinued operations		-	-	-	-	-	-
Net income (loss)		1,334,066	1,722,952	(178,817)	412,940	1,350,659	-
Other comprehensive income (net after tax)		(169,992)	(532,140)	(356,847)	(265,485)	(83,310)	-
Total comprehensive income		1,164,074	1,190,812	(535,664)	147,455	1,267,349	-
Net income attributable to owners of the parent		1,334,066	1,722,952	(178,817)	412,940	1,350,659	-
Net income attributable to non-controlling interest		-	-	-	-	-	-
Total comprehensive income (loss) attributable to owners of the parent		1,164,074	1,190,812	(535,664)	147,455	1,267,349	-
Total comprehensive income (loss) attributable to non-controlling interest		-	-	-	-	-	-
Earnings per share (loss) (NT\$) (Note 2)		6.21	8.00	(0.82)	1.90	6.10	-

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 2020 Q1 disclosed in the standalone financial statements.

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

Year	CPA	Audit opinion
2016	Yeh, Tsui-Miao and Wang, Fang-Yu	Unqualified 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

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)				
			2016	2017	2018	2019	2020
Financial structure (%)	Debt ratio		66.05	67.47	69.08	69.76	67.580
	Long-term fund to property, plant and equipment		781.57	826.37	579.37	869.37	1080.63
Liquidity (%)	Current ratio		90.63	106.49	55.46	113.34	104.75
	Quick ratio		53.64	55.69	37.23	64.47	56.74
	Times interest earned		10.66	12.27	(0.57)	3.91	13.63
Operating ability	Receivables turnover (times)		7.22	7.89	8.44	7.73	8.55
	Average collection days		50.55	46.26	43.25	47.22	42.69
	Inventory turnover (times)		5.23	5.26	7.04	6.53	5.08
	Payables turnover		4.61	5.62	5.50	5.21	4.75
	Average inventory turnover days		69.78	69.39	51.84	55.89	71.85
	Property, plant and equipment turnover (times)		14.04	17.44	16.34	13.55	18.19
	Total assets turnover (times)		0.97	1.17	1.18	1.00	1.12
Profitability	Return on assets (%)		6.25	6.98	(0.06)	2.26	5.55
	Rate of return on equity (%)		16.52	19.32	(2.19)	5.59	16.34
	Pre-tax profit to paid-in capital ratio (%)		66.04	91.38	(14.61)	21.67	74.14
	Net margin (%)		5.87	5.49	(0.59)	1.70	4.56
	Earnings per share (loss) (NT\$) (Note 2)		6.21	8.00	(0.82)	1.90	6.10
Cash flows	Cash flow ratio (%)		(Note 3)	7.93	25.00	(Note 3)	7.14
	Cash flow adequacy ratio (%)		59.74	43.56	56.50	53.86	44.40
	Cash reinvestment ratio (%)		(Note 3)	0.33	19.48	(Note 3)	3.68
Leverage	Operating leverage		2.05	1.69	(0.06)	(5.03)	1.77
	Financial leverage		1.21	1.13	0.81	0.45	1.15

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. The ratio of long-term capital to property, plant, and equipment in 2020 increased 24.30% compared to 2019, and was mainly due to the conversion of corporate bonds into share capital and decrease in long-term borrowings.
2. Inventory turnover in 2020 decreased 22.21% compared to 2019, and was mainly due to the increase in inventory, which led to the increase in average days in sales.
3. Fixed assets turnover in 2020 increased 34.24% compared to 2019, and was mainly due to operating revenue growth and the disposal of fixed assets, which led to a decrease in fixed assets.
4. The Company's gross margin increased in 2020 and resulted in an increase in overall profits. Hence, times interest earned, return on assets, return on equity, ratio of pre-tax income to share capital, net profit margin, EPS, operating leverage, and financial leverage changed 20% and above.
5. Cash flow ratio and cash reinvestment ratio significantly increased in 2020 compared to 2019, and was due to net cash inflow from operating activities.

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

1. IFRS

Analysis item		Year	Financial analysis of the last five years (Note 1)					The current year up to March 31, 2021
		2016	2017	2018	2019	2020		
Financial structure (%)	Debt ratio	63.80	63.61	65.45	66.89	65.80	-	
	Long-term fund to property, plant and equipment	233.79	269.74	179.20	290.75	316.64	-	
Liquidity (%)	Current ratio	116.11	152.81	79.92	164.06	138.55	-	
	Quick ratio	66.66	80.74	53.62	99.97	78.02	-	
	Times interest earned	11.22	13.35	(0.13)	4.44	13.32	-	
Operating ability	Receivables turnover (times)	8.87	9.26	9.61	8.75	9.62	-	
	Average collection days	41.15	39.42	37.98	41.70	37.94	-	
	Inventory turnover (times)	4.79	4.59	5.82	5.37	4.43	-	
	Payables turnover (times)	6.97	8.83	9.71	9.91	8.09	-	
	Average inventory turnover days	76.20	79.52	62.71	67.97	82.39	-	
	Property, plant and equipment turnover (times)	4.38	5.55	5.37	4.56	6.19	-	
	Total assets turnover (times)	1.02	1.22	1.25	1.07	1.22	-	
Profitability	Return on assets (%)	6.35	7.37	(0.23)	3.24	5.62	-	
	Return on equity (%)	15.94	19.80	(2.81)	8.47	16.47	-	
	Pre-tax income to paid-in capital ratio (%)	70.15	101.97	(11.05)	27.94	83.52	-	
	Net margin (%)	5.64	5.55	(0.72)	2.45	4.22	-	
	Earnings per share (NT\$) (Note 2)	6.21	8.00	(0.82)	1.90	6.10	-	
Cash flows	Cash flow ratio (%)	(Note 3)	4.75	24.70	(Note 3)	6.56	-	
	Cash flow adequacy ratio (%)	74.90	47.94	53.78	50.86	34.74	-	
	Cash reinvestment ratio (%)	(Note 3)	(Note 3)	13.31	(Note 3)	2.70	-	
Leverage	Operating leverage	2.23	1.92	(1.05)	14.51	188.34	-	
	Financial leverage	1.16	1.11	0.78	(1.49)	109.27	-	

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, 2021 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. Quick ratio in 2020 decreased 21.96% compared to 2019, and was mainly due to the increase in short-term borrowings in 2020.
2. Average days in sales in 2020 increased 21.22% compared to 2019, and was mainly due to the increase in inventory.
3. Fixed assets turnover in 2020 increased 35.75% compared to 2019, and was mainly due to operating revenue growth and the disposal of fixed assets, which led to a decrease in fixed assets.
4. The Company's gross margin increased in 2020 and resulted in an increase in overall profits. Hence, times interest earned, return on assets, return on equity, ratio of pre-tax income to share capital, net profit margin, EPS, operating leverage, and financial leverage changed 20% and above.
5. Cash flow ratio and cash reinvestment ratio significantly increased in 2020 compared to 2019, and was due to net cash inflow from operating activities.
6. Cash flow adequacy ratio in 2020 decreased 31.69% compared to 2019, and was due to the increase in cash dividends distributed in 2020 compared to 2019.

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 2020 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 2021

Audit Committee of ADATA Technology Co., Ltd.

Convener of the Audit Committee:

Huang, Kuan-Mo



March 24, 2021

- IV. Financial statements for the most recent year: Please refer to Appendix 1 on pages 167-286 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 287-412 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. Review and analysis of financial status, financial performance, and risk management

I. Financial position

Unit: NT\$1,000

Item \ Year	2020	2019	Difference	
			Amount	Percentage (%)
Current assets	16,747,644	13,225,969	3,521,675	26.63
Property, plant and equipment	4,854,947	5,562,107	(707,160)	(12.71)
Other Assets	6,524,064	6,116,880	407,184	(6.66)
Total Assets	28,126,655	24,904,956	3,221,699	12.94
Current liabilities	12,088,088	8,061,767	4,026,321	49.94
Non-current liabilities	6,418,930	8,596,269	(2,177,339)	(25.33)
Total liabilities	18,507,018	16,658,036	1,848,982	11.10
Share capital	2,363,736	2,237,943	125,793	5.62
Capital surplus	4,476,729	3,832,766	643,963	16.80
Retained earnings	3,784,702	2,798,093	986,609	35.26
Total shareholders' equity	9,619,637	8,246,920	1,372,717	16.65

Reasons for changes in the most recent two years:

- (1) Current assets increased NT\$3,491,675,000 compared to 2019, and was mainly due to the increase in accounts receivable and inventory.
- (2) Current liabilities increased NT\$4,026,321,000 compared to 2019, and was mainly due to the increase in short-term borrowings for working capital and accounts payable.
- (3) Non-current liabilities decreased NT\$2,177,339,000 compared to 2019, and was mainly due to the decrease in long-term borrowings.
- (4) Retained earnings increased NT\$986,609,000 compared to 2019, and was mainly due to the increase in net profit.

II. Financial performance

(I) Financial performance

Unit: NT\$1,000; %

Item \ Year	2020	2019	Increase (Decrease)	Percentage of change (%)
Net operating revenues	32,227,330	25,562,440	6,664,890	26.07
Operating costs	27,451,615	22,733,824	4,717,791	20.75
Operating margin	4,775,715	2,828,616	1,947,099	68.84
Operating expenses	2,887,620	2,719,726	167,894	6.17
Net operating profit (losses)	1,888,095	108,890	1,779,205	1,633.95
Non-operating income and expense	86,042	516,436	(430,394)	(83.34)
Pre-tax profit (loss) from continuing operations	1,974,137	625,326	1,348,811	215.70
Income tax (benefits) expenses	612,945	214,804	398,141	185.35
Net profit (loss) after tax from continuing operations	1,361,192	410,522	950,670	231.58
Net profit (loss)	1,391,192	410,522	950,670	231.58

1. Reasons for changes in the most recent two years:
 - (1) Following the continued rise of memory prices in 2020, our gross margin increased compared to 2019. Please see page 104 for a detailed analysis of changes in gross profit.
 - (2) The increase in operating net profit, pre-tax profit, and net profit was mainly due to the increase in gross margin in 2020.
 - (3) The increase in income tax expense was mainly due to income tax expenses from pre-tax profit in 2020.
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; 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	1,364,885	(1,643,376)	2,774,931	233,331
Flash products	519,461	1,377,490	(1,195,363)	337,334
Other	62,754	(4,329,577)	3,880,051	512,279
Total	1,947,099	(4,595,463)	5,459,619	1,082,944
Description:				
(1) Price difference and cost difference: Overall product price declined in 2020, and costs also declined compared with last year, so there is still a favorable price difference of NT\$864,156,000.				
(2) Quantity difference: Sales of DRAM, Flash and other products in 2020 increased compared with last year, and resulted in a favorable quantity difference of NT\$1,082,944,000.				

III. Cash flows

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

Unit: NT\$1,000

Cash balance, beginning (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
2,484,465	792,733	(498,843)	2,778,355	-	-

- (1) Operating activities: Cash inflow was mainly due to the increase in net operating revenues.
- (2) Investing activities: Cash outflow was mainly due to the acquisition of equity for long-term investment.
- (3) Financing activities: Cash inflow was mainly due the issuance of convertible corporate bonds and increase in short-term borrowings.

(II) Liquidity analysis and improvement plan for insufficient liquidity

Item \ Year	2020	2019	Percentage of increase (decrease) (%)
Cash flow ratio	6.56%	-	-
Cash flow adequacy ratio	34.74%	50.86%	(31.69%)
Cash reinvestment ratio	2.70%	-	-
(1) Analysis of changes			
1. Mainly due to the net cash inflow from operating activities in 2020 and net cash outflow from operating activities in 2019, which affected the cash flow ratio and cash reinvestment ratio.			
2. Cash flow adequacy ratio in 2020 decreased 31.69% compared to 2019, and was due to the increase in cash dividends distributed in 2020 compared to 2019.			
(2) Improvement plan for insufficient liquidity: N/A.			

(III) Cash liquidity analysis for the coming year

Unit: NT\$1,000

Cash balance, beginning (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
2,778,355	1,485,082	(1,271,333)	2,992,104	-	-

- (1) Operating activities: The cash inflow was mainly due to expectations for steady revenue and profit in 2021, resulting in cash inflow.
- (2) Investing activities: Cash outflow is mainly due to the plan to purchase an office in 2021.
- (3) Financing activities: Cash outflow is mainly due to the plan to repay loans in 2021.

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 in 2020
Investee company	Self-own funds and bank borrowings	882,220
Acquisition of property and equipment	Self-own funds and bank borrowings	114,549

(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\$229,457,000 in 2020. 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	2020
Interest expenses (1)	160,187
Operating revenue (2)	32,227,330
Net operating profit (losses) (3)	1,888,095
(1)/(2)	0.50%
(1)/(3)	8.48%

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

The decrease in interest expenses was due to interest rate cuts. The Company still regularly evaluates its cash position and the bank's interest rates, and chooses low interest rate loans and shortens 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	2020
Exchange gain (loss) (1)	(16,340)
Operating revenue (2)	32,227,330
Net operating profit (losses) (3)	1,888,095
(1)/(2)	(0.05%)
(1)/(3)	(0.87%)

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

The Company sustained foreign exchange losses in the amount of NT\$16,340,000 in 2020, accounting for 0.05% of operating revenue and 0.87% of net operating losses. 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 102.31% in December 2020, and annual decrease in CPI averaged 0.23%, 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.

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. The Company 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: Launched a complete series of wide temperature anti-sulfuration DDR4 3200(22)4GB/8GB/16GB/32GB U/SO/VLP/ECC/RDIMM for industrial applications. The XPG product line launched DDR4-4800MT/s and DDR4-5000MT/s products. Launched DRAM products with cooling fins and mirror

and rib design elements, showing ADATA's design capabilities. With regard to new generation products, we completed the industry's first DDR5 U-DIMM and are fully prepared for the release of the next generation of platforms.

- (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:

Following the launch of Intel Z590 in 2021 1H, the speed of DRAM on platforms sold in the market will increase to DDR4-3200MT/s, and both commercial and industrial applications will have higher specification requirements. We are already in the mass production phase of all DDR4-3200MT/s product lines.

The DDR5 platform will be launched in 2021 2H, and we will continue to dedicate our efforts to the development of new products and high-end overclocking, including the development of DDR5 products for commercial and industrial applications and related overclocking products. As for testing software, we modified our current MRS program to be able to test DDR5 products.

OEM DDR4 PCB already 100% uses our own layout design, and we are developing Server DIMM products in 2021.

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 DDR modules we have been actively developing are already leading indicators for the industry, and have received good reviews from all users. We have accumulated a considerable amount of new product development technologies and product styles for flash memory products and multimedia products. Yet, we must continue to implement R&D projects for the development of new digital products in response to the trend of digitalization, in order to maintain our long-term competitiveness.

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\$252,829,000 in R&D expenditure in 2021, 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 and 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.

(VII) Impact of corporate image change 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, and we were 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 are also supporting the development of youth sports events in Taiwan, and sponsor indigenous baseball teams in remote areas, so that the youth in rural areas will have an opportunity to show their talent in sports. 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 purchase or sale 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 29.02% 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 6.89% of sales in 2019. 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 2020 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 2020 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 important risks and response measures:

1. Information security risk

Information security has become an important issue to companies due to the effect of technology development. The Company has implemented the following measures to ensure its smooth operation:

1. Information security risk management structure: 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.

The Company continues to strengthen its overall information structure and security management, and has implemented numerous information security enhancement projects. The scope of management includes:

- (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.

VII. Other important 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 2020 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

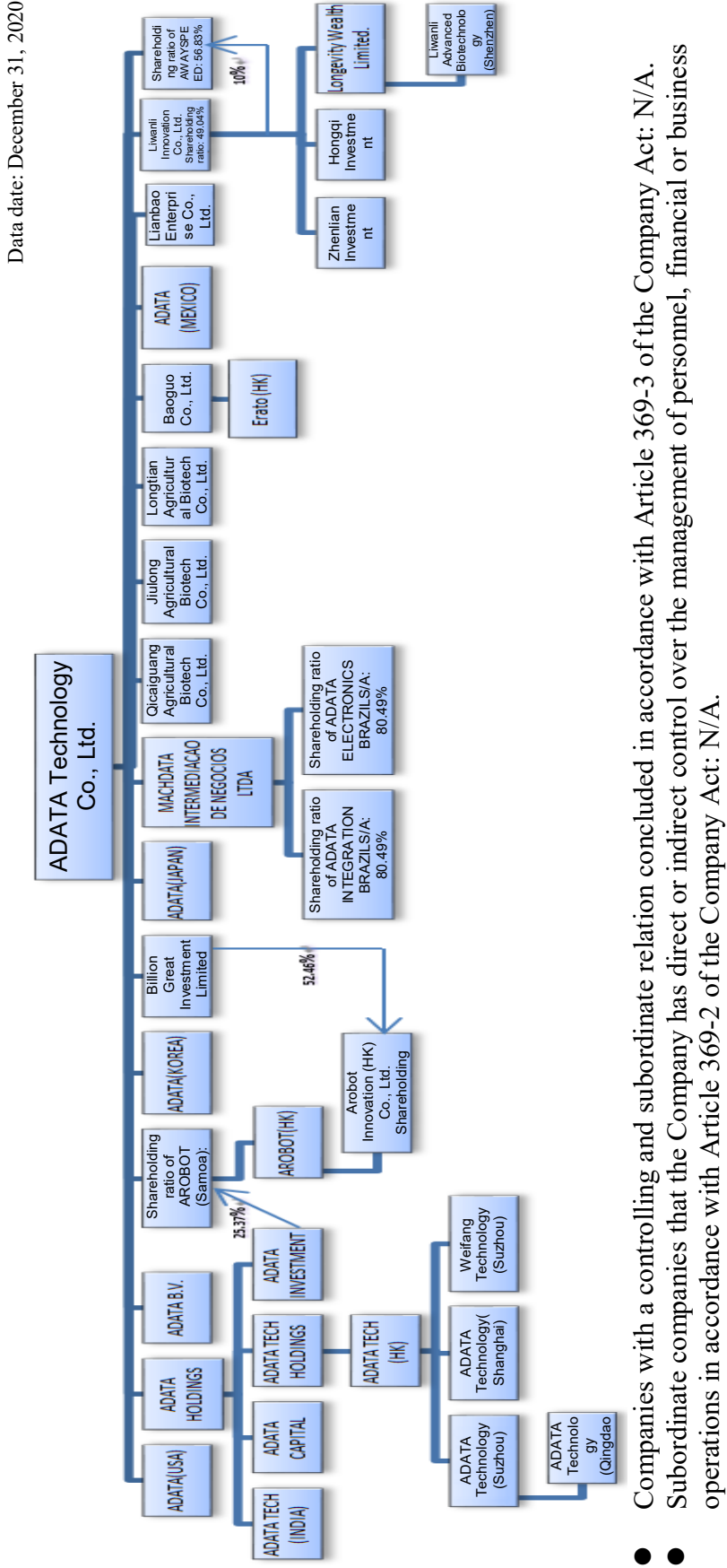
I. Profiles of affiliates enterprises

(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.



- 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
			Currency	Amount	
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	900,000,000	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	78,787,597	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 TECHNOLOGY (KOREA) CO., LTD.	2009.06.15	(Wonhyoro3(sam) -ga, Cheong-jinB/D) 706,138, Wonhyo-ro, Yongsan-gu, Seoul, Korea.	KRW	110,000,000	Manufacturing and sale of electronic parts and components and computer peripherals.
ADATA INVESTMENT CO., LTD.	2010.06.10	Offshore Chambers, P.P.Box 217, Apia, Samoa	USD	4,186,944	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, MUMBAL-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	2,600,322	General investment.
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	2012.01.10	ALAMEDA BARROS 95, SANTA CECILIA, CEP 01232-001, SAO PAULO-SP, BRASIL	BRL	150,991,325	Trading of electronic materials, parts, and components.
Qicaiuang Agricultural Biotech 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.
Jiulong Agricultural Biotech 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.
Longtian Agricultural Biotech 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	Semiconductor components of design, manufacture and sales

Name of enterprise	Date of Establishment	Address	Paid-in capital	Main business and products
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	Trading of electronic materials, parts, and components.
ALLIED TREASURE INC. Ltd.	2015.07.18	Unit P, 8th Floor, Kaiser Estate 3rd Phase, No. 11 Hok Yuen Street, Hung Horn, 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 CASTLEE Ltd.	2015.09.10	Unit P, 8th Floor, Kaiser Estate 3rd Phase, No. 11 Hok Yuen Street, Hung Horn, Kowloon, Hong Kong.	USD 1,500,000	General investment.
ERATO (HK) CORPORATION LIMITED	2016.12.17	Unit P, 8th Floor, Kaiser Estate 3rd Phase, No. 11 Hok Yuen Street, Hung Horn, Kowloon, Hong Kong.	USD 500,000	Headset R&D and manufacturing
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 (USA) Co., Ltd.
- * ADATA TECHNOLOGY (HK) CO., LTD.
- * ADATA INTEGRATION BRAZIL S/A.
- * ADATA ELECTRONICS BRAZIL S/A
- * ADATA Technology (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, 2020. Unit: shares; %

Name of enterprise	Title	Name or representative	Number of shares held	
			Number of shares (Note)	Shareholding ratio
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 90,000,000	100%
	Supervisor	Lin, Tien-Chiung Chen, Ling-Chuan and Representative: Chen, I-Shih	-	-
	Chairperson	Chen, Ling-Hua	USD 200,000	100%
ADATA TECHNOLOGY (U.S.A.) 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 Li, Tseng-Hua	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 Li, Tseng-Hua	USD 19,028,450	100%
ADATA TECHNOLOGY HOLDINGS CO., LTD.	Chairperson	Chen, Li-Pai	USD 57,928,317	100%
ADATA TECHNOLOGY (KOREA) CO., LTD.	Director	Wu, Tsung-Ting (Chairperson)	KRW 1,100,000	100%
	Supervisor	Chen, Li-Pai and Ling-Chuan Chen, Yen-Shu	-	-
ADATA INVESTMENT CO., LTD.	Chairperson	Chen, Mei-Yun	USD 4,186,944	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 2,600,322	100%
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Legal representative	MR. FERNANDO LIMA ARMANDO	BRL 150,991,325	100%
Qicaiguang Agricultural Biotech Co., Ltd.	Director	ADATA Technology Co., Ltd. Representative: Chen, Li-Pai (Chairperson)	NTD 75,000,000	100%
	Supervisor	Chen, Ling-Chuan and Lin, Tien-Chiung Representative: Li, Shu-Hui	-	-
		-	-	-

Name of enterprise	Title	Name or representative	Number of shares held		
			Number of shares (Note)	Shareholding ratio	
Jiulong Agricultural Biotech Co., Ltd.	Director	ADATA Technology Co., Ltd. Representative: Chen, Chen-Chun (Chairperson)	NTD	18,100,000	100%
	Supervisor	Huang, Chien-Sheng and Li, Shu-Hui Representative: Ho, Shu Chuan		-	-
Longtian Agricultural Biotech Co., Ltd.	Director	ADATA Technology Co., Ltd. Representative: Lin, Tien-Chiung (Chairperson)	NTD	77,100,000	100%
	Supervisor	Chen, Mei-Yun and Ho, Shu Chuan Representative: Li, Tseng-Hua		-	-
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%
ALLIED TREASURE INC. LIMITED	Chairperson	ADATA Technology Co., Ltd. Representative: Chen, Li-Pai (Chairperson)	HKD	178,776,000	100%
ADATA TECHNOLOGY MEXICO SDRL DE CV	President	Alvaro Huerta	MXN	4,100,000	100%
JET CASTLE LIMITED	Chairperson	Chen, Chen-Chun	USD	1,500,000	100%
ERATO (HK) CORPORATION LIMITED	Chairperson	Chen, Chen-Chun	USD	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, 2020. 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	6,134,050	923,420	5210,630	5,544,075	62,498	353,036	0.79
ZHAO-XING Investment CO., LTD.	900,000	514,640	200	514,440	0	(236)	30,971	0.34
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	66,637	1,841,561	1,435,943	405,618	7,447,309	91,295	92,609	463.05
ADATA Technology (Shanghai) Co., Ltd.	131,134	78,626	19,428	59,198	183,728	2,793	3,149	N/A
ADATA HOLDINGS CO., LTD.	2,510,987	5,174,557	0	5,174,557	0	(341)	328,291	4.17
ADATA Technology (Suzhou) Co., Ltd.	1,299,223	9,171,793	4,709,695	4,462,098	2,559,024	347,847	284,743	N/A
ADATA TECHNOLOGY B.V.	16,570	10,243	2,873	7,370	0	(26,117)	870	2.90
ADVANCED DATA Technology (Suzhou) Co., Ltd.	592,704	770,665	0	770,665	0	(48)	2,980	N/A
ADATA TECHNOLOGY HOLDINGS CO., LTD.	1,847,058	5,210,646	0	5,210,646	0	0	353,037	6
ADATA TECHNOLOGY (KOREA) CO., LTD.	2,880	7,708	2,310	5,397	0	(15,524)	667	0.61
ADATA INVESTMENT CO., LTD.	132,874	10,881	797	10,084	0	(3,757)	(3,405)	(0.79)
ADATA TECHNOLOGY (INDIA) PRIVATE LTD.	65,424	34,510	2,605	31,905	0	(841)	1,029	0.45
ADATA CAPITAL COMPANY LIMITED	77,787	24,085	4,893	19,192	0	(5,988)	(22,038)	(8.48)
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	1,319,656	800,057	70	799,987	0	(1,451)	169,867	1.13
Qicaiquant Agricultural Biotech Co., Ltd.	750,000	713,773	599	713,174	0	(841)	(4,501)	(0.06)
Jiulong Agricultural Biotech Co., Ltd.	181,000	178,939	110	178,829	0	(192)	(192)	(0.01)
Longtian Agricultural Biotech Co., Ltd.	771,000	735,809	339	735,560	0	(1,537)	(2,046)	(0.03)
ADATA TECHNOLOGY (JAPAN) CO., LTD.	7,977	18,374	3,697	14,677	0	(45,757)	1,377	2,295

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	1,007,974	502,147	505,827	958,407	73,863	(36,449)	(0.23)
ADATA ELECTRONICS BRAZIL S/A	66,906	1,178,693	957,517	221,176	2,480,743	372,328	244,146	31.94
ADATA TECHNOLOGY MEXICO SDRL DE CV	6,872	13,767	6,017	7,750	0	(29,399)	(291)	N/A
ALLIED TREASURE INC. LIMITED	744,985	423,924	0	423,924	0	(43,125)	(137,493)	(0.77)
JET CASTLE LIMITED	48,135	2,836	0	2,836	0	(33)	(41)	(0.03)
ERATO (HK) CORPORATION LIMITED	16,215	1,471	0	1,471	0	(86)	(11)	(0.02)
AROBOT INNOVATION (SAMOA) HOLDINGS CO., Ltd	40,401	10,377	0	10,377	0	(30)	(193)	(0.01)
AROBOT INNOVATION (HK) CO.,LTD.	29,618	10,015	0	10,015	0	(31)	(163)	(0.17)
Arobot Innovation Co., Ltd.	61,000	20,479	0	20,479	0	(86)	(279)	(0.05)
AWAYSPEED Technology Co., Ltd.	60,000	58,534	1,648	56,886	0	(3,122)	(3,113)	(0.52)
ADATA Technology (Qingdao) Co., Ltd.	438	514	93	421	86	(17)	(17)	N/A
Liwanli Innovation Co., Ltd.	878,480	1,006,752	70,721	936,031	292,587	(33,920)	(13,613)	(0.16)

(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 2020 (From January 1, 2020 to December 31, 2020). 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.

Company name: ADATA Technology Co., Ltd.



Chairperson of the Board: Chen, Li-Pai



March 24, 2021

(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 30, 2021. 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
Liwali Innovation Co., Ltd.	NT\$834,110,000	Self-owned funds	49.04%	2020/1/3~2020/3/19	907,000 shares and NT\$48,106,000	-	NT\$3,687,000	1,330,000 shares and NT\$69,979,000	N/A	N/A	N/A
				2020/3/2~2020/12/8	-	242,000 shares and NT\$17,210,000					

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, 2020, 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 24, 2021



Independent Auditors' Report Translated from Chinese

PWCR 20000483

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, 2020 and 2019, 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, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, 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 as of and for the year ended December 31, 2020 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; and in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, “Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020” and generally accepted auditing standards in the Republic of China for our audit of the consolidated financial statements as of and for the year ended December 31, 2019. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section

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 2020 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 2020 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 the innovation of products and business development. Any new top ten customer might have a material impact to the Company and sales revenue is high risk in nature. 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. Obtained and verified the subsequent collections details of accounts receivable and relevant evidences.

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\$809,414 thousand and NT\$623,844 thousand, constituting 2.9% and 2.5% of the total assets as at December 31, 2020 and 2019, respectively, and the comprehensive income recognized from associates and joint ventures accounted for under the equity method amounted to NT\$182,346 thousand and NT\$1,891 thousand, constituting 14.4% and 1.3% 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 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.



資誠

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.



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 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 24, 2021

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.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars)

ASSETS		Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,778,355	10	\$ 2,484,465	10
1110	Financial assets at fair value through profit or loss-current	6(2)	1,097,141	4	1,381,246	6
1136	Current financial assets at amortised cost	8	1,011,658	4	660,307	3
1150	Notes receivable, net	6(4)	1,444	-	3,819	-
1170	Accounts receivable, net	6(4)(5)	3,750,817	13	2,896,224	12
1180	Accounts receivable - related parties	6(4) and 7(2)	3	-	23,328	-
1200	Other receivables	6(5)	461,417	2	334,328	1
1210	Other receivables - related parties	7(2)	48,372	-	50,550	-
1220	Current tax assets	6(33)	21,938	-	-	-
130X	Inventories	6(6)	6,894,710	25	5,052,229	20
1410	Prepayments		421,294	1	217,259	1
1460	Non-current assets or disposal groups classified as held for sale, net	6(14)	-	-	30,767	-
1470	Other current assets		260,495	1	91,447	-
11XX	Current Assets		<u>16,747,644</u>	<u>60</u>	<u>13,225,969</u>	<u>53</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	496,495	2	453,841	2
1535	Non-current financial assets at amortised cost	8	1,716	-	1,699	-
1550	Investments accounted for under equity method	6(7)	2,986,280	11	2,278,862	9
1600	Property, plant and equipment	6(8) and 8	4,854,947	17	5,562,107	22
1755	Right-of-use assets	6(9)	126,737	-	107,848	-
1760	Investment property-net	6(11)(13) and 8	1,465,111	5	1,653,719	7
1780	Intangible assets	6(12)(13)	760,791	3	898,271	4
1830	Biological assets-noncurrent		383	-	450	-
1840	Deferred income tax assets	6(33)	434,430	1	524,276	2
1900	Other non-current assets	6(4)(15)(20)	252,121	1	197,914	1
15XX	Non-current assets		<u>11,379,011</u>	<u>40</u>	<u>11,678,987</u>	<u>47</u>
1XXX	Total assets		<u>\$ 28,126,655</u>	<u>100</u>	<u>\$ 24,904,956</u>	<u>100</u>

(Continued)

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(16)	\$ 6,272,309	22	\$ 3,282,396	13
2110	Short-term notes and bills payable		200,000	1	700,000	3
2120	Current financial liabilities at fair value through profit or loss	6(2)	-	-	468	-
2130	Current contract liabilities	6(27)	12,440	-	9,694	-
2150	Notes payable		2,390	-	1,183	-
2170	Accounts payable		4,121,975	15	3,101,555	12
2180	Accounts payable - related parties	7(2)	1	-	254	-
2200	Other payables	7(2)	816,550	3	656,334	3
2230	Current income tax liabilities	6(33)	230,583	1	65,047	-
2250	Provisions for liabilities-current	6(22)	13,786	-	20,766	-
2280	Current lease liabilities		39,213	-	41,028	-
2300	Other current liabilities	6(17)	378,841	1	183,042	1
21XX	Current Liabilities		<u>12,088,088</u>	<u>43</u>	<u>8,061,767</u>	<u>32</u>
Non-current liabilities						
2530	Corporate bonds payable	6(18)	1,511,896	6	1,234,758	5
2540	Long-term borrowings	6(19)	4,230,118	15	6,805,226	28
2550	Non-current provisions	6(22)	880	-	880	-
2570	Deferred income tax liabilities	6(33)	610,343	2	510,035	2
2580	Non-current lease liabilities		45,557	-	24,538	-
2600	Other non-current liabilities		20,136	-	20,832	-
25XX	Non-current liabilities		<u>6,418,930</u>	<u>23</u>	<u>8,596,269</u>	<u>35</u>
2XXX	Total Liabilities		<u>18,507,018</u>	<u>66</u>	<u>16,658,036</u>	<u>67</u>
Equity attributable to owners of parent						
Share capital		6(23)				
3110	Share capital-common stock		2,363,736	8	2,237,943	9
Capital surplus		6(24)				
3200	Capital surplus		4,476,729	16	3,832,766	16
Retained earnings		6(25)				
3310	Legal reserve		927,421	3	886,364	4
3320	Special reserve		1,088,512	4	821,858	3
3350	Unappropriated retained earnings		1,768,769	6	1,089,871	4
Other equity interest		6(26)				
3400	Other equity interest		(1,318,554)	(4)	(1,130,730)	(5)
3500	Treasury stocks	6(23)	(352,810)	(1)	(162,762)	(1)
31XX	Equity attributable to owners of the parent		<u>8,953,803</u>	<u>32</u>	<u>7,575,310</u>	<u>30</u>
36XX	Non-controlling interest		<u>665,834</u>	<u>2</u>	<u>671,610</u>	<u>3</u>
3XXX	Total equity		<u>9,619,637</u>	<u>34</u>	<u>8,246,920</u>	<u>33</u>
Significant contingent liabilities and unrecognised contract commitments						
		9				
Significant events after the balance sheet						
		11				
3X2X	Total liabilities and equity		<u>\$ 28,126,655</u>	<u>100</u>	<u>\$ 24,904,956</u>	<u>100</u>

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

ADATA TECHNOLOGY (HONG KONG) LIMITED SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

	Items	Notes	Years ended December 31,			
			2020		2019	
			Amount	%	Amount	%
4000	Sales revenue	6(27) and 7(2)	\$ 32,227,330	100	\$ 25,562,440	100
5000	Operating costs	6(6)(31) and 7(2)	(27,451,615)	(85)	(22,733,824)	(89)
5900	Net operating margin		<u>4,775,715</u>	<u>15</u>	<u>2,828,616</u>	<u>11</u>
	Operating expenses	6(31) and 7(2)				
6100	Selling expenses		(1,256,580)	(4)	(1,276,180)	(5)
6200	General and administrative expenses		(1,238,214)	(4)	(1,108,323)	(4)
6300	Research and development expenses		(405,794)	(1)	(339,146)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	<u>12,968</u>	<u>-</u>	<u>3,923</u>	<u>-</u>
6000	Total operating expenses		<u>(2,887,620)</u>	<u>(9)</u>	<u>(2,719,726)</u>	<u>(10)</u>
6900	Operating profit		<u>1,888,095</u>	<u>6</u>	<u>108,890</u>	<u>1</u>
	Non-operating income and expenses					
7100	Interest income		22,827	-	38,981	-
7010	Other income	6(28) and 7(2)	134,855	-	190,382	1
7020	Other gains and losses	6(29)	(140,910)	-	140,695	1
7050	Finance costs	6(30)	(160,187)	(1)	(181,753)	(1)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	<u>229,457</u>	<u>1</u>	<u>328,131</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>86,042</u>	<u>-</u>	<u>516,436</u>	<u>2</u>
7900	Profit before income tax		1,974,137	6	625,326	3
7950	Income tax expense	6(33)	<u>(612,945)</u>	<u>(2)</u>	<u>(214,804)</u>	<u>(1)</u>
8200	Profit for the year		<u>\$ 1,361,192</u>	<u>4</u>	<u>\$ 410,522</u>	<u>2</u>

(Continued)


ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
 (Expressed in thousands of New Taiwan Dollars, except for earnings per share)

	Items	Notes	Years ended December 31,			
			2020		2019	
			Amount	%	Amount	%
Other comprehensive income						
Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	Remeasurements of defined benefit plans	6(20)	\$ 942	-	\$ 1,053	-
8316	Unrealised gain (loss) on valuation of financial assets at fair value through other comprehensive income	6(26)	36,253	-	(74,284)	-
8320	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(26)	(996)	-	405	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(33)	1,703	-	(1,237)	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		<u>37,902</u>	-	<u>(74,063)</u>	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(26)	(170,037)	-	(252,465)	(1)
8370	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(26)	(53)	-	(871)	-
8399	Income tax relating to the components of other comprehensive income	6(33)	<u>30,305</u>	-	<u>49,084</u>	-
8360	Components of other comprehensive loss that will be reclassified to profit or loss		<u>(139,785)</u>	-	<u>(204,252)</u>	(1)
8300	Total other comprehensive loss for the year		<u>(\$ 101,883)</u>	-	<u>(\$ 278,315)</u>	(1)
8500	Total comprehensive income for the year		<u>\$ 1,259,309</u>	<u>4</u>	<u>\$ 132,207</u>	<u>1</u>
Profit (loss), attributable to:						
8610	Owners of the parent		<u>\$ 1,350,659</u>	<u>4</u>	<u>\$ 412,940</u>	<u>2</u>
8620	Non-controlling interest		<u>\$ 10,533</u>	-	<u>(\$ 2,418)</u>	-
Comprehensive income (loss) attributable to:						
8710	Owners of the parent		<u>\$ 1,267,349</u>	<u>4</u>	<u>\$ 147,455</u>	<u>1</u>
8720	Non-controlling interest		<u>(\$ 8,040)</u>	-	<u>(\$ 15,248)</u>	-
Basic earnings per share						
9750	Total basic earnings per share	6(34)	<u>\$ 6.10</u>		<u>\$ 1.90</u>	
Diluted earnings per share						
9850	Total diluted earnings per share	6(34)	<u>\$ 5.45</u>		<u>\$ 1.75</u>	

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



 ADATA TECH (3013) SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF EQUITY
 YEARS ENDING DECEMBER 31, 2019
 (Expressed in thousands of dollars)

Notes	Equity attributable to owners of parent										
	Retained earnings					Other equity interest					
	Share capital- common stock	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 stock	Total	Non-controlling interest	Total equity
	\$ 2,197,254	\$ 3,586,935	\$ 886,364	\$ 454,434	\$ 1,123,022	\$ 444,236	\$ 410,422	\$ 202,526	\$ 7,190,825	\$ 641,242	\$ 7,832,067
6(26)	-	-	-	-	412,940	-	-	-	412,940	(2,418)	410,522
	-	-	-	-	842	(196,338)	(69,989)	-	(265,485)	(12,830)	(278,315)
6(25)	-	-	-	-	413,782	(196,338)	(69,989)	-	147,455	(15,248)	132,207
	-	-	-	367,424	367,424	-	-	-	-	-	-
6(24)	-	-	-	-	(43,637)	-	-	-	(43,637)	-	(43,637)
6(24)	-	58,800	-	-	-	-	-	-	58,800	-	58,800
6(24)	-	163,674	-	-	-	-	-	-	204,363	-	204,363
6(24)	-	374	-	-	-	-	-	-	374	-	374
	-	-	-	-	(6,379)	-	-	-	(6,379)	6,379	-
	-	-	-	-	(39,238)	-	-	-	(39,238)	-	(39,238)
	-	-	-	-	-	-	-	(115,082)	(115,082)	-	(115,082)
	-	22,983	-	-	-	-	-	154,846	177,829	-	177,829
	-	-	-	-	9,745	(9,745)	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	39,237	39,237
	\$ 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
	\$ 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
6(26)	-	-	-	-	1,350,659	-	-	-	1,350,659	10,533	1,361,192
	-	-	-	-	754	(121,212)	37,148	-	(83,310)	(18,573)	(101,883)
6(25)	-	-	-	-	1,351,413	(121,212)	37,148	-	1,267,349	(8,040)	1,259,309
	-	-	-	-	(41,057)	-	-	-	-	-	-
	-	-	-	266,654	266,654	-	-	-	-	-	-
	-	-	-	-	(311,159)	-	-	-	(311,159)	-	(311,159)
6(24)	-	27,500	-	-	-	-	-	-	27,500	-	27,500
6(24)	-	556,598	-	-	-	-	-	-	697,771	-	697,771
6(23)	-	-	-	-	-	-	-	(282,450)	(282,450)	-	(282,450)
	-	-	-	-	-	-	-	(48,106)	(48,106)	-	(48,106)
6(24)	-	3,687	-	-	-	-	-	13,522	17,209	-	17,209
6(21)	-	1,916	-	-	-	-	-	-	1,916	-	1,916
6(21)	-	156,500	-	-	-	-	-	(156,500)	-	-	-
	-	-	-	-	-	-	-	9,781	9,781	-	9,781
6(26)	-	-	-	(42,959)	(42,959)	-	42,959	-	-	-	-
6(24)	-	2,481	-	-	-	-	-	-	2,481	2,264	4,745
6(24)	-	6,887	-	-	(10,686)	-	-	-	(3,799)	-	(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	\$ 8,953,803	\$ 663,834	\$ 9,619,637

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

ADATA TECHNOLOGY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)



	Notes	Years ended December 31,	
		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		\$ 1,974,137	\$ 625,326
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation on property, plant and equipment	6(31)	245,368	264,530
Depreciation on investment property	6(29)	5,053	12,197
Depreciation on right-of-use assets	6(31)	50,459	47,864
Amortisation expense on intangible assets	6(31)	65,742	69,400
Expected credit (gain) loss	12(2)	(12,968)	(3,923)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	6(29)	(43,279)	81,402
Interest expense	6(30)	160,187	181,753
Interest income		(22,827)	(38,981)
Dividend income	6(28)	(9,782)	(45,508)
Compensation cost for employee restricted stocks	6(21)	9,781	-
Share of profit of associates and joint ventures accounted for using the equity method	6(7)	(229,457)	(328,131)
Loss (gain) on disposal of property, plant and equipment	6(29)	(197,544)	10,540
Gain on disposal of investment property	6(29)	(26,020)	(270,220)
Loss (gain) on disposal of intangible assets	6(29)	-	102
Gain on disposal of investment accounted for using the equity method	6(29)	557	(1,023)
Impairment loss on investment accounted for using the equity method	6(29)	123,979	21,143
Impairment loss on investment property	6(29)	210,000	172,246
Impairment loss on intangible assets	6(29)	59,280	10,193
Gain on lease modification	6(29)	(75)	(242,678)
Loss on disposal of biological assets		245	305
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		322,157	(1,246,766)
Notes receivable, net		2,375	34,244
Accounts receivable, net		(916,409)	(163,970)
Accounts receivable-related parties, net		23,325	(19,662)
Other receivables		(50,360)	47,760
Other receivables-related parties		2,178	(1,177)
Inventories		(1,842,481)	(2,127,551)
Prepayments		(204,035)	92,975
Other non-current assets		(878)	(1,363)
Net changes in liabilities relating to operating activities			
Contract liabilities-current		2,746	(8,016)
Notes payable		1,207	(4,189)
Accounts payable		1,020,420	1,204,462
Accounts payable-related parties		(253)	254
Other payables		183,757	47,812
Other current liabilities		28,287	33,257
Provisions-current		(6,980)	(5,566)
Other non-current liabilities		(2,057)	(42,204)
Provisions-non-current		-	(161)
Cash (outflow) inflow generated from operations		925,835	(1,593,324)
Dividend received		259,782	495,508
Interest paid		(149,464)	(174,658)
Income tax paid		(243,420)	(111,966)
Net cash (used in) provided by operating activities		792,733	(1,384,440)

(Continued)

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDING DECEMBER 31, 2020 AND 2019
 (Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest received		\$ 18,225	39,141
Acquisition of financial assets at fair value through other comprehensive income-non-current		(95,716)	(273,988)
Proceeds from disposal of financial assets at fair value through other comprehensive income-current		16,104	682,370
Acquisition of financial assets at amortised cost-current		(351,351)	-
Proceeds from disposal of financial assets at amortised cost-current		-	1,101
Acquisition of financial assets at amortised cost-non-current		(17)	-
Acquisition of investments accounted for using the equity method		(786,504)	(133,579)
Proceeds from disposal of investments accounted for using the equity method		3,774	8,864
Proceeds from capital reduction of investments accounted for using the equity method	7(2)	-	18,711
Acquisition of property, plant and equipment	6(35)	(114,549)	(92,147)
Proceeds from disposal of property, plant and equipment		618,275	47,124
Proceeds received in advance from disposal of investment property		-	7,850
Increase in refundable deposits		(5,752)	(45,093)
Decrease in refundable deposits		12,590	16,665
Acquisition of intangible assets	6(12)	(10,228)	(12,533)
Proceeds from disposal of investment property		69,147	988,561
Proceeds from disposal of right-of-use assets		-	289,028
Increase in biological assets		(178)	(539)
Increase in refundable deposits		(169,048)	57,458
Increase in other non-current assets		(96,975)	(140,978)
Net cash provided by (used in) investing activities		(892,203)	1,458,016
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(36)	2,989,913	(523,814)
Increase (decrease) in short-term notes and bills payable	6(36)	(500,000)	100,000
Issuance of convertible bonds	6(36)	995,000	1,495,000
Proceeds from long-term loans	6(36)	39,377,752	51,808,201
Repayment for long-term loans	6(36)	(41,777,498)	(52,267,990)
Increase in guarantee deposits received		1,246	32,343
Decrease in guarantee deposits received		(614)	(39,989)
Payments of lease liabilities	6(36)	(51,688)	(50,286)
Payment of cash dividends	6(24)	(311,159)	(43,637)
Purchase of treasury shares		(282,450)	-
Acquisition of parent company's share by subsidiaries		(48,106)	(115,082)
Proceeds from disposal of parent company's shares by subsidiaries		17,209	154,846
Changes in non-controlling interest		-	39,237
Disposal of ownership interests in subsidiaries (without losing control)		4,745	-
Net cash provided by financing activities		414,350	588,829
Effects of changes in foreign exchange rates		(20,990)	(202,845)
Increase in cash and cash equivalents		293,890	459,560
Cash and cash equivalents at beginning of the year		2,484,465	2,024,905
Cash and cash equivalents at end of the year		\$ 2,778,355	\$ 2,484,465

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, 2020 AND 2019

(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 24, 2021.

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 2020 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, ‘Disclosure initiative-definition of material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020 (Note)

Note: Earlier application from January 1, 2020 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 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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

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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
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
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 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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Annual improvements to IFRSs 2018-2020 cycle	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.

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, 2020	December 31, 2019	
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	-	100	Note 4
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, 2020	December 31, 2019	
ADATA TECHNOLOGY CO., LTD.	ADATA INTERNATIONAL (BVI) CO., LTD.	General investments	-	-	Note 6
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	100	-
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	-	Note 10
ZHAO-XING INVESTMENT CO., LTD.	AROBOT INNOVATION CO., LTD.	Other machinery manufacturing	52.46	52.46	Note 1
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, 2020	December 31, 2019	
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 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	ADATA INTEGRATION BRAZIL S/A	Design, manufacture and trading of semiconductor components	84.30	80.49	-
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	ADATA ELECTRONICS BRAZIL S/A	Manufacturing of electronic components and computer components	84.30	80.49	-
JET CASTLE LIMITED	ERATO (CAYMAN) HOLDINGS CO., LTD.	General investments	-	-	Note 7
JET CASTLE LIMITED	ERATO (HK) CORPORATION LIMITED	Development and manufacture of earphone	100	100	Note 6
ERATO (CAYMAN) HOLDINGS CO., LTD.	ERATO (HK) CORPORATION LIMITED	Development and manufacture of earphone	-	-	Note 6
ERATO (HK) CORPORATION LIMITED	ERATO (SZ) CORPORATION LIMITED	Development and manufacture of earphone	100	100	Note 3
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	47.54	Note 1
AROBOT INNOVATION CO., LTD.	AROBOT ARTIFICIAL INTELLIGENCE TECHNOLOGY (SUZHOU) CO., LTD.	R&D, manufacturing and sales of robots and electronic components	-	-	Note 8
ADATA TECHNOLOGY CO., LTD.	LIWANLI Innovation Co., Ltd.	Trading of electronic materials and components	49.04	49.28	-
LIWANLI Innovation Co., Ltd.	Longevity Wealth Limited	General investments	100	100	-
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.	Awayspeed Technology Company Limited	Sale of electric tricycle	10	-	Note 10
Longevity Wealth Limited	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Wholesale and retail of foods products	100	100	Note 9
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	ADATA Technology (Qingdao) CO., LTD.	Manufacture and trade of electronic components and smart car equipment	100	-	Note 11

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: The Company's subsidiary, Arobot Innovation (HK) Co., Ltd. originally held 93.55% of Arobot Innovation Co., Ltd. In the third quarter of 2018, the Company non-proportionately participated in the capital increase raised by Arobot Innovation Co., Ltd. through the Company's subsidiary, Zhao-Xing Investment Co., Ltd., causing the Group's comprehensive shareholding ratio decreased to 60.08%. In the fourth quarter of 2018, the Company acquired Arobot Innovation Co., Ltd.'s non-controlling interest through the Company's subsidiary, Zhao-Xing Investment Co., Ltd., causing the Group's comprehensive shareholding ratio increased to 79.47%. In the second quarter of 2019, the Company acquired Arobot Innovation Co., Ltd.'s non-controlling interest through the Company's subsidiary, Zhao-Xing Investment Co., Ltd. in, causing the Group's comprehensive shareholding ratio increased to 100%.
- Note 2: Adata Technology (Suzhou) 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 3: 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 4: AVIP TECHNOLOGY CO., LTD. was approved to be deregistered on April 1, 2020, and the investee was liquidated.
- Note 5: Adata International (Bvi) Co., Ltd. was approved to be deregistered by British Virgin Islands on July 22, 2019, and the investee was liquidated.
- Note 6: The Company's subsidiary, Erato (Cayman) Holdings Co., Ltd., originally held 100% equity interests in Erato (HK) Corporation Limited. In the third quarter of 2019, the Group conducted organisational restructuring, therefore, a 100% equity interest of Erato (HK) Corporation Limited was held by the Company's subsidiary, Jet Castle Limited.
- Note 7: Erato (Cayman) Holdings Co., Ltd. was approved to be deregistered by Cayman Islands on October 2, 2019, and the investee was liquidated.
- Note 8: Arobot Artificial Intelligence Technology (Suzhou) Co., Ltd. was approved to be deregistered by Suzhou Industrial Park's supervisory authority on October 18, 2019, and the investee was liquidated. On November 6, 2019, the deregistration was approved by the Investment Commission, MOEA.
- Note 9: 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) to the company in the first quarter of 2020, and held 100% of its equity interests.

Note 10: The Company newly invested in the company on April 10, 2020, and held 56.83% of its equity interest; the company also invested in the company on April 10, 2020 through its subsidiary, LIWANLI Innovation Co., Ltd, and holds 10% of its equity interest.

Note 11: The Company's grandson company-ADATA Technology (Suzhou) Co., Ltd. invested and established the company on July 2, 2020, and held 100% of its equity interests.

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) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(16) 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.

(17) 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

(18) 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.

(19) 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.

(20) Intangible assets

- A. Computer software and acquired special technology, are amortised on a straight-line basis, and their estimated useful lives are 1~10 and 10 years:
- B. Goodwill arises in business combination accounted for by applying the acquisition method.

(21) 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.

(22) 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.

(23) 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.

(24) 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.

(25) 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.

(26) 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’.

(27) 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.

(28) 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.

(29) 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.

(30) 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.

(31) 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.

(32) 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.

(33) 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.

(34) 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.

(35) 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.

(36) 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.

(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.

C. Impairment assessment of land

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets and the future possible income and expenses arising from the assets depending on how assets are utilised, valuation method and industrial characteristics, which may be changed because any changes of economic circumstances or estimates due to the change of Group strategy.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand and revolving funds	\$ 1,226	\$ 826
Checking accounts and demand deposits	1,409,070	1,941,400
Time deposits	1,248,059	542,239
Bills with repurchase agreement	120,000	-
	<u>\$ 2,778,355</u>	<u>\$ 2,484,465</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 amounting to \$990,613 and \$634,477 for the years ended December 31, 2020 and 2019, respectively. Related information is provided in Note 8.

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
-Listed (TSE and OTC) stocks	\$ 494,626	\$ 1,139,307
-Beneficiary certificates	511,000	22,300
-Put and call options of convertible bonds	7,773	2,704
-Gold passbook	111,075	-
-Non-hedging derivatives	4,156	-
-Financial products	<u>2,407</u>	<u>370,456</u>
	1,131,037	1,534,767
Valuation adjustment	(<u>33,896</u>)	(<u>153,521</u>)
	<u>\$ 1,097,141</u>	<u>\$ 1,381,246</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current items:		
Financial liabilities held for trading		
- Derivatives	<u>\$ -</u>	<u>\$ 468</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>2020</u>	<u>2019</u>
<u>Financial assets and liabilities at fair value through profit or loss</u>		
-Listed stocks, beneficiary certificates, gold passbook and financial products	\$ 56,091	(\$ 100,722)
-Non-hedging derivatives	(22,639)	10,246
-Put and call options of convertible bonds	<u>9,827</u>	<u>9,074</u>
	<u>\$ 43,279</u>	<u>(\$ 81,402)</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:

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

Derivative instruments	December 31, 2019	
	Contract amount (in thousands) (notional principal)	Contract period
Current items:		
Forward foreign exchange contracts		
Sell BRL/Buy USD	USD 1,000	December 12, 2019 to January 13, 2020

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 credit risk is provided in Note 12(2).

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-current items-equity instruments:		
-Listed stocks and emerging stocks	\$ 152,416	\$ 115,200
-Unlisted stocks, non-emerging stocks and capital contribution certificate	<u>746,574</u>	<u>816,541</u>
	898,990	931,741
Valuation adjustment	(<u>402,495</u>)	(<u>477,900</u>)
	<u>\$ 496,495</u>	<u>\$ 453,841</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 \$16,104 and \$682,370 as well as recognised accumulated gains (losses) on disposal amounting to (\$42,959) and \$9,745 for the years ended December 31, 2020 and 2019, 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,	
	2020	2019
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive losses	36,253	(\$ 69,368)
Cumulative gains (losses) reclassified to retained earnings due to derecognition	(\$ 42,959)	\$ 9,745
Dividend income recognised in profit or loss		
Held at end of year	\$ 2,005	\$ 6,355
Derecognised during the year	-	23,634
	<u>\$ 2,005</u>	<u>\$ 29,989</u>

D. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was its carrying amount.

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

F. Information relating to credit risk is provided in Note 12(2).

(4) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable	\$ 1,444	\$ 3,819
Accounts receivable	\$ 3,755,534	\$ 2,918,225
Accounts receivable-related parties	3	23,328
	3,755,537	2,941,553
Less: Allowance for uncollectible accounts	(4,717)	(22,001)
	<u>\$ 3,750,820</u>	<u>\$ 2,919,552</u>
Overdue receivables (shown as other non-current assets)	\$ 5,639	\$ 9,390
Less: Allowance for uncollectible accounts	(5,639)	(9,390)
	<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 is as follows:

	December 31, 2020		
	Notes receivable	Accounts receivable	Total
Not past due	\$ 1,444	\$ 3,426,742	\$ 3,428,186
1 to 90 days	-	328,270	328,270
Over 90 days	-	525	525
	<u>\$ 1,444</u>	<u>\$ 3,755,537</u>	<u>\$ 3,756,981</u>

	December 31, 2019		
	Notes receivable	Accounts receivable	Total
Not past due	\$ 3,819	\$ 2,514,473	\$ 2,518,292
1 to 90 days	-	419,118	419,118
Over 90 days	-	7,962	7,962
	<u>\$ 3,819</u>	<u>\$ 2,941,553</u>	<u>\$ 2,945,372</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2020 and 2019, notes and accounts receivable were all from contracts with customers. And as of January 1, 2019, the balance of notes and accounts receivables from contracts with customers amounted to \$38,063 and \$2,880,072, respectively.
- C. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes and accounts receivable held by the Group were their carrying amounts.
- D. No collateral was held by the Group for above mentioned notes and accounts receivable.
- E. Information relating to credit risk is provided in Note 12(2).

(5) Transfer of financial assets

For the years ended December 31, 2020 and 2019, 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, 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 1
Bank of Taiwan	-	-	\$ 142,400	-	-	Note 1
Standard Chartered Bank	209,633 (USD 7,361)	209,633 (USD 7,361)	USD 19,235	188,668 (USD 6,625)	- (USD -)	Note 1
Mega International Commercial Bank	69,377 (USD 2,436)	69,377 (USD 2,436)	USD 32,000	62,440 (USD 2,192)	\$ - (USD -)	Note 1
CTBC Bank	146,252 (USD 5,135)	146,252 (USD 5,135)	USD 12,000	117,001 (USD 4,108)	- (USD -)	Note 1
	<u>\$ 575,000</u>	<u>\$ 575,000</u>		<u>\$ 502,873</u>	<u>\$ -</u>	

(USD amounts in thousands)

December 31, 2019

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	\$ 244,320 (USD 8,149)	\$ 244,320 (USD 8,149)	USD 28,000	\$ 219,889 (USD 7,335)	\$ - (USD -)	Note 2
Bank of Taiwan	292,362 (USD 9,752)	292,362 (USD 9,752)	USD 26,000	263,126 (USD 8,777)	- (USD -)	Note 2
Bank of Taiwan	54,635	54,635	\$ 155,100	49,172	-	Note 2
Standard Chartered Bank	120,579 (USD 4,022)	120,579 (USD 4,022)	USD 9,500	108,521 (USD 3,620)	- (USD -)	Note 2
CTBC Bank	120,701 (USD 4,026)	120,701 (USD 4,026)	USD 12,000	96,561 (USD 3,220)	- (USD -)	Note 2
	<u>\$ 832,597</u>	<u>\$ 832,597</u>		<u>\$ 737,269</u>	<u>\$ -</u>	

As of December 31, 2020 and 2019, the Group has retention for the factoring of accounts receivable (shown as "Other receivables") amounting to \$72,127 and \$95,328, respectively.

Note 1: The advanced amount carried the interest rate of 0.480%~0.900% as at December 31, 2020.

Note 2: The advanced amount carried the interest rate of 1.227%~2.791% as at December 31, 2019.

(6) Inventories

	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>
	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,258,839	(\$ 66,436)	\$ 1,192,403
Work in progress	2,044,260	(4,187)	2,040,073
Semi-finished goods	84,105	(1,256)	82,849
Finished goods	1,216,465	(93,214)	1,123,251
Merchandise	684,168	(70,515)	613,653
	<u>\$ 5,287,837</u>	<u>(\$ 235,608)</u>	<u>\$ 5,052,229</u>

A. Inventories are not pledged as collateral.

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

	Years ended December 31,	
	2020	2019
Cost of goods sold	\$ 27,420,400	\$ 22,689,082
(Gain on reversal of) loss on decline in market value	(6,808)	(14,756)
Others	38,023	59,498
	<u>\$ 27,451,615</u>	<u>\$ 22,733,824</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, 2020</u>	<u>December 31, 2019</u>
Associates:		
IROC CO., LTD.	\$ 586,175	\$ 693,385
ATRACK TECHNOLOGY INC.	338,861	361,150
SHANDONG ADATA FUNCTION TECHNOLOGY DEVELOPMENT CO., LTD.	876,118	127,457
Others (Notes 9 and 10 for details)	<u>207,745</u>	<u>180,957</u>
	2,008,899	1,362,949
Joint ventures:		
Taiwan Sports Lottery Co., Ltd.	<u>977,381</u>	<u>915,913</u>
	<u>\$ 2,986,280</u>	<u>\$ 2,278,862</u>

The investment gain accounted for using the equity method for the years ended December 31, 2020 and 2019 amounted to \$229,457 and \$328,131, 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:

As of December 31, 2020 and 2019, the carrying amount of the Group's individually immaterial associates amounted to \$2,008,899 and \$1,362,949, respectively.

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Loss for the year	(\$ 82,011)	(\$ 28,061)
Other comprehensive loss, net of tax	(1,049)	(466)
Total comprehensive loss	<u>(\$ 83,060)</u>	<u>(\$ 28,527)</u>

B. Joint venture

(a) The basic information of the joint ventures that are material to the Group 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, 2020</u>	<u>December 31, 2019</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 Group is as follows:

i. Balance sheet

	<u>Taiwan Sports Lottery Co., Ltd.</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash and cash equivalents	\$ 1,696,329	\$ 1,528,296
Other current assets	186,592	179,368
Current assets	<u>1,882,921</u>	<u>1,707,664</u>
Non-current assets	<u>687,410</u>	<u>719,560</u>
Total assets	<u>\$ 2,570,331</u>	<u>\$ 2,427,224</u>
Current financial liabilities (Note)	(\$ 179,944)	(\$ 118,655)
Other current liabilities	(233,119)	(293,778)
Current liabilities	<u>(413,063)</u>	<u>(412,433)</u>
Non-current liabilities	<u>(104,809)</u>	<u>(91,413)</u>
Total liabilities	<u>(\$ 517,872)</u>	<u>(\$ 503,846)</u>
Total net assets	<u>\$ 2,052,459</u>	<u>\$ 1,923,378</u>
Share in joint venture's net assets	<u>\$ 977,381</u>	<u>\$ 915,913</u>
Carrying amount of the joint venture	<u>\$ 977,381</u>	<u>\$ 915,913</u>

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

ii. Statement of comprehensive income

	<u>Taiwan Sports Lottery Co., Ltd.</u>	
	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Revenue	\$ 2,146,281	\$ 2,768,320
Depreciation and amortisation	(\$ 76,297)	(\$ 69,061)
Interest income	<u>\$ 230</u>	<u>\$ 314</u>
Profit before income tax	\$ 810,201	\$ 950,091
Income tax expense	(156,122)	(202,084)
Profit for the year from continuing operations	<u>\$ 654,079</u>	<u>\$ 748,007</u>
Total comprehensive income	<u>\$ 654,079</u>	<u>\$ 748,007</u>
Dividends received from joint venture	<u>\$ 250,000</u>	<u>\$ 450,000</u>

(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		Others		Construction in progress and equipment to be inspected		
	Owner		Owner		Owner		Owner		Owner				
	-occupied	Lease	-occupied	Lease	-occupied	Lease	-occupied	Lease	-occupied	Lease		-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
At December 31, 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

	Land		Buildings and structures		Machinery and equipment		Office equipment		Others		Construction in progress and equipment to be inspected	Total	
	Owner-occupied	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal			Owner-occupied
At January 1, 2019													
Opening net book amount as at January 1	\$ 2,894,687	\$ 2,475,312	\$ 43,302	\$ 2,518,614	\$ 1,003,823	\$ 22,873	\$ 1,026,696	\$ 119,362	\$ 2,315	\$ 121,677	\$ 588,573	\$ 947	\$ 7,151,194
Accumulated depreciation	-	(681,518)	(11,578)	(693,096)	(442,845)	(13,657)	(456,502)	(78,311)	(2,315)	(80,626)	(274,688)	-	(1,504,912)
	\$ 2,894,687	\$ 1,793,794	\$ 31,724	\$ 1,825,518	\$ 560,978	\$ 9,216	\$ 570,194	\$ 41,051	\$ -	\$ 41,051	\$ 313,885	\$ 947	\$ 5,646,282
2019													
Opening net book amount as at January 1	\$ 2,894,687	\$ 1,793,794	\$ 31,724	\$ 1,825,518	\$ 560,978	\$ 9,216	\$ 570,194	\$ 41,051	\$ -	\$ 41,051	\$ 313,885	\$ 947	\$ 5,646,282
Additions	-	1,582	-	1,582	42,282	-	42,282	13,141	-	13,141	38,082	1,150	96,237
Disposals	-	(43,065)	-	(43,065)	(784)	(3,253)	(4,037)	(2,836)	-	(2,836)	(7,726)	-	(57,664)
Transfers for the year (Note)	-	(2,784)	2,784	-	92,309	-	92,309	981	-	981	137,035	(2,044)	228,281
Depreciation charge	-	(99,498)	(1,377)	(100,875)	(87,112)	(2,784)	(89,896)	(13,263)	-	(13,263)	(60,496)	-	(264,530)
Net exchange differences	(926)	(46,352)	(540)	(46,892)	(23,855)	-	(23,855)	(1,152)	-	(1,152)	(13,621)	(53)	(86,499)
Closing net book amount as at December 31	\$ 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
At December 31, 2019													
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

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, 2020	\$ 42,985	\$ 58,944	\$ 5,919	\$ 107,848
Additions	-	71,097	2,430	73,527
Disposals	-	(772)	(1,788)	(2,560)
Depreciation	(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>

	Land	Buildings	Transportation equipment	Total
Balance, January 1, 2019	\$ 83,739	\$ 43,915	\$ 6,782	\$ 134,436
Additions	-	68,077	3,149	71,226
Depreciation	(2,199)	(41,654)	(4,011)	(47,864)
Disposals	(35,494)	(10,856)	-	(46,350)
Net exchange differences	(3,061)	(538)	(1)	(3,600)
Balance, December 31, 2019	<u>\$ 42,985</u>	<u>\$ 58,944</u>	<u>\$ 5,919</u>	<u>\$ 107,848</u>

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

	Year ended December 31, 2020	Year ended December 31, 2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,004	\$ 966
Expense on short-term lease contracts	26,052	48,048
Expense on leases of low-value assets	390	339
Gain arising from lease modifications	(75)	(242,678)
	<u>\$ 27,371</u>	<u>(\$ 193,325)</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, 2020 and 2019 amounted to \$51,688 and \$50,286.

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, 2020 and 2019, the Group recognised rent income in the amount of \$28,797 and \$47,426 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, 2020</u>	<u>December 31, 2019</u>
Next 1 year	\$ 12,656	\$ 21,444
Next 2 years	1,612	1,159
Next 3 years	21	-
	<u>\$ 14,289</u>	<u>\$ 22,603</u>

(11) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
At January 1, 2020			
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>
At December 31, 2020			
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>

	Land	Buildings and structures	Total
At January 1, 2019			
Cost	\$ 2,388,760	\$ 442,132	\$ 2,830,892
Accumulated depreciation and impairment	(215,313)	(50,200)	(265,513)
	<u>\$ 2,173,447</u>	<u>\$ 391,932</u>	<u>\$ 2,565,379</u>
<u>2019</u>			
Opening net book amount as at January 1	\$ 2,173,447	\$ 391,932	\$ 2,565,379
Disposals	(487,775)	(205,243)	(693,018)
Reclassified to non-current assets held for sale	(29,007)	(1,760)	(30,767)
Depreciation charge	-	(12,197)	(12,197)
Impairment loss	(172,246)	-	(172,246)
Net exchange differences	-	(3,432)	(3,432)
Closing net book amount as at December 31	<u>\$ 1,484,419</u>	<u>\$ 169,300</u>	<u>\$ 1,653,719</u>
At December 31, 2019			
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>

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

	Years ended December 31,	
	2020	2019
Rental income from investment property	<u>\$ 20,087</u>	<u>\$ 40,628</u>
Direct operating expenses arising from the investment property that generated rental income for the year	<u>\$ 5,053</u>	<u>\$ 12,398</u>

B. The fair value of the investment property held by the Group as at December 31, 2020 and 2019 was \$1,677,409 and \$1,720,266, respectively. The above fair value is assessed based on evaluation of independent appraisers semi-annually. Valuations were made using the comparative approach and land development analysis, which is categorised within Level 3 in the fair value hierarchy.

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, 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>
	<u>Patent</u>	<u>Software</u>	<u>Technical skills</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2019</u>						
Cost	\$ 6,905	\$ 182,303	\$ 564,783	\$ 325,950	\$ 10,443	\$ 1,090,384
Accumulated amortisation and impairment	(6,905)	(116,439)	(3,689)	-	-	(127,033)
	<u>\$ -</u>	<u>\$ 65,864</u>	<u>\$ 561,094</u>	<u>\$ 325,950</u>	<u>\$ 10,443</u>	<u>\$ 963,351</u>
<u>2019</u>						
Opening net book amount as at January 1	\$ -	\$ 65,864	\$ 561,094	\$ 325,950	\$ 10,443	\$ 963,351
Additions	-	12,533	-	-	-	12,533
Disposals	-	(102)	-	-	-	(102)
Transfers for the year	8,680	3,158	-	-	-	11,838
Amortisation charge	(1,210)	(23,653)	(44,537)	-	-	(69,400)
Impairment loss	-	-	-	-	(10,193)	(10,193)
Net exchange differences	52	(338)	(9,220)	-	(250)	(9,756)
December 31	<u>\$ 7,522</u>	<u>\$ 57,462</u>	<u>\$ 507,337</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 898,271</u>
<u>At December 31, 2019</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>

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

	Years ended December 31,	
	2020	2019
Operating costs	\$ 55,121	\$ 53,874
Selling expenses	744	399
General and administrative expenses	6,680	7,265
Research and development expenses	3,197	7,862
	<u>\$ 65,742</u>	<u>\$ 69,400</u>

B. No intangible assets were capitalised interest.

C. 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,			
	2020		2019	
	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)	\$ -	(\$ 21,143)	\$ -
Impairment loss-investment property-land (Note 2)	(210,000)	-	(172,246)	-
Impairment loss-intangible assets (Note 3)	(59,280)	-	(10,193)	-
	<u>(\$ 393,259)</u>	<u>-</u>	<u>(\$ 203,582)</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 arising in 2019 and 2018 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 after-tax cash flow forecast of the financial budget predicted by the management.

(14) Non-current assets held for sale

On October 30, 2019, the Board of Directors approved the sale of real estate for lease (including land and building construction), and the related assets were classified as non-current assets held for sale. The transaction was completed in January 2020. The net fair value of the non-current assets held for sale is greater than the book value. The book value of the non-current assets held for sale as of December 31, 2019 and 2020 were \$0 and \$30,767, respectively.

(15) Other non-current assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Refundable deposits	\$ 55,174	\$ 63,425
Prepayments for equipment	101,749	46,931
Others	<u>95,198</u>	<u>87,558</u>
	<u>\$ 252,121</u>	<u>\$ 197,914</u>

(16) Short-term borrowings

<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	<u>24,073</u>	5.25	Please refer to Note 8
	<u>\$ 6,272,309</u>		

<u>Type of borrowings</u>	<u>December 31, 2019</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured loans	<u>\$ 3,282,396</u>	1.05%~7.44%	None

Information on interest expense recognised in profit or loss is provided in Note 6(29).

(17) Other current liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Refund liabilities	\$ 77,218	\$ 64,157
Current portion of long-term borrowings	266,491	91,129
Others	<u>35,132</u>	<u>27,756</u>
	<u>\$ 378,841</u>	<u>\$ 183,042</u>

(18) Bonds payable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Bonds payable	\$ 1,563,100	\$ 1,287,600
Less: Discount on bonds payable	<u>(51,204)</u>	<u>(52,842)</u>
	<u>\$ 1,511,896</u>	<u>\$ 1,234,758</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.
 - (e) 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.
 - (f) 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.
 - (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, 2020 and 2019, the convertible bonds of \$724,500 and \$212,400 had been converted into 4,068,946 shares of common stocks, respectively.
 - (i) As of December 31, 2020, 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.
 - (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) No bonds were converted into common shares during the year ended December 31, 2020.
 - (i) As of December 31, 2020, 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%.

(19) Long-term borrowings

<u>Borrowings</u>	<u>Borrowings period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2020</u>
Bank borrowings			
Bank syndicated loans	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 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 at maturity, 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; interest is payable monthly; principal is repayable at maturity, 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	91,820
Unsecured borrowings	Borrowing period is from October 29, 2020 to April 20, 2022; interest is repayable monthly; principal is repayable at 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	<u>42,787</u>
			4,496,609
Less: Current portion (shown as other current liabilities)			<u>(266,491)</u>
			<u>\$ 4,230,118</u>

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

Borrowings	Borrowings period and repayment term	Collateral	December 31, 2019
Bank borrowings			
Bank syndicated loans	Borrowing period is from August 21, 2017 to August 21, 2022; interest is repayable monthly, principal paid at maturity, revolving credit	None	\$ 4,800,000
Secured borrowings	Borrowing period is from May 15, 2019 to May 15, 2021; interest is repayable monthly, principal paid at maturity, revolving credit	Please refer to Note 8	710,000
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	138,155
Unsecured borrowings	Borrowing period is from May 15, 2019 to May 15, 2021; interest is repayable monthly, principal paid at maturity, revolving credit	None	290,000
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 September 18, 2017 to September 18, 2020; interest and principal are repayable every three months	None	45,286
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	None	<u>112,914</u>
			6,896,355
Less: Current portion (shown as other current liabilities)			(<u>91,129</u>)
			<u>\$ 6,805,226</u>

The long-term borrowings carried interest rate of 1.300%~3.908% as at December 31, 2019.

Note: Bank syndicated loans

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 consolidated financial statements audited by independent auditors and semi-annual consolidated financial statements reviewed by independent auditors shall conform to the terms and conditions.

(20) 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, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	(\$ 26,710)	(\$ 26,417)
Fair value of plan assets	<u>43,503</u>	<u>40,926</u>
Net defined benefit assets (shown as other non-current assets)	<u>\$ 16,793</u>	<u>\$ 14,509</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 March 24, 2021, 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:

	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	<u>-</u>	<u>839</u>	<u>839</u>
Balance at December 31	<u>(\$ 26,710)</u>	<u>\$ 43,503</u>	<u>\$ 16,793</u>
Year ended December 31, 2019			
Balance at January 1	(\$ 26,214)	\$ 38,306	\$ 12,092
Interest (expense) income	(277)	310	33
	<u>(26,491)</u>	<u>38,616</u>	<u>12,125</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,409	1,409
Change in financial assumptions	(1,094)	-	(1,094)
Experience adjustments	<u>1,168</u>	<u>-</u>	<u>1,168</u>
	<u>74</u>	<u>1,409</u>	<u>1,483</u>
Pension fund contribution	<u>-</u>	<u>901</u>	<u>901</u>
Balance at December 31	<u>(\$ 26,417)</u>	<u>\$ 40,926</u>	<u>\$ 14,509</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, 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>2020</u>	<u>2019</u>
Discount rate	<u>0.37%</u>	<u>0.76%</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, 2020				
Effect on present value of defined benefit obligation	<u>(\$ 855)</u>	<u>881</u>	<u>\$ 1,683</u>	<u>(\$ 1,576)</u>
	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
December 31, 2019				
Effect on present value of defined benefit obligation	<u>(\$ 1,809)</u>	<u>\$ 1,992</u>	<u>\$ 1,861</u>	<u>(\$ 1,730)</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, 2021 amounts to \$819.

(g) As of December 31, 2020, the weighted average duration of the retirement plan is 11.8 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, 2020 and 2019 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, 2020 and 2019 were \$41,831 and \$59,535, respectively.

(21) Employee share-based payment

A. The Company’s share-based payment arrangements were as follows:

The Company proposed to issue a total of 2.5 million shares of employee restricted stocks with par value of \$10, 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.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Settlement method
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. 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

Note: 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.

C. 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,	
	2020	2019
Restricted stocks to employees	\$ 9,781	\$ -

(b) Capital surplus

Capital surplus incurred on the abovementioned transactions are shown below:

	Years ended December 31,	
	2020	2019
Restricted stocks to employees	\$ 156,500	\$ -

(22) Provisions for liabilities

	<u>Warranty</u>	<u>Marketing subsidy</u>	<u>Decommissioning Liabilities</u>	<u>Total</u>
At January 1, 2020	\$ 20,766	\$ -	\$ 880	\$ 21,646
Additional provisions	44,653	-	-	44,653
Used during the year	(51,633)	-	-	(51,633)
At December 31, 2020	<u>\$ 13,786</u>	<u>\$ -</u>	<u>\$ 880</u>	<u>\$ 14,666</u>

	<u>Warranty</u>	<u>Marketing subsidy</u>	<u>Decommissioning Liabilities</u>	<u>Total</u>
At January 1, 2019	\$ 24,733	\$ 1,599	\$ 341	\$ 26,673
Additional provisions	87,080	-	700	87,780
Used during the year	(91,047)	(1,599)	(161)	(92,807)
At December 31, 2019	<u>\$ 20,766</u>	<u>\$ -</u>	<u>\$ 880</u>	<u>\$ 21,646</u>

Analysis of total provisions:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current	<u>\$ 13,786</u>	<u>\$ 20,766</u>
Non-current	<u>\$ 880</u>	<u>\$ 880</u>

A. Provision for contingent service cost and marketing subsidy

The Group's provisions for contingent service cost and provision for marketing subsidy are related to the sale of memory, storage device and computer peripherals products. The amount of provision for contingent service cost is estimated based on the product history of contingent service costs, and the provision for marketing subsidy is estimated based on the customers' expectation of promotion activities.

B. Decommissioning liabilities

The Group bears dismantling, removing the asset and restoring the site obligations for the leased office in the future. A provision is recognised for the present value of costs to be incurred for dismantling, removing the asset and restoring the site.

(23) Share capital

A. As of December 31, 2020, the Company's authorised capital was \$4,000,000, consisting of 400,000,000 shares of ordinary stock (including 25,000,000 shares reserved for employee stock options), and the paid-in capital was \$2,363,736 with a par value of \$10 (in dollars) per share, equivalent to 236,373,645 shares. The Company's actual outstanding shares was 230,912,645 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)

	2020	2019
At January 1	222,256,320	218,187,374
Conversion of convertible bonds	14,117,325	4,068,946
Purchase of treasury shares	(5,461,000)	-
At December 31	<u>230,912,645</u>	<u>222,256,320</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)

	2020	2019
At January 1	665,000	1,898,000
Acquisition of the Company's share by subsidiaries	692,000	2,309,000
Disposal of parent company's share by subsidiaries	(27,000)	(3,542,000)
At December 31	<u>1,330,000</u>	<u>665,000</u>

B. Conversion of convertible bonds

For the years ended December 31, 2020 and 2019, the Company issued 14,117,325 and 4,068,946 shares of ordinary shares as a result 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, 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

		December 31, 2019	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	1,538,000	\$ 126,986

- 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:

<u>Year</u>	<u>Shares</u>	<u>Amount</u>	<u>Final termination for reissuance</u>
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 repurchase outstanding shares for 6,000,000 shares and repurchased 5,461,000 shares for \$282,450.

(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, 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>
<u>Name of company holding the shares</u>	<u>December 31, 2019</u>	
	<u>Number of shares</u>	<u>Carrying amount</u>
LIWANLI Innovation Co., Ltd. and its subsidiaries	<u>665,000</u>	<u>\$ 35,776</u>

(24) 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.

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

2019

	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	\$ 3,457,654	\$ -	\$ 23,801	\$ -	\$ 104,140	\$ 1,340	\$ -	\$ 3,586,935
Issuance of convertible bonds	-	58,800	-	-	-	-	-	58,800
Conversion of convertible bonds	172,000 (	8,326)	-	-	-	-	-	163,674
Unclaimed dividends transferred to capital surplus	-	-	-	374	-	-	-	374
Treasury share transactions of subsidiaries	-	-	-	-	22,983	-	-	22,983
At December 31	\$ 3,629,654	\$ 50,474	\$ 23,801	\$ 374	\$ 127,123	\$ 1,340	\$ -	\$ 3,832,766

(25) Retained earnings

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 2019 and 2018 as resolved by the shareholders on June 19, 2020 and June 14, 2019 are as follows:

	Years ended December 31,			
	2019		2018	
	Amount	Dividends (in dollars)	Amount	Dividends (in dollars)
Legal reserve appropriated	\$ 41,057		\$ -	
Special reserve appropriated	266,654		367,424	
Cash dividends	311,159	1.4	43,637	0.2
	<u>\$ 618,870</u>		<u>\$ 411,061</u>	

(b) The appropriation of earnings of year 2020 as resolved by the Board of Directors on March 24, 2021 is as follows:

	Year ended December 31, 2020	
	Amount	Dividends (in dollars)
Legal reserve appropriated	\$ 108,468	
Special reserve appropriated	83,323	
Cash dividends	808,194	3.5
	<u>\$ 999,985</u>	

(26) Other equity items

	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)
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)
Revaluation transferred to retained earnings-gross				
-Group	-	42,959	-	42,959
-Associates	-	-	-	-
Currency translation differences:				
-Group	(151,464)	-	-	(151,464)
-Tax on Group	30,305	-	-	30,305
-Associates	(53)	-	-	(53)
At December 31	<u>(\$ 761,786)</u>	<u>(\$ 410,049)</u>	<u>-\$ 146,719</u>	<u>(\$ 1,318,554)</u>

	2019			
	Currency translation	Unrealised gains (losses) on valuation	Unearned stock-based employee compensation	Total
At January 1	(\$ 444,236)	(\$ 410,422)	\$ -	(\$ 854,658)
Revaluation-gross:				
-Group	-	(69,368)	-	(69,368)
-Tax on Group	-	(1,026)	-	(1,026)
-Associates	-	405	-	405
Revaluation transferred to retained earnings-gross				
-Group	-	(9,745)	-	(9,745)
-Associates	-	-	-	-
Currency translation differences:				
-Group	(244,551)	-	-	(244,551)
-Tax on Group	49,084	-	-	49,084
-Associates	(871)	-	-	(871)
At December 31	<u>(\$ 640,574)</u>	<u>(\$ 490,156)</u>	<u>\$ -</u>	<u>(\$ 1,130,730)</u>

(27) 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, 2020</u>	Contract revenue					
	Country T	Country C	Country A	Country J	Others	Total
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	12,004	945	-	-	277	13,226
	<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>

<u>Year ended December 31, 2019</u>	Contract revenue					
	Country T	Country C	Country A	Country J	Others	Total
Timing of revenue recognition						
At a point in time	\$ 3,659,472	\$ 9,421,240	\$ 6,877,371	\$ 1,491,628	\$ 4,078,142	\$ 25,527,853
Over time	9,020	25,567	-	-	-	34,587
	<u>\$ 3,668,492</u>	<u>\$ 9,446,807</u>	<u>\$ 6,877,371</u>	<u>\$ 1,491,628</u>	<u>\$ 4,078,142</u>	<u>\$ 25,562,440</u>

B. Contract liabilities

(a) The Group has recognised the following revenue-related contract liabilities:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>January 1, 2019</u>
Contract liabilities:			
Sales revenue and service revenue contract	<u>\$ 12,440</u>	<u>\$ 9,694</u>	<u>\$ 17,710</u>

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period

	Years ended December 31,	
	2020	2019
Sales revenue and service revenue contract	\$ 7,315	\$ 16,052

(28) Other income

	Years ended December 31,	
	2020	2019
Dividend income	\$ 9,782	\$ 45,508
Rental revenue	28,497	47,426
Government grants	41,142	31,228
Other income	55,434	66,220
	<u>\$ 134,855</u>	<u>\$ 190,382</u>

(29) Other gains and losses

	Years ended December 31,	
	2020	2019
Net gains (losses) on financial assets and liabilities at fair value through profit or loss	\$ 43,279	(\$ 81,402)
Net currency exchange losses	(16,340)	(22,399)
Gains (losses) on disposal of property, plant and equipment	197,544	(10,540)
Losses on disposal of intangible assets	-	(102)
Impairment loss on intangible assets	(59,280)	(10,193)
(Losses) gains on disposal of investment accounted for using the equity method	(557)	1,023
Impairment loss on investments accounted for using the equity method	(123,979)	(21,143)
Gain on disposal of investment property	26,020	270,220
Depreciation charges on investment property	(5,053)	(12,197)
Impairment loss on investment property	(210,000)	(172,246)
Profit from lease modification	75	242,678
Others	7,381	(43,004)
	<u>(\$ 140,910)</u>	<u>\$ 140,695</u>

(30) Finance costs

	Years ended December 31,	
	2020	2019
Interest expense:		
Bank borrowings	\$ 147,015	\$ 171,255
Lease liabilities	1,004	966
Amortization of bond discount	12,168	9,291
Others	-	241
	<u>\$ 160,187</u>	<u>\$ 181,753</u>

(31) Expenses by nature

	Years ended December 31,	
	2020	2019
Employee benefit expense	<u>\$ 1,744,084</u>	<u>\$ 1,558,208</u>
Depreciation charges on property, plant and equipment	<u>\$ 245,368</u>	<u>\$ 264,530</u>
Depreciation charges on right-of-use assets	<u>\$ 50,459</u>	<u>\$ 47,864</u>
Amortisation charges on intangible assets	<u>\$ 65,742</u>	<u>\$ 69,400</u>

(32) Employee benefit expenses

	Years ended December 31,	
	2020	2019
Wages and salaries	\$ 1,483,178	\$ 1,263,190
Labour and health insurance fees	112,997	115,276
Pension costs	41,792	59,502
Directors' remuneration	33,346	45,378
Other personnel expenses	72,771	74,862
	<u>\$ 1,744,084</u>	<u>\$ 1,558,208</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, 2020 and 2019, employees' compensation was accrued at \$93,219 and \$27,532, respectively; directors' and supervisors' remuneration was accrued at \$18,644 and \$5,507, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 5% and 1% of distributable profit of current year for the year ended December 31, 2020.

Employees' compensation and directors' and supervisors' remuneration of 2019 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2019 financial statements.

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.

(33) Income tax

A. Income tax expense

(a) Components of income tax expense:

Current income tax liabilities	\$	230,583	\$	65,047
Current income tax assets	(	21,938)		-
Tax on undistributed surplus earnings		-	(	1,303)
Prior year tax refunded		5,091		6,376
Prepaid income tax		178,740		99,792
Prior year income tax (over) underestimation	(	5,458)	(	6,449)
Total current tax		<u>387,018</u>		<u>163,463</u>
Deferred tax:				
Origination and reversal of temporary differences		<u>222,162</u>		<u>46,230</u>
Other:				
Tax on undistributed surplus earnings		-		1,303
Effect on exchange rate		<u>3,765</u>		<u>3,808</u>
Income tax expense	\$	<u>612,945</u>	\$	<u>214,804</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,	
	2020	2019
Changes in fair value of financial assets at fair value through other comprehensive income	(\$ 1,891)	\$ 1,026
Currency translation differences	(30,305)	(49,084)
Remeasurement of defined benefit obligations	188	211
	<u>(\$ 32,008)</u>	<u>(\$ 47,847)</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2020	2019
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 596,847	\$ 373,463
Tax exempt income by tax regulation	(51,869)	(11,969)
Gain on investments accounted for using equity the method	(99,265)	(166,385)
Share of loss of associates accounted for equity method	56,151	3,089
Tax-exemption of domestic dividend income	(5,510)	(7,790)
Impairment loss on investment property	42,000	34,449
Impairment loss on investments accounted for using the equity method	17,128	3,837
Taxable loss not recognised as deferred tax assets	20,142	9,274
Change in assessment of realisation of deferred tax assets	55,749	-
Prior year income tax (over) underestimation	(5,458)	(6,449)
Usage of taxable loss not recognised as deferred tax assets	(9,896)	-
Tax on undistributed surplus earnings	-	1,303
Others	(3,074)	(18,018)
Income tax expense	<u>\$ 612,945</u>	<u>\$ 214,804</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:

	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>

2019

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets:				
-Temporary differences:				
Loss on inventory	\$ 16,043	(\$ 97)	\$ -	\$ 15,946
Amount of allowance for bad debts that exceed the limit for tax purpose	10,163	-	-	10,163
Unrealised gross profit from sales	10,610	(4,002)	-	6,608
Payable for unpaid annual leave	3,616	610	-	4,226
Provisions for liabilities	4,286	(792)	-	3,494
Unrealised gain (loss) on valuation of financial assets	7,932	-	(1,026)	6,906
Unrealised loss on domestic investments accounted for using the equity method	43,063	31,628	-	74,691
Unrealised loss on biological assets	53	(2)	-	51
Currency translation differences	111,058	-	49,084	160,142
Unrealised foreign exchange loss	-	6,263	-	6,263
Others	3,131	17,073	-	20,204
-Tax losses	<u>188,272</u>	<u>27,310</u>	<u>-</u>	<u>215,582</u>
Subtotal	<u>398,227</u>	<u>77,991</u>	<u>48,058</u>	<u>524,276</u>
Deferred tax liabilities:				
-Temporary differences:				
Net defined benefit asset	(\$ 2,428)	(\$ 176)	(\$ 211)	(\$ 2,815)
Unrealised foreign exchange gain	(2,150)	2,150	-	-
Unrealised gains on valuation	(1,211)	(2,932)	-	(4,143)
Unrealised gain on investments	(379,508)	(123,195)	-	(502,703)
Others	(306)	(68)	-	(374)
Subtotal	<u>(385,603)</u>	<u>(124,221)</u>	<u>(211)</u>	<u>(510,035)</u>
	<u>\$ 14,831</u>	<u>(\$ 46,230)</u>	<u>\$ 47,847</u>	<u>\$ 14,241</u>

D. Expiration dates of unused taxable loss and amounts of unrecognised deferred tax assets are as follows:

December 31, 2020						
	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	
	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	
Awayspeed 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>		

December 31, 2019

	Year incurred	Amount		Unrecognised deferred tax	
		filed/assessed	Unused amount	assets	Expiry year
The Company	2018 (filed)	\$ 783,370	\$ 783,370	\$ -	2028
	2019 (filed)	168,719	168,719	-	2029
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 (filed)	101,908	101,908	101,908	2028
AVIP Technology Co., Ltd.	2010 (assessed)	3,370	3,370	3,370	2020
	2011 (assessed)	969	969	969	2021
	2012 (assessed)	192	192	192	2022
	2013 (assessed)	109	109	109	2023
	2014 (assessed)	116	116	116	2024
	2015 (assessed)	86	86	86	2025
	2017 (assessed)	1,872	1,872	1,872	2027
	2018 (assessed)	1,316	1,316	1,316	2028
	2019 (filed)	1,706	1,706	1,706	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 (filed)		2,269	2,269	2,269	2028
2019 (filed)		4,186	4,186	4,186	2029
Adata Technology (HK) Co., Ltd.	-	217,330	217,330	113,328	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 (filed)	207	207	207	2028
	2019 (filed)	172	172	172	2029
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 (filed)	3,181	3,181	3,181	2028
	2019 (filed)	2,395	2,395	2,395	2029
Arobot Innovation Co., Ltd.	2018 (filed)	35,608	35,608	35,608	2028
Adata Integration	2017 (filed)	85,729	85,729	85,729	Unlimited duration
	2018 (filed)	81,467	81,467	81,467	Unlimited duration
	2019 (filed)	18,081	18,081	18,081	Unlimited duration
Adata Electronics	2018 (filed)	43,142	43,142	43,142	Unlimited duration
LIWANLI Innovation Co., Ltd.	2010 (assessed)	26,140	26,140	26,140	2020
	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)	41,984	41,984	41,984	2029
		<u>\$ 1,870,194</u>	<u>\$ 1,870,194</u>	<u>\$ 814,103</u>	

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Deductible temporary differences	\$ <u>446,605</u>	\$ <u>300,116</u>

F. The information of the Group's income tax assessment is as follows:

	<u>Assessment status</u>
The Company, Zhen Lian Investment Co., Ltd. and Hong Qi Investment Co., Ltd., ZHAO-XING INVESTMENT CO., LTD., CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD., JIOU LONG AGRICULTURAL, LONG TIAN AGRICULTURAL, LIWANLI Innovation Co., Ltd.	Assessed till 2018
AVIP TECHNOLOGY CO., LTD., ABROBOT INNOVATION CO., LTD.,	Assessed till 2019

(34) Earnings per share

	<u>Year ended December 31, 2020</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>1,350,659</u>	<u>221,304</u>	\$ <u>6.10</u>
<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	-	<u>37</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>1,353,000</u>	<u>248,322</u>	\$ <u>5.45</u>

	Year ended December 31, 2019		
	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	\$ 412,940	216,987	\$ 1.90
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 412,940	216,987	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	401	
-Convertible bonds	216	18,656	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 413,156	236,044	\$ 1.75

(35) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31,	
	2020	2019
Purchase of property, plant and equipment	\$ 110,040	\$ 96,237
Add: Opening balance of payable on equipment	7,861	4,471
Less: Ending balance of payable on equipment	(3,352)	(7,861)
Increase in decommissioning liabilities	-	(700)
Cash paid during the year	\$ 114,549	\$ 92,147

B. Financing activities with no cash flow effects:

	Years ended December 31,	
	2020	2019
Acquisition of right-of-use assets	\$ 73,527	\$ 71,226
Less: Additional lease liabilities during the year	(73,527)	(71,226)
Cash paid during the year	\$ -	\$ -

	December 31, 2020	December 31, 2019
Convertible bonds converted to capital stocks	\$ 141,173	\$ 40,689

(36) 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, 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, 2019	<u>\$ 6,272,309</u>	<u>\$ 200,000</u>	<u>\$ 1,511,896</u>	<u>\$ 4,496,609</u>	<u>\$ 84,770</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, 2019	\$ 3,806,210	\$ 600,000	\$ -	\$ 7,356,144	\$ 50,697
Increase in cash flow from financing activities	560,000	100,000	1,495,000	51,808,201	-
Decrease in cash flow from financing activities	(1,083,814)	-	-	(52,267,990)	(50,286)
Increase in lease liabilities	-	-	-	-	71,226
Amortisation of discounts on bonds payable	-	-	9,291	-	-
Changes in other non-cash items	-	-	(269,533)	-	(6,071)
At December 31, 2019	<u>\$ 3,282,396</u>	<u>\$ 700,000</u>	<u>\$ 1,234,758</u>	<u>\$ 6,896,355</u>	<u>\$ 65,566</u>

(37) Transactions with non-controlling interest

Acquisition of additional equity interest in a subsidiary

For the years ended December 31, 2020 and 2019, the Group disposed additional 0.24% and 0% 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 \$2,481 and \$0, 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
Master Acoustics Innovation Company Limited	Associates
Atrack Technology Inc.	Associates

Names of related parties	Relationship with the Company
Shandong Function Real Estate Co., Ltd.	Associates
Taiwan Biomedical Company	Associates
Taiwan Sports Lottery Co., Ltd.	Joint ventures
ATESTINC CO., LTD.	Other related party
Pao.Da. Investment 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 transaction

(a) Operating revenue:

Operating revenue arising from sales to related parties is as follows:

	Years ended December 31,	
	2020	2019
Associates	\$ 99,787	\$ 108,070
Other related parties	8	43
Joint ventures	841	32
	<u>\$ 100,636</u>	<u>\$ 108,145</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, 2020	December 31, 2019
Associates	<u>\$ 3</u>	<u>\$ 23,328</u>

B. Purchases of goods:

(a) Purchases

Details of purchasing (returning) from related parties are as follows:

	Years ended December 31,	
	2020	2019
Associates	\$ 2,552	\$ 1,350
Other related parties	(72)	893
	<u>\$ 2,480</u>	<u>\$ 2,243</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 60 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, 2020	December 31, 2019
Associates	\$ 1	\$ 240
Other related parties	-	14
	<u>\$ 1</u>	<u>\$ 254</u>

C. Property transactions

Acquisition of property

For the years ended December 31, 2020 and 2019, the Group acquired property, plant and equipment from other related parties amounting to \$0 and \$234, respectively. As of December 31, 2020 and 2019, the other payables arising from sales of property were both \$0.

D. 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,	
	2020	2019
Associates	\$ 104	\$ 1,394
Other related parties	-	14
	<u>\$ 104</u>	<u>\$ 1,408</u>

(b) Other receivables

Other receivables arising from the aforementioned transactions and payments on behalf of others are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Associates	\$ 56	\$ 51
Other related parties	13	15
	<u>\$ 69</u>	<u>\$ 66</u>

E. Issuance of lottery

Other receivables

In order 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, 2020 and 2019, 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, 2020</u>	<u>December 31, 2019</u>
Joint ventures	\$ 38,212	\$ 39,569

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, 2020 and 2019.

F. 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>2020</u>	<u>2019</u>
Joint ventures	<u>\$ 10,091</u>	<u>\$ 10,395</u>

(b) Other receivables

Details of other receivables arising from above transactions are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Joint ventures	<u>\$ 10,091</u>	<u>\$ 10,915</u>

G. 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,	
	2020	2019
Associates	\$ 783	\$ 22
Other related parties	1,828	-
	<u>\$ 2,611</u>	<u>\$ 22</u>

As of December 31, 2020 and 2019, the other payables arising from aforementioned transactions were \$969 and \$0, respectively.

(b) Deduction of investments accounted for using the equity method/other receivables

Deduction of investments accounted for using the equity method arising from proceeds from capital reduction of associates is as follows:

	Years ended December 31,	
	2020	2019
Associates	\$ -	\$ 18,711

As of December 31, 2020 and 2019, the other receivables arising from aforementioned transactions were both \$0.

(c) Other payables

Other payables arising from payments on behalf of related parties are as follows:

	December 31, 2020	December 31, 2019
Associates	<u>\$ 11</u>	<u>\$ 295</u>

H. 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,	
	2020	2019
Joint ventures	<u>\$ 250,000</u>	<u>\$ 450,000</u>

(b) Other receivables

As of December 31, 2020 and 2019, other receivables arising from aforementioned transactions were both \$0.

I. Acquisition of financial assets

Counterparty	Accounts	No. of shares	Objects	Year ended	
				December 31, 2020	
				Consideration	
Shandong Function Real Estate Co., Ltd.	Investments accounted for using the equity method	134,615,383	Capital contribution certificate of Shandong Function Real Estate Co., Ltd.	\$	733,448
Weili Health Medical Technology Co., Ltd.	Investments accounted for using the equity method	200,000	Stocks		6,000
				\$	<u>739,448</u>

No financial assets were acquired for the year ended December 31, 2019.

J. 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,	
	2020	2019
Short-term employee benefits	\$ 124,197	\$ 163,285
Post-employment benefits	920	1,254
	<u>\$ 125,117</u>	<u>\$ 164,539</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2020	December 31, 2019	
Current financial assets at amortised cost	\$ 990,613	\$ 634,477	Pledged to Sports Affairs Council, performance bond, credit facility and issuance of bonds payable
Non-current financial assets at amortised cost	1,716	1,699	Customs guarantee for imported goods
Property, plant and equipment	2,792,548	3,262,096	Credit facility and issuance of bonds payable
Investment property	1,084,479	1,075,455	Credit facility
	<u>\$ 4,869,356</u>	<u>\$ 4,973,727</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. As of December 31, 2020 and 2019, the Group issued promissory notes for borrowing facilities, issuance of bonds payable, accounts receivable factorings facilities, project guarantee and government subsidy program amounting to \$24,041,718 and \$20,864,570, respectively.
- B. As of December 31, 2020 and 2019, the amount of commitments for purchasing and expanding and improving factory buildings were \$11,468 and \$19,384, respectively.
- C. As of December 31, 2020 and 2019, the amount of outstanding letters of credit for inventory purchases and provision of endorsements and guarantees of the Group were \$702,240 and \$569,740, 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, 2020 and 2019, the amount of collateral in both years was both \$708,178.
- E. The condition of issuing endorsements and guarantees for others: Please refer to Note 13, Table 2.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Details of the appropriation of 2020 earnings as proposed by the Board of Directors on March 24, 2021 are provided in Note 6(25).

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, 2020, the Group's strategy, was unchanged from 2019. As of December 31, 2020 and 2019, the debt to assets ratio was 66% and 67%, respectively.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</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	\$ 1,097,141	\$ 1,381,246
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	496,495	453,841
Financial assets at amortised cost		
Cash and cash equivalents	2,778,355	2,484,465
Notes receivable	1,444	3,819
Accounts receivable	3,750,817	2,896,224
Accounts receivable-related parties	3	23,328
Other receivables	461,417	436,984
Other receivables-related parties	48,372	50,550
Current financial assets at amortised cost	1,011,658	660,307
Non-current financial assets at amortised cost	1,716	1,699
Other non-current assets-guarantee deposits paid	55,174	63,425
	<u>\$ 9,702,592</u>	<u>\$ 8,455,888</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ -	\$ 468
Financial liabilities at amortised cost		
Short-term borrowings	6,272,309	3,282,396
Short-term notes and bills payable	200,000	700,000
Notes payable	2,390	1,183
Accounts payable	4,121,975	3,101,555
Accounts payable-related parties	1	254
Other accounts payable	816,550	656,334
Bonds payable	1,511,896	1,234,758
Long-term borrowings (including current portion)	4,496,609	6,896,355
Other non-current liabilities-guarantee deposits received	18,592	19,952
	<u>\$ 17,440,322</u>	<u>\$ 15,893,255</u>
Lease liabilities-current	\$ 39,213	\$ 41,028
Leas liabilities-non-current	45,557	24,538
	<u>\$ 84,770</u>	<u>\$ 65,566</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, 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

	December 31, 2019		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	125,427	29.9800	\$ 3,760,301
USD:RMB	157,626	6.9640	4,725,627
USD:HKD	15,869	7.7890	475,753
JPY:NTD	170,846	0.2760	47,153
<u>Non-monetary items</u>			
USD:NTD	1,337	29.9800	40,083
HKD:NTD	1,147	3.8490	4,415
USD:HKD	2,421	7.7890	72,581
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	151,640	29.9800	4,546,167
USD:RMB	150,187	6.9640	4,502,606
USD:HKD	27,529	7.7890	825,319
USD:BRL	10,885	4.0026	326,332

- (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, 2020 and 2019, amounted to (\$16,340) and (\$22,399), respectively.
- (v) Analysis of foreign currency market risk arising from significant foreign exchange variation:

	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)	-

	Year ended December 31, 2019		
	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%	\$ 37,603	\$ -
USD:RMB	1%	47,256	-
USD:HKD	1%	4,758	-
JPY:NTD	1%	472	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(45,462)	-
USD:RMB	1%	(45,026)	-
USD:HKD	1%	(8,253)	-
USD:BRL	1%	(3,263)	-

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, 2020 and 2019 would have increased/decreased by \$10,971 and \$13,812, 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 \$4,965 and \$4,538, 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, 2020 and 2019 would have increased/decreased by \$109,689 and \$108,788, 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, 2020</u>					
Expected loss rate	0.03%~0.17%	0.21%~58.59%	100%	100%	
Total book value	\$ 3,428,186	\$ 328,270	\$ 525	\$ 5,639	\$ 3,762,620
Loss allowance	(\$ 2,071)	(\$ 2,121)	(\$ 525)	(\$ 5,639)	(\$ 10,356)
	Not past due	Up to 90 days past due	Over 90 days past due	Individual assessment	Total
<u>December 31, 2019</u>					
Expected loss rate	0.03%~0.29%	0.09%~58.59%	100%	100%	
Total book value	\$ 2,518,292	\$ 419,118	\$ 7,962	\$ 9,390	\$ 2,954,762
Loss allowance	(\$ 2,757)	(\$ 11,282)	(\$ 7,962)	(\$ 9,390)	(\$ 31,391)

x. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts and overdue receivables are as follows:

	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
Reclassifications	5,998	(5,998)	-
Derecognised	975	6,555	7,530
Effect of exchange rate changes	547	(10)	537
At December 31	(\$ 4,717)	(\$ 5,639)	(\$ 10,356)

	2019		
	Accounts receivable	Overdue receivables	Total
At January 1	(\$ 31,521)	(\$ 22,002)	(\$ 53,523)
Expected credit impairment (loss) gain	(6,393)	10,316	3,923
Reclassifications	15,366	(15,366)	-
Derecognised	-	17,433	17,433
Effect of exchange rate changes	<u>547</u>	<u>229</u>	<u>776</u>
At December 31	<u>(\$ 22,001)</u>	<u>(\$ 9,390)</u>	<u>(\$ 31,391)</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, 2020 and 2019, the Group held aforementioned investments (excluding cash and cash equivalents) position of \$1,097,141 and \$1,381,246, 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, 2020</u>	<u>December 31, 2019</u>
Floating rate:		
Expiring within one year	\$ 9,566,233	\$ 10,632,911
Expiring beyond one year	<u>2,300,000</u>	<u>89,940</u>
	<u>\$ 11,866,233</u>	<u>\$ 10,722,851</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, 2020</u>	Less than		<u>Total</u>
	<u>1 year</u>	<u>Over 1 year</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
<u>December 31, 2019</u>	Less than		<u>Total</u>
	<u>1 year</u>	<u>Over 1 year</u>	
Lease liabilities (current/non-current)	\$ 41,682	\$ 25,117	\$ 66,799
Bonds payable	-	1,287,600	1,287,600
Long-term borrowings (including current portion)	92,678	6,805,541	6,898,219

(ii) Derivative financial liabilities

The Group has no derivative financial liabilities as of December 31, 2020.

<u>December 31, 2019</u>	Less than		<u>Total</u>
	<u>1 year</u>	<u>Over 1 year</u>	
Financial liabilities held for trading	\$ 468	\$ -	\$ 468

(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, 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>
<u>December 31, 2019</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	\$ 1,001,671	\$ 376,871	\$ -	\$ 1,378,542
- Put and call options of convertible bonds	-	2,704	-	2,704
- Derivative instruments	-	(468)	-	(468)
Financial assets at fair value through other comprehensive income				
- Equity securities	-	443,808	10,033	453,841
	<u>\$ 1,001,671</u>	<u>\$ 822,915</u>	<u>\$ 10,033</u>	<u>\$ 1,834,619</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, 2020 and 2019, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3:

	<u>2020</u>	<u>2019</u>
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income
At January 1	\$ 10,033	\$ 20,870
Recognised in other comprehensive loss	<u>1,936</u>	<u>(10,837)</u>
At December 31	<u>\$ 11,969</u>	<u>\$ 10,033</u>

Note: Recorded as non-operating income and expense.

G. For the years ended December 31, 2020 and 2019, there was no transfer into or out from Level 3.

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, 2020	December 31, 2019				
Private placement shares	\$ 11,969	\$ 10,033	Market comparable companies	Discount for lack of marketability	35%~48%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	-	-	Market comparable companies	Price to book ratio multiple	1.36	The higher the multiple and control premium, the higher 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, 2020 and 2019, 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%.

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: None.

F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 5

- 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 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, 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
<u>Year ended December 31, 2019</u>			
Revenue from external customer	\$ 25,550,101	\$ 12,339	\$ 25,562,440
Reportable segments income/(loss)	\$ 170,517	(\$ 61,627)	\$ 108,890

(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,	
	2020	2019
Reportable segment income	\$ 1,888,095	\$ 108,890
Interest revenue	22,827	38,981
Other income	134,855	190,382
Other gains and losses	(140,910)	140,695
Finance costs	(160,187)	(181,753)
Share of loss of associates and joint ventures accounted for using the equity method	229,457	328,131
Income before tax from continuing operations	\$ 1,974,137	\$ 625,326

(5) Information on products and services

The external customer revenue is mainly from product R&D, manufacturing, and selling of memory modules and flash memory products. Breakdown of revenue from all sources is as follows:

	Years ended December 31,	
	2020	2019
Sales revenue	\$ 32,214,104	\$ 25,527,853
Service revenue	13,226	34,587
	<u>\$ 32,227,330</u>	<u>\$ 25,562,440</u>

(6) Geographical information

Geographical information is as follows:

	Years ended December 31,			
	2020		2019	
	Revenue	Non-current assets	Revenue	Non-current assets
T Country	\$ 4,361,397	\$ 4,960,384	\$ 3,668,492	\$ 5,235,272
C Country	11,398,010	1,822,537	9,446,807	1,941,379
A Country	10,443,447	579,192	6,877,371	716,449
J Country	1,516,225	3,852	1,491,628	7,532
Others	4,508,251	22,158	4,078,142	22,524
	<u>\$ 32,227,330</u>	<u>\$ 7,388,123</u>	<u>\$ 25,562,440</u>	<u>\$ 7,923,156</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, 2020

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, 2020	Balance at December 31, 2020	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 INTEGRATION BRAZIL S/A (AI SEMICONDUTORES S/A)	Other receivables due from related parties	Y	\$ 284,800	\$ -	\$ -	4.5%	Short-term financing	\$ -	Operations	\$ -	None	\$ -	\$ 895,380	\$ 2,686,141	Note 1 and 2
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Other receivables due from related parties	Y	284,800	284,800	-	3.5%	Short-term financing	-	Operations	-	None	-	895,380	2,686,141	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, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 2

Number	Endorser/guarantor	Party being endorsed/guaranteed		Relationship with the endorser/guarantor	Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount as of December 31, 2020	Outstanding endorsement/guarantee amount at December 31, 2020	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
		Company name	ADATA INTEGRATION BRAZIL												
0	ADATA TECHNOLOGY CO., LTD.	ADATA INTEGRATION BRAZIL		Note 2	\$ 895,380	\$ 541,120	\$ 256,320	\$ 196,255	\$ 42,720	2.86	\$ 4,476,902	Y	N	N	Note 3
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A		Note 2	895,380	427,200	427,200	284,800	-	4.77	4,476,902	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	96.28	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	97.82	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	98.02	181,000	N	Y	N	Note 4
4	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTERGRATION BRAZIL S/A		Note 2	79,999	27,445	27,445	-	27,445	3.43	399,994	N	N	N	Note 3
4	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A		Note 2	79,999	43,912	43,912	-	43,912	5.49	399,994	N	N	N	Note 3
5	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.		Note 2	93,603	52,548	52,524	24,074	52,524	5.61	374,412	Y	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, 2020

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, 2020			Footnote	
				Number of shares	Book value	Ownership (%)		Fair value
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -Amundi TW - US Dollar Core Fixed Income Fund	Not applicable	Financial assets at fair value through profit or loss-current	300,000	\$ 3,081	-	3,081	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -Franklin Templeton SinoAm AI Hi-Tech Fund	Not applicable	Financial assets at fair value through profit or loss-current	800,000	8,280	-	8,280	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -Franklin Templeton Sinoam Money Market	Not applicable	Financial assets at fair value through profit or loss-current	14,386,833	150,033	-	150,033	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -Jih Sun Money Market	Not applicable	Financial assets at fair value through profit or loss-current	10,035,794	150,035	-	150,035	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -Allianz Gbl Investors Taiwan Money Mkt Gold passbook	Not applicable	Financial assets at fair value through profit or loss-current	15,834,435	200,034	-	200,034	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - Egis Technology Inc.	None	Financial assets at fair value through profit or loss-current	62,500	109,003	-	109,003	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - WAN HAI LINES LTD.	None	Financial assets at fair value through profit or loss-current	266,000	45,752	0.37	45,752	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - WALSIN TECHNOLOGY CORPORATION	None	Financial assets at fair value through profit or loss-current	2,000,000	105,800	0.09	105,800	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - Yang Ming Marine Transport Corp.	None	Financial assets at fair value through profit or loss-current	50,000	11,525	0.01	11,525	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - UNITED MICROELECTRONICS CORP.	None	Financial assets at fair value through profit or loss-current	158,000	4,621	0.01	4,621	-
ADATA TECHNOLOGY CO., LTD.	Domestic emerging private placement common stock - NANOPLUS LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,300,000	61,295	0.01	61,295	-
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-non-current	\$ 849,459	\$ 849,459	0.85	\$ 849,459	-
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-non-current	1,257,232	11,969	0.85	11,969	-
ADATA TECHNOLOGY CO., LTD.	Foreign non-listed company Capital Contribution Certificate - DIRECT CURRENT CO., LTD.	The Company's chairman is the company's directors	Financial assets at fair value through other comprehensive profit or loss-non-current	3,000,000	-	15.87	-	-
ADATA TECHNOLOGY CO., LTD.	Foreign non-listed company Capital Contribution Certificate - DIRECT CURRENT CO., LTD.	The Company's chairman is the company's directors	Financial assets at fair value through other comprehensive profit or loss-non-current	2,500,000	13,150	1.30	13,150	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - DIRECT CURRENT CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	415,490	3,777	4.62	3,777	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - DIRECT CURRENT CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	225,000	9,000	5.58	9,000	-
				\$ 37,896	\$ 37,896		\$ 37,896	

Securities held by	Marketable securities	Relationship with the securities issuer	As of December 31, 2020				Footnote
			Number of shares	Book value	Ownership (%)	Fair value	
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - Fubon S&P 500 VIX Short-Term Futures ETF.	None	9,000,000	\$ 35,640	-	\$ 35,640	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - UNITED MICROELECTRONICS CORP.	None	1,800,000	84,870	0.01	84,870	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - ASE Technology Holding Co., Ltd.	None	1,000,000	81,300	0.02	81,300	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - Yang Ming Marine Transport Corp.	None	58,000	1,696	-	1,696	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Leadconn Co., Ltd.	None	327,683	\$ 203,506	5.38	\$ 203,506	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Abomen Technology Co., Ltd.	None					
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed preferred stock - Whistle Sports, Inc.	None	8,568	-	0.03	-	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed preferred stock - JANUS TECHNOLOGY GROUP, INC.	None	600,000	23,411	0.67	23,411	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Alpha Crystal Technology Corp.	None	864,052	-	4.01	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Embestor Technology Inc.	None	16,462	-	0.19	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - ACLOUD INTELLIGENCE SERVICES CORP. LTD.	None	500,000	6,790	1.92	6,790	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - MEGA GROWTH VENTURE CAPITAL CO., LTD.	None	1,000,000	7,120	16.67	7,120	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed common stock - Joy capital Ltd.	None	3,000,000	14,160	2.36	14,160	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Trans World Production Co.	None	800,000	6,607	11.76	6,607	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Yi Sheng Security Service Co., Ltd.	None	120,000	746	1.25	746	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Mucho International Co., Ltd.	None	1,000,000	-	9.35	-	-
			2,000,000	\$ 58,834	17.08	\$ 58,834	-

Securities held by	Marketable securities	Relationship with the securities issuer	As of December 31, 2020			
			Number of shares	Book value	Ownership (%)	Fair value
ADATA INVESTMENT COMPANY LIMITED	Foreign non-listed company Capital Contribution Certificate - Golden Crown Green Energy Ltd.	None	3,522,440	\$ -	0.67	\$ -
ADATA INVESTMENT COMPANY LIMITED	Foreign non-listed company Capital Contribution Certificate - Vantage Metro Limited	None	166,670	\$ -	2.25	\$ -
ADATA CAPITAL CO., LTD.	Foreign non-listed company Capital Contribution Certificate - NEXT SYSTEM LTD.	None	2,807,186	\$ 15,190	14.26	\$ 15,190
ADATA TECHNOLOGY (INDIA) PRIVATE LTD.	Foreign non-listed company Capital Contribution Certificate - Leaf Technologies Ltd.	None	250	\$ 15,190	1.60	\$ 15,190
ADATA TECHNOLOGY (HK) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - LANGOGO GLOBAL LIMITED	None	10,257,355	\$ 83,958	11.44	\$ 83,958
ADATA TECHNOLOGY (HK) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - JOINT MOUNTAIN TECHNOLOGY CO LTD	None	7,407,400	\$ 81,288	7.41	\$ 81,288
ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	CHINA MINSHENG BANK SUZHOU BARNCH - Special asset management dy king of public to B finance product	Not applicable	-	\$ 2,410	-	\$ 2,410
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - Beijing Function Capital Management Co., Ltd.	None	100,000	\$ 2,410	10.00	\$ 2,410
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - Shanghai shangguang Investment Co., Ltd.	None	323,778	\$ 59,982	1.44	\$ 59,982
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - SuZhou Qdreamer Technology Co., Ltd	None	250,000	\$ 5,299	4.79	\$ 5,299
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - Qingdao Nuotai Biotechnology co. LTD	None	2,307,692	\$ 144,671	18.75	\$ 144,671
				\$ 214,329		\$ 214,329

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2020			Footnote
				Number of shares	Book value	Ownership (%)		Fair value
LIWANLI Innovation Co., Ltd.	Beneficiary Certificates - Fubon S&P 500 VIX Short-Term Futures ETF.	None	Financial assets at fair value through profit or loss-current	1,000,000	\$ 3,960	-	\$ 3,960
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	\$ 3,960	10.23	\$ 3,960
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	125,000	5,000	3.10	5,000
Zhen Lian Investment Co., Ltd.	Beneficiary Certificates - Fubon S&P 500 VIX Short-Term Futures ETF.	None	Financial assets at fair value through profit or loss-current	500,000	\$ 1,980	-	\$ 1,980
Hong Qi Investment Co., Ltd.	Domestic listed common stock - ASE Technology Holding Co., Ltd.	None	Financial assets at fair value through profit or loss-current	200,000	\$ 1,980	-	\$ 1,980
Hong Qi Investment Co., Ltd.	Domestic listed common stock - Yang Ming Marine Transport Corp.	None	Financial assets at fair value through profit or loss-current	58,000	1,697	-	1,697
Hong Qi Investment Co., Ltd.	Beneficiary Certificates - Fubon S&P 500 VIX Short-Term Futures ETF.	None	Financial assets at fair value through profit or loss-current	1,500,000	5,940	-	5,940
					<u>\$ 23,897</u>		<u>\$ 23,897</u>

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 \$500 million or 20% of the Company's paid-in capital
Year ended December 31, 2020

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, 2020		Addition		Disposal		Balance as at December 31, 2020	
					Number of shares (Units)	Amount	Number of shares (Units)	Amount	Selling price	Book value	Gain (loss) on disposal	Number of shares (Units)	Amount
ADATA TECHNOLOGY CO., LTD.	YAGEO CORPORATION	Financial assets at fair value through profit or loss -current	-	-	-	299,148	663,000	301,960	299,148	2,812	-	-
ADATA TECHNOLOGY CO., LTD.	Fubon S&P 500 VIX Short - Term Futures ETF.	Financial assets at fair value through profit or loss -current	-	-	32,670	797,336	118,410,000	865,103	842,897	22,206	-	-
ADATA TECHNOLOGY CO., LTD.	UNITED MICROELECTRONICS CORP.	Financial assets at fair value through profit or loss -current	-	-	-	841,552	36,570,000	844,891	780,949	63,942	1,300,000	61,295
ADATA TECHNOLOGY CO., LTD.	WALSIN TECHNOLOGY CORPORATION	Financial assets at fair value through profit or loss -current	-	-	-	376,327	1,629,000	298,885	364,543 (	65,658)	50,000	11,525
ZHAO-XING INVESTMENT CO., LTD.	UNITED MICROELECTRONICS CORP.	Financial assets at fair value through profit or loss -current	-	-	-	787,718	31,090,000	744,401	703,513	40,888	1,800,000	84,870
ZHAO-XING INVESTMENT CO., LTD.	UNIMICRON TECHNOLOGY CORP.	Financial assets at fair value through profit or loss -current	-	-	-	303,975	4,170,000	306,935	303,975	2,960	-	-

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2020

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate disposed by	Real estate	Transaction date or date of the event (Note 1)	Date of acquisition	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price (Note 2)	Other commitments
ADATA TECHNOLOGY CO., LTD.	Real estate Property, plant and equipment-land and buildings and structures	September 2020	September 2010	\$ 412,665	\$ 612,830	100% consideration received	\$ 200,165	Yingfu Development Co., Ltd.	None	Adjustment for operating requirement and activating assets	Based on appraisal report issued by the real estate appraisal firm (NT\$606,027 thousand)	None

Note 1: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Note 2: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate disposed of should be appraised pursuant to the regulations.

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, 2020

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)	Percentage of total notes/accounts receivable (payable)	Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term				Balance
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	The Company's Subsidiary	Sales	(\$ 5,321,943) (	18)	Collection within 90 days after sale	None	None	\$ 866,381	24	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	Sales	(7,259,861) (	25)	Collection terms are 90 days	None	None	1,301,763	36	-
ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	The Company's Subsidiary	Sales	(104,722)	-	Collection within 90 days after sale	None	None	7,123	-	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	Sales	(578,539) (	60)	Collection terms are 90 days	None	None	281,828	78	-
ADATA TECHNOLOGY (HK) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	5,321,943	96	Collection within 90 days after sale	None	None	(866,381) (	99)	-
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	7,259,861	98	Collection terms are 90 days	None	None	(1,301,763) (	100)	-
ADATA ELECTRONICS (SHANHAI) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	104,722	96	Collection within 90 days after sale	None	None	(7,123) (	86)	-
ADATA ELECTRONICS BRAZIL S/A	ADATA INTEGRATION BRAZIL S/A	The Company's Subsidiary	Purchases	578,539	28	Collection terms are 90 days	None	None	(281,828) (	65)	-

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, 2020

Expressed in thousands of NTD
 (Except as otherwise indicated)

Table 7

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020	Turnover rate	Amount	Action taken	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	\$ 866,381	6.47	\$ -	Not applicable	\$ 570,374	\$ -
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	1,301,763	6.69	-	Not applicable	824,114	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	2,733,994	7.87	-	Not applicable	371,559	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	281,828	2.05	-	Not applicable	90,553	-

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Year ended December 31, 2020

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	\$ 7,259,861	Note 3	23
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Parent company to subsidiary company	Accounts receivable	1,301,763	Note 4	5
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Sales	5,321,943	Note 3	17
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Accounts receivable	866,381	Note 4	3
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Sales	104,722	Note 3	-
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Accounts receivable	7,123	Note 4	-
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Process expense	2,445,401	Note 5	8
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Accounts payable	2,733,994	Note 5	10
0	ADATA TECHNOLOGY CO., LTD.	LIWANLI Innovation Co., Ltd.	Parent company to subsidiary company	Sales	54,696	Note 3	-
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Sales	578,539	Note 3	2
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Accounts receivable	281,828	Note 4	1
2	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Subsidiary company to Subsidiary company	Sales	51,940	Note 3	-
2	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Subsidiary company to Subsidiary company	Accounts receivable	48,002	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, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount			Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value	December 31, 2020				December 31, 2020
ADATA TECHNOLOGY CO., LTD.	CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	\$ 750,000	\$ 750,000	75,000,000	100.00	\$ 713,174	4,501	4,501	Note 1(1)	
ADATA TECHNOLOGY CO., LTD.	ZHAO-XING INVESTMENT CO., LTD.	Republic of China	General Investment	895,001	705,001	90,000,000	100.00	514,440	30,971	30,971	Note 1(1)	
ADATA TECHNOLOGY CO., LTD.	AVIP TECHNOLOGY CO., LTD.	Republic of China	Manufacture and trade of electronic components and computer peripherals	-	14,000	-	-	-	-	-	Note 1(1) and 3	
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	178,829	(192)	(192)	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	735,560	(2,046)	(2,046)	Note 1(1)	
ADATA TECHNOLOGY CO., LTD.	ADATA HOLDINGS CO., LTD.	British Cayman Islands	General Investment	2,510,987	2,486,092	78,787,598	100.00	5,174,557	328,291	328,291	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	405,618	92,609	92,609	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	7,370	870	870	Note 1(1)	
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (KOREA) CO., LTD.	Korea	Trading of electronic components and computer peripherals	2,880	2,880	1,100,000	100.00	5,398	667	667	Note 1(1)	
ADATA TECHNOLOGY CO., LTD.	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Brazil	Trading of electronic material and components	1,319,656	1,077,019	150,991,325	100.00	782,168	169,867	169,867	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	14,677	1,377	1,377	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	7,750	(291)	(291)	Note 1(1)	
ADATA TECHNOLOGY CO., LTD.	ALLIED TREASURE INC. LIMITED	Hong Kong	General Investment	744,985	744,985	178,776,000	100.00	423,924	(137,493)	(137,493)	Note 1(1)	
ADATA TECHNOLOGY CO., LTD.	JET CASTLE LIMITED	Hong Kong	General Investment	48,135	48,135	1,500,000	100.00	2,836	(41)	(41)	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	7,744	(193)	(144)	Note 1(1)	
ADATA TECHNOLOGY CO., LTD.	Awayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	34,100	-	3,410,000	56.83	32,331	(3,113)	(1,769)	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	995,701	40,906,925	49.04	791,602	(13,613)	(68,386)	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	545,437	9,312,882	26.20	460,814	(63,403)	(15,932)	Note 1(1)	
ADATA TECHNOLOGY CO., LTD.	WeiLi Health Medical Technology Co., Ltd.	Republic of China	Portal website operation	24,000	18,000	800,000	39.41	15,775	(9,395)	(3,386)	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	4,528	(685)	(231)	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)	

Initial investment amount

Shares held as at December 31, 2020

Investor	Investee	Location	Main business activities	Balance as at		Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				December 31, 2020	December 31, 2019						
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	\$ 977,381	\$ 654,079	\$ 311,468	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	322,874	312,081	5,914,731	18.62	294,518	(94,121)	(17,525)	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)
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	24,485	3,200,000	52.46	10,733	(279)	-	Note 1(1) and 2
ZHAO-XING INVESTMENT CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	8,947	3,037	890,539	2.80	44,343	(94,121)	-	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	5,210,646	353,037	-	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	31,905	1,029	-	Note 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA INVESTMENT COMPANY LIMITED	Samoa Islands	General Investment	132,874	130,024	4,286,944	100.00	10,084	(3,405)	-	Note 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA CAPITAL CO.,LTD.	Samoa Islands	General Investment	77,787	55,742	2,600,322	100.00	19,192	(22,038)	-	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	7,744	(193)	-	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	5,210,630	353,036	-	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	948,929	131,609,067	84.30	505,827	(36,449)	-	Note 1(2) and 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Brazil	Manufacture and trading of electronic components	55,462	46,491	6,445,056	84.30	221,176	244,146	-	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	35,112	(87,692)	-	Note 1(1) and 2
JET CASTLE LIMITED	ERATO (HK) CORPORATION LIMITED	Hong Kong	Research, development, sales and manufacture of earphones	16,215	16,215	500,000	100.00	1,471	(11)	-	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	10,015	(163)	-	Note 1(1) and 2
AROBOT INNOVATION (HK) CO., LTD.	AROBOT INNOVATION CO., LTD.	Republic of China	Other machinery manufacturing	29,000	29,000	2,900,000	47.54	9,616	(279)	-	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	85,033	9,913	-	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	83,016	4,885	-	Note 1(2) and 2
LIWANLI Innovation Co., Ltd.	Longevity Wealth Limited	Hong Kong	General Investment	62,728	62,728	15,796,000	100.00	35,193	(70,439)	-	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	2,533,500	7.13	125,361	(63,403)	-	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, 2020		Book value	Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				December 31, 2020	December 31, 2019	Number of shares	Ownership (%)				
LIWANLI Innovation Co., Ltd.	Alwayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	\$ 6,000	\$ -	600,000	10.00	\$ 6,000	\$ 3,222	\$ -	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
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	(87,692)	-	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.

Note 3: AVIP TECHNOLOGY CO., LTD. was dissolved and liquidated on April 1, 2020.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Information on investments in Mainland China
Year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 10

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	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	\$ 284,743	100.00	\$ 284,743	\$ 4,462,098	\$ -	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	2,980	100.00	2,980	770,665	-	Notes 2(1) and 4
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Trading of electronic material and components	131,134	2	131,134	-	-	131,134	3,149	100.00	3,149	59,198	-	Notes 2(1) and 5
ADATA TECHNOLOGY (SHANDONG) CO., LTD.	Manufacture and trade of electronic components and computer peripherals	48,150	2	48,150	(48,150)	-	-	-	-	-	-	-	Notes 2(1) and 6
ERATO (SZ) CORPORATION LTD.	Research, development, sales and manufacture of earphones	3,019	2	3,019	-	-	3,019	-	100.00	-	-	-	Notes 2(1) and 7
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 9
Beijing Function Capital Management Co., Ltd.	Consulting for investments and consulting service for business management	51,673	3	-	-	-	-	-	10.00	-	4,377	-	Notes 10
Shandong Function Real Estate Co., Ltd.	Consulting for investments and consulting service for business management	1,830,331	3	-	-	-	-	(3,749)	36.64	(1,381)	876,118	-	Notes 2(1) and 11
Function (Qingdao) Marine Technology Co., Ltd.	The research and development and trading of biotechnology products	91,860	3	-	-	-	-	(17,223)	25.00	(4,326)	11,276	-	Notes 2(1) and 12
Shanghai shangguang Investment Co., Ltd.	Consulting for investments and consulting service for business management	97,300	3	-	-	-	-	-	1.44	-	59,982	-	Notes 13
SuZhou Qdreamer Technology Co., Ltd.	The internet technology research and development and services and computer software and hardware research and development	6,169	3	-	-	-	-	-	4.79	-	5,299	-	Notes 14
Shenzhen Visualdeep Co., Ltd.	Development of network technology, providing network technology service and development and sales of software	64,738	3	-	-	-	-	12,598	24.00	2,569	69,799	-	Notes 2(1) and 15
Ningbo Ximrou Rrotein Technology co., LTD.	Research and development, producing, wholesale and retailing of food	34,848	3	-	-	-	-	(12,926)	30.00	(4,196)	53,113	-	Notes 2(1) and 16
Qingdao Nuotai Biotechnology co., LTD.	Producing and sales of marine biomaterial and research and development of biological products	53,612	3	-	-	-	-	-	18.75	-	144,671	-	Notes 17
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Wholesale and retail of food products	29,998	2	8,999	-	-	29,998	(70,479)	100.00	(70,479)	(42,253)	-	Notes 2(1) and 18
ADATA TECHNOLOGY (Qingdao) CO., LTD.	Manufacture and trade of electronic components and smart car equipment	438	3	-	-	-	-	(17)	100.00	(17)	421	-	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: ADATA TECHNOLOGY (SHANDONG) 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 1,500 thousand. The case was approved by investment commission. Adata Technology (Suzhou) 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 7: 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 USD100 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 8: 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 USD1,031 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 9: 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 10: 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 11: The Company acquired a 5.82% equity interest in Shandong Function Real Estate 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 Real Estate 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 12: 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 13: 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 14: The Company acquired a 4.79% 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 15: The Company acquired a 24% equity interest in Shenzhen Visualdeep Co.,Ltd. in the amount of RMB14,385 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd

Note 16: The Company acquired a 30% equity interest in Ningbo Xinrou Rrotein Technology co. LTD in the amount of RMB 13,573 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 17: 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 18: 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.

Note 19: 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.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	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	\$ 2,066,820	\$ 2,354,741	\$ 5,372,282
LIWANLI Innovation Co., Ltd. (Note 3)	29,998	90,675	561,619

Note 1: The limitation is 60% of net worth.

Note 2: As of December 31, 2020, 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, 2020, 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, 2020

Table 11

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing		Others	
	Amount	%	Amount	%	Balance at December 31, 2020	%	Balance at December 31, 2020	Purpose	Maximum balance during the year ended December 31, 2020	Balance at December 31, 2020		Interest rate
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	Note
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	104,722	-	-	-	7,123	-	-	-	-	-	-	-
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	51,940	-	-	-	48,002	-	52,524	Guarantee for short-term borrowings	-	-	-	-

Note: The processing fees of the Company for the year ended December 31, 2020 amounted to \$2,445,401. Accounts payable of \$2,733,994 was recognised as of December 31, 2020.

Appendix 2



Independent Auditors' Report Translated from Chinese

PWCR 20000503

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, 2020 and 2019, 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, 2020 and 2019, 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 as of and for the year ended December 31, 2020 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; in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020 and generally accepted auditing standards in the Republic of China for our audit of the parent company only financial statements as of and for the year ended December 31, 2019. 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

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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, 2020, are outlined as follows:

Existence of sales revenue

Description

Please refer to Note 4(35) for accounting policies on recognition of revenue, Note 6(27) for details of operating revenue.

Fluctuation of top ten customers is due to the innovation of products and business development. Any new top ten customer might have a material impact to the Group and sales revenue is high risk in nature. 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. Obtained and verified the subsequent collections details of accounts receivable and relevant evidences.

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\$2,034,823 thousand and NT\$1,370,295 thousand, constituted 7.2% and 5.5% of consolidated total assets as of December 31, 2020 and 2019. Total sales revenue of NT\$2,860,611 thousand and NT\$1,210,123 thousand, constituted 8.9% and 4.7% of consolidated total sales revenue for the years ended December 31, 2020 and 2019.

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, 2020 and 2019.

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.



資誠

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

葉翠田



For and on behalf of PricewaterhouseCoopers, Taiwan

March 24, 2021

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 CO., LTD.
PARENT COMPANY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
 (Expressed in thousands of New Taiwan dollars)

ASSETS		Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 924,454	4	\$ 736,988	3
1110	Financial assets at fair value through profit or loss	6(2)	857,232	3	733,249	3
1136	Current financial assets at amortised cost	8	844,776	3	597,026	3
1150	Notes receivable, net	6(4)	1,135	-	3,503	-
1170	Accounts receivable, net	6(4)(5)	1,477,375	5	1,422,180	6
1180	Accounts receivable-related parties	6(4) and 7(2)	2,175,279	8	1,839,170	7
1200	Other receivables	6(5)	431,875	2	328,787	1
1210	Other receivables-related parties	7(2)	48,644	-	55,008	-
1220	Current tax assets	6(32)	1,111	-	-	-
130X	Inventories	6(6)	5,880,748	21	4,362,763	18
1410	Prepayments		62,785	-	39,276	-
1470	Other current assets		<u>260,627</u>	<u>1</u>	<u>91,447</u>	<u>-</u>
11XX	Current assets		<u>12,966,041</u>	<u>47</u>	<u>10,209,397</u>	<u>41</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income	6(3)	37,896	-	26,952	-
1550	Investments accounted for using the equity method	6(7) and 7(2)	11,550,995	42	10,979,486	44
1600	Property, plant and equipment	6(8) and 8	1,410,288	5	1,845,119	7
1755	Right-of-use asset	6(9)	19,519	-	29,006	-
1760	Investment property	6(11)(13) and 8	1,084,479	4	1,296,119	5
1780	Intangible assets	6(12)	30,598	-	43,908	-
1840	Deferred tax assets	6(32)	380,379	1	481,447	2
1900	Other non-current assets	6(14)(19)	<u>137,281</u>	<u>1</u>	<u>137,343</u>	<u>1</u>
15XX	Non-current assets		<u>14,651,435</u>	<u>53</u>	<u>14,839,380</u>	<u>59</u>
1XXX	Total assets		<u>\$ 27,617,476</u>	<u>100</u>	<u>\$ 25,048,777</u>	<u>100</u>

(Continued)

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)



Liabilities and Equity		Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(15)	\$ 5,474,420	20	\$ 3,154,430	13
2110	Short-term notes and bills payable		200,000	1	700,000	3
2130	Contract liabilities	6(26)	6,903	-	4,450	-
2150	Notes payable		1,180	-	-	-
2170	Accounts payable		3,071,770	11	2,256,679	9
2180	Accounts payable-related parties	7(2)	2,733,998	10	2,340,503	9
2200	Other payables		565,832	2	430,023	2
2220	Other payables to related parties	7(2)	15,104	-	13,479	-
2230	Current tax liabilities	6(32)	170,583	1	8,166	-
2250	Provisions	6(21)	10,502	-	17,472	-
2280	Lease liabilities		12,827	-	16,033	-
2300	Other current liabilities	6(16) and 7(2)	<u>114,416</u>	-	<u>66,680</u>	-
21XX	Current liabilities		<u>12,377,535</u>	<u>45</u>	<u>9,007,915</u>	<u>36</u>
Non-current liabilities						
2530	Corporate debt payable	6(17)	1,511,896	6	1,234,758	5
2540	Long-term borrowings	6(18)	4,157,869	15	6,708,012	27
2570	Deferred tax liabilities	6(32)	608,149	2	507,770	2
2580	Lease liabilities		7,048	-	13,591	-
2600	Other non-current liabilities	7(2)	<u>1,176</u>	-	<u>1,421</u>	-
25XX	Non-current liabilities		<u>6,286,138</u>	<u>23</u>	<u>8,465,552</u>	<u>34</u>
2XXX	Total liabilities		<u>18,663,673</u>	<u>68</u>	<u>17,473,467</u>	<u>70</u>
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(22)	2,363,736	9	2,237,943	9
Capital surplus						
3200	Capital surplus	6(23)	4,476,729	16	3,832,766	16
Retained earnings						
3310	Legal reserve	6(24)	927,421	3	886,364	4
3320	Special reserve		1,088,512	4	821,858	3
3350	Unappropriated retained earnings		1,768,769	6	1,089,871	4
Other equity interest						
3400	Other equity interest	6(25)	(1,318,554)	(5)	(1,130,730)	(5)
3500	Treasury stocks	6(22)	(352,810)	(1)	(162,762)	(1)
3XXX	Total equity		<u>8,953,803</u>	<u>32</u>	<u>7,575,310</u>	<u>30</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet						
3X2X	Total liabilities and equity	11	<u>\$ 27,617,476</u>	<u>100</u>	<u>\$ 25,048,777</u>	<u>100</u>

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


ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
 (Expressed in thousands of New Taiwan dollars, except for earnings per share)

	Items	Notes	Years ended December 31,			
			2020		2019	
			Amount	%	Amount	%
4000	Operating revenue	6(26) and 7(2)	\$ 29,612,087	100	\$ 24,224,889	100
5000	Operating costs	6(6)(30) and 7(2)	(26,372,361)	(89)	(22,483,292)	(93)
5900	Gross profit		<u>3,239,726</u>	<u>11</u>	<u>1,741,597</u>	<u>7</u>
5910	Unrealized profit (loss) from sales		(167,308)	-	(33,042)	-
5920	Realized profit (loss) on from sales		<u>33,042</u>	-	<u>53,051</u>	-
5950	Gross profit from operations		<u>3,105,460</u>	<u>11</u>	<u>1,761,606</u>	<u>7</u>
	Operating expenses	6(30) and 7(2)				
6100	Selling expenses		(985,174)	(3)	(1,064,948)	(4)
6200	General and administrative expenses		(722,053)	(3)	(587,182)	(3)
6300	Research and development expenses		(316,043)	(1)	(246,733)	(1)
6450	Expected credit gain	12(2)	<u>3,621</u>	-	(1,470)	-
6000	Total operating expenses		(2,019,649)	(7)	(1,900,333)	(8)
6900	Operating profit (loss)		<u>1,085,811</u>	<u>4</u>	(138,727)	(1)
	Non-operating income and expenses					
7100	Interest income		3,420	-	12,649	-
7010	Other income	6(27) and 7(2)	71,088	-	127,733	1
7020	Other gains and losses	6(28)	46,761	-	(225,224)	(1)
7050	Finance costs	6(29)	(138,749)	-	(166,558)	(1)
7070	Share of profit of associates and joint ventures accounted for under equity method	6(7)	<u>684,183</u>	<u>2</u>	<u>875,075</u>	<u>4</u>
7000	Total non-operating income and expenses		<u>666,703</u>	<u>2</u>	<u>623,675</u>	<u>3</u>
7900	Profit before tax		1,752,514	6	484,948	2
7950	Income tax expense	6(32)	(401,855)	(2)	(72,008)	-
8200	Profit for the year		<u>\$ 1,350,659</u>	<u>4</u>	<u>\$ 412,940</u>	<u>2</u>

(Continued)


 ADA TECHNOLOGY CO., LTD.
 PARENT COMPANY ONLY STATEMENT OF COMPREHENSIVE INCOME
 YEARS ENDED DECEMBER 31, 2020 AND 2019
 (Expressed in thousands of US dollars, except for earnings per share)

Items	Notes	Years ended December 31,				
		2020		2019		
		Amount	%	Amount	%	
Other comprehensive income						
Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	Remeasurements of defined benefit plans	6(19)	942	-	1,053	-
8316	Unrealised gain (loss) on valuation of financial assets at fair value through other comprehensive income	6(25)	13,943	-	(23,912)	-
8330	Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method, components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(25)	21,314	-	(45,051)	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(32)	1,703	-	(1,237)	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		<u>37,902</u>	-	<u>(69,147)</u>	-
Components of other comprehensive income (loss) that may be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(25)	(151,464)	-	(244,219)	(1)
8380	Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method - components of other comprehensive income (loss) that may be reclassified to profit or loss	6(25)	(53)	-	(1,203)	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	6(32)	30,305	-	49,084	-
8360	Components of other comprehensive loss that may be reclassified to profit or loss		<u>(121,212)</u>	-	<u>(196,338)</u>	<u>(1)</u>
8300	Total other comprehensive loss for the year		<u>(\$ 83,310)</u>	-	<u>(\$ 265,485)</u>	<u>(1)</u>
8500	Total comprehensive income for the year		<u>\$ 1,267,349</u>	<u>4</u>	<u>\$ 147,455</u>	<u>1</u>
9750	Basic earnings per share	6(33)	<u>\$ 6.10</u>		<u>\$ 1.90</u>	
9850	Diluted earnings per share	6(33)	<u>\$ 5.45</u>		<u>\$ 1.75</u>	

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



ADATA TECHNOLOGIES LTD.
PARENT COMPANY ONLY
CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of US dollars)


	Notes	Retained Earnings				Other Equity Interest				Total equity	
		Share capital- common stock	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	Unearned stock-based employee compensation		Treasury stock
Year 2019											
Balance at January 1, 2019		\$ 2,197,254	\$ 3,586,935	\$ 886,364	\$ 454,434	\$ 1,123,022	\$ 444,236	\$ 410,422	\$ -	\$ 202,526	\$ 7,190,825
Net profit		-	-	-	-	412,940	-	-	-	-	412,940
Other comprehensive income (loss)		-	-	-	-	842	(196,338)	(69,989)	-	-	(265,485)
Total comprehensive income (loss)	6(25)	-	-	-	-	413,782	(196,338)	(69,989)	-	-	147,455
Appropriations of 2018 net income	6(24)	-	-	-	-	-	-	-	-	-	-
Special reserve		-	-	-	367,424	(367,424)	-	-	-	-	-
Cash dividends		-	-	-	-	(43,637)	-	-	-	-	(43,637)
Issuance of convertible bonds	6(23)	-	58,800	-	-	-	-	-	-	-	58,800
Conversion of convertible bonds	6(23)	40,689	163,674	-	-	-	-	-	-	-	204,363
Unclaimed dividends transferred to capital surplus	6(23)	-	374	-	-	-	-	-	-	-	374
Difference between consideration and carrying amount of acquiring non-controlling interests		-	-	-	-	(6,379)	-	-	-	-	(6,379)
Changes in ownership interests in associates		-	-	-	-	(39,238)	-	-	-	-	(39,238)
Acquisition of parent company's share by subsidiaries		-	-	-	-	-	-	-	-	-	-
Disposal of parent company's share by subsidiaries		-	-	-	-	-	-	(115,082)	-	(115,082)	(115,082)
Disposal of financial assets at fair value through other comprehensive income		-	22,983	-	-	-	-	-	-	154,846	177,829
Balance at December 31, 2019	6(25)	\$ 2,237,943	\$ 3,832,766	\$ 886,364	\$ 821,858	\$ 1,089,871	\$ 640,574	\$ 490,156	\$ -	\$ 162,762	\$ 7,575,310
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
Net profit		-	-	-	-	1,350,659	-	-	-	-	1,350,659
Other comprehensive income (loss)		-	-	-	-	754	(121,212)	37,148	-	-	(83,310)
Total comprehensive income (loss)	6(25)	-	-	-	-	1,351,413	(121,212)	37,148	-	-	1,267,349
Appropriations of 2019 net income	6(24)	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	41,057	-	(41,057)	-	-	-	-	-
Special reserve		-	-	-	266,654	(266,654)	-	-	-	-	-
Cash dividends		-	-	-	-	(311,159)	-	-	-	-	(311,159)
Issuance of convertible bonds	6(23)	-	27,500	-	-	-	-	-	-	-	27,500
Conversion of convertible bonds	6(23)	141,173	556,598	-	-	-	-	-	-	-	697,771
Repurchase outstanding shares	6(22)	-	-	-	-	-	-	-	-	-	(282,450)
Acquisition of parent company's share by subsidiaries		-	-	-	-	-	-	-	-	-	(48,106)
Disposal of parent company's share by subsidiaries		-	3,687	-	-	-	-	-	-	-	17,209
Adjustments of capital surplus for company's cash dividends received by subsidiaries	6(23)	-	1,916	-	-	-	-	-	-	-	1,916
Issuance of employee restricted stocks	6(20)	-	156,500	-	-	-	-	(156,500)	-	-	-
Compensation cost for employee restricted stocks	6(20)	-	-	-	-	-	-	-	9,781	-	9,781
Disposal of financial assets at fair value through other comprehensive income	6(25)	-	-	-	-	(42,959)	-	42,959	-	-	-
Difference between consideration and carrying amount of subsidiaries disposed to non-controlling interests	6(23)	-	2,481	-	-	-	-	-	-	-	2,481
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(23)	-	6,887	-	-	(10,686)	-	-	-	-	(3,799)
Retirement of treasury stocks	6(22)(23)	(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	\$ -	\$ 352,810	\$ 8,953,803

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


A DATA TECHNOLOGIES LTD.
PARENT COMPANY ONLY STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
 (Expressed in thousands of New Tairan dollars)

	Notes	Years ended December 31,	
		2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax for the year		\$ 1,752,514	\$ 484,948
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation on property, plant and equipment	6(30)	48,405	46,192
Depreciation on investment property	6(28)	1,640	3,178
Depreciation on right-of-use assets	6(30)	20,096	16,522
Amortisation expense on intangible assets	6(30)	18,817	19,856
Expected credit (gain) loss	12(2)	(3,621)	1,470
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	6(28)	(37,584)	67,710
Interest expense	6(29)	138,749	166,558
Interest income		(3,420)	(12,649)
Dividend income	6(27)	(3,650)	(37,543)
Compensation cost for employee restricted stocks	6(20)	9,781	-
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	6(7)	(684,183)	(875,075)
Loss (gain) on disposal of property, plant and equipment	6(28)	(200,430)	2,835
Gain on disposal of investment property	6(28)	-	(23,532)
Gain on disposal of intangible assets	6(28)	-	(50)
Gain on liquidation of investments accounted for using the equity method	7(2)	-	(757)
Impairment loss on investment accounted for using the equity method	6(28)	85,641	22,774
Impairment loss on investment property	6(28)	210,000	172,246
(Realised) unrealised gain on inter-affiliate accounts		134,266	(20,009)
Gain on lease modification		(69)	(49)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		(91,158)	(768,713)
Notes receivable, net		2,368	34,644
Accounts receivable, net		(123,701)	(200,990)
Accounts receivable-related parties, net		(336,109)	(204,413)
Other receivables		(31,268)	36,642
Other receivables-related parties		6,364	71,978
Inventories		(1,517,985)	(2,003,782)
Prepayments		(23,509)	14,909
Other non-current assets		(878)	(934)
Net changes in liabilities relating to operating activities			
Contract liabilities-current		2,453	(8,902)
Notes payable		1,180	(3,674)
Accounts payable		815,091	741,224
Accounts payable-related parties		393,495	149,117
Other payables		141,942	27,085
Other payables-related parties		1,625	3,880
Provisions-current		(6,970)	(3,955)
Other non-current liabilities		47,736	(3,077)
Other non-current assets		-	(9,105)
Cash inflow (outflow) generated from operations		767,628	(2,093,441)
Dividend received		253,650	487,543
Interest paid		(128,243)	(157,585)
Income tax paid		(9,521)	(9,605)
Net cash provided by (used in) operating activities		883,514	(1,773,088)

(Continued)


A DATA TECHNOLOGY CO., LTD.
PARENT COMPANY CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
 (Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest received		3,727	12,707
(Increase) decrease in other current assets		(169,180)	19,714
Acquisition of financial assets at fair value through other comprehensive income-non-current		(9,000)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income-non-current		12,000	614,013
Acquisition of financial assets at amortised cost-current		(247,750)	-
Proceeds from disposal of financial assets at amortised cost-current		-	1,101
Acquisition of investments accounted for using the equity method	7(2)	(524,646)	(118,084)
Proceeds from disposal of investments accounted for using the equity method		4,745	-
Proceeds from capital reduction of investments accounted for using the equity method	7(2)	-	62,628
Proceeds from liquidation of investments accounted for using the equity method	7(2)	4,597	3,425
Acquisition of property, plant and equipment	6(34)	(29,176)	(25,415)
Proceeds from disposal of property, plant and equipment		613,321	402
Increase in refundable deposits		(91)	(38,552)
Decrease in refundable deposits		7,168	8,645
Acquisition of intangible assets	6(12)	(5,282)	(8,169)
Proceeds from disposal of intangible assets		-	50
Proceeds from disposal of investment property		-	629,253
Increase in other non-current assets		(7,185)	(13,240)
Net cash (used in) provided by investing activities		(346,752)	1,148,478
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(35)	2,319,990	(453,903)
Increase (decrease) in short-term notes and bills payable	6(35)	(500,000)	100,000
Issuance of convertible bonds	6(35)	995,000	1,495,000
Proceeds from long-term loans	6(35)	39,160,000	50,486,000
Repayment for long-term loans	6(35)	(41,710,143)	(51,002,143)
Increase in guarantee deposits received		503	4,555
Decrease in guarantee deposits received		(748)	(3)
Payments of lease liabilities	6(35)	(20,289)	(15,855)
Payment of cash dividends	6(24)	(311,159)	(43,637)
Purchase of treasury shares	6(22)	(282,450)	-
Net cash (used in) provided by financing activities		(349,296)	570,014
Increase (decrease) in cash and cash equivalents		187,466	(54,596)
Cash and cash equivalents at beginning of the year		736,988	791,584
Cash and cash equivalents at end of the year		<u>\$ 924,454</u>	<u>\$ 736,988</u>

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

ADATA TECHNOLOGY CO., LTD.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

(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 24, 2021.

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 2020 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, ‘Disclosure initiative-definition of material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020 (Note)

Note: Earlier application from January 1, 2020 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 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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

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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
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
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 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRSs 2018-2020 cycle	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.

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

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.

(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.

C. Impairment assessment of land

The Company assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets and the future possible income and expenses arising from the assets depending on how assets are utilised, valuation method and industrial characteristics, which may be changed because any changes of economic circumstances or estimates due to the change of Company strategy.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand and revolving funds	\$ 563	\$ 518
Checking accounts and demand deposits	593,891	736,470
Time deposits	210,000	-
Bills with repurchase agreement	120,000	-
	<u>\$ 924,454</u>	<u>\$ 736,988</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. Information about the cash and cash equivalents that was pledged to others as collaterals and listed as financial assets at amortised cost-current is provided in Note 8.

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current items:		
Financial assets (liabilities) mandatorily measured at fair value through profit or loss		
-Listed (TSE and OTC) stocks	\$ 255,032	\$ 791,597
-Beneficiary certificates	511,000	22,300
-Gold passbook	111,075	-
-Put and call options of convertible bonds	<u>7,773</u>	<u>2,704</u>
	884,880	816,601
Valuation adjustment	(<u>27,648</u>)	(<u>83,352</u>)
	<u>\$ 857,232</u>	<u>\$ 733,249</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>2020</u>	<u>2019</u>
<u>Financial assets and liabilities at fair value through profit or loss</u>		
-Listed stocks, beneficiary certificates and gold passbook	14,518	(\$ 80,581)
-Non-hedging derivatives	13,239	3,797
-Put and call options of convertible bonds	<u>9,827</u>	<u>9,074</u>
	<u>\$ 37,584</u>	<u>(\$ 67,710)</u>

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

C. Information relating to credit risk is provided in Note 12(2).

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-current items-equity instruments:		
-Emerging stocks	\$ 115,200	\$ 115,199
-Unlisted stocks and non-emerging stocks	<u>88,200</u>	<u>83,200</u>
	203,400	198,399
Valuation adjustment	(<u>165,504</u>)	(<u>171,447</u>)
	<u>\$ 37,896</u>	<u>\$ 26,952</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 \$12,000 and \$614,013 as well as recognised accumulated gains (losses) on disposal amounting to \$4,194 and \$6,987 for the years ended December 31, 2020 and 2019, 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>2020</u>	<u>2019</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income (losses)	\$ 13,943	(\$ 23,912)
Cumulative gains reclassified to retained earnings due to derecognition	\$ 4,194	\$ 6,987
Dividend income recognised in profit or loss		
Held at end of year	\$ 1,250	\$ 5,176
Derecognised during the year	-	23,634
	<u>\$ 1,250</u>	<u>\$ 28,810</u>

D. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was its carrying amount.

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

F. Information relating to credit risk is provided in Note 12(2).

(4) Notes and accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivable	\$ 1,135	\$ 3,503
Accounts receivable	\$ 1,478,632	\$ 1,425,052
Accounts receivable-related parties	2,175,279	1,839,170
	3,653,911	3,264,222
Less: Allowance for uncollectible accounts	(1,257)	(2,872)
	<u>\$ 3,652,654</u>	<u>\$ 3,261,350</u>
Overdue receivables (shown as other non-current assets)	\$ 838	\$ 8,796
Less: Allowance for uncollectible accounts	(838)	(8,796)
	<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 is as follows:

	December 31, 2020		
	Notes receivable	Accounts receivable	Total
Not past due	\$ 1,135	\$ 3,615,105	\$ 3,616,240
1 to 90 days	-	38,794	38,794
Over 90 days	-	12	12
	<u>\$ 1,135</u>	<u>\$ 3,653,911</u>	<u>\$ 3,655,046</u>

	December 31, 2019		
	Notes receivable	Accounts receivable	Total
Not past due	\$ 3,503	\$ 3,126,173	\$ 3,129,676
1 to 90 days	-	137,678	137,678
Over 90 days	-	371	371
	<u>\$ 3,503</u>	<u>\$ 3,264,222</u>	<u>\$ 3,267,725</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2020 and 2019, notes and accounts receivable were all from contracts with customers. And as of January 1, 2019, the balance of notes and accounts receivables from contracts with customers amounted to \$38,147 and \$2,970,957, respectively.

C. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes and accounts receivable held by the Company were their carrying amounts.

D. No collateral was held by the Company for above mentioned notes and accounts receivable.

E. Information relating to credit risk is provided in Note 12(2).

(5) Transfer of financial assets

For the years ended December 31, 2020 and 2019, 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, 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 1
Bank of Taiwan	149,738 (USD 5,258)	149,738 (USD 5,258)	USD 13,000	134,764 (USD 4,732)	- (USD -)	Note 1
Bank of Taiwan	-	-	\$ 142,400	-	-	Note 1
Standard Chartered Bank	209,633 (USD 7,361)	209,633 (USD 7,361)	USD 19,235	188,668 (USD 6,625)	- (USD -)	Note 1
CTBC Bank	146,252 (USD 5,135)	146,252 (USD 5,135)	USD 12,000	117,001 (USD 4,108)	- (USD -)	Note 1
	<u>\$ 575,000</u>	<u>\$ 575,000</u>		<u>\$ 502,873</u>	<u>\$ -</u>	

(USD amounts in thousands)

December 31, 2019

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	\$ 244,320 (USD 8,149)	\$ 244,320 (USD 8,149)	USD 28,000	\$ 219,889 (USD 7,335)	\$ - (USD -)	Note 2
Bank of Taiwan	292,362 (USD 9,752)	292,362 (USD 9,752)	USD 26,000	263,126 (USD 8,777)	- (USD -)	Note 2
Bank of Taiwan	54,635	54,635	\$ 155,100	49,172	-	Note 2
Standard Chartered Bank	120,579 (USD 4,022)	120,579 (USD 4,022)	USD 9,500	108,521 (USD 3,620)	- (USD -)	Note 2
CTBC Bank	120,701 (USD 4,026)	120,701 (USD 4,026)	USD 12,000	96,561 (USD 3,220)	- (USD -)	Note 2
	<u>\$ 832,597</u>	<u>\$ 832,597</u>		<u>\$ 737,269</u>	<u>\$ -</u>	

As of December 31, 2020 and 2019, the Company has retention for the factoring of accounts receivable (shown as "Other receivables") amounting to \$72,127 and \$95,328, respectively.

Note 1: The advanced amount carried the interest rate of 0.480%~0.900% as at December 31, 2020.

Note 2: The advanced amount carried the interest rate of 1.227%~2.791% as at December 31, 2019.

(6) Inventories

	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>

	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,088,296	(\$ 9,464)	\$ 1,078,832
Work in progress	2,043,869	(4,187)	2,039,682
Semi-finished goods	62,795	(1,064)	61,731
Finished goods	1,247,530	(65,012)	1,182,518
	<u>\$ 4,442,490</u>	<u>(\$ 79,727)</u>	<u>\$ 4,362,763</u>

A. Inventories are not pledged as collateral.

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

	Years ended December 31,	
	2020	2019
Cost of goods sold	\$ 26,379,477	\$ 22,439,149
(Gain on reversal of) loss on decline in market value	(29,691)	(486)
Others	22,575	44,629
	<u>\$ 26,372,361</u>	<u>\$ 22,483,292</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, 2020	December 31, 2019
Asset accounts:		
Subsidiaries:		
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	\$ 713,174	\$ 717,675
ZHAO-XING INVESTMENT CO., LTD.	514,440	298,014
AVIP TECHNOLOGY CO., LTD.	-	4,597
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	178,829	179,021
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	735,560	737,606
LIWANLI Innovation Co., Ltd.	791,602	883,887
ADATA HOLDINGS CO., LTD.	5,174,557	4,811,009
ADATA TECHNOLOGY (U.S.A) CO., LTD.	405,618	367,007
ADATA TECHNOLOGY B.V.	7,370	6,203
ADATA TECHNOLOGY (KOREA) CO., LTD.	5,398	4,666
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	782,168	570,861
ADATA TECHNOLOGY (JAPAN) CO., LTD.	14,677	13,320
ADATA TECHNOLOGY MEXICO SDRL DE CV.	7,750	8,893
ALLIED TREASURE INC. LIMITED	423,924	583,558
JET CASTLE LIMITED	2,836	3,013
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	7,745	7,912
Awayspeed Technology Company Limited	32,331	-
	9,797,979	9,197,242
Associates:		
IROC CO., LTD.	460,814	530,481
ATRACK TECHNOLOGY INC.	294,518	317,500
Others (Refer to Tables 9 and 10 of Note 13 for details)	20,303	18,350
	775,635	866,331
Joint ventures:		
Taiwan Sports Lottery Co., Ltd.	977,381	915,913
	\$ 11,550,995	\$ 10,979,486

The investment gain accounted for using the equity method for the years ended December 31, 2020 and 2019 amounted to \$684,183 and \$875,075, respectively, of which the amounts of \$182,346 and \$1,891 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 2020 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, 2020 and 2019, the carrying amount of the Company's individually immaterial associates amounted to \$775,635 and \$866,331, respectively.

(b) Share of the operating results are summarised below:

	Years ended December 31,	
	2020	2019
Loss for the year	(\$ 37,074)	(\$ 15,370)
Other comprehensive loss, net of tax	(723)	(35)
Total comprehensive loss	<u>(\$ 37,797)</u>	<u>(\$ 15,405)</u>

C. Joint venture

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

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2020	December 31, 2019		
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

	<u>Taiwan Sports Lottery Co., Ltd.</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash and cash equivalents	\$ 1,696,329	\$ 1,528,296
Other current assets	186,592	179,368
Current assets	<u>1,882,921</u>	<u>1,707,664</u>
Non-current assets	<u>687,410</u>	<u>719,560</u>
Total assets	<u>\$ 2,570,331</u>	<u>\$ 2,427,224</u>
Current financial liabilities (Note)	(\$ 179,944)	(\$ 118,655)
Other current liabilities	(233,119)	(293,778)
Current liabilities	<u>(413,063)</u>	<u>(412,433)</u>
Non-current liabilities	<u>(104,809)</u>	<u>(91,413)</u>
Total liabilities	<u>(\$ 517,872)</u>	<u>(\$ 503,846)</u>
Total net assets	<u>\$ 2,052,459</u>	<u>\$ 1,923,378</u>
Share in joint venture's net assets	<u>\$ 977,381</u>	<u>\$ 915,913</u>
Carrying amount of the joint venture	<u>\$ 977,381</u>	<u>\$ 915,913</u>

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

ii. Statement of comprehensive income

	<u>Taiwan Sports Lottery Co., Ltd.</u>	
	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Revenue	\$ 2,146,281	\$ 2,768,320
Depreciation and amortisation	(\$ 76,297)	(\$ 69,061)
Interest income	<u>\$ 230</u>	<u>\$ 314</u>
Profit before income tax	\$ 810,201	\$ 950,091
Income tax expense	(156,122)	(202,084)
Profit for the year from continuing operations	<u>\$ 654,079</u>	<u>\$ 748,007</u>
Total comprehensive income	<u>\$ 654,079</u>	<u>\$ 748,007</u>
Dividends received from joint venture	<u>\$ 250,000</u>	<u>\$ 450,000</u>

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

(8) Property, plant and equipment

Cost	\$	1,216,064	\$	629,192	\$	17,229	\$	646,421	\$	27,620	\$	231,828	\$	2,121,933	
Accumulated depreciation		-	(	186,119)	(	2,969)	(	189,088)	(	20,191)	(	67,535)	(	276,814)
	\$	<u>1,216,064</u>	\$	<u>443,073</u>	\$	<u>14,260</u>	\$	<u>457,333</u>	\$	<u>7,429</u>	\$	<u>164,293</u>	\$	<u>1,845,119</u>	
<u>2020</u>															
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)	(337)	(12,875)	(3,889)	(31,641)	(48,405)
Closing net book amount as at December 31	\$	<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>	
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)	(	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>	

	Land		Buildings and structures		Office equipment		Others		Total
	Owner-occupied		Owner-occupied	Lease	Subtotal	Owner-occupied		Owner-occupied	
At January 1, 2019									
Cost	\$ 1,216,064	\$ 633,073	\$ 19,419	\$ 652,492	\$ 22,492	\$ 85,065	\$ 1,976,113		
Accumulated depreciation	-	(172,872)	(3,264)	(176,136)	(16,974)	(53,635)	(246,745)		
	<u>\$ 1,216,064</u>	<u>\$ 460,201</u>	<u>\$ 16,155</u>	<u>\$ 476,356</u>	<u>\$ 5,518</u>	<u>\$ 31,430</u>	<u>\$ 1,729,368</u>		
2019									
Opening net book amount as at January 1	\$ 1,216,064	\$ 460,201	\$ 16,155	\$ 476,356	\$ 5,518	\$ 31,430	\$ 1,729,368		
Additions	-	374	-	374	5,838	23,878	30,090		
Disposals	-	-	-	-	-	(3,237)	(3,237)		
Transfers for the year (Note)	-	1,719	(1,719)	-	-	135,090	135,090		
Depreciation charge	-	(19,221)	(176)	(19,397)	(3,927)	(22,868)	(46,192)		
Closing net book amount as at December 31	<u>\$ 1,216,064</u>	<u>\$ 443,073</u>	<u>\$ 14,260</u>	<u>\$ 457,333</u>	<u>\$ 7,429</u>	<u>\$ 164,293</u>	<u>\$ 1,845,119</u>		
At December 31, 2019									
Cost	\$ 1,216,064	\$ 629,192	\$ 17,229	\$ 646,421	\$ 27,620	\$ 231,828	\$ 2,121,933		
Accumulated depreciation	-	(186,119)	(2,969)	(189,088)	(20,191)	(67,535)	(276,814)		
	<u>\$ 1,216,064</u>	<u>\$ 443,073</u>	<u>\$ 14,260</u>	<u>\$ 457,333</u>	<u>\$ 7,429</u>	<u>\$ 164,293</u>	<u>\$ 1,845,119</u>		

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

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 1 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:

	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Total</u>
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>

	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Total</u>
Balance, January 1, 2019	\$ 3,723	\$ 6,161	\$ 9,884
Additions	39,089	2,577	41,666
Depreciation	(13,037)	(3,485)	(16,522)
Disposals	(6,022)	-	(6,022)
Balance, December 31, 2019	<u>\$ 23,753</u>	<u>\$ 5,253</u>	<u>\$ 29,006</u>

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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 425	\$ 377
Expense on short-term lease contracts	5,792	13,071
Expense on leases of low-value assets	390	339
Gain on lease modification	(69)	(49)
	<u>\$ 6,538</u>	<u>\$ 13,738</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, 2020 and 2019 amounted to \$20,289 and \$15,855, 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, 2020 and 2019, the Company recognised rent income in the amount of \$8,248 and \$23,602, 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:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Next 1 year	\$ 3,509	\$ 4,805
Next 2 years	<u>1,495</u>	<u>1,129</u>
	<u>\$ 5,004</u>	<u>\$ 5,934</u>

(11) Investment property

	<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>

	Land	Buildings and structures	Total
At January 1, 2019			
Cost	\$ 2,095,936	\$ 215,146	\$ 2,311,082
Accumulated depreciation	-	(18,505)	(18,505)
Accumulated impairment	(215,313)	-	(215,313)
	<u>\$ 1,880,623</u>	<u>\$ 196,641</u>	<u>\$ 2,077,264</u>
<u>2019</u>			
Opening net book amount as at January 1	\$ 1,880,623	\$ 196,641	\$ 2,077,264
Disposals	(487,775)	(117,946)	(605,721)
Depreciation	-	(3,178)	(3,178)
Impairment loss	(172,246)	-	(172,246)
Closing net book amount as at December 31	<u>\$ 1,220,602</u>	<u>\$ 75,517</u>	<u>\$ 1,296,119</u>
At December 31, 2019			
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>

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

	Years ended December 31,	
	2020	2019
Rental income from investment property	<u>\$ 8,248</u>	<u>\$ 23,602</u>
Direct operating expenses arising from the investment property that generated rental income for the year	<u>\$ 1,640</u>	<u>\$ 3,178</u>

B. The fair value of the investment property held by the Company as at December 31, 2020 and 2019 was \$1,280,498 and \$1,445,358, respectively. The above fair value is assessed based on evaluation of independent appraisers quarterly. Valuations were made using the comparative approach and land development analysis, which is categorised within Level 3 in the fair value hierarchy.

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

	Years ended December 31,	
	2020	2019
At January 1		
Cost	\$ 165,089	\$ 154,962
Accumulated amortisation and impairment	(121,181)	(102,525)
	<u>\$ 43,908</u>	<u>\$ 52,437</u>
Opening net book amount as at January 1	\$ 43,908	\$ 52,437
Additions	5,282	8,169
Transfers for the year	225	3,158
Amortisation charge	(18,817)	(19,856)
Closing net book amount as at December 31	<u>\$ 30,598</u>	<u>\$ 43,908</u>
December 31		
Cost	\$ 170,178	\$ 165,089
Accumulated amortisation and impairment	(139,580)	(121,181)
	<u>\$ 30,598</u>	<u>\$ 43,908</u>

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

	Years ended December 31,	
	2020	2019
Selling expenses	\$ 731	\$ 399
General and administrative expenses	14,889	11,604
Research and development expenses	<u>3,197</u>	<u>7,853</u>
	<u>\$ 18,817</u>	<u>\$ 19,856</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,			
	2020		2019	
	Recognised in other comprehensive income	Recognised in other comprehensive income	Recognised in other comprehensive income	Recognised in other comprehensive income
	Recognised in profit or loss	Recognised in profit or loss	Recognised in profit or loss	Recognised in profit or loss
Impairment loss-investments accounted for using equity method (Note 1)	(\$ 85,641)	\$ -	(\$ 22,774)	\$ -
Impairment loss-investment property-land (Note 2)	(210,000)	-	(172,246)	-
	<u>(\$ 295,641)</u>	<u>\$ -</u>	<u>(\$ 195,020)</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, 2020</u>	<u>December 31, 2019</u>
Refundable deposits	\$ 42,403	\$ 49,480
Prepayments for equipment	13,113	13,240
Others	<u>81,765</u>	<u>74,623</u>
	<u>\$ 137,281</u>	<u>\$ 137,343</u>

(15) Short-term borrowings

<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
<u>Type of borrowings</u>	<u>December 31, 2019</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured loans	\$ 3,154,430	1.05%~2.68%	None

Information on interest expense recognised in profit or loss is provided in Note 6(29).

(16) Other current liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Refund liabilities	\$ 21,969	\$ 15,586
Current portion of long-term borrowings	30,143	30,143
Advance receipts for technology licensing revenue	41,699	10,917
Others	<u>20,605</u>	<u>10,034</u>
	<u>\$ 114,416</u>	<u>\$ 66,680</u>

(17) Bonds payable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Bonds payable	\$ 1,563,100	\$ 1,287,600
Less: Discount on bonds payable	(51,204)	(52,842)
	<u>\$ 1,511,896</u>	<u>\$ 1,234,758</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.
- (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, 2020 and 2019, the convertible bonds of \$724,500 and \$212,400 had been converted into 14,117,325 shares and 4,068,946 shares of common stocks, respectively.
 - (i) As of December 31, 2020, 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.
 - (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) No bonds were converted into common shares during the year ended December 31, 2020.
- (i) As of December 31, 2020, 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, 2020</u>
Bank borrowings			
Bank syndicated loans (Note)	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
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	<u>180,000</u>
			4,188,012
Less: Current portion (shown as other current liabilities)			(<u>30,143</u>)
			<u>\$ 4,157,869</u>

The long-term borrowings carried interest rate of 1.0242%~1.797% as at December 31, 2020.

Borrowings	Borrowings period and repayment term	Collateral	December 31, 2019
Bank borrowings			
Bank syndicated loans (Note)	Borrowing period is from August 21, 2017 to August 21, 2022; interest is repayable monthly, principal paid at maturity, revolving credit	None	\$ 4,800,000
Secured borrowings	Borrowing period is from May 15, 2019 to May 15, 2021; interest is repayable monthly, principal paid at maturity, revolving credit	Please refer to Note 8	710,000
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	138,155
Unsecured borrowings	Borrowing period is from May 15, 2019 to May 15, 2021; interest is repayable monthly, principal paid at maturity, revolving credit	None	290,000
Unsecured borrowings	Borrowing period is from May 30, 2019 to May 30, 2022; interest is repayable monthly, principal paid at maturity, revolving credit	None	<u>132,000</u>
			6,738,155
Less: Current portion (shown as other current liabilities)			(<u>30,143</u>)
			<u>\$ 6,708,012</u>

The long-term borrowings carried interest rate of 1.300%~1.797% as at December 31, 2019.

Information on interest expense recognised in profit or loss is provided in Note 6(29).

Note: 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.

(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, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	(\$ 26,710)	(\$ 26,417)
Fair value of plan assets	<u>33,152</u>	<u>31,039</u>
Net defined benefit assets (shown as other non-current assets)	<u>\$ 6,442</u>	<u>\$ 4,622</u>

(c) Movements in net defined benefit assets are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of Plan assets</u>	<u>Net defined benefit asset (liability)</u>
Year ended December 31, 2020			
Balance at January 1	(\$ 26,417)	\$ 31,039	\$ 4,622
Interest (expense) income	(200)	<u>239</u>	<u>39</u>
	<u>(26,617)</u>	<u>31,278</u>	<u>4,661</u>
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	<u>1,261</u>	<u>-</u>	<u>1,261</u>
	<u>(93)</u>	<u>1,035</u>	<u>942</u>
Pension fund contribution	-	839	839
Balance at December 31	<u>(\$ 26,710)</u>	<u>\$ 33,152</u>	<u>\$ 6,442</u>

	Present value of defined benefit obligations	Fair value of Plan assets	Net defined benefit asset (liability)
Year ended December 31, 2019			
Balance at January 1	(\$ 26,214)	\$ 28,849	\$ 2,635
Interest (expense) income	(277)	310	33
	<u>(26,491)</u>	<u>29,159</u>	<u>2,668</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	979	979
Change in financial assumptions	(1,094)	-	(1,094)
Experience adjustments	1,168	-	1,168
	<u>74</u>	<u>979</u>	<u>1,053</u>
Pension fund contribution	-	901	901
Balance at December 31	<u><u>(\$ 26,417)</u></u>	<u><u>\$ 31,039</u></u>	<u><u>\$ 4,622</u></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, 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:

	Years ended December 31,	
	2020	2019
Discount rate	<u>0.37%</u>	<u>0.76%</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, 2020				
Effect on present value of defined benefit obligation	<u>(\$ 855)</u>	<u>881</u>	<u>\$ 1,683</u>	<u>(\$ 1,576)</u>
	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
December 31, 2019				
Effect on present value of defined benefit obligation	<u>(\$ 1,743)</u>	<u>(\$ 1,902)</u>	<u>\$ 1,770</u>	<u>(\$ 1,664)</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 Company for the year ending December 31, 2021 amounts to \$819.
- (g) As of December 31, 2020, the weighted average duration of the retirement plan is 11.8 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, 2020 and 2019 were \$30,487 and \$30,109, respectively.

(20) Share-based payment

A. The Company's share-based payment arrangements were as follows:

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. The fair value of stock options granted is measured using the Monte Carlo simulation model. Relevant information is as follows:

<u>Type of Arrangement</u>	<u>Grant date</u>	<u>Stock price (in dollars)</u>	<u>Exercise price (in dollars)</u>	<u>Expected price volatility (Note)</u>	<u>Expected option life</u>	<u>Expected dividends</u>	<u>Risk-free interest rate</u>	<u>Fair value per unit</u>
Restricted stocks to employees	December 10, 2020	74.7	-	39.8%	2 years	9.7%	0.2113% ~0.2289%	62.60

Note: 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.

C. 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,	
	2020	2019
Restricted stocks to employees	\$ 9,781	\$ -

(b) Capital surplus

Capital surplus incurred on the abovementioned transactions are shown below:

	Years ended December 31,	
	2020	2019
Restricted stocks to employees	\$ 156,500	\$ -

(21) Provisions for liabilities

	Years ended December 31,	
	2020	2019
At January 1	\$ 17,472	\$ 21,427
Additional provisions	44,653	87,080
Used during the year	(51,623)	(91,035)
At December 31	\$ 10,502	\$ 17,472

Analysis of total provisions:

	December 31, 2020	December 31, 2019
Current	\$ 10,502	\$ 17,472

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, 2020, the Company's authorised capital was \$4,000,000, consisting of 400,000,000 shares of ordinary stock (including 25,000,000 shares reserved for employee stock options), and the paid-in capital was \$2,363,736 with a par value of \$10 (in dollars) per share, equivalent to 236,373,645 shares. The Company's actual outstanding shares was 230,912,645 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)

	<u>2020</u>	<u>2019</u>
At January 1	222,256,320	218,187,374
Conversion of convertible bonds	14,117,325	4,068,946
Purchase of treasury shares	(5,461,000)	-
At December 31	<u>230,912,645</u>	<u>222,256,320</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)

	<u>2020</u>	<u>2019</u>
At January 1	665,000	1,898,000
Acquisition of parent company's share by subsidiaries	692,000	2,309,000
Disposal of parent company's share by subsidiaries	(27,000)	(3,542,000)
At December 31	<u>1,330,000</u>	<u>665,000</u>

B. Conversion of convertible bonds

For the years ended December 31, 2020 and 2019, the Company issued 14,117,325 shares and 4,068,946 shares of ordinary shares as a result 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:

		<u>December 31, 2020</u>	
<u>Name of company holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares</u>	<u>Carrying amount</u>
The Company	To be reissued to employees	5,461,000	\$ <u>282,450</u>

		<u>December 31, 2019</u>	
<u>Name of company holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares</u>	<u>Carrying amount</u>
The Company	To be reissued to employees	1,538,000	\$ <u>126,986</u>

- 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.

(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:

	December 31, 2020	
	Number of shares	Carrying amount
LIWANLI Innovation Co., Ltd. and its subsidiaries	1,330,000	\$ 70,360
	December 31, 2019	
	Number of shares	Carryingt amount
LIWANLI Innovation Co., Ltd. and its subsidiaries	665,000	\$ 35,776

(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.

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 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

2019

	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	\$ 3,457,654	\$ -	\$ 23,801	\$ -	\$ 104,140	\$ 1,340	\$ -	\$ 3,586,935
Issuance of convertible bonds	-	58,800	-	-	-	-	-	58,800
Conversion of convertible bonds	172,000	(8,326)	-	-	-	-	-	163,674
Unclaimed dividends transferred to capital surplus	-	-	-	374	-	-	-	374
Disposal of parent company's share by subsidiaries	-	-	-	-	22,983	-	-	22,983
At December 31	\$ 3,629,654	\$ 50,474	\$ 23,801	\$ 374	\$ 127,123	\$ 1,340	\$ -	\$ 3,832,766

(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 2019 and 2018 as resolved by the shareholders on June 19, 2020 and June 14, 2019 are as follows:

	Years ended December 31,			
	2019		2018	
	Amount	Dividends (in dollars)	Amount	Dividends (in dollars)
Legal reserve appropriated	\$ 41,057		\$ -	
Special reserve appropriated	266,654		367,424	
Cash dividends	311,159	1.4	43,637	0.2
	<u>\$ 618,870</u>		<u>\$ 411,061</u>	

(b) The appropriation of earnings of year 2020 as resolved by the Board of Directors on March 24, 2021 is as follows:

	Year ended December 31, 2020	
	Amount	Dividends (in dollars)
Legal reserve appropriated	\$ 108,468	
Special reserve appropriated	83,323	
Cash dividends	808,194	3.5
	<u>\$ 999,985</u>	

(25) Other equity items

	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	-	(966)	-	(966)
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)
-Tax on currency translation differ	30,305	-	-	30,305
-Associates	(53)	-	-	(53)
At December 31	<u>(\$ 761,786)</u>	<u>(\$ 410,019)</u>	<u>(\$ 146,719)</u>	<u>(\$ 1,318,524)</u>

	2019			
	Currency translation	Unrealised gains (losses) on valuation	Unearned stock-based employee compensation	Total
At January 1	(\$ 444,236)	(\$ 410,422)	\$ -	(\$ 854,658)
Revaluation-gross:				
-Parent company	- (23,912)	- (23,912)	- (23,912)	
-Tax on parent company	- 536	- 536	- 536	
-Subsidiaries	- (45,456)	- (45,456)	- (45,456)	
-Tax on subsidiaries	- (1,562)	- (1,562)	- (1,562)	
-Associates	- 405	- 405	- 405	
Revaluation transferred to retained earnings-gross:				
-Parent company	- (6,987)	- (6,987)	- (6,987)	
-Subsidiary	- (2,758)	- (2,758)	- (2,758)	
Currency translation differences:				-
-Parent company	(244,219)	-	- (244,219)	
-Tax on currency translation differences	49,084	-	- 49,084	
-Associates	(1,203)	-	- (1,203)	
At December 31	<u>(\$ 640,574)</u>	<u>(\$ 490,156)</u>	<u>\$ -</u>	<u>(\$ 1,130,730)</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:

Year ended December 31, 2020	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	1,031	-	-	-	-	1,031
	<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>

Year ended December 31, 2019	Contract revenue					
	Country T	Country C	Country A	Country J	Others	Total
Timing of revenue recognition						
At a point in time	\$ 3,692,846	\$ 9,274,547	\$ 5,678,706	\$ 1,491,628	\$ 4,078,142	\$ 24,215,869
Over time	9,020	-	-	-	-	9,020
	<u>\$ 3,701,866</u>	<u>\$ 9,274,547</u>	<u>\$ 5,678,706</u>	<u>\$ 1,491,628</u>	<u>\$ 4,078,142</u>	<u>\$ 24,224,889</u>

B. Contract liabilities

(a) The Company has recognised the following revenue-related contract liabilities:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>January 1, 2019</u>
Contract liabilities:			
Sales revenue and service revenue contract	\$ <u>6,903</u>	\$ <u>4,450</u>	\$ <u>13,352</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>2020</u>	<u>2019</u>
Sales revenue and service revenue contract	\$ <u>4,028</u>	\$ <u>13,352</u>

(27) Other income

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Dividend income	\$ 3,650	\$ 37,543
Rental revenue	8,248	23,602
Government grants revenue	22,040	31,228
Other income	<u>37,150</u>	<u>35,360</u>
	<u>\$ 71,088</u>	<u>\$ 127,733</u>

(28) Other gains and losses

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Net (losses) gains on financial assets and liabilities at fair value through profit or loss	\$ 37,584	(\$ 67,710)
Net currency exchange gains	85,098	20,313
(Losses) gains on disposal of property, plant and equipment	200,430	(2,835)
Gains on disposal of intangible assets	-	50
Impairment loss on investments accounted for using the equity method	(85,641)	(22,774)
Gain on disposal of investment property	-	23,532
Depreciation charges on investment property	(1,640)	(3,178)
Impairment loss on investment property	(210,000)	(172,246)
Others	<u>20,930</u>	<u>(376)</u>
	<u>\$ 46,761</u>	<u>(\$ 225,224)</u>

(29) Finance costs

	Years ended December 31,	
	2020	2019
Interest expense:		
Bank borrowings	\$ 126,146	\$ 156,854
Lease liabilities	425	377
Amortization of bond discount	12,168	9,291
Others	10	36
	<u>\$ 138,749</u>	<u>\$ 166,558</u>

(30) Expenses by nature

	Years ended December 31,	
	2020	2019
Employee benefit expense	\$ 1,073,133	\$ 873,184
Depreciation charges on property, plant and equipment	\$ 48,405	\$ 46,192
Depreciation charges on right-of-use assets	\$ 20,096	\$ 16,522
Amortisation charges on intangible assets	\$ 18,817	\$ 19,856

(31) Employee benefit expenses

	Years ended December 31,	
	2020	2019
Wages and salaries	\$ 928,108	\$ 746,191
Labour and health insurance fees	56,298	55,097
Pension costs	30,448	30,076
Directors' remuneration	19,070	5,810
Other personnel expenses	39,209	36,010
	<u>\$ 1,073,133</u>	<u>\$ 873,184</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, 2020 and 2019, employees' compensation was accrued at \$93,219 and \$27,532, respectively; directors' and supervisors' remuneration was accrued at \$18,644 and \$5,507, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 5% and 1% of distributable profit of current year for the year ended December 31, 2020.

Employees' compensation and directors' and supervisors' remuneration of 2019 amounting to \$27,532 and \$5,507, respectively, as resolved by the Board of Directors were in agreement with those amounts recognised in the 2019 financial statements. As of December 31, 2020, the amounts of \$27,532 and \$5,507 were distributed in the form of cash, respectively.

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>2020</u>	<u>2019</u>
Current tax:		
Current income tax liabilities	\$ 170,583	\$ 8,166
Current income tax assets	(1,111)	-
Prior year tax refunded (paid)	1,111	(9,269)
Prepaid income tax	299	1,103
Prior year income tax (over) underestimation	(55)	13,361
Total current tax	<u>170,827</u>	<u>13,361</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>231,028</u>	<u>58,647</u>
Income tax expense	<u>\$ 401,855</u>	<u>\$ 72,008</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,	
	2020	2019
Changes in fair value of financial assets at fair value through other comprehensive income	\$ 536	(\$ 536)
Currency translation differences	(30,305)	(49,084)
Remeasurement of defined benefit obligations	188	211
	<u>(\$ 29,581)</u>	<u>(\$ 49,409)</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2020	2019
Tax calculated based on profit before tax and statutory tax rate	\$ 350,503	\$ 96,990
Tax exempt income by tax regulation	(34,521)	(1,883)
Gains on domestic investments accounted for using the equity method	(62,294)	(77,890)
Losses on domestic investments accounted for using the equity method	21,046	3,089
Tax-exemption of domestic dividend income	(730)	(7,505)
Impairment loss on investment property	42,000	34,449
Impairment loss on investments accounted for using the equity method	17,128	4,555
Change in assessment of realisation of deferred tax assets	66,000	-
Prior year income tax (over) underestimation	(55)	13,361
Others	2,778	6,842
Income tax expense	<u>\$ 401,855</u>	<u>\$ 72,008</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax loss are as follows:

	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	190,418	(190,418)	-	-
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	(502,703)	(91,126)	-	(593,829)
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>

	2019			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
-Temporary differences:				
Loss on inventory	\$ 16,043	-\$ 97	\$ -	\$ 15,946
Amount of allowance for bad debts that exceed the limit for tax purpose	10,163	-	-	10,163
Unrealised gross profit from sales	10,610	(4,002)	-	6,608
Unrealised loss on domestic investments accounted for using the equity method	43,063	31,628	-	74,691
Payable for unpaid annual leave	3,515	528	-	4,043
Provisions for liabilities	4,286	(792)	-	3,494
Currency translation differences	111,058	-	49,084	160,142
Unrealised foreign exchange loss	-	6,263	-	6,263
Others	4,935	4,208	536	9,679
-Taxable loss	<u>162,638</u>	<u>27,780</u>	<u>-</u>	<u>190,418</u>
Subtotal	<u>366,311</u>	<u>65,516</u>	<u>49,620</u>	<u>481,447</u>
Deferred tax liabilities:				
-Temporary differences:				
Unrealised foreign exchange gain	(2,150)	2,150	-	-
Unrealised gains on valuation	(1,211)	(2,932)	-	(4,143)
Net defined benefit assets	(527)	(186)	(211)	(924)
Unrealised investment income	(379,508)	(123,195)	-	(502,703)
Subtotal	<u>(383,396)</u>	<u>(124,163)</u>	<u>(211)</u>	<u>(507,770)</u>
Total	<u>(\$ 17,085)</u>	<u>(\$ 58,647)</u>	<u>\$ 49,409</u>	<u>(\$ 26,323)</u>

D. Expiration dates of unused taxable loss and amounts of unrecognised deferred tax assets are as follows:

December 31, 2020: None.

December 31, 2019				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2019 (filed)	\$ 168,719	\$ 168,719	\$ -	2029
2018 (filed)	783,370	783,370	-	2028
	<u>\$ 952,089</u>	<u>\$ 952,089</u>	<u>\$ -</u>	

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2020	December 31, 2019
Deductible temporary differences	<u>\$ 166,934</u>	<u>\$ 80,753</u>

F. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.

(33) Earnings per share

	<u>Year ended December 31, 2020</u>		
	<u>Amount</u>	<u>Weighted average</u>	<u>Earnings</u>
	<u>after tax</u>	<u>number of ordinary</u>	<u>per share</u>
		<u>shares outstanding</u>	<u>(in dollars)</u>
		<u>(share in thousands)</u>	
<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	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 1,353,000	248,322	\$ 5.45
<u>Year ended December 31, 2019</u>			
	<u>Amount</u>	<u>Weighted average</u>	<u>Earnings</u>
	<u>after tax</u>	<u>number of ordinary</u>	<u>per share</u>
		<u>shares outstanding</u>	<u>(in dollars)</u>
		<u>(share in thousands)</u>	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 412,940	216,987	\$ 1.90
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 412,940	216,987	
Assumed conversion of all dilutive potential ordinary shares			
-Employee's compensation	-	401	
-Convertible bonds	216	18,656	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 413,156	236,044	\$ 1.75

(34) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31,	
	2020	2019
Purchase of property, plant and equipment	\$ 24,700	\$ 30,090
Add: Opening balance of payable on equipment	7,828	3,153
Less: Ending balance of payable on equipment	(3,352)	(7,828)
Cash paid during the year	<u>\$ 29,176</u>	<u>\$ 25,415</u>

B. Financing activities with no cash flow effects:

	Years ended December 31,	
	2020	2019
Acquisition of right-of-use assets	\$ 12,397	\$ 41,666
Add: Additional lease liabilities during the year	(12,397)	(41,666)
Cash paid during the year	<u>\$ -</u>	<u>\$ -</u>

	Years ended December 31,	
	2020	2019
Convertible bonds converted to capital stocks	<u>\$ 141,173</u>	<u>\$ 40,689</u>

(35) Changes in liabilities from financing activities

	Short-term		Long-term		Lease liabilities (current/non-current)
	Short-term borrowings	notes and bill payable	Bonds payable	borrowings (including current portion)	
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>

	Short-term		Long-term		Lease liabilities (current/non-current)
	Short-term borrowings	notes and bill payable	Bonds payable	borrowings (including current portion)	
At January 1, 2019	\$ 3,608,333	\$ 600,000	\$ -	\$ 7,254,298	\$ 9,884
Increase in cash flow from financing activities	-	100,000	1,495,000	50,486,000	-
Decrease in cash flow from financing activities	(453,903)	-	-	(51,002,143)	(15,855)
Increase in lease liabilities	-	-	-	-	41,666
Amortisation of discounts on bonds payable	-	-	9,291	-	-
Changes in other non-cash items	-	-	(269,533)	-	(6,071)
At December 31, 2019	<u>\$ 3,154,430</u>	<u>\$ 700,000</u>	<u>\$ 1,234,758</u>	<u>\$ 6,738,155</u>	<u>\$ 29,624</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
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 INTERNATIONAL (BVI) CO., LTD.	Subsidiary
ADATA HOLDINGS CO., LTD.	Subsidiary
ERATO (HK) CORPORATION LIMITED	Subsidiary
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Subsidiary
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Subsidiary
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Subsidiary

Names of related parties	Relationship with the Company
ZHAO-XING INVESTMENT CO., LTD.	Subsidiary
AVIP TECHNOLOGY CO., LTD.	Subsidiary
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Subsidiary
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Subsidiary
AROBOT INNOVATION CO., LTD.	Subsidiary
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Subsidiary
LIWANLI Innovation Co., Ltd.	Subsidiary
Awayspeed Technology Company Limited	Subsidiary
IROC Co., Ltd.	Associate
Weili Health Medical Technology Co., Ltd.	Associate
Master Acoustics Innovation Company Limited	Associate
Atrack Technology Inc.	Associate
Taiwan Biomedical Company	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,	
	2020	2019
Subsidiaries		
– ADATA TECHNOLOGY (HK) CO., LTD.	\$ 5,321,943	\$ 4,355,214
– ADATA TECHNOLOGY (U.S.A.) CO., LTD.	7,259,861	5,142,554
– Others	159,418	500,597
Associates	99,458	108,036
Other related parties	841	32
Joint ventures	-	2
	<u>\$ 12,841,521</u>	<u>\$ 10,106,435</u>

Sales price to related parties are based on market price. The collection terms were paid upon receipt of goods to 90 days and within 90 days for other related parties.

(b) Accounts receivable

Details of accounts receivable from related parties are as follows:

	December 31, 2020	December 31, 2019
Subsidiaries		
– ADATA TECHNOLOGY (HK) CO., LTD.	\$ 866,381	\$ 778,832
– ADATA TECHNOLOGY (U.S.A.) CO., LTD.	1,301,763	868,405
– Others	7,135	168,611
Associates	-	23,322
	<u>\$ 2,175,279</u>	<u>\$ 1,839,170</u>

B. Purchases of goods:

(a) Purchases

Details of purchasing from related parties are as follows:

	Years ended December 31,	
	2020	2019
Purchases of goods:		
Subsidiaries	\$ 134,870	\$ 50,881
Associates	127	-
	<u>\$ 134,997</u>	<u>\$ 50,881</u>
Purchases of services:		
Subsidiary		
– ADATA TECHNOLOGY (SUZHOU) CO., LTD.	<u>\$ 2,445,401</u>	<u>\$ 2,143,240</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, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
– ADATA TECHNOLOGY (SUZHOU) CO., LTD.	\$ 2,733,994	\$ 2,340,451
– Others	3	52
Associates	1	-
	<u>\$ 2,733,998</u>	<u>\$ 2,340,503</u>

C. Acquisition of financial assets

<u>Counterparty</u>	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Year ended December 31, 2020 Consideration</u>
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
Awayspeed 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>

Counterparty	Accounts	No. of shares	Objects	Year ended	
				December 31, 2019	
				Consideration	
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Investments accounted for using the equity method	1,000,000	Stocks	\$	10,000
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Investments accounted for using the equity method	600,000	Stocks		6,000
ADATA INTERNATIONAL (BVI) CO., LTD.	Investments accounted for using the equity method	410,000	Stocks		12,661
ADATA HOLDINGS CO., LTD.	Investments accounted for using the equity method	250,000	Stocks		7,635
ADATA TECHNOLOGY MEXICO SDRL DE CV.	Investments accounted for using the equity method	6,649,324	Stocks		6,649
				\$	<u>42,945</u>

D. Transactions on liquidation of subsidiaries

Counterparty	Accounts	No. of shares	Objects	Year ended December 31, 2020	
				Proceeds from liquidation	Gain (losses) on liquidation
AVIP TECHNOLOGY CO., LTD.	Investments accounted for using the equity method	1,400,000	Stocks	\$ <u>4,597</u>	\$ <u>-</u>
Counterparty	Accounts	No. of shares	Objects	Year ended December 31, 2019	
				Proceeds from liquidation	Gain (losses) on liquidation
ADATA INTERNATIONAL (BVI) CO., LTD.	Investments accounted for using the equity method	11,011,112	Stocks	\$ <u>3,425</u>	\$ <u>757</u>

E. 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,	
	2020	2019
Subsidiaries	\$ 17,640	\$ 13,989
Associates	104	558
Other related parties	-	14
	<u>\$ 17,744</u>	<u>\$ 14,561</u>

(b) Other receivables

Other receivables arising from the aforementioned transactions and payments on behalf of others are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries	\$ 272	\$ 4,293
Associates	56	216
Other related parties	13	15
	<u>\$ 341</u>	<u>\$ 4,524</u>

(c) Other current liabilities

Details of other advance receipts arising from the aforementioned transactions are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries	\$ 41,699	\$ 10,917

(d) Other non-current liabilities

Details of guarantee deposits received arising from the aforementioned transactions are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries	\$ 123	\$ 2
Associates	-	253
	<u>\$ 123</u>	<u>\$ 255</u>

F. Issuance of lottery

Other receivables

In order 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, 2020</u>	<u>December 31, 2019</u>
Joint ventures	\$ 38,212	\$ 39,569

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, 2020 and 2019.

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>2020</u>	<u>2019</u>
Joint ventures	<u>\$ 10,091</u>	<u>\$ 10,395</u>

(b) Other receivables

Details of other receivables arising from above transactions are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Joint ventures	\$ 10,091	\$ 10,915

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>2019</u>	<u>2018</u>
Service expense:		
Subsidiaries	\$ 137,140	\$ 135,464

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other payables:		
Subsidiaries	\$ 13,842	\$ 13,124

ii. Research and development expenses arising from rendering research and development services to subsidiaries and related parties for the years ended December 31, 2020 and 2019 were \$2,001 and \$44, respectively. As of December 31, 2020 and 2019, other payables arising from aforementioned transactions were \$1,057 and \$0, respectively.

(b) Deduction of investments accounted for using the equity method/other receivables

Deduction of investments accounted for using the equity method arising from proceeds from capital reduction of associates is as follows:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Subsidiaries	\$ -	\$ 43,917
Associates	-	18,711
	<u>\$ -</u>	<u>\$ 62,628</u>

As of December 31, 2020 and 2019, the other receivables arising from aforementioned transactions were both \$0.

(c) Other payables

Other payables arising from payments on behalf of related parties are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries	\$ 194	\$ 60
Associates	11	295
	<u>\$ 205</u>	<u>\$ 355</u>

(d) 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,	
	2020	2019
Joint ventures	\$ 250,000	\$ 450,000

As of December 31, 2020 and 2019, other receivables arising from aforementioned transactions were both \$0.

I. Loans to /from related parties:

(a) Other receivables

Details of other receivables arising from loans granted by the Company to related parties are as follows:

	December 31, 2020	December 31, 2019
Subsidiaries	\$ -	\$ -

(b) Other income

Details of interest income arising from the aforementioned transactions are as follows:

	Years ended December 31,	
	2020	2019
Subsidiaries	\$ -	\$ 740

The loans to associates are repayable monthly over 1 year and carry interest at 3.0% ~ 4.5% per annum for the year ended December 31, 2019.

J. 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, 2020	December 31, 2019
Subsidiaries	\$ 1,581,129	\$ 1,581,129

(3) Key management compensation

	Years ended December 31,	
	2020	2019
Short-term employee benefits	\$ 98,537	\$ 111,007
Post-employment benefits	774	1,071
	<u>\$ 99,311</u>	<u>\$ 112,078</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, 2020</u>	<u>December 31, 2019</u>	
Current financial assets at amortised cost	\$ 844,776	\$ 597,026	Pledged to Sports Affairs Council, Industrial Development Bureau, performance bond, credit facility and proceeds from issuing bonds
Property, plant and equipment	1,211,419	1,634,314	Credit facility and proceeds from issuing bonds
Investment property	1,084,479	1,122,108	Credit facility
	<u>\$ 3,140,674</u>	<u>\$ 3,353,448</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. As of December 31, 2020 and 2019, the Company issued promissory notes for borrowing facilities, proceeds from issuing bonds, accounts receivable factorings facilities, project guarantee and government subsidy program amounting to \$22,746,107 and \$20,263,250, respectively.

B. As of December 31, 2020 and 2019, the amounts of outstanding letters of credit issued by the Company for inventory purchases and provision of endorsements and guarantees were \$702,240 and \$569,740, respectively.

C. 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, 2020 and 2019, the amount of collateral in both years was both \$708,178.

D. Information on the endorsements and guarantees provided by the Company to related parties for the year ended December 31, 2020 is provided in Table 2 of Note 13.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Details of the appropriation of 2020 earnings as proposed by the Board of Directors on March 24, 2021 are provided in Note 6(24).

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 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 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, 2020, the Company's strategy, was unchanged from 2019. As of December 31, 2020 and 2019, the debt to assets ratio was 68% and 70%, respectively.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</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	\$ 857,232	\$ 733,249
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	37,896	26,952
Financial assets at amortised cost		
Cash and cash equivalents	924,454	736,988
Financial assets at amortised cost-current	844,776	597,026
Notes receivable	1,135	3,503
Accounts receivable	1,477,375	1,422,180
Accounts receivable-related parties	2,175,279	1,839,170
Other receivables	431,875	328,787
Other receivables-related parties	48,644	55,008
Other non-current assets-guarantee deposits paid	42,403	49,480
	<u>\$ 6,841,069</u>	<u>\$ 5,792,343</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 5,474,420	\$ 3,154,430
Short-term notes and bills payable	200,000	700,000
Notes payable	1,180	-
Accounts payable	3,071,770	2,256,679
Accounts payable-related parties	2,733,998	2,340,503
Other accounts payable	565,832	430,023
Other accounts payable-related parties	15,104	13,479
Bonds payable	1,511,896	1,234,758
Long-term borrowings (including current portion)	4,188,012	6,738,155
Other non-current liabilities-guarantee deposits received	1,176	1,421
	<u>\$ 17,763,388</u>	<u>\$ 16,869,448</u>
Lease liabilities-current	\$ 12,827	\$ 16,033
Leas liabilities-non-current	7,048	13,591
	<u>\$ 19,875</u>	<u>\$ 29,624</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, 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
December 31, 2019			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 124,968	29.9800	\$ 3,746,541
<u>Investments accounted for using the equity method</u>			
USD:NTD	\$ 172,980	29.9800	\$ 5,185,928
BRL:NTD	76,214	7.4902	570,861
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 151,453	29.9800	\$ 4,540,561

(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, 2020 and 2019, amounted to \$85,098 and \$20,313, respectively.

(v) Analysis of foreign currency market risk arising from significant foreign exchange variation:

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)	\$ -
Year ended December 31, 2019			
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%	\$ 37,465	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(45,406)	\$ -

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, 2020 and 2019 would have increased/decreased by \$8,572 and \$7,332, 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 \$379 and \$270, 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, 2020 and 2019 would have increased/decreased by \$98,624 and \$105,926, 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, 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 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:

	<u>Not past due</u>	<u>Up to 90 days past due</u>	<u>Over 90 days past due</u>	<u>Individual assessment</u>	<u>Total</u>
<u>December 31, 2020</u>					
Expected loss rate	0.05%	1%~3%	100%	100%	
Total book value	\$ 3,616,240	\$ 38,794	\$ 12	\$ 838	\$ 3,655,884
Loss allowance	(\$ 855)	(\$ 390)	(\$ 12)	(\$ 838)	(\$ 2,095)
	<u>Not past due</u>	<u>Up to 90 days past due</u>	<u>Over 90 days past due</u>	<u>Individual assessment</u>	<u>Total</u>
<u>December 31, 2019</u>					
Expected loss rate	0.05%	1.22%~58.59%	100%	100%	
Total book value	\$ 3,129,676	\$ 137,678	\$ 371	\$ 8,796	\$ 3,276,521
Loss allowance	(\$ 707)	(\$ 1,794)	(\$ 371)	(\$ 8,796)	(\$ 11,668)

- x. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts and overdue receivables are as follows:

	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>

	2019		
	Accounts receivable	Overdue receivables	Total
At January 1_IFRS 9	(\$ 6,434)	(\$ 12,778)	(\$ 19,212)
Expected credit impairment (loss) gain	(5,041)	3,571	(1,470)
Reclassifications to overdue receivables	8,603	(8,603)	-
Derecognised	-	9,014	9,014
At December 31	<u>(\$ 2,872)</u>	<u>(\$ 8,796)</u>	<u>(\$ 11,668)</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, 2020 and 2019, the Company held aforementioned investments (excluding cash and cash equivalent) position of \$857,232 and \$733,249, 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, 2020</u>	<u>December 31, 2019</u>
Floating rate:		
Expiring within one year	\$ 8,822,355	\$ 10,080,010
Expiring beyond one year	<u>2,300,000</u>	<u>-</u>
	<u>\$ 11,122,355</u>	<u>\$ 10,080,010</u>

The facilities expiring within one year are annual facilities subject to review at various dates during 2021. The remaining facilities are for the Company's operational needs.

iv. The Company'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 follow:

(i) Non-derivative financial liabilities

	Less than 1 year	Over 1 year	Total
<u>December 31, 2020</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
<u>December 31, 2019</u>			
Lease liabilities (current/non-current)	\$ 16,340	\$ 13,753	\$ 30,093
Bonds payable	-	1,287,600	1,287,600
Long-term borrowings (including current portion)	31,472	6,708,012	6,739,484

(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, 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>
<u>December 31, 2019</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	\$ 730,545	\$ -	\$ -	\$ 730,545
- Put and call options of convertible bonds	-	2,704	-	2,704
Financial assets at fair value through other comprehensive income				
- Equity securities	-	16,919	10,033	26,952
	<u>\$ 730,545</u>	<u>\$ 19,623</u>	<u>\$ 10,033</u>	<u>\$ 760,201</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 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 Company's credit quality.

E. For the years ended December 31, 2020 and 2019, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3:

	<u>2020</u>	<u>2019</u>
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income
At January 1	\$ 10,033	\$ 20,870
Recognised in other comprehensive income (loss)	<u>1,936</u>	<u>(10,837)</u>
At December 31	<u>\$ 11,969</u>	<u>\$ 10,033</u>

G. For the years ended December 31, 2020 and 2019, there was no transfer into or out from Level 3.

- 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, 2020	December 31, 2019				
Private placement shares	\$ 11,969	\$ 10,033	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, 2020 and 2019, 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%.

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: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 5
- 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, 2020

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, 2020	Balance at December 31, 2020	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 INTEGRATION BRAZIL S/A (AI SEMICONDUTORES S/A)	Other receivables due from related parties	Y	\$ 284,800	\$ -	\$ -	4.5%	Short-term financing	\$ -	Operations	\$ -	None	\$ -	\$ 895,380	\$ 2,686,141	Note 1 and 2
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Other receivables due from related parties	Y	284,800	284,800	-	3.5%	Short-term financing	-	Operations	-	None	-	895,380	2,686,141	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, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 2

Number	Endorser/guarantor	Party being endorsed/guaranteed		Relationship with the endorser/guarantor	Limit on endorsements/guarantees provided for a single party	Maximum outstanding guarantee amount as of December 31, 2020	Outstanding endorsement/guarantee amount at December 31, 2020	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
		Company name	ADATA INTEGRATION BRAZIL												
0	ADATA TECHNOLOGY CO., LTD.	ADATA INTEGRATION BRAZIL		Note 2	\$ 895,380	\$ 541,120	\$ 256,320	\$ 196,255	\$ 42,720	2.86	\$ 4,476,902	Y	N	N	Note 3
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A		Note 2	895,380	427,200	427,200	284,800	-	4.77	4,476,902	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	96.28	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	97.82	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	98.02	181,000	N	Y	N	Note 4
4	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTERGRATION BRAZIL S/A		Note 2	79,999	27,445	27,445	-	27,445	3.43	399,994	N	N	N	Note 3
4	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A		Note 2	79,999	43,912	43,912	-	43,912	5.49	399,994	N	N	N	Note 3
5	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.		Note 2	93,603	52,548	52,524	24,074	52,524	5.61	374,412	Y	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.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2020

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, 2020			Footnote
				Number of shares	Book value	Ownership (%)		Fair value
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -Amundi TW - US Dollar Core Fixed Income Fund	Not applicable	Financial assets at fair value through profit or loss-current	300,000	\$ 3,081	-	3,081
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -Franklin Templeton SinoAm AI Hi-Tech Fund	Not applicable	Financial assets at fair value through profit or loss-current	800,000	8,280	-	8,280
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -Franklin Templeton Sinoam Money Market	Not applicable	Financial assets at fair value through profit or loss-current	14,386,833	150,033	-	150,033
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -Jih Sun Money Market	Not applicable	Financial assets at fair value through profit or loss-current	10,035,794	150,035	-	150,035
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -Allianz Gbl Investors Taiwan Money Mkt Gold passbook	Not applicable	Financial assets at fair value through profit or loss-current	15,834,435	200,034	-	200,034
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - Egis Technology Inc.	None	Financial assets at fair value through profit or loss-current	62,500	109,003	-	109,003
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - WAN HAI LINES LTD.	None	Financial assets at fair value through profit or loss-current	266,000	45,752	0.37	45,752
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - WALSIN TECHNOLOGY CORPORATION	None	Financial assets at fair value through profit or loss-current	2,000,000	105,800	0.09	105,800
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - Yang Ming Marine Transport Corp.	None	Financial assets at fair value through profit or loss-current	50,000	11,525	0.01	11,525
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - UNITED MICROELECTRONICS CORP.	None	Financial assets at fair value through profit or loss-current	158,000	4,621	0.01	4,621
ADATA TECHNOLOGY CO., LTD.	Domestic emerging private placement common stock - NANOPLUS LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,300,000	61,295	0.01	61,295
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-non-current	\$ 849,459	\$ 849,459	0.85	\$ 849,459
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-non-current	1,257,232	11,969	0.85	11,969
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock -TAIWAN ESPORTS LEAGUE CO., LTD.	The Company's chairman is the company's directors	Financial assets at fair value through other comprehensive profit or loss-non-current	3,000,000	-	15.87	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - DIRECT CURRENT CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	2,500,000	13,150	1.30	13,150
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - DIRECT CURRENT CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	415,490	3,777	4.62	3,777
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - DIRECT CURRENT CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	225,000	9,000	5.58	9,000
				\$ 37,896	\$ 37,896		\$ 37,896

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2020			Footnote
				Number of shares	Book value	Ownership (%)		Fair value
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - Fubon S&P 500 VIX Short-Term Futures ETF.	None	Financial assets at fair value through profit or loss-current	9,000,000	\$ 35,640	-	\$ 35,640
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - UNITED MICROELECTRONICS CORP.	None	Financial assets at fair value through profit or loss-current	1,800,000	84,870	0.01	84,870
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - ASE Technology Holding Co., Ltd.	None	Financial assets at fair value through profit or loss-current	1,000,000	81,300	0.02	81,300
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - Yang Ming Marine Transport Corp.	None	Financial assets at fair value through profit or loss-current	58,000	1,696	-	1,696
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	\$ 203,506	5.38	\$ 203,506
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.	Foreign non-listed preferred stock - Whistle Sports, Inc.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	600,000	23,411	0.67	23,411
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	6,790	1.92	6,790
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	7,120	16.67	7,120
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	14,160	2.36	14,160
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	6,607	11.76	6,607
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Trans World Production Co.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	120,000	746	1.25	746
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	-
					\$ 58,834		\$ 58,834

Securities held by	Marketable securities	Relationship with the securities issuer	As of December 31, 2020			
			Number of shares	Book value	Ownership (%)	Fair value
ADATA INVESTMENT COMPANY LIMITED	Foreign non-listed company Capital Contribution Certificate - Golden Crown Green Energy Ltd.	None	3,522,440	\$ -	0.67	\$ -
ADATA INVESTMENT COMPANY LIMITED	Foreign non-listed company Capital Contribution Certificate - Vantage Metro Limited	None	166,670	\$ -	2.25	\$ -
ADATA CAPITAL CO., LTD.	Foreign non-listed company Capital Contribution Certificate - NEXT SYSTEM LTD.	None	2,807,186	\$ 15,190	14.26	\$ 15,190
ADATA TECHNOLOGY (INDIA) PRIVATE LTD.	Foreign non-listed company Capital Contribution Certificate - Leaf Technologies Ltd.	None	250	\$ 15,190	1.60	\$ 15,190
ADATA TECHNOLOGY (HK) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - LANGOGO GLOBAL LIMITED	None	10,257,355	\$ 83,958	11.44	\$ 83,958
ADATA TECHNOLOGY (HK) CO., LTD.	Awayspeed Technology Company Limited	None	7,407,400	\$ 81,288	7.41	\$ 81,288
ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	CHINA MINSHENG BANK SUZHOU BARNCH - Special asset management dy king of public to B finance product	Not applicable	-	\$ 2,410	-	\$ 2,410
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - Beijing Function Capital Management Co., Ltd.	None	100,000	\$ 4,377	10.00	\$ 4,377
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate -Shanghai shangguang Investment Co.,Ltd.	None	323,778	59,982	1.44	59,982
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate -SuZhou Qdreaner Technology Co.,Ltd	None	250,000	5,299	4.79	5,299
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - Qingdao Nuotai Biotechnology co. LTD	None	2,307,692	144,671	18.75	144,671
				\$ 214,329		\$ 214,329

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2020			Footnote
				Number of shares	Book value	Ownership (%)		Fair value
LIWANLI Innovation Co., Ltd.	Beneficiary Certificates - Fubon S&P 500 VIX Short-Term Futures ETF.	None	Financial assets at fair value through profit or loss-current	1,000,000	\$ 3,960	-	\$ 3,960
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	\$ 3,960	10.23	\$ 3,960
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	125,000	5,000	3.10	5,000
Zhen Lian Investment Co., Ltd.	Beneficiary Certificates - Fubon S&P 500 VIX Short-Term Futures ETF.	None	Financial assets at fair value through profit or loss-current	500,000	\$ 1,980	-	\$ 1,980
Hong Qi Investment Co., Ltd.	Domestic listed common stock - ASE Technology Holding Co., Ltd.	None	Financial assets at fair value through profit or loss-current	200,000	\$ 1,980	-	\$ 1,980
Hong Qi Investment Co., Ltd.	Domestic listed common stock - Yang Ming Marine Transport Corp.	None	Financial assets at fair value through profit or loss-current	58,000	1,697	-	1,697
Hong Qi Investment Co., Ltd.	Beneficiary Certificates - Fubon S&P 500 VIX Short-Term Futures ETF.	None	Financial assets at fair value through profit or loss-current	1,500,000	5,940	-	5,940
					\$ 23,897		\$ 23,897

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 \$500 million or 20% of the Company's paid-in capital
Year ended December 31, 2020

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, 2020			Addition			Disposal			Balance as at December 31, 2020		
					Number of shares (Units)	Amount	Number of shares (Units)	Amount	Number of shares (Units)	Book value	Gain (loss) on disposal	Number of shares (Units)	Amount			
ADATA TECHNOLOGY CO., LTD.	YAGEO CORPORATION	Financial assets at fair value through profit or loss -current	-	-	-	-	663,000	\$ 299,148	663,000	\$ 301,960	\$ 299,148	2,812	-	-	-	
ADATA TECHNOLOGY CO., LTD.	Fubon S&P 500 VIX Short - Term Futures ETF.	Financial assets at fair value through profit or loss -current	-	-	32,670	118,410,000	797,336	865,103	842,897	22,206	-	-	-	-	-	
ADATA TECHNOLOGY CO., LTD.	UNITED MICROELECTRONICS CORP.	Financial assets at fair value through profit or loss -current	-	-	-	37,870,000	841,552	844,891	780,949	63,942	1,300,000	61,295	-	-	-	
ADATA TECHNOLOGY CO., LTD.	WALSIN TECHNOLOGY CORPORATION	Financial assets at fair value through profit or loss -current	-	-	-	1,679,000	376,327	298,885	364,543	(65,658)	50,000	11,525	-	-	-	
ZHAO-XING INVESTMENT CO., LTD.	UNITED MICROELECTRONICS CORP.	Financial assets at fair value through profit or loss -current	-	-	-	32,890,000	787,718	744,401	703,513	40,888	1,800,000	84,870	-	-	-	
ZHAO-XING INVESTMENT CO., LTD.	UNIMICRON TECHNOLOGY CORP.	Financial assets at fair value through profit or loss -current	-	-	-	4,170,000	303,975	306,935	303,975	2,960	-	-	-	-	-	

ADATA TECHNOLOGY CO., LTD.
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 5

Real estate disposed by	Real estate	Transaction date or date of the event (Note 1)	Date of acquisition	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price (Note 2)	Other commitments
ADATA TECHNOLOGY CO., LTD.	Real estate Property, plant and equipment-land and buildings and structures	September 2020	September 2010	\$ 412,665	\$ 612,830	100% consideration received	\$ 200,165	Yingfu Development Co., Ltd.	None	Adjustment for operating requirement and activating assets	Based on appraisal report issued by the real estate appraisal firm (NT\$606,027 thousand)	None

Note 1: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Note 2: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate disposed of should be appraised pursuant to the regulations.

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, 2020

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	(\$ 5,321,943) (	18)	Collection within 90 days after sale	None	None	\$ 866,381	24	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	Sales	(7,259,861) (	25)	Collection terms are 90 days	None	None	1,301,763	36	-
ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	The Company's Subsidiary	Sales	(104,722)	-	Collection within 90 days after sale	None	None	7,123	-	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	Sales	(578,539) (	60)	Collection terms are 90 days	None	None	281,828	78	-
ADATA TECHNOLOGY (HK) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	5,321,943	96	Collection within 90 days after sale	None	None	(866,381) (	99)	-
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	7,259,861	98	Collection terms are 90 days	None	None	(1,301,763) (	100)	-
ADATA ELECTRONICS (SHANHAI) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	104,722	96	Collection within 90 days after sale	None	None	(7,123) (	86)	-
ADATA ELECTRONICS BRAZIL S/A	ADATA INTEGRATION BRAZIL S/A	The Company's Subsidiary	Purchases	578,539	28	Collection terms are 90 days	None	None	(281,828) (	65)	-

ADATA TECHNOLOGY CO., LTD.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 7

Creditor	Counterparty	Relationship with the counterparty	Overdue receivables				Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			Balance as at December 31, 2020	Turnover rate	Amount	Action taken		
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	The Company's Subsidiary	\$ 866,381	6.47	\$ -	Not applicable	\$ 570,374	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	1,301,763	6.69	-	Not applicable	824,114	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	2,733,994	7.87	-	Not applicable	371,559	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	281,828	2.05	-	Not applicable	90,553	-

ADATA TECHNOLOGY CO., LTD.

Significant inter-company transactions during the reporting periods
Year ended December 31, 2020

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	\$ 7,259,861	Note 3	23
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Parent company to subsidiary company	Accounts receivable	1,301,763	Note 4	5
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Sales	5,321,943	Note 3	17
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Accounts receivable	866,381	Note 4	3
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Sales	104,722	Note 3	-
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Accounts receivable	7,123	Note 4	-
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Process expense	2,445,401	Note 5	8
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Accounts payable	2,733,994	Note 5	10
0	ADATA TECHNOLOGY CO., LTD.	LIWANLI Innovation Co., Ltd.	Parent company to subsidiary company	Sales	54,696	Note 3	-
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Sales	578,539	Note 3	2
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Accounts receivable	281,828	Note 4	1
2	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Subsidiary company to Subsidiary company	Sales	51,940	Note 3	-
2	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Subsidiary company to Subsidiary company	Accounts receivable	48,002	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, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 9

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020		Book value	Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)				
ADATA TECHNOLOGY CO., LTD.	CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	\$ 750,000	\$ 750,000	75,000,000	100.00	\$ 713,174	4,501	4,501	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ZHAO-XING INVESTMENT CO., LTD.	Republic of China	General Investment	895,001	705,001	90,000,000	100.00	514,440	30,971	30,971	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	AVIP TECHNOLOGY CO., LTD.	Republic of China	Manufacture and trade of electronic components and computer peripherals	-	14,000	-	-	-	-	-	Note 1(1) and 3
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	178,829	(192)	(192)	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	735,560	(2,046)	(2,046)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA HOLDINGS CO., LTD.	British Cayman Islands	General Investment	2,510,987	2,486,092	78,787,598	100.00	5,174,557	328,291	328,291	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	405,618	92,609	92,609	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	7,370	870	870	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (KOREA) CO., LTD.	Korea	Trading of electronic components and computer peripherals	2,880	2,880	1,100,000	100.00	5,398	667	667	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	MACHDATA INTERMEDJACAO DE NEGOCIOS LTDA.	Brazil	Trading of electronic material and components	1,319,656	1,077,019	150,991,325	100.00	782,168	169,867	169,867	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	14,677	1,377	1,377	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	7,750	(291)	(291)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ALLIED TREASURE INC. LIMITED	Hong Kong	General Investment	744,985	744,985	178,776,000	100.00	423,924	(137,493)	(137,493)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	JET CASTLE LIMITED	Hong Kong	General Investment	48,135	48,135	1,500,000	100.00	2,836	(41)	(41)	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	7,744	(193)	(144)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Awayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	34,100	-	3,410,000	56.83	32,331	(3,113)	(1,769)	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	995,701	40,906,925	49.04	791,602	(13,613)	(68,386)	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	545,437	9,312,882	26.20	460,814	(63,403)	(15,932)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	WeiLi Health Medical Technology Co., Ltd.	Republic of China	Portal website operation	24,000	18,000	800,000	39.41	15,775	(9,395)	(3,386)	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	4,528	(685)	(231)	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)

Initial investment amount

Shares held as at December 31, 2020

Investor	Investee	Location	Main business activities	Balance as at		Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				December 31, 2020	December 31, 2019						
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	\$ 977,381	\$ 654,079	\$ 311,468	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	322,874	312,081	5,914,731	18.62	294,518	(94,121)	(17,525)	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)
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	24,485	3,200,000	52.46	10,733	(279)	-	Note 1(1) and 2
ZHAO-XING INVESTMENT CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	8,947	3,037	890,539	2.80	44,343	(94,121)	-	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	5,210,646	353,037	-	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	31,905	1,029	-	Note 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA INVESTMENT COMPANY LIMITED	Samoa Islands	General Investment	132,874	130,024	4,286,944	100.00	10,084	(3,405)	-	Note 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA CAPITAL CO.,LTD.	Samoa Islands	General Investment	77,787	55,742	2,600,322	100.00	19,192	(22,038)	-	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	7,744	(193)	-	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	5,210,630	353,036	-	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	948,929	131,609,067	84.30	505,827	(36,449)	-	Note 1(2) and 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Brazil	Manufacture and trading of electronic components	55,462	46,491	6,445,056	84.30	221,176	244,146	-	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	35,112	(87,692)	-	Note 1(1) and 2
JET CASTLE LIMITED	ERATO (HK) CORPORATION LIMITED	Hong Kong	Research, development, sales and manufacture of earphones	16,215	16,215	500,000	100.00	1,471	(11)	-	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	10,015	(163)	-	Note 1(1) and 2
AROBOT INNOVATION (HK) CO., LTD.	AROBOT INNOVATION CO., LTD.	Republic of China	Other machinery manufacturing	29,000	29,000	2,900,000	47.54	9,616	(279)	-	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	85,033	9,913	-	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	83,016	4,885	-	Note 1(2) and 2
LIWANLI Innovation Co., Ltd.	Longevity Wealth Limited	Hong Kong	General Investment	62,728	62,728	15,796,000	100.00	35,193	(70,439)	-	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	2,533,500	7.13	125,361	(63,403)	-	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, 2020		Book value	Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				December 31, 2020	December 31, 2019	Number of shares	Ownership (%)				
LIWANLI Innovation Co., Ltd.	Alwayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	\$ 6,000	\$ -	600,000	10.00	\$ 6,000	\$ 3,222)	\$ -	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
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	(87,692)	-	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.

Note 3: AVIP TECHNOLOGY CO., LTD. was dissolved and liquidated on April 1, 2020.

ADATA TECHNOLOGY CO., LTD.
Information on investments in Mainland China
Year ended December 31, 2020

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, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	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	\$ 284,743	\$ 100.00	\$ 284,743	\$ 4,462,098	\$ -	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	2,980	100.00	2,980	770,665	-	Notes 2(1) and 4
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Trading of electronic material and components	131,134	2	-	-	131,134	3,149	100.00	3,149	59,198	-	Notes 2(1) and 5
ADATA TECHNOLOGY (SHANDONG) CO., LTD.	Manufacture and trade of electronic components and computer peripherals	48,150	2	-	(48,150)	-	-	-	-	-	-	Notes 2(1) and 6
ERATO (SZ) CORPORATION LTD.	Research, development, sales and manufacture of earphones	3,019	2	-	-	3,019	-	100.00	-	-	-	Notes 2(1) and 7
Suzhou Golden Crown New Energy Co., Ltd.	Manufacture and sale of solar cell, li-ion battery, battery	963,516	2	-	-	7,547	-	0.67	-	-	-	Notes 9
Beijing Function Capital Management Co., Ltd.	Consulting for investments and consulting service for business management	51,673	3	-	-	-	-	10.00	-	4,377	-	Notes 10
Shandong Function Real Estate Co., Ltd.	Consulting for investments and consulting service for business management	1,830,331	3	-	-	-	(3,749)	36.64	1,381	876,118	-	Notes 2(1) and 11
Function (Qingdao) Marine Technology Co., Ltd.	The research and development and trading of biotechnology products	91,860	3	-	-	-	(17,223)	25.00	4,326	11,276	-	Notes 2(1) and 12
Shanghai shangguang Investment Co., Ltd.	Consulting for investments and consulting service for business management	97,300	3	-	-	-	-	1.44	-	59,982	-	Notes 13
SuZhou Qdreamer Technology Co., Ltd.	The internet technology research and development and services and computer software and hardware research and development	6,169	3	-	-	-	-	4.79	-	5,299	-	Notes 14
Shenzhen Visualdeep Co., Ltd.	Development of network technology, providing network technology service and development and sales of software	64,738	3	-	-	-	12,598	24.00	2,569	69,799	-	Notes 2(1) and 15
Ningbo Ximrou Rrotein Technology co., LTD.	Research and development, producing, wholesale and retailing of food	34,848	3	-	-	-	(12,926)	30.00	4,196	53,113	-	Notes 2(1) and 16
Qingdao Nuotai Biotechnology co., LTD.	Producing and sales of marine biomaterial and research and development of biological products	53,612	3	-	-	-	-	18.75	-	144,671	-	Notes 17
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Wholesale and retail of food products	29,998	2	-	-	29,998	70,479	100.00	70,479	42,253	-	Notes 2(1) and 18
ADATA TECHNOLOGY (Qingdao) CO., LTD.	Manufacture and trade of electronic components and smart car equipment	438	3	-	-	-	(17)	100.00	17	421	-	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: ADATA TECHNOLOGY (SHANDONG) 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 1,500 thousand. The case was approved by investment commission. Adata Technology (Suzhou) 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 7: 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 USD100 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 8: 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 USD1,031 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 9: 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 10: 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 11: The Company acquired a 5.82% equity interest in Shandong Function Real Estate 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 Real Estate 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 12: 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 13: 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 14: The Company acquired a 4.79% 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 15: The Company acquired a 24% equity interest in Shenzhen Visualdeep Co.,Ltd. in the amount of RMB14,385 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd

Note 16: The Company acquired a 30% equity interest in Ningbo Xinrou Rrotein Technology co. LTD in the amount of RMB 13,573 thousand through the Company's indirectly wholly-owned investee, Adata Technology (Suzhou) Co., Ltd.

Note 17: 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 18: 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.

Note 19: 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.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	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	\$ 2,066,820	\$ 2,354,741	\$ 5,372,282
LIWANLI Innovation Co., Ltd. (Note 3)	29,998	90,675	561,619

Note 1: The limitation is 60% of net worth.

Note 2: As of December 31, 2020, 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, 2020, 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, 2020

Table 11

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing		Others	
	Amount	%	Amount	%	Balance at December 31, 2020	%	Balance at December 31, 2020	Purpose	Maximum balance during the year ended December 31, 2020	Balance at December 31, 2020		Interest rate
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	Note
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	104,722	-	-	-	7,123	-	-	-	-	-	-	-
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	51,940	-	-	-	48,002	-	52,524	Guarantee for short-term borrowings	-	-	-	-

Note: The processing fees of the Company for the year ended December 31, 2020 amounted to \$2,445,401. Accounts payable of \$2,733,994 was recognised as of December 31, 2020.

ADATA TECHNOLOGY CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars)

Statement 1

Client Name	Description	Amount	Note
General client -			
100010		\$ 169,925	
14096		79,500	
17788		78,481	
16982		75,401	
			None of the balances of each remaining client is greater than 5% of this account balance
Others		1,075,325	
Less: Allowances for uncollectible accounts		(1,257)	
		<u>1,477,375</u>	
Related parties -			
ADATA TECHNOLOGY (HK) CO., LTD.		866,381	
ADATA TECHNOLOGY (U.S.A.) CO., LTD.		1,301,763	
			None of the balances of each remaining client is greater than 5% of this account balance
Others		7,135	
		<u>2,175,279</u>	
		<u>\$ 3,652,654</u>	

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ADATA TECHNOLOGY CO., LTD.

STATEMENT OF INVENTORIES

DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars)

Statement 2

Item	Description	Amount		Note
		Cost	Net Realisable Value	
Raw materials	DRAM and NAND	\$ 876,000	\$ 1,042,083	Net realisable value is the estimated selling price, less the estimated cost of completion and applicable variable selling expenses.
	Flash			
Work in progress	DRAM and NAND	3,434,987	4,087,312	
	Flash			
Semi-finished goods	DRAM and NAND	100,811	113,705	
	Flash			
Finished goods	DRAM and NAND			
	Flash	1,518,986	1,765,337	
		5,930,784	<u>\$ 7,008,437</u>	
		(50,036)		
		<u>\$ 5,880,748</u>		

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
YEAR ENDED DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars)

Statement 3

Name	Beginning Balance		Addition (Note 1)		Other		Decrease (Note 3)		Ending Balance		Net Equity		Collateral	
	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
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	75,000,000	\$ 717,675	-	\$ -	(\$ 4,501)	-	-	\$ -	75,000,000	100.00	\$ 713,174	9.51	\$ 713,174	None
ZHAO0XING INVESTMENT CO., LTD.	71,000,000	298,014	19,000,000	190,000	30,971	(4,545)	-	-	90,000,000	100.00	514,440	5.72	514,440	None
AVIP TECHNOLOGY CO., LTD.	1,400,000	4,597	-	-	-	(1,400,000)	(4,597)	-	-	100.00	-	-	-	None
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	18,100,000	179,021	-	(192)	-	-	-	-	18,100,000	100.00	178,829	9.88	178,829	None
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	77,100,000	737,606	-	(2,046)	-	-	-	-	77,100,000	100.00	735,560	9.54	735,560	None
ADATA HOLDINGS CO., LTD.	77,937,598	4,811,009	850,000	24,896	328,291	10,361	-	-	78,787,598	100.00	5,174,557	65.68	5,174,557	None
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	200,000	367,007	-	-	92,609	(53,998)	-	-	200,000	100.00	405,618	2,028.09	405,618	None
ADATA TECHNOLOGY B.V.	300,020	6,203	-	-	870	297	-	-	300,020	100.00	7,370	24.57	7,370	None
ADATA TECHNOLOGY (KOREA) CO., LTD.	1,100,000	4,666	-	-	667	65	-	-	1,100,000	100.00	5,398	4.91	5,398	None
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	111,431,325	570,861	39,560,000	242,637	169,867	(201,197)	-	-	150,991,325	100.00	782,168	5.18	782,168	None
ADATA TECHNOLOGY (JAPAN) CO., LTD.	600	13,320	-	-	1,377	(20)	-	-	600	100.00	14,677	24,461.67	14,677	None
ADATA TECHNOLOGY MEXICO SDRL DE CV.	6,649,647	8,893	-	(291)	(852)	-	-	-	6,649,647	100.00	7,750	1.17	7,750	None
ALLIED TREASURE INC, LIMITED	178,776,000	583,558	-	(137,493)	(22,141)	-	-	-	178,776,000	100.00	423,924	2.37	423,924	None
JET CASTLE LIMITED	1,500,000	3,013	-	(41)	(136)	-	-	-	1,500,000	100.00	2,836	1.89	2,836	None
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD	1,000,000	7,912	-	(144)	(23)	-	-	-	1,000,000	74.63	7,745	7.75	7,745	None
Awayspeed Technology Company Limited	-	-	3,410,000	34,100	(1,769)	-	-	-	3,410,000	56.83	32,331	9.48	32,331	None
LJWANLI Innovation Co., Ltd.	41,106,925	883,887	-	(68,386)	(21,635)	(200,000)	(2,264)	-	40,906,925	49.04	791,602	19.35	791,602	None
IROC CO., Ltd.	8,765,882	530,481	547,000	16,220	(15,932)	1,634	(71,589)	-	9,312,882	26.20	460,814	49.48	460,814	None
ATrack Technology Inc.	5,632,731	317,500	282,000	10,793	(17,525)	(2,198)	(14,052)	-	5,914,371	18.62	294,518	49.79	294,518	None
Taiwan Biomedical Company	1,300,000	-	-	-	-	-	-	-	1,300,000	13.00	-	-	-	None
Weili Health Medical Technology Co., Ltd.	600,000	13,936	200,000	6,000	(3,386)	(775)	-	-	800,000	39.41	15,775	19.72	15,775	None

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)	Amount	Shares (in shares)	Percentage of Ownership	Amount	Unit Price (in dollars)	Total	Collateral
Master Acoustics International Corp. Limited	153,000	\$ 4,414	-	\$ -	231	345	-	\$ -	33.41	\$ 4,528	29.59	\$ 4,528	None
Mucho Herb Biotech Co., Ltd.	5,500,000	-	-	-	-	-	-	-	23.50	-	-	-	None
Taiwan Sports Lottery Co., Ltd.	25,000,000	915,913	-	-	311,468	-	-	(250,000)	47.62	977,381	39.10	977,381	None
Total (shown as assets)		\$ 10,979,486		\$ 524,646	\$ 684,183	\$ 294,818		\$ 342,502		\$ 11,550,995			
Total (shown as liabilities)		\$ -		\$ -									

Note 1: The additions for the year were the additional investments.

Note 2: Other adjustments included net change in equity of investees of (\$32,776), accumulated translation adjustment of (\$151,517), unrealised gains/losses on financial products of \$23,741, and unrealised gains or losses on sales between affiliates of (\$134,266).

Note 3: The decreases for the year were dividends received of (\$250,000), impairment loss of (\$85,641), and disposal of investments accounted for using the equity method of (\$6,861).

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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, 2020

(Expressed in thousands of New Taiwan dollars)

Statement 4

<u>Item</u>	<u>Beginning Balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Ending Balance</u>	<u>Collateral</u>
Land	\$ 1,216,064	\$ -	(\$ 333,655)	\$ -	\$ 882,409	Some are pledged as guarantee for bank loan facilities
Buildings and structures	646,421	3,270	(98,368)	480	551,803	Some are pledged as guarantee for bank loan facilities
Office equipment	27,620	2,222	(852)	-	28,990	None
Others	231,828	19,208	(5,783)	1,285	246,538	None
	<u>2,121,933</u>	<u>\$ 24,700</u>	<u>(\$ 438,658)</u>	<u>\$ 1,765</u>	<u>1,709,740</u>	
<u>Accumulated Depreciation</u>						
Buildings and structures	(189,088)	(12,875)	19,323	-	(182,640)	
Office equipment	(20,191)	(3,889)	852	-	(23,228)	
Others	(67,535)	(31,641)	5,592	-	(93,584)	
	<u>(276,814)</u>	<u>(\$ 48,405)</u>	<u>\$ 25,767</u>	<u>-</u>	<u>(299,452)</u>	
Total	<u>\$ 1,845,119</u>				<u>\$ 1,410,288</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, 2020
 (Expressed in thousands of New Taiwan dollars)

Statement 5

Nature	Description	Ending Balance	Contract Period	Range of Interest Rate	Credit Line	Collateral	Note
Unsecured borrowings		\$ <u>5,474,420</u>	Expiring within one year	0.56%~0.98%	\$ <u>14,739,555</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, 2020
(Expressed in thousands of New Taiwan dollars)

Statement 6

Supplier Name	Description	Amount	Note
General suppliers -			
10192		\$ 691,660	
10		508,196	
8		201,647	
11903		190,805	
			None of the balances of each remaining supplier is greater than
Others		<u>1,479,462</u>	5% of this account balance
		<u>3,071,770</u>	
Related parties -			
ADATA TECHNOLOGY (SUZHOU) CO., LTD.		2,733,994	
			None of the balances of each remaining supplier is greater than
Others		<u>4</u>	5% of this account balance
		<u>2,733,998</u>	
		<u>\$ 5,805,768</u>	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars)

Statement 7

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate	Amount				Repayment Term	Collateral	Note	
					Total Issuance Amount	Repayment Paid/Bonds Converted	Ending Balance	Unamortised Premiums (Discounts)				Carrying Amount
The 6th domestic secured convertible bonds	CTBC Bank	2019/5/8	Note 1	0.00%	\$ 1,500,000	\$ 936,900	\$ 563,100	\$ 17,835	\$ 545,265	Note 1	The bonds are guaranteed by Chang Hwa Bank in accordance with the Guarantee Agreement	-
The 7th domestic secured convertible bonds	CTBC Bank	2020/9/28	Note 1	0.00%	1,000,000	-	1,000,000	(33,369)	966,631	Note 1	The bonds are guaranteed by Hua Nan Bank in accordance with the Guarantee	-
					\$ 2,500,000	\$ 936,900	\$ 1,563,100	\$ 51,204	\$ 1,511,896			

Note 1: Refer to Note 6(17) for details.

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2020
(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	\$ 2,500,000	2017.08.21-2022.08.21		None	The chairman of the company serves as the Joint guarantor
Hua Nan Bank	Working capital	420,000	2020.10.06-2022.10.06		Property (Refer to Note 8)	The chairman of the company serves as the Joint guarantor
Yuanta Commercial Bank	Working capital	668,000	2019.05.30-2022.05.30		Property (Refer to Note 8)	None
Chang Hwa Bank	Working capital	108,012	2017.07.07-2024.07.07		Property (Refer to Note 8)	The chairman of the company serves as the Joint guarantor
Hua Nan Bank	Working capital	180,000	2020.10.06-2022.10.06		None	The chairman of the company serves as the Joint guarantor
Export-Import Bank of the Republic of China	Working capital	180,000	2020.12.21-2025.12.21		None.	None
Yuanta Commercial Bank	Working capital	<u>132,000</u>	2019.05.30-2022.05.30		None	None
		4,188,012		1.0242%~1.797%		
Less: Current portion (Shown as other current liabilities)		(<u>30,143</u>)				
		<u>\$ 4,157,869</u>				

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars)

Statement 9

Item	Volume	Amount	Note
DRAM	30,722 thousand pieces	\$ 13,810,360	
NAND Flash	67,113 thousand pieces	12,532,241	
Others		3,269,486	
		<u>\$ 29,612,087</u>	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF OPERATING COSTS
YEAR ENDED DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars)

Statement 10

Item	Amount	Note
Raw materials		
Beginning raw materials	\$ 1,088,296	
Add: Raw materials purchased	23,778,392	
Raw materials and supplies - warranty returns	42,643	
Less: Ending raw materials	(876,000)	
Raw materials sold	(2,027,826)	
Raw materials and supplies - miscellaneous uses	(30,482)	
Raw materials and supplies - loss on scrapping	(4,454)	
Raw materials used	<u>21,970,569</u>	
Semi-finished goods		
Add: Beginning semi-finished goods	62,795	
Costs of semi-finished goods purchased	947,136	
Semi-finished goods - warranty returns	4,952	
Less: Ending finished goods	(100,811)	
Semi-finished goods sold	(910,988)	
Semi-finished goods - miscellaneous uses	(2,780)	
Semi-finished goods- loss on scrapping	(2)	
Semi-finished goods used	<u>302</u>	
Direct labor	<u>5,175</u>	
Manufacturing expense	<u>3,113,131</u>	
Total manufacturing cost	25,089,177	
Add: Beginning work in Progress	2,043,869	
Less: Ending work in Progress	(3,434,987)	
Cost of finished goods	23,698,059	
Add: Beginning finished goods	1,247,530	
Costs of finished goods purchased	2,050	
Finished goods - warranty returns	79,685	
Less: Ending finished goods	(1,518,986)	
Finished goods - miscellaneous uses	(56,613)	
Finished goods - loss on scrapping	(11,062)	
Cost of finished goods sold	23,440,663	
Cost of raw materials sold	2,027,826	
Cost of semi-finished goods sold	<u>910,988</u>	
Cost of sales	26,379,477	
Loss on decline in market value, scrapping, physical inventory and revenue from sales of scraps	(7,221)	
Processing costs	<u>105</u>	
Operating costs	<u>\$ 26,372,361</u>	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF MANUFACTURING EXPENSE
DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars)

Statement 11

Item	Description	Amount	Note
Outsource processing expenses		\$ 3,105,035	
Others		<u>8,096</u>	None of the balances of each remaining supplier is greater than 5% of this account balance
		<u>\$ 3,113,131</u>	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF OPERATING EXPENSES
YEAR ENDED DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars)

Statement 12

<u>Item</u>	<u>Selling Expense</u>	<u>Administrative Expense</u>	<u>Research and Development Expenses</u>	<u>Expected Credit Gain</u>	<u>Total</u>
Wages and salaries	\$ 334,236	\$ 412,056	\$ 175,437	\$ -	\$ 921,729
Import/export (customs) and freight expense	181,488	3,695	250	-	185,433
Service expense	186,335	59,316	746	-	246,397
Other expenses (Note)	283,115	246,986	139,610	(3,621)	666,090
	<u>\$ 985,174</u>	<u>\$ 722,053</u>	<u>\$ 316,043</u>	<u>(\$ 3,621)</u>	<u>\$ 2,019,649</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, 2020

(Expressed in thousands of New Taiwan dollars)

Statement 13

Nature \ Function	Year ended December 31, 2020		Year ended December 31, 2019			
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	\$ 6,379	\$ 921,729	\$ 928,108	\$ 9,121	\$ 737,070	\$ 746,191
Labour and health insurance fees	553	55,745	56,298	702	54,395	55,097
Pension costs	279	30,169	30,448	367	29,709	30,076
Directors' emoluments	-	19,070	19,070	-	5,810	5,810
Other personnel expenses	459	38,750	39,209	577	35,433	36,010
Depreciation expense	4,527	63,974	68,501	445	62,269	62,714
Amortisation expense	-	18,817	18,817	-	19,856	19,856

Note:

1. As at December 31, 2020 and 2019, the Company had 639 and 668 employees, respectively, both including 3 non-employee directors.

2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information:

(1) Average employee benefit expense in current year was \$1,657 ((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 \$1,304 ((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)).

(2) Average employees salaries in current year were \$1,459 (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 \$1,122 (Total wages and salaries of previous year/ (Number of employees of previous year-Number of non-employee directors of previous year)).

- (3) Adjustments of average employees salaries were 30.0% ((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. Directors' emoluments includes transportation allowance, the directors' remuneration distributed from earnings according to the distributable profit of the year, which shall be proposed by the Remuneration Committee and approved by the Board of Directors.
 - B. Managers' and employees' salaries include monthly salaries, which are adjusted every year in accordance with the Company's Salaries Management Regulations, and year-end bonuses, which are distributed after the performance evaluations.
- In accordance with the Articles of Incorporation of the Company, the Company distributes employees' compensation if it has any profit for the current year. Managers' emoluments shall be proposed by the Remuneration Committee and approved by the Board of Directors.

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