



2021 Annual Shareholders' Meeting

Meeting Minutes

August 3rd, 2021

ASIP Meeting Room No. 202

(No. 2, Prosperity Rd I, Hsinchu Science Park, Hsinchu, Taiwan)

ENE TECHNOLOGY INC.
2021 Annual Shareholders' Meeting Minutes

Time: 9:00 a.m., August 3rd, 2021

Place: ASIP Meeting Room No. 202 (No. 2, Prosperity Rd I, Hsinchu Science Park, Hsinchu, Taiwan).

Attending share numbers: 38,371,669 shares (including e-voting of 2,829,856 shares), 51.17% of total issued shares 74,976,693.

Attending BOD member: Jason Weng, Dylan Chung, Leo Wu

Attending BOD member: Wen Huai Tsai

Attending Independent Directors: Shen Yuan Chen, Yi Fong Lin, Ming Kuan Hou (via v-con)

Attending CPA and Lawyer: Chien Hui Lu and Chia Chien Wan

Chairman: Jason Weng

Record: Yi-Chia Wang

Call Meeting to Order: by Chairman

Chairman's Address: Omitted

1. **Call Meeting to Order**
2. **Chairman's Address**

Report Items

- 1 2020 Business report (Please refer to Attachment I)
- 2 2021 Audit Committee's Review Report on 2020 Financial Statements (Please refer to Attachment II)

Acknowledgements

1. To adopt 2020 Business Report and Financial Statements

Explanatory Notes:

- a. ENE TECHNOLOGY INC 2020 Financial Statements, individual and consolidated, have been approved by the Board of Directors on 11th of March, 2021. The reports were audited by Mei-Yu Tseng and Chien-Hui Lu of KPMG and sent to the Audit Committee for final review.
- b. 2020 Business Report, Financial Statements and Independent Auditors Report are attached hereto as Attachment I & III.

Voting by Poll: Approved as proposed

2. To approve the Proposal for 2020 Deficit Appropriation

Explanatory Notes:

- a. Proposal for 2020 Deficit Appropriation has been approved by the Board of Directors on March 11th, 2021.
- b. Deficit for appropriation at the beginning of period is NT\$325,251,635, add remeasurement of defined benefit plan of NT\$71,454, loss after income tax for 2020 is NT\$61,358,348, total deficit for appropriation is NT\$386,538,529.
- c. Table of Deficit Appropriation is attached hereto as Attachment IV.

Voting by Poll: Approved as proposed

Discussion Items

1. Proposal for capital reduction for offsetting accumulated deficits

Explanatory Notes:

1. The company's paid in capital is NT\$749,766,930, a total of 74,976,693 shares issued with a denomination of NT\$10 per share. To improve financial structure, the BOD proposes to reduce capital by NT\$386,538,520 to offset the accumulated deficit. 38,653,852 shares will be retired with reduction ratio of 51.55449%. The paid-in capital after the capital reduction is NT\$363,228,410.
2. Once the proposal is accepted by the shareholder's meeting and submitted to the authority for approval, 515.5449 shares will be reduced for every 1000 shares (i.e. 484,4551 shares will be exchanged per 1000 shares). All conversion will be based on the shareholdings listed in the shareholder register on the designated conversion date. For fractional shares, shareholders can register for patching up the whole share with the stock agency 5 days to 1 days before the conversion closing date. Any fractional shares after that shall be paid in dollars and treated as transaction fee. Shortage shares shall be authorized to the Chairman of the Board to contact specific personnel to subscribe at the face value.
3. After the proposal is approved by the shareholders' meeting, any adjustments to the reduction ratio due to changes in the record date, conversion date, subsequent matters derived from changes in capital, legislations or regulations etc., shareholder's meeting shall authorize the Chairman of the BOD to handle the matters in accordance with the company law or related legislations.
4. The rights and obligations of the newly issued shares shall remain the same as the original ordinary shares.

Voting by Poll: Approved as proposed

2. Proposal to issue new restricted stock award for employees

Explanatory Notes:

1. In order to attract and retain professional talents and reinforce the cohesiveness, it is proposed to issue new restricted employee shares, and to issue the new shares within 1 year following the resolution of the shareholder's meeting. Restricted stock award (RSA) may be issued in multiple times or all at once depends on the company judgements. The actual date of issuance shall be determined by the Chairman of the BOD.
2. Qualifications and quantities for the RSA shares allotments: Only full time employees of the company are qualified to participate RSA. The allotment shall be depending on the seniority, grades, performance, contribution and special credits etc. Allotments restrictions and qualifications of single stock holder shall follow the Article 60-9 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
3. Total issuance: ordinary shares 1,000,000 shares, par value of \$10.
4. Issuance condition:
 - 4.1 Issuance price: New bonus shares
 - 4.2 Distribution restrictions:

One year of full time employment after bonus shares assigned: 20% of allocation

Two years of full time employment after bonus share assigned: 30% of allocation

Three years of full time employment after bonus share assigned: 50% of allocation
 - 4.3 Type of issuance: ordinary shares
 - 4.4 Upon unusual situation such as disqualification or inheritance, please refer to Regulations of New Restricted Stock Award for Employees (Attachment V).
5. Rationale for issuance of New Restricted Employee Shares: to attract and retain professional talents, provide incentives and reinforce cohesiveness.
6. Projected expenses, share dilutions and other matters that affect the shareholder's equity:
 - 6.1 Possible expenses incurred:

Based on the closing price of NT\$21.8 on the April 13th (a day before the issuance of BOD Meeting Notice), the conversion price after capital reduction is NT\$45, and the total of possible expenses would be NT\$45,000 thousands. Estimated expenses for the three years are \$9,000 thousands, \$13,500 thousands and \$22,500 thousands respectively. However, the actual expenses shall be confirmed on the day of the transfer.
 - 6.2 Impact on the share dilution and shareholder equity:

Total outstanding shares after the capital reduction is 36,322,841 shares. Based on the reduced capital, the current estimation for the three years EPS are \$0.24, \$0.37 and \$0.62

respectively, the company thinks the amount is considerably minimal to have significant impact on the shareholder's equity.

7. Other important engagements: please see Regulations of New Restricted Stock Awards for Employees. (Attachment V).
8. The proposal has been accepted by the BOD and submitted to the Shareholder's Meeting for approval. If there is any changes required due to legislations changes or authority's comment, the Chairman of the BOD shall be in full charge.

Voting by Poll: Approved as proposed

3. Proposal for a cash offering by private placement and issuance of new shares

Explanatory Notes:

1. In order to expand the future sales of the products, and considering the effectiveness, convenience, issuance cost and stability of shareholding structure, the Company proposes a private placement of ordinary shares in accordance with Article 43-6 of the Securities and Exchange Act. The total amount of private placement shall not exceed 8,000,000 shares with par value of NT\$10.

2. Basis and rationality of private placement pricing:

The reference price of private placement should not be lower than 80% of the higher price calculated based on the following two benchmarks before the price determination date. The actual price determination date and the actual price are to be set by BOD later on following discussions with the specific parties and the market conditions at the time.

- 2.1 The simple average closing price of the common shares for either the 1,3 or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction
- 2.2 The simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.

The basis for the aforementioned reference price is in line with the rules for issuing private placement, thus it is believed that the pricing set is reasonable.

3. Methods for selection of specific parties:

- 3.1 The Company is aiming to bring in strategic investors by the private placement. There is no specific candidate at this stage. The Company shall follow the rules set in article 43-6 of the Securities and Exchange Act and Executive order 0910003455 of FSC when selecting candidates for the private placement.

- 3.2 Selection method, objectives, necessity and the anticipated benefits for specific parties:

- a. Method and objective

The technology is changing rapidly. Other than reinforcing R&D capabilities, it is necessary to team up with key customers to seize opportunities in the fierce competition.

The Company wants to bring in strategic investors in related industries, not only to reinforce R&D capabilities but also to work with the current supply chain and customers to elevate overall operation thereby improve profitability.

- b. Necessity

The Company not only specialized in NB EC related RD and applications, but also develop niche consumer products. Therefore, in considering long term business development, it is essential to bring in strategic partners that are able to provide resources to the Company in aspects of funds and RD capabilities.

c. Anticipated benefits

The potential benefits to bring in strategic partners are improving operation efficiency, lowering cost, strengthening position in the industry, increasing shipment volume and improving financial structure. These shall improve the competencies of the Company and the shareholder's equity.

4. Rationale for private placement

4.1 Reasons for not using a public offering

In terms of the effectiveness, feasibility and issuance cost, private placement is more appropriate than the public offering in considering the current market. The 3-year lockup restriction of private placement shall reinforce the long term partnership between the Company and the strategic investors. Thus, the Company shall issue ordinary shares in accordance with the private placement related legislations.

4.2 Total amount of private placement

Total of 8,000,000 shares with par value of NT\$10 is proposed for the private placement. Board of Directors shall decide the related affairs within one year from the date of resolution made in the Shareholder's meeting. The private placement shall be commenced in two stages where the first stage with 5,000,000 shares and 3,000,000 for the remaining quota.

4.3 Purpose for incremental private placements

The purposes to commence private placement in two stages are to fulfill future operation funds, repay bank loans and other fund requirements for future developments.

4.4 Anticipated benefits

To improve financial structure, increase operation efficiency and gain better position in the industry to enhance long term competitiveness and ultimately gain positive injection to the shareholder's equity.

5. For any amendments on the rights and obligations of ordinary shares newly issued due to the change of legislations or recommendations from the authority, the BOD is fully authorized to handle related affairs.

6. For any amendments on the rights and obligations of ordinary shares or any other unmentioned

matters such as actual number of shares, actual pricing, selection of the places, base date, issuance conditions, project items, purpose of the funds and progress, anticipated benefits and other related affairs, the BOD is authorized to make adjustments and make instructions. If there is any changes required due to legislation, authority recommendations or operation evaluation updates, BOD is authorized to handle related matters.

7. If there is a significant change in managerial control within the 1 year period immediately preceding the on which the BOD resolves on the private placement, the Company shall engage a securities underwriter to provide an assessment opinion on the necessity and reasonableness for conducting the private placement, please refer to Attachment VI.
8. The proposal shall be brought to Shareholder's Meeting for approval by the BOD.

Voting by Poll: Approved as proposed

Extemporary Motions

None

Meeting Adjourned

Meeting adjourned at 09:37, August 3rd, 2020.

Attachments

Attachment I Business Report of 2020

ENE TECHNOLOGY INC

Business Report of 2020

A. Operation and Financial Performance

Financial year 2020 Total revenue comes to NT\$636,513 thousands, an increase of 13.68% (NT\$76,580 thousands) over NT\$559,933 thousands in 2019. Year 2020 Gross margin is 22.92%, slightly higher than 21.67% of 2019.

Total operation expense in 2020 is NT\$171,493 thousands, a decrease of NT\$11,494 thousands over NT\$182,987 thousands in 2019. The cutback of operation expense is a result of expense control.

Net loss is NT\$25,572 thousands, narrowing down from NT\$61,635 thousands in Year 2019. Loss before income tax is NT\$35,786 thousands in comparison to NT\$65,253 thousands in 2019.

B. Budget versus Actuals

The Company did not announce financial forecast of 2020. However, the actual performance of 2020 is better than our expectation.

C. Analysis on Profitability

Item	Consolidated		Independent	
	2020	2019	2020	2019
Return on Assets (%)	-6.67%	-6.89%	-6.68%	-6.89%
Return on Equity (%)	-13.03%	-12.21%	-13.03%	-12.21%
Return on Capital Employed (%)	-8.18%	-8.70%	-8.18%	-8.70%
Net income to sales	-9.64%	-11.65%	-9.65%	-11.65%
Earnings per Share	(0.82)	(0.87)	(0.82)	(0.87)

D. Status on Research and Development

The progress of 2020 product developed is in line with our annual planning. We have been making constant communication with customers to obtain the most updated specifications and successfully proceed to mass production. The strategic focus is on improving the performance of the products and the production yield.

E. Key Planning of 2021

1. Strategic focus: For Mobile computer products- continuous R&D on EC and related applications for the NB, and further expand the NB customer bases. For Consumer and Peripheral products- continuous developing new products and explore niche applications to strengthen the collaboration with major customers.
2. Operational target: annual revenue growth target is set at 9%.
3. Major logistic policy: improve product manufacturing process, lower cost and improve gross margin; improve customer and supply-chain relationship and to shorten time-to-market for the products.

F. Future development strategy

The Company is continuing improve its operation to keep up with the rapid market change. NB will still be the mainframe of our product strategy but with extra emphasis on various applications. In addition, the Company is aiming to shorten the product development schedule, improve the product quality and after sale services. Supply chain relationship has become one of the strategic emphasis. The goal is to build a stable and in-depth relationship with the supplier to obtain manufacturing capacity.

G. Impact of external competition, legislations and macro economics

Electronic industry and technology development change rapidly nowadays. ENE not only keep close eyes on the industry trends but also emphasis on strengthening the R&D capability. To face the constant challenges, the Company works closely with customers, plans products and forms strategies in mid to long term manner.

ENE Technology has persistently improving the internal workflow as well as adjusting the operation hoshin. These efforts has gradually lead the Company into the positive direction with desirable outlook. The global pandemic, COVID-19 has brought many changes to people's life, in particular in education and work. As a result, dependence on personal computing devices such as NBs is increasingly explicit. In the past year, New Taiwan Dollars has appreciates dramatically and result in a foreign exchange loss of NT\$35,393 thousands. To respond to the foreign exchange impact, the Company takes natural hedging and foreign currency borrowing to manage the risk of currency fluctuation. The Company is very optimistic towards the coming year and is aggressively preparing for growth.

ENE TECHNOLOGY INC
Board of Directors

Attachment II Audit Committee's Review Report

ENE TECHNOLOGY INC Audit Committee's Review Report

The Board of Directors has prepared the Financial Statements and Consolidated Statements of 2020. The CPA firm of KPMG was retained to audit ENE Technology Inc.'s financial statements. CPA Mei-Yu Tseng and CPA Chien-Hui Lu of KPMG have reviewed and audited the above said financial statements and issued an audit report relating to the financial statements. The Committee has reviewed the above said financial statements, consolidated statements, business report and appropriation of loss statement and found no negligence. In pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

ENE TECHNOLOGY INC.

Chairman of the Audit Committee:



2021. March. 11th

Attachment III Independent Auditor's Report

This is a summary translation of the Independent Auditors' Report on ENE TECHNOLOGY INC. and its subsidiaries. Please refer to the Chinese version for full details.

The Board of Directors and Shareholders
ENE TECHNOLOGY INC

Opinion

We have audited the accompanying consolidated financial statements of ENE TECHNOLOGY INC and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of 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 (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing stands generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of ENE Technology Inc. and its subsidiaries 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. 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 consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

1. Inventory valuation

Please refer to Note 4(8) and Note 5 for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information of

estimation of the valuation of inventory are disclosed in Note 6(4) of the consolidated financial statements.

Description of key audit matters

The inventory is measured at the lower of cost or net realized value. The Customers of the Company mainly are from personal computer systems or consumer electronic products. Due to the rapid change of technologies, fierce competition and shortening of product life cycle, the ASP and the demand of the related products may decline. Therefore, valuation of inventory is one of the key audit matters.

Our key audit procedures performed in respect of the mentioned item included the following:

In order to verify the rationality of assessment of inventory valuation, our key audit procedures included inspecting the inventory aging reports, sample testing on the accuracy of last effective inventory change orders and net realizable value, evaluating the policy on inventory valuation and obsolescence loss as well as the reasonableness of allowances on inventory valuation and obsolescence loss. For those with longer inventory days (more than 1 year), we also reviewed follow up sales to verify the appropriateness of inventory valuation as well as to assess whether the disclosure on inventory valuation was appropriate.

2. Allowances for Bad Debts

Please refer to Note 4(7) for the accounting policy regarding allowances for bad debts. Information on allowances for bad debts and uncertainty of hypothesis are shown in Note 5. Please refer to Note 6(3) for explanatory on allowances for bad debts including notes receivables and account receivables of related parties.

Description of key audit matters

Account receivables are of material items to the Company. The Management adopts simplified method of IFRS 9 to evaluate the allowances by estimating the credit loss during the account receivable duration. Expected credit loss from the duration shall take into account of customer financial status, historical records, aging report, industrial and economic outlook to conduct forward-looking adjustment to reflect the estimated credit loss. Therefore, Allowances for bad debts has been identified as a key audit matter since it implies material judgement from the management.

Our Key audit procedures performed in respect of the above mentioned item included the following:

To verify the accuracy of the account receivable aging report and evaluate the rationality of the

forward-looking adjustment and to recalculate the allowance for bad debts proposed by the management. Moreover, to review the collection result of overdue account receivable at the end of the period, to evaluate the sufficiency of the allowances for bad debt, and the appropriateness of the management disclosure on allowances for bad debts.

Other Matter

ENE TECHNOLOGY INC has prepared the parent company only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unqualified opinion.

Responsibilities of Management and Those Charges 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 Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statement, 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 members of the Audit Committee) are responsible for overseeing the Company'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 auditing standards generally accepted 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 statement.

As part of an audit in accordance with the auditing standards generally accepted 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 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 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 Company 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 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.

The engagement partners on the audit resulting in this independent auditor's report are Mei-Yu Tseng and Chien-Hui Lu.

KPMG

Hsinchu, Taiwan
March 11th, 2021

2020.12.31 and 2019.12.31

Asset	2020.12.31		2019.12.31	
	Amount	%	Amount	%
Current Asset:				
Cash and Cash equivalent(N6(1))	\$ 188,059	22	97,750	11
Notes and accounts receivables (N6(3)(16) & 8)	168,414	19	166,141	19
Accounts receivables from related parties (N6(3)(16) & 7 & 8)	21,180	2	14,584	2
Inventories (N6(4))	145,398	17	229,079	26
Prepaid expenses & other current assets	17,662	2	20,281	2
Other financial assets – current (N6(8) & 8)	291,665	33	312,155	36
	832,378	95	839,990	96
Non-Current Asset:				
Real estate, plant and equipment (N6(5))	12,509	2	8,854	1
Right-of-use asset (N6(6))	15,408	2	5,451	1
Deferred tax asset (N6(13))	3,573	-	3,573	1
Net defined benefit asset – non-current (N6(12))	5,782	1	5,640	1
Other financial asset – non-current (N6(8) & 8)	3,323	-	3,200	-
	40,595	5	26,718	4
Total Asset	\$ 872,973	100	866,708	100

Current Liabilities:

2100	Short term loan (N6(3)(9) & 8)
2170	Account payables
2180	Related parties account payable (N7)
2201	Salary payable
2280	Lease liabilities – current (N6(11))
2300	Other current liabilities (N6(5))
2322	Long term loan (including maturity within 1 year) (N6(10))
Non-Current Liabilities:	
2541	Long term loan (N6(10))
2570	Deferred income tax liabilities (N6(13))
2580	Lease liabilities – non-current (N6(11))

Total Liabilities

Equity (N6(14)) :

3110	Ordinary share capital
3200	Capital surplus
3350	Accumulated loss
3400	Other equity

Total Equity

Total Liabilities & Equity

	2020.12.31		2019.12.31	
	Amount	%	Amount	%
\$	301,449	36	291,149	34
	69,865	8	41,494	5
	3,932	-	5,624	1
	12,998	1	8,633	1
	6,849	1	3,258	-
	10,248	1	12,644	2
	7,273	1	-	-
	412,614	48	362,802	43
	10,910	1	-	-
	39	-	27	-
	9,057	1	2,289	-
	20,006	2	2,316	-
	432,620	50	365,118	43
	749,767	86	749,767	87
	81,967	9	81,967	9
	(386,539)	(44)	(325,252)	(38)
	(4,842)	(1)	(4,892)	(1)
	440,353	50	501,590	57
\$	872,973	100	866,708	100

ENE TECHNOLOGY INC and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1st to December 31st, 2020 & 2019

Unit: NTD\$ Thousands

		2020		2019	
		Amount	%	Amount	%
4110	Operating revenue (N6(16) & 7)	\$ 636,513	100	559,933	100
5000	Operating cost (N6(4) & 7)	490,593	77	438,581	78
	Gross profit	145,920	23	121,352	22
	Operating expenses (N6(3)(7)(11)& 7):				
6100	Selling expenses	48,537	8	57,945	10
6200	General and administration expenses	59,857	9	65,148	12
6300	Research and development expenses	62,417	10	59,883	11
6450	Allowances for credit loss	681	-	11	-
	Total operating expenses	171,492	27	182,987	33
	Operating loss	(25,572)	(4)	(61,635)	(11)
	Non-operating income & expenses:				
7020	Other gains and losses (N6(18))	(35,384)	(6)	(9,788)	(2)
7100	Interest income	2,956	-	9,322	2
7510	Interest expense (N6(11))	(3,358)	(1)	(3,152)	(1)
		(35,786)	(7)	(3,618)	(1)
	Loss before income tax	(61,358)	(11)	(65,253)	(12)
7950	Income tax expenses (N6(13))	-	-	-	-
	Net loss for the period	(61,358)	(11)	(65,253)	(12)
8300	Other comprehensive profit and loss:				
8310	Items not be reclassified to profit or loss				
8311	Gain/Loss of remeasurement of defined benefit plan (N6(12))	71	-	273	-
	Total for Items not be reclassified to profit or loss	71	-	273	-
8360	Items may be reclassified to profit or loss				
8361	Cumulative translation differences of foreign operation	62	-	(31)	-
8399	Income tax relating to items may be reclassified (N6(13))	(12)	-	6	-
	Total items that be reclassified to profit & loss	50	-	(25)	-
8300	Other comprehensive profit and loss	121	-	248	-
	Total comprehensive income	\$ (61,237)	(11)	(65,005)	(12)
	Earnings per share (in dollar)(N6(15))				
9750	Basic earnings per share	\$ (0.82)		(0.87)	

ENE TECHNOLOGY INC and Subsidiaries
Consolidated Statements of Changes in Equity
January 1st to December 31st , 2020 and 2019

Unit: NTD\$ Thousands

					Other Equity Items		
	Ordinary Share Capital	Capital Surplus	Accumulate d Loss	Cumulative translation differences of foreign operation	Unrealized P&L From financial assets measured at fair value through comprehensi ve P&L	Total	Total Equity
Balance as of 20190101	\$ 749,767	81,967	(260,272)	133	(5,000)	(4,867)	566,595
Net loss of the period	-	-	(65,253)	-	-	-	(65,253)
Other comprehensive income of the period	-	-	273	(25)	-	(25)	248
Total comprehensive income	-	-	(64,980)	(25)	-	(25)	(65,005)
Balance as of 20191231	\$ 749,767	81,967	(325,252)	108	(5,000)	(4,892)	501,590
Net loss of the period	\$ -	-	(61,358)	-	-	-	(61,358)
Other comprehensive income of the period	-	-	71	50	-	50	121
Total comprehensive income	-	-	(61,287)	50	-	50	(61,237)
Balance as of 20201231	\$ 749,767	81,967	(386,539)	158	(5,000)	(4,842)	440,353

ENE TECHNOLOGY INC and Subsidiaries
Consolidated Statements of Cash Flows
January 1st to December 31st , 2020 and 2019

Unit: NTD\$ Thousands

	<u>2020</u>	<u>2019</u>
Cash Flow from operating activities:		
Income before income tax	\$ (61,358)	(65,253)
Adjustments:		
Income and expenses/loss items		
Depreciation	10,421	13,504
Amortization	-	112
Expected credit impairment loss	681	11
Allowance for inventory evaluation & obsolesce loss	1,390	8,487
Interest expense	3,358	3,152
Interest income	(2,956)	(9,322)
Others not affecting cash flow	(71)	83
Total of income and expense/loss items	<u>12,823</u>	<u>16,027</u>
Changes in operating assets and liabilities:		
Increase in notes and account receivables	(2,946)	(664)
Increase account receivable from related parties	(6,596)	(9,196)
Inventory (increase) decrease	82,291	(123,730)
Decrease (increase) of other operating asset	2,620	(3,983)
Total changes in operating assets and liabilities	<u>75,369</u>	<u>(137,573)</u>
Increase (decrease) in account payable	28,371	(64,343)
Decrease in account payable from related parties	(1,692)	(4,593)
Increase (decrease) in other operating liabilities	1,739	(3,181)
Total changes in operating liabilities	<u>28,418</u>	<u>(72,117)</u>
Net changes in operating assets and liabilities	<u>103,787</u>	<u>(209,690)</u>
Cash flows from operating activities	55,252	(258,916)
Interest received	3,136	9,503
Interest paid	(3,335)	(3,120)
Net cash flow from operating activities	<u>55,053</u>	<u>(252,533)</u>

(continued)

ENE TECHNOLOGY INC and Subsidiaries
Consolidated Statements of Cash Flows
January 1st to December 31st , 2020 and 2019

Unit: NTD\$ Thousands

	2020	2019
Cash flows from investment activities:		
Acquisition of real estate, plant and equipment	(7,295)	(4,428)
Decrease (increase) in Refundable deposits	(114)	315
Decrease in other financial asset - current	20,310	(17,397)
Increase in other financial asset – non-current	(7)	(9)
Net Cash flow from investment activities	<u>12,894</u>	<u>(21,519)</u>
Cash flows from financing activities:		
Increase in short term loan	355,334	447,929
Decrease in short term loan	(345,034)	(402,200)
Long term loan	20,000	-
Long term loan repayment	(1,817)	-
Lease liabilities principle repayment	(6,180)	(7,151)
Net cash flows from financing activities	<u>22,303</u>	<u>38,578</u>
Effect of exchange rate to cash and cash equivalent	<u>59</u>	<u>(38)</u>
Net decrease in cash and cash equivalent	90,309	(235,512)
Cash and cash equivalent at beginning of period	<u>97,750</u>	<u>333,262</u>
Cash and cash equivalent at end of period	<u>\$ 188,059</u>	<u>97,750</u>

This is a summary translation of the Independent Auditors' Report on ENE TECHNOLOGY INC. Please refer to the Chinese version for full details.

**The Board of Directors and Shareholders
ENE TECHNOLOGY INC**

Opinion

We have audited the accompanying parent company only financial statements of ENE TECHNOLOGY INC (the “Company”), which comprise the parent company only balance sheets as of December 31, 2020 and 2019, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing stands generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 parent company only financial statements for the year ended December 31, 2020. 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, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2020 are stated as follows:

1. Inventory valuation

Please refer to Note 4(7) and Note 5 for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information of estimation of the valuation of inventory are disclosed in Note 6(4) of the financial statements.

Description of key audit matters

The inventory is measured at the lower of cost or net realized value. The Customers of ENE mainly are from personal computer systems or consumer electronic products. Due to the rapid change of technologies, fierce competition and shortening of product life cycle, the ASP and the demand of the related products may decline. Therefore, valuation of inventory is one of the key audit matters.

Our key audit procedures performed in respect of the mentioned item included the following:

In order to verify the rationality of assessment of inventory valuation, our key audit procedures included inspecting the inventory aging reports, sample testing on the accuracy of last effective inventory change orders and net realizable value, evaluating the policy on inventory valuation and obsolescence loss as well as the reasonableness of allowances on inventory valuation and obsolescence loss. For those with longer inventory days (more than 1 year), we also reviewed follow up sales to verify the appropriateness of inventory valuation as well as to assess whether the disclosure on inventory valuation was appropriate.

2. Allowances for Bad Debts

Please refer to Note 4(6) for the accounting policy regarding allowances for bad debts. Information on allowances for bad debts and uncertainty of hypothesis are shown in Note 5. Please refer to Note 6(3) for explanatory on allowances for bad debts including notes receivables and account receivables of related parties.

Description of key audit matters

Account receivables are of material items to ENE. The Management adopts simplified method of IFRS 9 to evaluate the allowances by estimating the credit loss during the account receivable duration. Expected credit loss from the duration shall take into account of customer financial status, historical records, aging report, industrial and economic outlook to conduct forward-looking adjustment to reflect the estimated credit loss. Therefore, Allowances for bad debts has been identified as a key audit matter since

it implies material judgement from the management.

Our Key audit procedures performed in respect of the above mentioned item included the following:

To verify the accuracy of the account receivable aging report and evaluate the rationality of the forward-looking adjustment and to recalculate the allowance for bad debts proposed by the management. Moreover, to review the collection result of overdue account receivable at the end of the period, to evaluate the sufficiency of the allowances for bad debt, and the appropriateness of the management disclosure on allowances for bad debts.

Responsibilities of Management and Those Charges 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 statement, 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent 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 auditing standards generally accepted 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 auditing standards generally accepted in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the 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 Company to express an opinion on the parent company only 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.

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 for the year ended December 31, 2020 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.

The engagement partners on the audit resulting in this independent auditor's report are Mei-Yu Tseng and Chien-Hui Lu.

KPMG

Hsinchu, Taiwan
March 11th, 2021

ENE TECHNOLOGY INC

Balance Sheet

2020 and 2019 December 31st

Unit: NTD Thousands

Assets		2020.12.31		2019.12.31				2020.12.31		108.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets :											
1100	Cash and cash equivalents (N6(1))	\$ 183,726	21	96,906	11						
1170	Notes and accounts receivable, net (N6(3)(17) & 8)	168,205	19	165,691	19	2100	Short term Loan (N6(3) (10) & 8)	\$ 301,449	35	291,149	33
1180	Receivables from related parties (N6(3)(17) 7 &8)	21,848	3	14,584	2	2170	Account payables	69,865	8	41,494	5
130X	Inventories (N6(4))	145,398	17	229,079	27	2180	Payables to related parties (N7)	3,932	-	5,624	1
1470	Prepaid expenses and other current assets	14,903	2	17,557	2	2201	Salary and bonus payables	12,922	2	8,472	1
1476	Other financial assets (N6(9) 7 & 8)	292,032	33	312,521	36	2280	Lease liabilities-current (N6(12))	6,235	1	2,966	-
		826,112	95	836,338	97	2300	Other current liabilities (N6(6))	10,208	1	12,629	2
Noncurrent assets :							Long term loan (including maturity within 1 year) (N6(11))	7,273	1	-	-
	Investments accounted for using equity method (N6(5))	6,274	1	3,616	-			411,884	48	362,334	42
1550							Noncurrent liabilities :				
1600	Property, plant and equipment (N6(6))	12,509	1	8,854	1		Long term loan (N6(11))	10,910	1	-	-
1755	Right-of-use assets (N6(7))	14,538	2	5,165	1	2570	Deferred income tax liabilities (N6(14))	39	-	27	-
1840	Deferred income tax assets (N6(14))	3,573	-	3,573	-	2580	Lease liabilities-noncurrent (N6(12))	8,788	1	2,289	-
1975	Defined benefit obligation, noncurrent (N6(13))	5,782	1	5,640	1			19,737	2	2,316	-
1980	Other financial assets, noncurrent (N6(9) & 8)	3,186	-	3,054	-		Total Liabilities	431,621	50	364,650	42
		45,862	5	29,902	3		Equity (N6(15)) :				
						3110	Common stock	749,767	86	749,767	87
						3200	Capital surplus	81,967	9	81,967	9
						3350	Accumulated deficit	(386,539)	(44)	(325,252)	(37)
						3400	Total other equity interest	(4,842)	(1)	(4,892)	(1)
							Total Equity	440,353	50	501,590	58
Total assets		\$ 871,974	100	866,240	100		Liabilities and Equity	\$ 871,974	100	866,240	100

ENE TECHNOLOGY INC

Income Statement

2020 and 2019 January 1st to December 31st

		Unit: NTD Thousands			
		2020		2019	
		Amount	%	Amount	%
4110	Operating revenue (N6(17) & 7)	\$ 636,046	100	559,923	100
5000	Operating cost (N6(4) & 7)	490,593	77	438,581	78
	Gross profit	145,453	23	121,342	22
	Operating expenses (N6(3)(8)(12)& 7) :				
6100	Selling expenses	48,537	8	57,945	10
6200	General and administration expenses	57,408	9	62,118	11
6300	Research and development expenses	62,417	10	59,883	11
6450	Allowances for credit loss	681	-	11	-
	Total operating expenses	169,043	27	179,957	32
	Operating loss	(23,590)	(4)	(58,615)	(10)
	Non-operating income & expenses:				
7020	Other gains and losses (N6(19))	(35,431)	(6)	(9,784)	(2)
7060	Share of loss of associates accounted for using equity methods (N6(5))	(1,967)	-	(3,052)	(1)
7100	Interest income	2,948	-	9,320	2
7510	Interest expense (N6(12))	(3,318)	(1)	(3,122)	(1)
		(37,768)	(7)	(6,638)	(2)
	Net Loss before income tax	(61,358)	(11)	(65,253)	(12)
	Income tax expenses (N6(14))	-	-	-	-
	Net Loss	(61,358)	(11)	(65,253)	(12)
8300	Other comprehensive income (loss) :				
8310	Items not be reclassified to profit or loss :				
8311	Gain/Loss of remeasurement of defined benefit plan (N6(13))	71	-	273	-
	Total for Items not be reclassified to profit or loss :	71	-	273	-
8360	Items that may be reclassified to profit or loss :				
8361	Cumulative translation differences of foreign operation	62	-	(31)	-
8399	Income tax relating to items may be reclassified (N6(14))	(12)	-	6	-
	Total items that may be reclassified to profit or loss	50	-	(25)	-
8300	Other comprehensive income (Net after tax)	121	-	248	-
	Total comprehensive income (Net after tax)	<u>\$ (61,237)</u>	<u>(11)</u>	<u>(65,005)</u>	<u>(12)</u>
	Earnings per share (N6(16))				
9750	Basic earnings per share	<u>\$ (0.82)</u>		<u>(0.87)</u>	

ENE TECHNOLOGY INC and Subsidiaries
Statements of Changes in Equity
January 1st to December 31st , 2020 and 2019

Unit: NTD\$ Thousands

				Other Equity Items			
					Unrealized P&L		
	Ordinary Share Capital	Capital Surplus	Accumulated Loss	Cumulative translation differences of foreign operation	From financial assets measured at fair value through comprehensive P&L	Total	Total Equity
Balance as of 20190101	\$ 749,767	81,967	(260,272)	133	(5,000)	(4,867)	566,595
Net loss of the period	-	-	(65,253)	-	-	-	(65,253)
Other comprehensive income of the period	-	-	273	(25)	-	(25)	248
Total comprehensive income	-	-	(64,980)	(25)	-	(25)	(65,005)
Balance as of 20191231	\$ 749,767	81,967	(325,252)	108	(5,000)	(4,892)	501,590
Net loss of the period	\$ -	-	(61,358)	-	-	-	(61,358)
Other comprehensive income of the period	-	-	71	50	-	50	121
Total comprehensive income	-	-	(61,287)	50	-	50	(61,237)
Balance as of 20201231	\$ 749,767	81,967	(386,539)	158	(5,000)	(4,842)	440,353

ENE TECHNOLOGY INC
Statement of Cash Flows
2020 and 2019 January 1st to December 31st

Unit: NTD Thousands

	<u>2020</u>	<u>2019</u>
Cash Flow from operation activities		
Profit/Loss before income tax	\$ (61,358)	(65,253)
Adjustment items:		
Adjustment to reconcile profit/loss		
Depreciation expenses	9,785	12,791
Amortization expenses	-	112
Expected credit loss/gain/provision/reversal of provision for bad debt expense	681	11
Allowance for inventory valuation and obsolescence losses	1,390	8,487
Interest expense	3,318	3,122
Interest income	(2,948)	(9,320)
Share of loss of associates accounted for using equity method	1,967	3,052
Other adjustments to reconcile profit/loss	(71)	87
Total adjustments to reconcile profit/loss	<u>14,122</u>	<u>18,342</u>
Changes in operating assets and liabilities:		
Increase in account receivables	(3,195)	(214)
Increase in account receivables-related parties	(7,264)	(9,196)
Decrease (increase) of inventory	82,291	(123,730)
Decrease (increase) of other operating assets	2,653	(3,898)
Total changes in operating assets	<u>74,485</u>	<u>(137,038)</u>
Increase (decrease) account payable	28,371	(64,343)
Decrease account payable- related parties	(1,692)	(4,593)
Increase (decrease) in other operating liabilities	1,805	(3,338)
Total changes in operating liabilities	<u>28,484</u>	<u>(72,274)</u>
Total changes in operating assets and liabilities	<u>102,969</u>	<u>(209,312)</u>
Cash inflow (outflow) generated from operations	55,733	(256,223)
Interest received	3,128	9,501
Interest paid	(3,296)	(3,090)
Net cash flows from (used in) operating activities	<u>55,565</u>	<u>(249,812)</u>

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ENE TECHNOLOGY INC
Statement of Cash Flows (Continued)

2020 and 2019 January 1st to December 31st

Unit: NTD Thousands

	2020	2019
Cash flows from operating activities :		
Acquisition of investment by equity method	(4,563)	-
Acquisition of property, plant and equipment	(7,295)	(4,428)
Increase (decrease) in refundable deposits	(125)	315
Decrease (increase) in other financial assets-current	20,310	(17,397)
Increase in other financial assets-noncurrent	(7)	(9)
Net Cash flows from investment activities	<u>8,320</u>	<u>(21,519)</u>
Cash flows from financing activities :		
Increase in short-term loan	355,334	447,929
Decrease in short-term loan	(345,034)	(402,200)
Long term loan	20,000	-
Long term loan repayments	(1,817)	-
Lease repayments	(5,548)	(6,443)
Net cash flows from financing activities	<u>22,935</u>	<u>39,286</u>
Cash and cash equivalents at beginning of period	86,820	(232,045)
Cash and cash equivalents at end of period	<u>96,906</u>	<u>328,951</u>
Cash and cash equivalents reported in the statement of financial position	<u>\$ 183,726</u>	<u>96,906</u>

Attachment IV Table of Deficit Appropriation for 2020

Unit : NTD

Item	Amount
Retained earnings at the Beginning	\$ (325,251,635)
plus: Remeasurement of defined benefit obligation	71,454
Loss after 2020 income tax	(61,358,348)
Deficit to be appropriated	(386,538,529)

Attachment V Rules governing the issuance of restricted stock awards for employees

ENE TECHNOLOGY INC

Rules governing the issuance of Restricted Stock Awards for Employees

1. Purpose for Issuance

To retain and attract talents as well as uplift the Company's competition, growth and profitability in the future, it is proposed to enact the Rules governing the issuance of Restricted Stock Awards ("RSA") for Employees (the "Rules") in accordance with Article 267 of the Company Act and the Regulations governing the Offering and Issuance of Securities by Securities Issuer (the "Offering Regulations") released by the Financial Supervisory Commission.

2. Issuance plan

It is allowed to issue the RSA in installments or all at once within one year following the resolution of the shareholder's meeting. It is authorized by the Board of Directors for the Chairman to determine the actual date of issuance.

3. Qualification for distribution of RSA

3.1 Qualification: Only full time employees of the company are qualified to participate RSA. The allotment shall be depending on the seniority, grades, performance, contribution and special credits etc. The proposed allotments shall be reviewed by the Chairman and submitted to the BOD for finalization. Potential recipients who are members of the Board or Professional managers shall be approved by the Compensation Committee in advance.

3.2 Allotment: The sum of the cumulative number of shares granted to each employee by share subscription warrant in accordance with section 1 of Article 56-1 of Offering Regulations and by RSA shall not exceed the three-tenth of one percent of the total outstanding shares of the Company. The aforesaid total amount of shares plus share subscription warrant the Company granted to each employee shall not exceed one percent of the total outstanding shares of the Company.

4. Total amount of issuance

In accordance to the Rules of RSA for Employees, the total ordinary shares issued

are 1,000,000 shares with par value of NT\$10. The total amount is NT\$10,000,000.

5. Term and conditions of issuance

5.1 Price for issuance: The price is NT\$0 as it is treated as a bonus share for the employees.

5.2 Vesting conditions:

5.2.1 Employment duration and individual performance:

a. Current full time employee one year after bonus shares assigned with PA result M:

20% of allocation

b. Current full time employee two years after bonus shares assigned with PA result M: 30% of allocation

c. Current full time employee three year after bonus shares assigned with PA result M: 50% of allocation

5.2.2 If the employee encounters any violations to the labor contract or work regulations, the Company has the right to retrieve the shares at no cost and cancel the shares.

5.2.3 The starting date of the shares assigned shall be the reference date of the capital increase.

5.3 Type of shares: new ordinary shares of the Company

5.4 Procedures for disqualification or inheritance:

5.4.1 Resignation (Voluntary, laid off, expelled): on the resignation date, the employee is disqualified for the RSA shares and the Company shall retrieve the shares at no cost and cancel the shares accordingly.

5.4.2 Retirement: on the date of retirement, the shares shall be distributed on a pro rata basis for the year. Any RSA allocation left shall be deemed disqualified and be retrieved at no cost by the Company.

5.4.3 Death: deceased at natural cause shall be deemed qualified for the year and the legal heir shall prepare related documents to acquire the allocated shares. Any RSA allocation left shall be deemed disqualified and be retrieved at no cost by the Company.

5.4.4 Disability or death due to occupational hazards

(1) Employment discontinued due to occupational disasters shall be deemed as qualified for the RSA shares.

(2) Death due to the occupational disasters shall be deemed as qualified for the RSA share. The heir shall prepare related documents to acquire the RSA shares in according to the related legislations and regulations.

5.4.5 Transfer: if employee is transferred voluntarily or assigned by the

Company, the qualification for the RSA shares shall be decided by the Chairman of the Board. If the case is decided as disqualified, the Company shall retrieve the shares at no cost and cancel the shares accordingly.

5.4.6 Leave without pay: If employee is on leave without pay but return to the job within 3- year time and the individual performance appraisal meets the required standards, the employee will be entitled to the assigned numbers on a pro rate basis. Any shares left due to fail to meet PA standards, absence from the job or fail to return to the job within 3 years will be retrieved with no cost and cancelled accordingly.

6. Right of the employee before actual transfer of the RSA shares

6.1 Before the RSA is allowed to be transferred to the employees, except for inheritance, no sale, transfer, gift, pledge, or other forms of disposals are allowed

6.2 Before the employees has achieved the vesting conditions, the attendance in a shareholder's meeting, making a proposal or speech as well as other matters enforcing the rights of a shareholder shall be done by a trust custody institution acting as a proxy. The rights to the RSA new shares are the same as the ordinary shares issued. The rights include but not limited to dividends, bonuses, statutory surplus reserve and capital reserve allocation, cash capital increase options and voting rights etc.

7. Procedures for RSA shares transfer

7.1 The Company shall register the agreed amount of RSA shares on the shareholding's record book on the reference date. The shares shall be kept in the trust custody before actual transfer.

7.2 The Company issues the RSA shares in accordance with the Rule. The Company shall file the revised Company registry in accordance with the law.

7.3 Other details regarding the transfer of the RSA shares shall be notified individually to the qualified employees.

8. Tax

Taxes related to the RSA shares shall be handled in accordance with the tax laws of the Republic of China at that time.

9. Confidentiality

Employees shall abide by the confidentiality regulations, and shall not disclose relevant

RSA information (including but not limited to the number of new shares granted and related rights) to others. If any violation is found, the company may treat it as disqualified conditions and retrieve the RSA shares at no cost and cancelled the shares accordingly.

10. Other important items (including share trust custody)

10.1 The Rules shall be approved by the Board of Directors and submitted to the authority for filing and approval. Any changes made before the RSA is issued also shall go through the same process. Any amendments upon authority's request, Chairman of the BOD shall be in full charge and submit the revision to BOD.

10.2 RSA shares not yet transferred to employees shall be kept in trust custody.

10.3 For the matters not stipulated in the Rules shall be dealt in accordance with the relevant laws and regulations.

Attachment VI Assessment on necessity and reasonableness of private placement

ENE TECHNOLOGY INC
Assessment on the Necessity and Reasonableness
of
Private Placement

Principle of the assessment report: ENE TECHNOLOGY INC

Trustee of the assessment report: ENE TECHNOLOGY INC

Purpose of the assessment report: for issuance of ordinary shares by private placement in 2021 only.

Type of report: Private placement necessity and reasonableness assessment report by securities underwriter.

Securities underwriter: Fubon Securities Co.,Ltd.

Representative: Wei-ting Han

(The purpose of this assessment report is only for the BOD meeting (April 21st, 2021) and the shareholder's meeting (June 3rd, 2021) to discuss the private placement proposal. The assessment report is prepared based on the financial information provided by the Company and the announcements on the MOPS. The underwriter shall take no responsibilities for any impact on the Company in case of future content changes of the private placement plan.)

2021. April. 21st

**Assessment Report on the feasibility and reasonableness
of cash offering by private placement in 2021
by
ENE TECHNOLOGY INC.**

1. Introduction

ENE Technology Co., Ltd. (hereinafter referred to as the Company or ENE) is planning to raise capital by private placement in accordance to the Article 43-6 of Securities and Exchange Act and Directions for Public Companies Conducting Private Placements of Securities. The purpose of the private placement is to expand the future sales of products, enrich working capital and repay bank loans. Furthermore, to respond to the company's future development in the long run. The BOD is planning to discuss and resolve the private placement proposal (hereinafter referred to as the private placement) on April 21st to issue new ordinary shares at total quantity not exceeding 8,000,000 shares at the price no less than 80 % of the reference price. The private placement shall be conducted two times within one year from the date of shareholder's meeting.

Article 4-3 of Directions for Public Companies Conducting Private Placements of Securities states that if there is significant change in managerial control within the 1 year period immediately preceding the day on which the BOD resolves on the private placement, or if there will be a significant change in managerial control after the introduction of strategic investors through private placement, the Company shall engage a securities underwriter to provide an assessment on the necessity and reasonableness for conducting

the private placement and shall state the opinions in the Shareholder's Meeting Notice. Under this Article, an assessment report prepared by securities underwriters is as following:

2. Current status of the Company and content of the private placement

(1) Current status of the Company

ENE TECHNOLOGY INC. (the "Company") was incorporated as a company by shares on May 20th, 1998. The Company is focused on the R&D, design, development, production and sales of electronic components, information software and circuit design services. The Company endeavors to extend the business into various applications of computer peripherals. It is observed that the market demand is getting diversified. Therefore, the prime goal for the Company is to develop niche products, enhance the related product promotion and sales, to refine the cost structure to further improve the overall profits.

It is worthwhile mentioning the emerging needs for special demand PC and related peripheral products. The Company continues to work closely with the major customers in many aspects in terms of product roll out and applications. Meanwhile, the company has reached out to multiple international customers specializing in consumer products, trying to deepening and diversify product applications. Gaming products are amongst of all the most encouraging as the Company has been recognized and certified by many major players of gaming sector.

It is ENE's the product planning strategy, the focus of research and development is on computer peripheral products. On the one hand, the Company is to develop more gaming related products, improving user interface.

Affected by the structural changes in the end market demand and the US-China trade war, the NB market has developed towards more diversified applications. The impact of COVID-19 since 2019 further changes the lifestyle in many different aspects such as work, education and entertainment. The commercial and consumer markets continue to depend on electronic devices even more, hence the future demand for laptops is expecting to grow continuously.

Most Recent 5 year Condensed Financial Information

1. Condensed Balance Sheet-IFRS-Consolidated

Unit: NT\$ thousands

		Financial standing for the last 5 years (Note 1)				
		2016	2017	2018	2019	2020
Current assets		860,083	849,430	929,214	839,990	832,378
Property, Plant and Equipment		14,622	16,138	11,980	8,854	12,509
Intangible assets		2,792	788	112	0	0
Other assets		10,796	12,714	12,618	17,864	28,086
Total assets		888,293	879,070	953,924	866,708	872,973
Current liabilities	Before distribution	145,343	252,626	387,296	362,802	412,614
	After distribution	145,343	252,626	387,296	362,802	412,614
Non-current liabilities		2,155	1,350	33	2,316	20,006
Total liabilities	Before distribution	147,498	253,976	387,329	365,118	432,620
	After distribution	147,498	253,976	387,329	365,118	432,620
Equity attributable to shareholders of the parent		740,795	625,094	566,595	501,590	440,353
Capital stock		749,767	749,767	749,767	749,767	749,767
Capital surplus		88,085	81,967	81,967	81,967	81,967
Retained earnings	Before distribution	(97,320)	(206,640)	(260,272)	(325,252)	(386,539)
	After distribution	(97,320)	(206,640)	(260,272)	(325,252)	(386,539)
Other equity interest		263	0	(4,867)	(4,892)	(4,842)
Treasury stock		0	0	0	0	0
Non-controlling interest		0	0	0	0	0
Total equity	Before distribution	740,795	625,094	566,595	501,590	440,353
	After distribution	740,795	625,094	566,595	501,590	440,353

Note 1: Audited financial reports provided by the Company.

2. Condensed Statement of Comprehensive Income-IFRS-Consolidated

Unit: NT\$ thousands

	Financial standing for the last 5 years (Note 1)				
	2016	2017	2018	2019	2020
Operating revenue	516,275	496,929	516,391	559,933	636,513
Gross margin	137,369	123,902	119,868	121,352	145,920
Profit from operations	(97,936)	(94,763)	(82,666)	(61,635)	(25,572)
Non-operating income & expenses	(4,303)	(15,287)	22,528	(3,618)	(35,786)
Income before tax	(102,239)	(110,050)	(60,138)	(65,253)	(61,358)
Net income (Loss) (continuing business)	(100,693)	(110,050)	(60,138)	(65,253)	(61,358)
Net income (Loss) (discontinued business)	0	0	0	0	0
Net profit (loss)	(100,693)	(110,050)	(60,138)	(65,253)	(61,358)
Other comprehensive income (income after tax)	3,275	467	1,639	248	121
Total comprehensive income	(97,418)	(109,583)	(58,499)	(65,005)	(61,237)
Net income attributable to shareholders of the parent	(100,693)	(110,050)	(60,138)	(65,253)	(61,358)
Net income attributable to non-controlling interest	0	0	0	0	0
Comprehensive income attributable to Shareholders of the parent	(97,418)	(109,583)	(58,499)	(65,005)	(61,237)
Comprehensive income attributable to non-controlling interest	0	0	0	0	0
Earnings per share	(1.34)	(1.47)	(0.80)	(0.87)	(0.82)

Note 1: Audited financial reports provided by the Company.

(2) Proposal for the private placement

In order to expand the future sales of the products, and considering the effectiveness, convenience, issuance cost and stability of shareholding structure, the Company proposes a private placement of ordinary shares in accordance with Article 43-6 of the Securities and Exchange Act. The total amount of private placement shall not exceed 8,000,000 shares. The Company is planning to conduct the private placement in two stages and shall be completed within one year date from the shareholder's resolution. The reference price of private placement should not be lower than 80% of the higher price calculated based on the following two benchmarks before the price determination

date:

1. The simple average closing price of the common shares for either the 1,3 or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
2. The simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.

The pricing of the private placement shall not be lower than 80% of the reference price.

3. Assessment on the potential private placement partners and significant changes in managerial control

- (1) Review on any significant managerial control change one year prior to the BOD resolution on private placement

After reviewing the official information released by the Company and the materials on the MOPS, the latest election of the new BOD is on 2019.06.13. There are 9 Directors on the Board (including 3 independent directors). There is no change in the BOD up till April 2021. Thus, there is no concern regarding matters mentioned in Article 4-3 of Directions for Public Companies Conducting Private Placements of Securities.

- (2) Any significant managerial changes after private placement with strategic partners

The Company shall conduct the private placement after the shareholder's meeting (June 3rd, 2021). The Company has no particular potential candidate for the private placement at the moment, so it is not able to assess whether there will be any significant change of managerial control after private placement. The Company shall follow the rules set in article 43-6 of the Securities and Exchange Act and Executive order 0910003455 of FSC to obtain stable fund injection to the Company, and it is regarded as a positive action for the future operation of the Company,

The company's paid in capital is NT\$749,766,930, a total of 74,976,693 shares issued. To improve financial structure, the BOD proposes to reduce capital to offset the accumulated deficit. 38,653,852 shares will be retired with reduction ratio of 51.55449%. The capital after the capital reduction is 36,323 thousand shares.

The new capital shall be 44,323 thousands shares (reduced capital of 36,323 thousands plus 8,000 thousands of private placement new shares). The private placement shares shall take 18.05% of the new capital, thus it is possible that there will be significant change of managerial control after strategic partners are in place.

Possible impact to the sales, finance and shareholder's equity as a result to the significant change in managerial control:

1. Impact to the sales:

As the Company is specialized in IC design for mobile device, peripheral and consumer products. However, the company is facing fierce competition as its major product application is for NB, PC tablets etc. NB market has been very saturated since 2012, and the business has been difficult. Due to structural change of the end market demand and trade war between US and China, the development of NB has been more diversified. It is obvious that the leading position of NB markets is dominated by the brands from Taiwan, US and China. In addition, the prosperous home economics due to COVID-19 has further enlightened the shipment of global NB. In according to TrendForce, the shipment is to grow 14.4% to 187 million units in 2020 in a conservative estimation. The institution further estimates the 2021 NB shipment shall be 218 million units in 2021 with annual growth of 22.5%. It is an obvious trend for NB growth. In conclusion, it is regarded as a positive move to conduct a cash offering by private placement as the injected fund shall be able to expand the operation and diversify the product development further to enhance the competitiveness.

2. Impact to the finance

Due to continuous loss in the past years, the operation fund of the Company is at a considerable low level. Therefore, the injected fund from the private placement shall be used to expand new business and sales. In addition, considering the effectiveness, fund stabilization, exploring new opportunities, improvement of the corporate wellbeing, fortifying the basis for continuous operation and elevating the overall competitiveness, it is believed that the private placement shall bring positive effect for the company finance situation.

3. Impact for the shareholder's equity

The pricing of private placement shall use either of the two following methods:

the simple average closing price of the common shares for either the 1,3 or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction; or The simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. The one with higher price between the two methods shall be set as the reference price, and the actual pricing shall not be lower than 80% of the reference price. The injected fund shall be used as working capital, bank loan repayments and other fund requirement for future product development. Therefore, it is regarded as positive to improve the shareholder's equity.

(3) Selection of specific parties for private placement, feasibility and necessity assessment

1. Selection of specific parties

In according to the BOD meeting material as of April 21st, 2021, the Company shall follow the rules set in article 43-6 of the Securities and Exchange Act and Executive order 0910003455 of FSC when selecting candidates for the private placement. However, the Company has not yet contact any specific parties at the moment. All candidates shall be selected and decided in according to the legislation. The selection process is thus deemed appropriate

2. Objectives, necessity and anticipated benefits

As the Company is at loss for the past few years, in considering the continuous business and development, the company hopes to bring in strategic partners that will bring benefits such as improving operation efficiency, lowering cost, strengthening position in the industry, increasing shipment volume and improving financial structure. Furthermore, to improve the competencies of the Company and the shareholder's equity.

Due to the above mentioned anticipated benefits, it is quite necessary to conduct the private placement as BOD proposed.

4. Necessity and reasonableness assessment

(1) Legislative assessment

ENE TECHNOLOGY Inc. 2020 financial report has been audited with annual loss of NT\$61,358 thousands and accumulated deficit of NT\$386, 539 thousands. It is then not legally bonded under Article 3 of Directions for Public Companies Conducting Private Placements of Securities.

(2) Reasons for not adopting public cash offering and the necessity of conducting private placement

COVID-19 has severe impact on the global economy in 2020. Due to the global pandemic, work from home (WFH) and online education, the demand for electronic devices has been enormously strong which ultimately leads to the growth of semiconductor industry. Taiwan as the major player in semiconductor industry, related semiconductor vendors are even more critical. In according to the WSTS: World Semiconductor Trade Statistics, it is estimated that the semiconductor market has grown to US\$43,310 million, 5.1% growth comparing to 2019. Looking forward to 2021, growing demand on 5G infrastructure and applications, AI, IoT and cloud servers shall place the spotlight on high performance computing (HPC). Semiconductor again shall play an essential role as future electronic devices will be has more AI features and this will be the major growth momentum for semiconductor industry. It is estimated that the total market productivity and value shall be US\$940 million.

In order to meet the market requirements, the Company has aggressively to adjust its fundamentals in search of better competitiveness, lowering risks due to market fluctuation. However, the working capital is considerably insufficient. If the Company is to be able develop new products, having sufficient working capital is vital. If the Company continues to borrow money from banks, the increasing interest expenses shall further erode the profit. If to raise capital by public offering, the Company is in a relative disadvantage and unattractive position as the Company has been at loss for years. On the contrary, if the Company conducts private placement, it is relatively efficient and is able to avoid its dependence on the financial institutions and is able to use the fund flexibly. Therefore, it is regarded as positive and necessary to conduct private placement for a better future operation and profits.

(3) Reasonableness for conducting private placement

After reviewing the related materials and information regarding the proposed

private placement such as BOD discussion, pricing methods, selection methods of specific parties, proposed stages of private placement, fund usage and anticipated benefits, it is confirmed that the Company has complied with the Securities and Exchanges Act and other related regulations. The Private Placement Proposal is submitted to shareholder's meeting for approval on June 3rd, 2021. Related matters are also listed in the Shareholder's Meeting Agenda by the Securities and Exchange Act. It is confirmed that the Company has handled the matter in a legally appropriate manner.

As the main financing source of the Company is from financial institutions, the Company may face the risks of quota reduction if the financial policies are tightening and also liquidity issues. Thus, it is important to reduce its dependence on the financial institutions. By conducting private placement, the company is expecting to obtain long term and stable funds to improve the financial structures, lowering interest expenses, increase operation competitiveness and increase flexibility of funds usage. Thus, it is positive for improving shareholder's equity. The proposed anticipated benefits are deemed reasonable.

Through the private placement, there is a restriction of three year lock-up period. This will be able to ensure the long term corporative relationship with the strategic partners, and opens up the opportunities for new products or sales. It is helpful for the future operation and development. Moreover, the Company has complies with the legislation by set the price of the private placement no less than the 80% of the reference price.

In conclusion, we abide by the regulations of Directions for Public Companies Conducting Private Placements of Securities declares that it is necessary and reasonable for ENE TECHNOLOGY INC to conduct a private placement.

Appendix

Appendix I Rules and Procedures of Shareholders' Meeting

ENE TECHNOLOGY INC Rules and Procedures of Shareholders' Meeting

1. Shareholder's Meeting of the Corporation (the "Meeting") shall be conducted in accordance with this set of Rules and Procedures. Any matter not included in the Rules and Procedures shall be handled in accordance with relevant laws and regulations.
2. The Corporation shall provide a check-in booklet for the attending shareholders. Presence of the Attendance Cards will also serve the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted and the check-in booklet.
3. The presence of shareholders in the Meeting and their voting thereof shall be calculated in accordance with the number of shares.
4. The Meeting shall be held at the head office of the Corporation or at any other appropriate location that is convenient for the shareholders to attend. The starting time of the Meeting shall not be earlier than 9:00am or later than 3:00pm.
5. The Chairman of the Board shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. In the event that the Chairman of the Board is unable to preside at the Meeting, the Vice Chairman of the Board shall preside at the Meeting. If there is no Vice Chairman or the Vice Chairman is unable to fulfil the duty, Chairman of the Board shall assign a managing director or a member of the Board to preside at the meeting. If no proxy is assigned by the Chairman, Directors shall elect one member amongst themselves to be the Chairman.
If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the meeting.
Shareholder holding one percent (1%) or more of the total outstanding shares of the Corporation is entitled to propose discussion topics for the Meeting in written within the period of time set and announced by the Corporation. Each proposal shall be limited to one topic and at maximum of 300 words. Contents exceeding this guideline will be excluded from the agenda. The shareholder who made the proposal shall attend the Meeting in person or by a proxy and actively participate in the discussion.
6. The Corporation shall appoint designated counsel, CPA or other related personnel to attend the meeting. Personnel handling affairs of the Meeting shall wear identification cards or badges.
7. The Meeting shall be recorded on audio or video and preserved for at least one year.
8. Chairman shall call the Meeting to order on time in according to the prescribed schedule. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled, the Chairman may postpone the Meeting. The postponements shall be limited to two times and the Meeting shall not be postponed for longer than one hour in aggregate. If after two postponements no quorum can yet to be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company

Law of Taiwan the Republic of China. The aforesaid tentative resolutions shall be executed in accordance with relevant provisions of the Company Law of Taiwan the Republic of China. If the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum before the Meeting is adjourned, the Chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of Taiwan the Republic of China.

9. The agenda of the Meeting shall be set the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Chairman cannot announce adjournment of the Meeting before all discussion items (including extemporary motions) listed in the agenda is resolved. After the Meeting is adjourned, shareholders cannot elect any other person as chairman and continue the Meeting at the same or any other location.
10. When a shareholder wishes to speak at the Meeting, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the Chairman. If a shareholder only submits the Speech Note without actual aural communication, this Speech Note of the shareholder is deemed as invalid. If the contents of the speech are inconsistent with the contents of the Speech Note, the contents of the actual speech shall prevail. Unless otherwise permitted by the Chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of any other shareholder otherwise the Chairman shall stop such interruption.
11. Unless otherwise permitted by the Chairman, each shareholder shall not speak more than two times and each time shall not exceed 5 minutes for each discussion item. If the speech violates the above provision or exceeds the scope of the discussion item, the Chairman may stop the speech of such shareholder.
12. Any legal entity designated as proxy by a shareholder(s) to present at the Meeting may appoint only one representative to attend the Meeting. In Case the legal entity appoints two representatives to the Meeting, each discussion item shall only allow one representative to speak.
13. After the speech of a shareholder, the Chairman may respond himself/herself or appoint an appropriate person to respond. The Chairman may also terminate the discussion and go into voting if the Chairman deems it appropriate.
14. Except otherwise specified in the Company Law of Taiwan the Republic of China or the Articles of Incorporation, a resolution shall be adopted by a majority votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the Chairman.
15. If there is amendment to or substitute for a discussion item, the chairman shall decide

the priority of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

16. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the Chairman. The person(s) checking the ballots shall be a shareholder of the Corporation. The result of voting shall be announced at the Meeting and placed on record.
17. The Chairman may set time for intermission during the progression of the Meeting.
18. The Chairman may ask the disciplinary officers or the security guard to maintain the order of the Meeting.
19. Other matters not specified in this regulation shall be governed in accordance with the Company Law and the Securities and Exchange Law.
20. These Rules and Procedures or any future revision shall be effective from the date it is approved by the Shareholder's Meeting.

Appendix II Articles of Incorporation

ENE TEHCNOLOGY INC.

Articles of Incorporation

Section 1-General Provisions

Article 1

The Corporation shall be incorporated, as a company limited by shares, under the Company Law of Taiwan, the Republic of China, and named as 迅杰科技股份有限公司 in Chinese language, and ENE TECHNOLOGY INC. in English language.

Article 2

The scope of business of the Corporation shall be as follows:

- a.CC01050 Data Storage and Process Device Manufacturing
- b.CC01080 Electronic Parts and Components Manufacturing.
- c.F118010 Wholesale of Computer Software
- d.F218010 Retail Sale of Computer Software
- e.I301010 Software Design Services
- f.F401010 International Trade
- g.I501010 Product Designing

Including the research, design, development, manufacturing and sales of the following products:

1. Computer Communication System Interface Control Device ICs
2. Power Controller ICs
3. NB Keyboard Controller ICs
4. Computer Communication System USB Controller ICs
5. Power Management ICs
6. SATA °
7. PCI EXPRESS °
8. ASSP of the above products
9. Extended application of the above products
10. ASIC
11. Software and Firmware of the above product series
12. International trading relating to the products and business of the Corporation

Article 3

The Corporation resides its head office in Science Based Industrial Park, Hsinchu, Taiwan the Republic of China, and upon approval of Board of Directors and government authorities in charge to set up representative and branch offices at various

locations within and without the territory of Taiwan the Republic of China.

Article 4

Public announcements of the Corporation shall be made in accordance with the Company Law and other relevant rules and regulations of Taiwan the Republic of China.

Section II-Capital Stock

Article 5

The total capital stock of the Corporation shall be in the amount of 950,000,000 New Taiwan Dollars, divided into 95,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments.

The Corporation may issue employee stock options in according to the resolution of the Board of Directors from time to time, A total of 5,000,000 shares, at ten New Taiwan Dollars each, among the above total capital stock should be reserved for issuing employee stock options.

Article 6

The share certificates of the Corporation shall all be name-bearing share certificates, stamped or signed by three or more members of the Board, and issued after attested by authorized institution. The Corporation may issue share without printing share certificates but the shares shall be registered at the Governing Centralized Securities Depository Enterprises, so are any other securities.

Article 7

Deleted.

Article 8

All stock related affairs shall follow the “Guidelines for Stock Operations for Public Companies” unless specified otherwise by law and securities regulations.

Article 9

Registration for transfer of shares shall be suspended immediately sixty (60) days prior to the date of regular meeting of shareholders, and thirty (30) days prior to the date of extraordinary meeting of shareholders, or within five days before the day on which dividends, bonus, or any other benefits is scheduled to be paid by the Corporation.

Section III – Shareholders Meeting

Article 10

Shareholders' meetings of the Corporation are of two types, namely Regular Meetings and Extraordinary Meetings. Regular Meeting shall be convened once a year within six (6) months after the close of each fiscal year and Extraordinary Meetings shall be convened whenever is necessary. Written notice of the Regular Meeting/Extraordinary Meeting shall be sent to all shareholders according to the registered information with the Corporation. Shareholders shall be notified of the Regular Meeting at least thirty (30) days in advance; and at least fifteen (15) days in advance for the Extraordinary Meeting.

Shareholders' meeting shall be convened by the Board of Directors unless otherwise specified in the Company Law of Taiwan the Republic of China. If Shareholders' Meeting is convened by empowered personnel other than the Board of Directors, the said person shall chair the meeting. In the event of two or more people, only one shall be the Chairman of the meeting.

Article 11

The shareholders' meeting shall be presided over by the Chairman of the Board of Directors of the Corporation. In his/her absence, the Chairman shall assign a Director to act in lieu of him/her. If no such person is assigned, Board members shall elect one from amongst themselves to act in lieu of the Chairman.

Article 12

Following affairs related to the Corporation shall be approved in the Shareholders' Meeting:

1. Amendment of the Articles of the Incorporation
2. Change of capital stock
3. Merger or Acquisition
4. Operation under entrustment
5. Dismissal or liquidation of the Incorporation
6. Election of the Board members and Supervisors
7. Other affairs to be approved pursuant to the law

Article 13

Each share of stock shall be entitled to one vote. Those under Article 179 of the Company Law are excluded.

Article 14

If a shareholder is unable to attend a meeting, he/she may appoint a proxy with a signed/stamped power of attorney issued by the Incorporation. When a person who acts as the proxy for two or more shareholders, the number of voting power

represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 15

When a juristic person is a shareholder, its proxy shall not be limited to one person, provided that the voting right that may be exercised shall be calculated on the basis of the total number of voting shares it holds.

Article 16

Resolutions at a shareholders' meeting shall, unless otherwise provided for in this Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 17

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting.

The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be affected by means of electronic transmission. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the company.

Section IV

Article 18

The Corporation shall have seven to nine Directors, two to three supervisors, all elected by the Shareholders' Meeting. The term of office for Directors and Supervisors shall be three (3) years. The Corporation shall purchase Directors and Officers Liability Insurance which covering the Directors and Supervisors for claims made against them while serving the Corporation.

Article 18-1

In compliance with Article 14-2 of the Taiwan ROC Securities and Exchange Law, the Corporation shall have two or more independent Directors. The Company adopts candidate nomination system for the election of Directors and Supervisors. Election shall be conducted in accordance to Article 192-1 of the Corporate Law.

The prerequisites for professional Qualification, shareholding, concurrent position restriction, nomination and election shall follow the regulations of related authority.

Independent and non-independent directors shall be elected at the same time but on

separate ballots.

The total holding of Directors and Supervisors shall be overlooked in according to the regulations of related authority.

Article 19

When election of new Board is not arranged upon expiration of the term of office, the Corporation shall extend the term of office until new directors and supervisors are elected and assumed their office. When a director/supervisor transfers more than 50% of the shareholding during the term of office, he/she shall, ipso facto, be discharged from the office of Director/Supervisor. The Corporation is a public listed company, when the number of directors falls short by one third of the total number prescribed or when the supervisors are dismissed en masse, an extraordinary shareholders meeting shall be convened within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 20

The Directors shall elect from amongst themselves a Chairman of the Board of Directors by a majority vote at a meeting attended by over two-thirds of the Directors. The Chairman will be the representative of the Corporation.

Article 21

In the absence of Chairman of the Board, any one of the Directors shall act for him according to Article 208 of the Company Law of Taiwan the Republic of China.

Article 22

Unless otherwise specified in the Company Law or the Articles of Incorporation, Board Meetings shall be convened by Chairman of the Board and attended by majority of total Directors and resolutions shall be adopted with the consent of the majority of the Directors present at the meeting. A Director may appoint another Director to attend on his/her behalf any Meeting of the Board provided with written authorization specifying authorized matters and actions for the meeting. No Director shall act as proxy for more than one Director.

Article 23

Power and Authority of the Board:

1. Stipulation of Business Hoshin, review of business plan and supervise of business operation
2. Election of Chairman of the Board
3. Appointment and dismissal of Managing Director and Vice Managing Director
4. Review and approve of Budget

5. Proposal on mending Articles of Incorporation, modify capital, and dismissal/merger of the Corporation
6. Proposal of surplus distribution and deficit compensation
7. Approval of bank loans
8. Selection of auditing accountant
9. Settlement and removal of branch operations
10. Related affairs on Directors and Officers Liability Insurance
11. Act in accordance to Company Law or resolutions of the Shareholders' Meeting

Article 24

Board Meeting shall be convened in accordance to Article 204 of Company Law at least once every quarter. In case of urgent circumstances, the Board Meeting shall be convened any time with written notice in form of emails or facsimiles. Resolutions of Board Meetings shall be recorded in the minutes and signed or stamped by the Chairman and delivered to Directors and Supervisors within 20 days after the meeting was adjourned.

Article 25

Other than the supervisory power given by the related laws and regulations, Supervisors shall sit in Board Meetings without participating in resolutions.

Article 26

Supervisors shall not serve as Directors, Managers or other positions concurrently in the Corporation.

Article 27

Power scope of the Supervisors is as following:

1. Thorough review on the books and records prepared for the shareholders' meeting
2. Review budget
3. Investigate sales and financial status of the Corporation
4. Notify the Board of Directors to cease any conduct that violates regulations or Articles of the Corporation.
5. To exercise their powers set forth in the Regulations.

Article 28

Compensation of the Directors and the Supervisors shall be determined in accordance to their contributions and reference on the common standards of the industry in regardless of financial performance of the Corporation.

Section V Managers and employees

Article 29

The Corporation appoints one Chief Executive Officer, Vice Presidents and other managers to meet the operational or managerial needs. Appointment, dismissal and compensation packages will be conducted in accordance to Article 29 of the Company Law of Taiwan the Republic of China.

Article 30

The recruitment/dismissal of employees and managerial regulations shall be prepared and provided by the Chief Executive Officer and present to the Board of Directors.

Section VI Financial Reports

Article 31

The fiscal year of the Corporation shall follow the calendar year. At the end of each fiscal year, the following reports shall be prepared by the Board of Directors and sent to the Supervisors for review and submitted to the Shareholder's Meeting for acceptance:

1. Business Report;
2. Financial Statements;
3. Proposal concerning Appropriation of Net Profits or Covering of Losses.

Article 32

When there is profit, the Corporation shall set aside no less than 20% of the profits as employee bonus and no more than 3% of the profits as bonus to the Board of Directors and Supervisors. However, when there is still accumulated loss from previous years, the Corporation shall reserve the profit to offset its losses.

The employee bonus shall be in the form of company stock or cash and distributed to the entitled employees where the qualifications will be set by the Board of Directors. Bonus for the Board of Directors and Supervisors will be in the form of cash and the Bonus Distribution proposal shall be approved by the majority of the Board of Directors attending the Board Meeting with more than 2/3 of total Board of Directors are present at the meeting. The proposal shall be reported to the Shareholders' Meeting.

Article 32-1

When there is profit, other than reserve for annual taxation payment, the Corporation shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Corporation. The Corporation will then set special reserve when

necessary, the profit left will be distributed in accordance to the resolution of the shareholders' meeting.

Article 32-2

In terms of stock options and treasury stock for employees, the price can be lower than the last trading price of the day or the average buying cost. The reference dates shall be set in accordance to the Regulations set by the authority and approved by the Shareholders' Meeting. Limitations on the distributed treasury stock shall refer to the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.

Article 33

The Dividends Policy is stipulated in accordance with the Articles of Incorporation and composed in considering the company capital, financial structure, business performance, profit earned and industrial status. Ratio for dividends distribution shall not lower than 50% of the total profit left and the cash dividends shall not lower than 50% of the total dividends distributed.

Section VII Supplementary Provisions

Article 34

The Total shareholding amount of investments in another unlimited liability company/limited liability company shall not exceed forty percent (40%) of the paid-up capital of the Corporation. Proposal of such investment shall be approved and authorized by the Board of Directors.

Article 35

The Corporation shall be able to make endorsements/guarantees. Policies on Endorsements & Guarantees shall be approved by Shareholders' Meeting. Any amendments shall be brought to the Shareholders' Meeting for approval.

Article 36

In regards to other matters not specified in this Articles of Incorporation shall be governed by the Company Law of Taiwan the Republic of China.

Article 37

This Articles of Incorporation are agreed to and signed on April 10th, 1998 and effective after submission to the Authority. All amendments shall be approved by the Shareholders' Meeting and submitted to the Authority for approval.

First Amendment: May 14th, 1998

Second Amendment: June 1st, 1998

Third Amendment: October 15th, 1998

Fourth Amendment: August 26th, 1999
Fifth Amendment: April 25th, 2000
Sixth Amendment: May 17th, 2001
Seventh Amendment: August 31st, 2001
Eighth Amendment: February 6th, 2002
Ninth Amendment: June 12th, 2002
Tenth Amendment: May 28th, 2003
Eleventh Amendment: May 27th, 2004
Twelfth Amendment: May 27th, 2004
Thirteenth Amendment: May 27th, 2005
Fourteenth Amendment: May 8th, 2006
Fifteenth Amendment: May 8th, 2006
Sixteenth Amendment: May 22nd, 2007
Seventeenth Amendment: September 11th, 2007
Eighteenth Amendment: June 13th, 2008
Nineteenth Amendment: June 10th, 2009
Twentieth Amendment: June 18th, 2010
Twenty-first Amendment: June 6th, 2012
Twenty-second Amendment: June 14th, 2016
Twenty-third Amendment: June 13th, 2018

Appendix III Shareholding of Directors

ENE TEHCNOLOGY INC

Shareholding of Directors

Record Date: 2021 April 11th

Title	Name	Current Shareholding
Chairman	Jason Weng	1,630,010
Director	Siguard Microelectronics Corporation Legal Representative: Chi Chan Chen	1,373,798
Director	Wen Huai Tsai	1,198,978
Director	ASUSTEK Computer Inc Legal Representative: Chin Ju Wu	917,247
Director	Dylan Chung	204,904
Director	Leo Wu	50,208
Independent Director	Ming-Kun Hou	32,751
Independent Director	Yi-Fong Lin	0
Independent Director	Shen-Yuan Chen	0
Total holding of Directors (excluding Independent Directors): 5,375,145 shares		

Note : 1.Actual paid-up capital: NT\$749,766,930; total share issues : 74,976,693 shares
2.The Company has allocated 3 independent directors amongst the Directors.
According to the Article 26 of Securities and Exchange Act and Article 2 of
Rules and Review Procedures for Director and Supervisor Shareholding
Ratios at Public Companies, the minimum holding of Directors in total
should be 5,998,135 shares.