



Stock Code: 3312

GMI Technology Inc.

2021

Annual Report

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GMI Technology Inc.

Compiled and printed on May 23, 2022

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V. Exchange Houses where Overseas Securities are Listed : none

VI. Company Website: <http://www.gmitec.com>

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I. Letter to Shareholders

I. Business Report 2021

(I) Results of Operations

For FY2021, the parent company only revenue of the Company totaled NT\$18,771,092,000 and net income before tax was NT\$549,623,000, representing increases of 37.47% and 121.43%, respectively, compared to revenue of NT\$13,655,164,000 and net income before tax of NT\$248,220,000 for FY2020. For FY2021, consolidated revenue was NT\$18,852,689,000 and consolidated net income before tax was NT\$553,649,000, increasing by 37.83% and 123.05%, respectively compared to the consolidated revenue of NT\$13,678,646,000 and consolidated net income before tax of NT\$248,220,000 for FY2020. Based on the weighted-average outstanding shares in 2021, the net income per share was NT\$3.24 after tax.

In 2021, GMI was indirectly and directly affected by the global COVID-19 pandemic and the formation of regional trading blocs, and benefited from the doubling of demand for wireless communications and stay-at-home economy products. In addition, the tightening wafer and packaging capacity has led to a marked shortage of chips in the market and a higher gross margin in the seller-led market. In addition, with prudent management of expenses, the Company has achieved the best results over the past few years even though international freight rates have risen sharply. We are optimistic that the demand for ICT and infrastructure applications will continue to outpace the supply, leading to a seller's market throughout 2022. This is especially apparent with the construction of many communications infrastructure facilities, which we expect to positively contribute to our revenue.

As for the demand for PCs and related peripherals in 2022, we believe that the production chain on the supply side should be able to meet market demand. GMI will continue to cultivate its Tier-1 and OEM customer base for automotive embedded telematics in 2022. At the end of 2021, the Company received orders from international clients for the Company's automotive ethernet and other communications products. As long as the Company's supply chain can keep up with demand, we expect to see exponential growth in the harvest phase. GMI shall also continue to add new product lines in the embedded automotive system applications to meet client requirements.

Unit: NT\$ '000

Profit and loss items	FY2021	FY2020	Growth rate (%)
Net Operating Revenue	18,852,689	13,678,646	37.83
Operating Costs	17,760,722	13,003,476	36.58%
Gross Profit	1,091,967	675,170	61.73%
Operating Expenses	545,647	399,660	36.53%
Operating Income	546,320	275,510	98.29%
Non-operating Income and Expenses	7,329	(27,290)	126.86%
Net Income before Tax	553,649	248,220	123.05%

(II) Budgetary Performance

The Company does not disclose its financial forecasts, therefore this is not applicable.

(III) Analysis of Revenue, Expenses and Profitability

	Item	FY2021	FY2020
Financial Structure	Debt Ratio (%)	74.07	73.04
	Ratio of Long-Term Capital to Property, Plant and Equipment (%)	689.29	554.10
Debt Service Coverage Ratio (DSCR)	Current Ratio (%)	130.00	135.96
	Quick Ratio (%)	108.85	114.76
Profitability	Return on Assets (%)	7.34	4.18
	Return on Equity (%)	26.34	13.66
	Net Profit Margin (%)	2.36	1.44
	Earnings Per Share (NT\$)	3.24	1.58

(IV) Research and Development

The Company is a professional IC Distributor and Solution Provider. In view of the fact that the basis of sustainable management is to keenly grasp market trends, meet the needs of customers and possess key application technologies, the Company not only has technical support functions (FAE) to provide customers with various product application consultation and development technology support services. At the same time, the Company also has R&D staff to engage in product development for market applications and provide customers with special functions or commissioned module designs to help customers realize their product development and Time-To-Market commitments. As the Company provide customers with professional technology and total product solutions, we can help customers shorten the time to market and

save R&D costs, enhance service quality, and strengthen the partnership with customers and suppliers. In response to the rapidly evolving technology and product cycle of electronics and ICT technology, the Company is actively developing in the following directions:

1. Information Technology (IT) industry:
Wireless LAN, Multi-Media LCD Monitor.
2. Consumer Electronics industry.
Notebook computers (NB), portable multimedia players, etc.
3. Networking and Telecommunication industry.
Gigabit switch, ADSL.

II. The Company's Major Business Plans for 2022:

(I) Business Direction

In 2021, many investors viewed the shortage of materials as a positive development. However, persistent material shortages in 2022 have become a possible negative factor. For components that are in short supply, the magnitude and frequency of price increases have slowed significantly. For components and end products that are not in short supply, shortages imply lower-than-expected shipments, which, combined with the short- and long-runs caused by these two scenarios, could complicate the situation.

The risk of global port congestion is that repeat orders from channel operators and significantly higher parts inventories are due to a serious asymmetry in supply and demand information gaps. The motivation for repeat orders is to reduce the supply uncertainty caused by port congestion, so the orders received by the supply side do not necessarily reflect the real market demand; this is especially the case in consumer electronics.

The increase in the cost of electronic components and cancelled orders will result in lower than expected shipments. We have also found that many brands will suspend production to avoid price increases and subsequent lower sales if the increase in shipping costs results in a price increase of 20-30% or more. The most notable examples are TVs and Chromebooks.

The post-pandemic era and inflation have led to structural changes in demand. We believe that such a change could have a negative impact on the electronics industry as soon as 2022, including:

PC/NB (WFH and LFH), TV/ game consoles (home entertainment), which benefited from the growth in demand due to the COVID-19 pandemic, will slow down or even decline in the post-pandemic era. Since consumer electronics is not a necessity, inflation is not conducive to the consumer electronics industry. In addition, as most of the consumer electronics replacement needs have been met in the past two years, if brands do not provide innovative user experiences, then most of the consumer electronics demand may decline more significantly in an inflationary era!

As to infrastructure, new applications are mainly in communications (e.g., 5G, Open-RAN, satellite communications, etc.) and energy (smart grid), which will also drive demand for IoT devices and related components.

For electric vehicles (EVs), the shortage of materials will lead to a shortfall of 7.5-8 million units in 2021. EVs and its supply chain are expected to benefit significantly in 2022 from the significant improvement in material shortages and new consumer trends, which is a key growth driver we expect in 2022.

In 2022, GMI will continue its prudent yet bold business strategy, and the core strategy for growth in 2022 will be to follow prevailing trends. The strategic direction will be carried out in the following aspects:

1. Application Market Promotion and Marketing:

For the infrastructure of network communications, we will focus on large ODM/OEM and carriers in 2022 to cultivate and ensure the quantity of supply term materials, and actively participate in call for bids from regional carriers and accelerate the introduction and verification of WIFI-6/6E clients. We shall also focus on routers, managed switches and fiber optic network terminals through the formation of regional economic blocs and product advantages and strategic collaboration with end customers to generate maximum revenue for the 2023 market.

For the automotive embedded systems market, we shall prioritize support for key accounts and discuss with key target customers to increase the development of new customer base in the light of the short supply of ICs in 2021 and the abundant supply chain in 2022. We will increase the development of new customer groups and supply different product lines other than network communication chips for automotive use, such as memory products for automotive applications, to increase the overall competitiveness of our services.

2. New Market and Application Development:

To strengthen the supply chain and the development of applications related to the rising trend of demand applications, especially in the management of research and development resources and key areas of development, such as the client side of the relevant communications infrastructure, new energy vehicle embedded systems applications, Group 3 semiconductors, high-frequency power supply side and cloud servers and other related applications, to provide customers with more comprehensive services.

In addition, for the formation of regional economy, we also plan to introduce appropriate product lines in the existing regional markets and related products to facilitate the development and expansion of new overseas markets.

3. Data Management:

In 2022 , we will enhance integrated functions on the basis of the existing information system data, and establish the integration management of BI inventory system management and financial information and Dashboard management information integration, so as to ensure more efficient financial planning and inbound/outbound shipment coordination! At the same time, we have also launched OKR project execution tracking system/KPI performance assessment system to systemize real-time communication, decision execution and management performance. In 2022, the data information system will focus on: establishing big data to improve report readability, automatically highlighting data abnormalities, strengthening system control and manual judgment, enhancing the integration of customer information services, improving sales and support services to more small and medium-sized customers, strengthening the management of the current online sign-off system, and enhancing the efficiency of the document management center.

4. Inventory Management:

In 2022, we will focus on Dashboard information integration, which presents real-time inventory information based on the independent management logic of respective business departments and product line, and strengthen the business department to hold weekly inventory review meetings. This is intended mainly to check incoming purchase orders, outgoing customer orders that have not yet been shipped, PSI/performance/gross profit control, and the Days of Part Materials Inventory.

It shall strengthen the interaction between central warehousing and logistics and customer's temporary storage, shorten the supply process and optimize inventory control. This reduces the logistics cost and inventory risk between the Greater China region, and strengthens the monitoring and control of slow-moving inventory surplus materials, and issue early warnings to help colleagues to eliminate slow-moving inventory surplus materials through multiple channels.

5. Establishment of Company Culture:

In 2022, GMI will focus on building a company culture, recruiting professionals, strengthening internal training, and improving work efficiency. We shall hold quarterly reading and study sessions to strengthen the building of management consensus and to actively cultivate management talent in the process. In the process of establishing culture, we hope to build up the company culture gradually in the process of promotion initiatives.

We also encourage external training and participation in industry seminars to enhance personal competencies and provide financial support. At the same time, the Company plans to organize more outdoor activities outside of work and encourage the establishment of clubs, so that colleagues can communicate more, train their bodies and minds, and work in a happy environment.

6. Financial and Accounting management:

In 2022, we will strengthen the integration of financial information and inbound/outbound shipments coordination as the effective control of financial cost and the driving force of growth this year, and strengthen the risk management of customer/factory credit and accounts receivable, improve the current management efficiency and operation mode of accounts management/credit management/business department, reduce the loss of bad debts, take out insurance for accounts receivable in China, and shorten the CCC (AP/AR/Inventory turnover days). We shall also introduce the management concept of ROWC, thus strengthening the management of product lines, increasing the gross profit of business units, reducing the use of liquidity, reducing the debt ratio, and improving the efficiency of capital utilization.

(II) Business Objectives

Business Opportunities for Carriers:

In 2022, the supply and demand in the semiconductor market is still relatively off-balance, and the situation of long term material shortage is getting more and more dire. The demand side is gradually becoming rational at the end of 2021; this is exacerbated by inflation and the formation of regional economic blocs. All of these factors have compelled us take a conservative management approach to face 2022. In addition to maintaining and developing our existing business, we are actively exploring markets outside the Greater China region.

1. We are developing more new applications and markets related to network communications and introducing new suppliers to increase our versatility and competitiveness in serving our customers.
2. In terms of audio products, in addition to the existing CODEC application market, we will fully leverage our technical advantages and combine the cooperation of experts in the fields of audiology and sound effects, and through the advantage of GMI's cross-straits distribution channels, we will develop our unique technology and competitiveness in this application, and further establish our leading position in this market segment.
3. We will develop the application of Group 3 compound semiconductor (GaN & SiC) components, recruit new product line agents, and set up a Power FAE team to provide customers with complete turnkey solutions, lowering the entry barrier for customers to quickly enter mass production.
4. Automotive Embedded Systems market: In addition to the automotive Ethernet field, we are planning to introduce some automotive product lines to continue to cultivate the Tier-1 and OEM customer base in the Greater China region and beyond, and we expect to see a multi-fold growth in sales in 2022.

III. Future Development Strategy

In the future, we will continue to explore new customers for each product line and deepen the cultivation of existing customers, and we will continue to seek alliances with our peers to strengthen the complementary nature of our products. In addition, we will continue the successful experience of each product line and actively develop the markets in Taiwan, Hong Kong and especially China. With the addition of new distributorships and aggressive development of the Asian market, we expect to see growth in sales and profits this year. In light of the above development strategies, we expect to generate higher profits in return for the support of our shareholders.

IV. Influence of the External Competitive, Regulatory and General Operating Environment

The global semiconductor market is expected to continue to thrive. In the future, the Company will continue to integrate the human resources of its group, strengthen knowledge management and knowledge sharing, build up intellectual capital, and replace the legacy information system to enhance the competitive advantage, and pursue the direction of management and profitability at the same time, with the hope of achieving excellent performance in the professional parts and components channel market.

On behalf of all of everyone at GMI, we would like to express our sincere gratitude to our shareholders for your steadfast support. We look forward to your continued guidance and advice in the future. GMI will continue to maintain its excellent management philosophy and achieve fruitful business results to share with our shareholders. Finally, I wish all our cherished shareholders

Good health and all the best

GMI Technology Inc.

Yeh, Chia-Wen, Chairman of the Board

II. Company Introduction

I. Date of Establishment

Date of Establishment: October 6, 1995

II. Company History

- 1995 • GMI Technology Inc. was established with a paid-in capital of NT\$10 million and its main business scope was the sale of electronic components.
- 1996 • Distributed and sold electronic components of Taiwan Memory Technology, Inc.
 - Capital increased by NT\$10 million, amounting to NT\$20 million in paid-in capital.
- 1997 • Distributed and sold electronic components of Realtek Semiconductor Corporation
 - Capital increased by NT\$10 million, amounting to NT\$30 million in paid-in capital.
 - Established R&D unit (engineering department) to provide design-in services to customers.
- 2000 • Capital increased by NT\$20 million, amounting to NT\$50 million in paid-in capital.
- 2001 • Distributed and sold electronic parts and components of Ours Technology Inc.
 - Office moved to current location on Ruiguang Road, Neihu District, Taipei.
- 2002 • Received the "Outstanding Distributor" award from TSMC for four consecutive years.
 - Distributed and sold electronic parts and components of Toshiba Corporation.
 - Distributed and sold electronic parts and components of Sigmatel.
 - Distributed and sold electronic parts and components of Etron Technology, Inc.
 - Introduced TIPTOP ERP system.
 - Capital increased by NT\$160 million in cash, amounting to NT\$210 million in paid-in capital.
 - Established Hong Kong branch.
- 2003 • Capital increase of NT\$100 million in cash; capital increase of NT\$30.65 million in surplus earnings and employee bonuses; amounting to paid-in capital of NT\$340.65 million.
 - Distributed and sold BenQ products.

- Issued the first employee stock options certificate in 2003.
 - Reinvested in GMI Technology (BVI) Co.,Ltd.
 - Filed a supplemental public offering, coming into effect.
 - Invested in Dexin Venture Capital Co.,Ltd.
 - Represented and sold Toshiba HDD (hard disk drive) products.
 - Invested in Hong Kong Yongda Electronic Technology Co.,Ltd. through GMI Technology (BVI) Co.,Ltd.
 - Invested in GMI International Trading (Shanghai) Co.,Ltd. through Hong Kong Yongda Electronic Technology Co.,Ltd.
- 2004
- Distributed and sold RitDisplay OLED components.
 - Registered as an OTC stock on May 28th.
 - Established a prospective Audit Committee.
 - Capital increased by NT\$41.36 million from surplus earnings and employee bonuses, amounting to a paid-in capital of NT\$386.21 million.
- 2005
- Distributed and sold Intersil analog electronic components.
 - Distributed and sold Toshiba Nand flash memory products in Hong Kong and China.
 - Introduced Freescale, Sigma Design, Techwell, AUO, TOPPOLY, MATRIX, Jeilin and other key supply partners.
 - Capital increased by NT\$50.83 million in cash and NT\$46.03 million in surplus earnings and employee bonuses, amounting to a paid-in capital of NT\$487.80 million.
 - Listed on the Taipei Exchange on November 7.
- 2006
- Capital increased by NT\$49.22 million from surplus earnings and employee bonuses, amounting to a paid-in capital of NT\$538.07 million.
 - Became a distributor of electronic components for Actions Semiconductor Co., Ltd.
- 2007
- Became a distributor of Hitachi HDD products.
 - Capital increased by NT\$30.48 million from surplus and employee bonuses, and capital increased to NT\$570.08 million.
 - Acquired the distributorship of Solomon Systech Limited.
- 2008
- Announced a partnership with Toshiba Electronics Asia Ltd.
 - Capital increased by NT\$50.02 million from surplus earnings and employee bonuses, amounting to a paid-in capital of NT\$621.58 million.
 - Issued common stock by private placement, capital increased to NT\$721,580,000.
- 2009
- Initiated cooperation with JMicron Technology Corp.
 - Established New Market Development Division to focus on new and emerging markets.

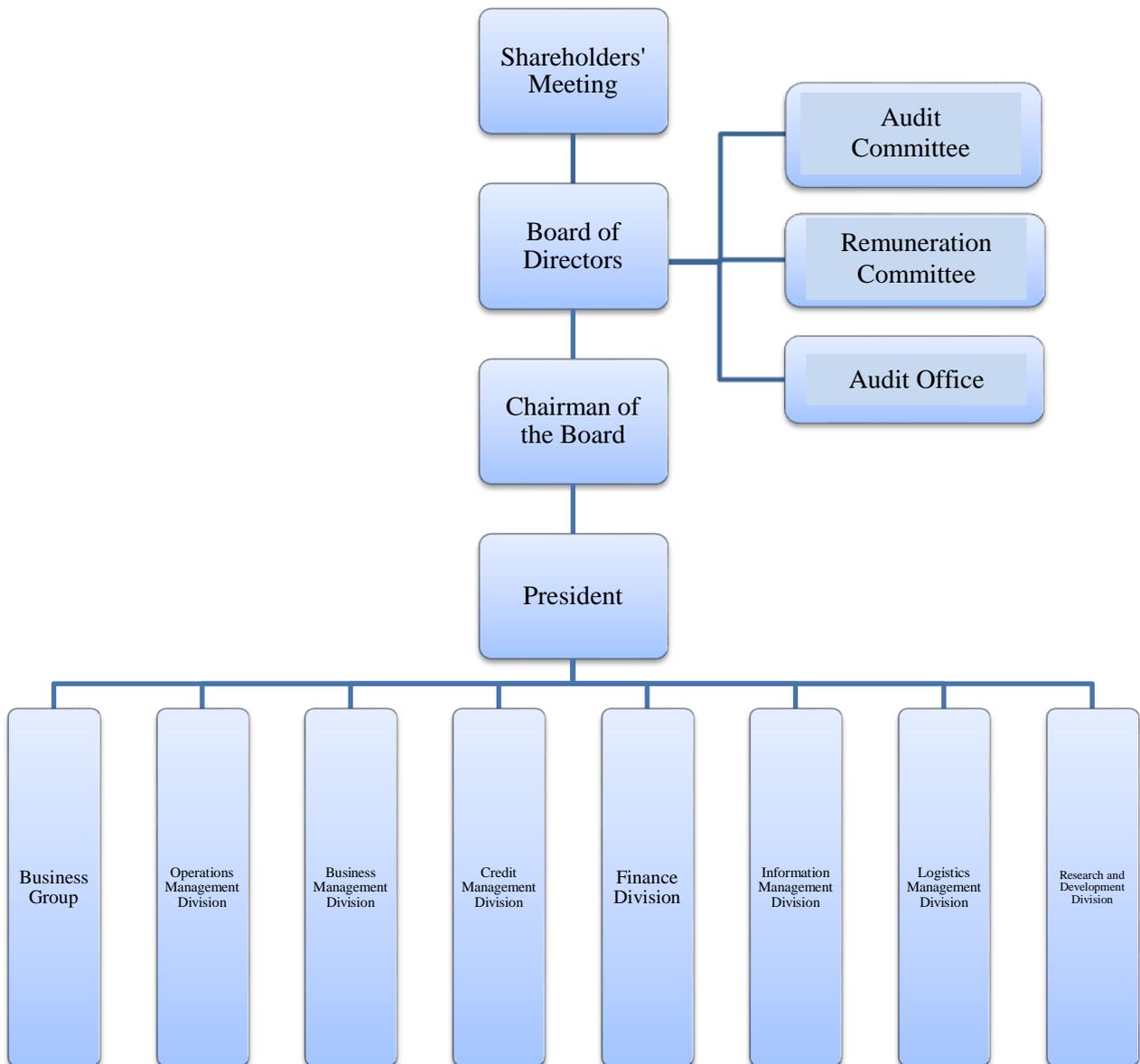
- Received the "Best Partner" award from Toshiba Electronics Asia Ltd.
 - Received "Best Supplier Capability" award from ESM China.
 - Distributed and sold Syndiant's fiber optic panel products for mini projectors.
- 2010
- Distributed and sold Toshiba products.
 - Selected as the best distributor in Greater China in the annual readers' survey of ESM China Magazine.
 - Awarded as one of the top 100 technology companies in Taiwan in 2010 by Business NEXT Magazine.
 - Issued new shares with NT\$150 million in cash, amounting to NT\$870 million in share capital after the capital increase.
 - Became a supplier of components to large OEMs through VMI (Vendor Managed Inventory).
 - Listed on the Taiwan Stock Exchange on December 29.
- 2011
- Launched distribution partnership with CC&C Technologies Inc.
 - On December 30, the shares of private placement common stock issued in 2008 were listed on the Taiwan Stock Exchange.
- 2012
- Direct investment in Shenzhen through Yongda Electronics and established Shenzhen Hongda Futong Electronics Co., Ltd.
 - Invested in GW Electronics Company Limited through an overseas subsidiary, GMI. Technology (BVI) Co., Ltd.
- 2013
- GW Electronics (Shanghai) Limited (GW Electronics (Shanghai) Co., Ltd.) was established through an indirect investment by GMI. Technology (BVI) Co., Ltd.
 - Indirectly reinvested in GW Electronics (Shenzhen) Limited through an overseas company, GMI. Technology (BVI) Co.
 - Reinvested in Xbright Technology Co., Ltd.
 - Capital increased by NT\$34.86 million from earnings surplus, amounting to NT\$906.44 million after capital increase.
- 2014
- Capital increased by NT\$45.32 million from earnings surplus, amounting to NT\$951.76 million after capital increase.
 - Reinvested in Global Mobile Internet Co.,Ltd.
- 2015
- Capital increased by NT\$133.24 million from earnings surplus, amounting to NT\$1.085 billion after capital increase.
- GW Electronics Company Limited terminated distribution rights for Flash and Discrete products for Toshiba Electronics Asia Ltd. and Toshiba Electronics (China) Ltd.
- 2016
- Issued new shares with NT\$200 million in cash, amounting to NT\$1.285 billion in share capital after the capital increase.
 - Terminated distribution rights of hard disk drives (HDDs) for Toshiba Electronic Components Taiwan Corporation.

- 2017 • Reinvested in GMI. Startup Incubator Management (Shanghai) Co.,Ltd.
- Became the distributor of Chengdu Tsuhan Optical Components.
- 2018 • Reduced capital by NT\$294.98 million to cover losses, resulting in a capital stock of NT\$990.02 million.
- Issued new shares with NT\$100 million in cash, amounting to NT\$1.09002 billion in share capital after the capital increase.
- Capital increased by NT\$13.08 million from surplus earnings, amounting to a paid-in capital of NT\$1.1031 billion.
- 2019 • Became a distributor of MEMS MIC components for Guangzhou Intelichip Electronics Co.,Ltd.
- 安吉亞科技 antennas design services and related products
- Capital increased by NT\$77.22 million from surplus earnings, amounting to a paid-in capital of NT\$1.18032 billion.
- 2020 • Purchased land and buildings in Wende section of Neihu District for office and warehouse use by Taipei Head Office.
- Capital increased by NT\$70.82 million from surplus earnings, amounting to a paid-in capital of NT\$1.25114 billion.
- 2021 • Capital increased by NT\$125.11 million from surplus earnings, amounting to a paid-in capital of NT\$1.37625 billion.
- 2022 • Taipei Head Office moved and changed the Company changed its business address to "2F., No. 57, Xingzhong Road, Neihu District, Taipei City".

III. Corporate Governance Report

I. Organizational System

1. Organizational Structure (as of April 30, 2022)



2. Scope of business of major departments

Department Name	Responsibilities
Business Group	<ol style="list-style-type: none"> 1. Specialized in information technology, consumer electronics, network communications and Internet of Things promotion sales and services. 2. Assist in obtaining the latest product information and technical support from the original manufacturer. 3. Provide customers with total solutions. 4. Market development of new products and promotion of related customers. 5. Responsible for product line planning and management. 6. Sales and pricing strategy development and implementation. 7. Customer development and market information collection and analysis, marketing business promotion. 8. New market development planning and management. 9. Key customer development planning and implementation. 10. Import and export affairs.
Operations Management Division	<ol style="list-style-type: none"> 1. Personnel recruitment, human resources analysis, education and training, performance assessment, HR policy and welfare, as well as execution of related matters. 2. Responsible for the Company's fixed assets and business supplies procurement management, office environment maintenance. 3. Corporate image promotion.
Business Management Division	<ol style="list-style-type: none"> 1. Responsible for import and export goods management and warehouse management. 2. Responsible for assisting business units procurement order (PO) and shipment order (SO) and other related administrative operations and contact window between manufacturers and customers.
Credit Management Division	<ol style="list-style-type: none"> 1. Develop company risk management policy and implement comprehensive risk assessment and system implementation. 2. Assist in the management of the Company's operational risks, and communicate with all departments regarding risk management, reporting and making recommendations. 3. Responsible for the credit risk review and credit granting of the Company's customers. 4. Responsible for compliance and management of corporate laws and regulations, and strengthening the implementation of corporate law compliance system. 5. Responsible for corporate law professional advice, business contract management and litigation handling.
Finance Division	<ol style="list-style-type: none"> 1. Responsible for capital fundraising plan, capital allocation and management, evaluation of long-term and short-term securities investment and reinvestment projects, shareholder meetings and stock affairs. 2. Responsible for accounting, budgeting, tax planning, management analysis information and board meetings.
Information Management Division	<ol style="list-style-type: none"> 1. Responsible for formulating information management strategies, planning information management systems, and continuously optimizing and integrating information platforms. 2. Coordinate the planning, design, operation and maintenance management of the Company's overall information system. 3. Information security management.

<p>Logistics Management Division</p>	<ol style="list-style-type: none"> 1. Responsible for the management and supervision of logistics files. 2. Responsible for immediate update and maintenance of warehousing system information. 3. Responsible for the planning and management of goods transfer and transportation methods. 4. Responsible for inventory, incoming, outgoing, acceptance and quality management of goods. 5. Responsible for handling abnormal problems such as loss, damage, and error of goods. 6. Responsible for checking incoming and outgoing shipments with international couriers and freight forwarders, and assisting in tracking the delivery of goods. 7. Assist in the preparation of relevant import and export documents and finance department charge documents.
<p>Research and Development Division</p>	<ol style="list-style-type: none"> 1. Responsible for the establishment of technical support system, supervision of technical support staff and professional skills training. 2. Confirm technical support, provide technical service to customers and improve customer satisfaction. 3. Responsible for handling technical emergencies and crises. 4. Handling of customer complaints and abnormal conditions and provide customer solutions. 5. Provide customers with product information and promotion as reference for product design and assist customers with product engineering projects. 6. Responsible for the market development planning and management of new brands, as well as information about competitive products in the market. 7. Assist the company in evaluating supplier management and agency matters. 8. Management and regular calibration of measurement instruments. 9. Retaining all kinds of inspection data. 10. Customer property management.

II. Information on the Company's directors, supervisors, president, vice president(s), assistant vice presidents, and the supervisors of all the Company's divisions and branch units

1. Name, experience, shareholding and nature of directors

April 25, 2022

Title	Nationality or place of incorporation	Name	Gender and Age	Date of Election (appointment)	Term of Office	Date of initial election	Shares held at the time of election		Number of shares currently held		Shares held by spouse and minor children		Shares held in the name of others		Major Experience (Education)	Concurrent position(s) in the Company and other companies	Other officers, directors, or supervisors who are spouses or relatives within two degrees of kinship.			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Corporate Shareholder	TW	Dejie Investment Co., Ltd.		2019/06	3 years	2019/06	21,492,826	19.48%	37,619,698	27.33%	0	0	0	0	Not applicable	Not applicable	None	None	None	None
Chairman and Chief Executive Officer	TW	Corporate Representative of Dejie Investment Co., Ltd.: Yeh, Chia-Wen	Male 61-70	2019/06	3 years	1995/09	8,286,741	7.51%	0	0	77,181	0.06%	0	0	Graduated from the Department of Mineral and Petroleum Engineering, National Cheng Kung University 12th EMBA Class, National Chengchi University MBA, Tulane University Chairman, Dehong Management Consulting Co.,Ltd.	<ol style="list-style-type: none"> 1. Chairman, Cotek Pharmaceutical Industry Co., Ltd. 2. Chairman, Shiteh Organic Pharmaceutical Co., Ltd. 3. Chairman, Hi-Jet Incorporation 4. Chairman, Detao Venture Capital Co.,Ltd. 5. Director, GW Electronics Company Limited. 6. Chairman, Global Mobile Internet Co.,Ltd. 7. Chairman, Biofity Pharmaceuticals Co.,Ltd. 8. Chairman, Dejie Investment Co., Ltd. 9. Chairman, Heng Hsuan Co.,Ltd. 10. Chairman, Unitech Electronics Co.,Ltd. 	Director	Corporate Representative: Yeh, Po-Chun Dejie Investment Co., Ltd.	Father and Daughter	(Note 1)

Director	TW	Corporate Representative of Dejie Investment Co., Ltd.: Ivan Liu	Male 51-60	2019/06	3 years	2017/06	46,552	0.04%	58,077	0.04%	0	0	0	0	Institute of Communications Engineering, National Chiao Tung University Senior Consultant, Twinmos Technologies Inc. Executive Vice President, GMI Technology Inc.	President of GMI Technology Inc.	None	None	None	None
Director	TW	Corporate Representative of Dejie Investment Co., Ltd.: Yeh, Po-Chun	Female 31-40	2019/06	3 years	2019/06	61,864	0.06%	77,181	0.06%	0	0	0	0	Logistics and Telecommunications Group, Department of Transportation and Communication Management Science, National Cheng Kung University M.S. in Civil Engineering, Columbia University Shanghai Headquarters Strategic Management Department, CHROBINSON (NASDAQ:CHRW) Project Coordinator Accounting Specialist, Unitech Computer Co.,Ltd. Associate Manager, Research Department, KGI Investment Consulting	Chief of Staff, GMI Technology Inc. Special Assistant to the Chairman of the Board, GMI Technology Inc. Head of Compensation Department, GMI Technology Inc. Director, Unitech Computer Co.,Ltd. Director, Unitech Electronics Co.,Ltd.	Chairman of the Board	Corporate Representative: Yeh, Chia-Wen Dejie Investment Co., Ltd.	Father and Daughter	None
Director	TW	Corporate Representative of Dejie Investment Co., Ltd.: Wang, Kuo-Chang (Note 2)	Male 51-60	2019/06	3 years	2005/06	0	0	0	0	0	0	0	0	M.S., Graduate School of Management Sciences, Tamkang University Assistant Vice President, De An Asset Management Consulting Co.,Ltd. Manager, Industrial Bank of Taiwan Director, Dehong Management Consulting Co.,Ltd. Director, Dehong Venture Capital Co.,Ltd. Director, Advance Materials Corporation	Supervisor, Biofity Pharmaceuticals Co.,Ltd. Director, Unitech Computer Co.,Ltd.	None	None	None	None
Director	TW	Corporate Representative of Dejie Investment Co., Ltd.: Bai, Chieh-Liang (Note 3)	Male 61-70	2021/10	3 years	2021/10	0	0	0	0	0	0	0	0	Department of Electronics, Chung Yuan Christian University Assistant Vice President, Synnex Technology International Corporation Independent Director, Unitech Computer Co.,Ltd. Vice President of GMI Technology Inc.	None	None	None	None	None

Independent Director	TW	Chen, Chi-Jen (Note 4)	Male 51-60	2019/06	3 years	2014/06	0	0	0	0	0	0	0	0	0	Department of Computer Science, Tamkang University Stern School of Business, NYU MBA Assistant Vice President, and Vice President, ICE Technology Corporation Independent Director of Unitech Electronics Co.,Ltd. Member of the Audit/Remuneration Committee of Unitech Electronics Co.,Ltd. Independent Director of GMI Technology Inc.	Chairman, Youholder Co.,Ltd.	None	None	None	None
Independent Director	TW	Jan, Sen	Male 51-60	2019/06	3 years	2011/06	0	0	0	0	0	0	0	0	0	Department of Electrical Engineering, Tsinghua University MBA Program, National Chengchi University Marketing Manager, Philips Semiconductor Head of Business Department, HEC Group Head of Product Marketing, FSP Group Director, Zhaohan Technology Co., Ltd. Supervisor, JuAn Long-Age Co.,Ltd.	Chairman, Ikano International Co.,Ltd. Brand Instructor, Smile Brand Development Center Member of the Remuneration Committee of GMI Technology Inc. Member of the Audit Committee of GMI Technology Inc.	None	None	None	None
Independent Director	TW	Lin, Ming-Chieh	Male 71-80	2019/06	3 years	2017/06	94,093	0.09%	117,390	0.09%	0	0	0	0	0	PhD, National Chengchi University Director, Taiwan Electric Power Co.,Ltd. Secretary General, Chinese Management Association Supervisor, Taipei Exchange Professor, Department of Business Administration, National Central University Director, Joint Credit Information Center Member of the Remuneration Committee of NEWMAX Co.,Ltd. Independent Director of KINIK Company Member of the Remuneration Committee of KINIK Company. Supervisor of Unitech Electronics Co.,Ltd.	Independent Director of C Sun Industrial Co.,Ltd. Member of the Remuneration Committee of C Sun Industrial Co.,Ltd. Member of the Audit Committee of C Sun Industrial Co.,Ltd. Independent Director, Chicony Electronics Co., Ltd. Member of Remuneration Committee of Chicony Electronics Co., Ltd. Member of the Audit Committee of Chicony Electronics Co., Ltd. Member of the Remuneration Committee of GMI Technology Inc. Member of the Audit Committee of GMI Technology Inc.	None	None	None	None

Independent Director	TW	Ko, Yen-Hui	Male 61-70	2022/06	3 years	2022/06	0	0	0	0	0	0	0	0	0	Department of Accounting, Soochow University Graduate School of Accounting, Soochow University Department of Business Administration, National Chengchi University Lecturer, Department of Accounting, Soochow University Assistant Professor, Institute of Finance, National Chiao Tung University Lecturer, Professional Training Center, Ministry of Economic Affairs Director/Vice President/President of Mainland China, TEKOM Technology Co.,Ltd.	Member of the Audit Committee of GMI Technology Inc. Member of the Remuneration Committee of GMI Technology Inc. Special Assistant to the Chairman of the Board of Directors of Clinico Inc. Supervisor, Elite-Well Education Foundation Member of the Board of Directors of Chanitex Education Foundation Independent Director of Sanlien Technology Co., Ltd. Director of CC&C Technologies, Inc. Independent Director, Level Biotechnology Inc.	None	None	None	None
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Note 1: If the chairman of the board of directors and the president or equivalent (top-ranking manager) are the same person, spouses or relatives of one another, the Company shall provide information on the reasons, reasonableness, necessity, and measures (such as increasing the number of independent directors and having a majority of directors who are not also employees or managers):

The Chairman of the Board of Directors also serves as the Chief Executive Officer in order to enhance operational efficiency and decision making. However, in order to strengthen the independence of the Board of Directors, the Company has been actively training suitable candidates internally. In addition, the Chairman of the Board of Directors has been closely communicating with the Directors on a regular basis.

The Company also plans to increase the number of independent directors in the future to enhance the functions of the Board of Directors and strengthen the supervisory function. Currently, the Company has undertaken the following specific measures:

1. Each year, we arrange for each director to attend professional director courses offered by outside organizations such as the Securities and Futures Commission to enhance the effectiveness of the Board of Directors' operations.
2. Independent directors are allowed to fully discuss and make recommendations to the Board of Directors in each functional committee to implement corporate governance.

Note 2: Dismissed on October 28, 2021

Note 3: On October 28, 2021, Bai, Chieh-Liang replaced Wang, Kuo-Chang as corporate director.

Note 4: Resigned as an independent director of the Company on November 12, 2021.

2. Major shareholders of corporate shareholders:

As of April 25, 2022

Name of corporate shareholders (Note 1)	Major shareholders of corporate shareholders (Note 2)
Dejie Investment Co., Ltd.	Hi-Jet Incorporation (88.14%), Yeh, Ming-Han (5.93%), and Yeh, Po-Chun (5.93%)

3. The major shareholders of corporate shareholders are as follows:

As of April 25, 2022

Name of legal entity (Note 1)	Major shareholders (Note 2)
Hi-Jet Incorporation	Dejia Investments Co., Ltd. (71.09%), Yeh, Ming-Han (14.44%), Yeh, Po-Chun (14.44%), Yeh, Chia-Wen (0.03%)

4. Directors' professional knowledge and independence

Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Concurrently an independent director in another publicly listed company
Dejie Investment Co., Ltd. Representative: Yeh, Chia-Wen	Graduated from Tulane University with a Master's degree in Business Administration, he is currently the Chairman and CEO of the Company and the Chairman of various companies including Unitech Electronics Co.,Ltd. Chia-Wen possesses at least five years of working experience in business, finance and the Company's scope of business, with expertise in professional leadership, marketing, operations management and strategic planning. None of the circumstances as described in Article 30 of the Company Act has occurred.	<p>(1) Not a natural person shareholder who holds more than 1% of the total issued shares or the top ten shares in the name of himself/herself, his/her spouse, minor children or others.</p> <p>(2) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</p> <p>(3) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.</p>	None

<p>Dejie Investment Co., Ltd. Representative: Ivan Liu</p>	<p>Graduated from the Institute of Communications Engineering, National Chiao Tung University with a master's degree, and is currently the President of the Company. Ivan has more than five years of experience in business and corporate operations and possesses the ability to manage, lead and make decisions and possesses industry knowledge. None of the circumstances as described in Article 30 of the Company Act has occurred.</p>	<p>(1) Not a natural person shareholder who holds more than 1% of the total issued shares or the top ten shares in the name of himself/herself, his/her spouse, minor children or others.</p> <p>(2) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.</p> <p>(3) Whereby a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company.</p> <p>(4) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</p> <p>(5) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.</p> <p>(6) Not a spouse or relative within two degrees of kinship with other directors.</p>	<p>None</p>
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<p>Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun</p>	<p>Graduated from Columbia University with a master's degree in civil engineering and construction management, he is currently the chief of staff and head of the compensation department of the Company, a director of Unitech Computer Co.,Ltd. and a director of Unitech Electronics Co.,Ltd. He possesses more than five years of experience in finance and related work experience required by the Company, with the ability to provide financial accounting, market analysis and creative leadership.</p> <p>None of the circumstances as described in Article 30 of the Company Act has occurred.</p>	<ol style="list-style-type: none"> (1) Not a director or supervisor of the Company or its affiliated companies. (2) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (3) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (4) Whereby a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company. (5) Whereby the chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (6) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (7) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. 	<p>None</p>
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<p>Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang (Note 1)</p>	<p>Wang Graduated from Tamkang University with a master's degree in management science, he is currently the supervisor of Biofity Pharmaceuticals Co.,Ltd. and the director of Unitech Computer Co.,Ltd. Wang possesses more than five years of experience in finance and related work experience required by the Company, with the ability to perform in business management, financial planning and investment analysis roles. None of the circumstances as described in Article 30 of the Company Act has occurred.</p>	<ol style="list-style-type: none"> (1) Not an employee of the Company or its affiliated companies. (2) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (3) Not a spouse or relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons in the preceding two subparagraphs. (4) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (5) Whereby a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company. (6) Whereby the chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (7) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (8) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. (9) Not a spouse or relative within two degrees of kinship with other directors. 	<p>None</p>
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<p>Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang (Note 2)</p>	<p>Bai graduated from Chung Yuan Christian University with a degree in Electronics Engineering and was the Vice President of the Company and an Independent Director of Unitech Computer Co.,Ltd.. He has more than five years of working experience in business, finance and corporate business and has the ability of marketing strategy, business promotion and industry knowledge. None of the circumstances as described in Article 30 of the Company Act has occurred.</p>	<ol style="list-style-type: none"> (1) Not a director or supervisor of the Company or its affiliated companies. (2) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (3) Not a spouse or relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons in the preceding two subparagraphs. (4) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (5) Whereby the chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (6) Whereby the chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (7) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (8) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. (9) Not a spouse or relative within two degrees of kinship with other directors. 	<p>None</p>
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Chen, Chi-Jen (Note 3)	Chen Graduated from Stern School of Business with a Master's degree in Business Administration, is currently the Chairman of Youholder Co.,Ltd. and an independent director of Unitech Electronics Co.,Ltd. Chen has more than five years of working experience in business, finance and corporate business, and possesses expertise in business management, leadership and industry knowledge. None of the circumstances as described in Article 30 of the Company Act has occurred.	<ul style="list-style-type: none"> (1) Not an employee of the Company or its affiliated companies. (2) Not a director or supervisor of the Company or its affiliates. (3) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (4) Not a manager listed in (1) or a spouse, a relative within the second degree of consanguinity or a relative within the third degree of consanguinity of a person listed in (2) or (3). (5) A director, supervisor or employee of a corporate shareholder who does not directly hold more than 5% of the total number of the Company's outstanding shares, or who is among the top five holders of shares, or who has designated a representative as a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or 2 of the Company Act. (6) Whereby a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company. 	1.
Jan, Sen	Jan graduated from National Chengchi University with a Master's degree in Business Administration, and is the convener of the Audit Committee and a member of the Remuneration Committee of the Company. Jan is Chairman of Ikano International Co.,Ltd. and has more than five years of experience in finance and related work experience required by the Company, with the ability to perform in business management, decision-making and market strategies. None of the circumstances as described in Article 30 of the Company Act has occurred.	<ul style="list-style-type: none"> (7) Whereby the chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received 	0

Lin, Ming-Chieh	<p>Lin graduated from the MBA Program of National Chengchi University. He is the convener of the Remuneration Committee and a member of the Audit Committee of the Company, an independent director and a member of the Remuneration Committee of C Sun Industrial Co.,Ltd., an independent director and a member of the Remuneration Committee of Chicony Electronics Co., Ltd. Lin has more than five years of professional qualifications as a professor at public and private colleges and universities specializing in business, finance and related disciplines necessary for the Company's business, and at least five years of experience in business, finance and corporate operations, with professional competence in business management, financial planning and accounting.</p> <p>None of the circumstances as described in Article 30 of the Company Act has occurred.</p>	<p>cumulative compensation exceeding NT\$500,000, or a spouse thereof.</p> <p>(10) No spouse or relative within two degrees of kinship with other directors.</p> <p>(11) Not elected by or on behalf of the government or a corporate entity as provided in Article 27 of the Company Act.</p>	2
Ko, Yen-Hui	<p>Ko graduated from Soochow University with a master's degree in accounting, he is a member of the Remuneration Committee and Audit Committee of the Company, a director of CC&C Technologies, Inc., an independent director of Sanlien Technology Co., Ltd. , and an independent director of Level Biotechnology Inc. Ko has more than five years of experience in business, finance, and corporate business requirements, with the ability to manage operations, leadership decisions, and financial management.</p> <p>None of the circumstances as described in Article 30 of the Company Act has occurred.</p>		2

Note 1: Dismissed on October 28, 2021

Note 2: On October 28, 2021, Bai, Chieh-Liang replaced Wang, Kuo-Chang as corporate director.

Note 3: Resigned as an independent director of the Company on November 12, 2021

5. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors

In accordance with Article 20 of the Company's "Code of Corporate Governance Practices", the composition of the Board of Directors should consider diversity and formulate appropriate diversity policies with respect to its operation, business model and development needs, including but not limited to the following two major criteria:

1. Basic requirements and values: gender, age, nationality, etc.
2. Professional knowledge and skills

Board members should generally possess the necessary knowledge, skills and education to perform their duties. In order to achieve the desired goals of corporate governance, the Board of Directors as a whole should possess the following competencies:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. International market perspective.
7. Leadership skills.
8. Ability to make decisions.

Current state of diversity policies:

Basic Conditions and Values

Name	Title	Gender	Age Distribution					Independent Director Terms of Office	
			31 to 40	41 to 50	51 to 60	61 to 70	71 to 80	5 years or less	5 years or more
Dejie Investment Co., Ltd. Representative: Yeh, Chia-Wen	Chairman of the Board	Male				V			
Dejie Investment Co., Ltd. Ivan Liu	Director	Male			V				
Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun	Director	Female	V						
Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang	Director	Male				V			
Jan, Sen	Independent Director	Male			V				V
Lin, Ming-Chieh	Independent Director	Male					V	V	
Ko, Yen-Hui	Independent Director	Male				V		V	

Professional Background, Expertise and Skills

Name	Title	Professional Background			Professional Knowledge and Skills							
		Accounting	Industry	Finance	Operational Judgement Ability	Accounting Finance Ability	Management Administration	Crisis Management.	Knowledge of Industry	International Market Perspective	Leadership Ability	Decision-making Ability
Dejie Investment Co., Ltd. Representative: Yeh, Chia-Wen	Chairman of the Board	V	V	V	V	V	V	V	V	V	V	V
Dejie Investment Co., Ltd. Ivan Liu	Director		V		V	V	V	V		V	V	V
Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun	Director	V	V	V	V	V	V	V	V	V	V	V
Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang	Director		V		V	V	V	V		V	V	V
Jan, Sen	Independent Director		V		V	V	V	V		V	V	V
Lin, Ming-Chieh	Independent Director	V	V	V	V	V	V	V	V	V	V	V
Ko, Yen-Hui	Independent Director	V		V	V	V	V	V		V	V	V

(2) Independence of the Board of Directors

The Company's current Board of Directors consists of six directors, including two independent directors, one female director and three directors with employee status (33%, 17% and 50% of all directors, respectively). Among the members of the Board of Directors, the chairman of the Board, Yeh, Chia-Wen, and the director, Yeh, Po-Chun Yeh, are father and daughter. The other four directors are not related to each other as spouses or relatives within the second degree of consanguinity, and therefore comply with the requirements of Item 3 of Article 26-3 of the Securities and Exchange Act.

6. Information on the Company's Directors, Supervisors, President, Vice President(s), Assistant Vice Presidents, and the Supervisors of All the Company's Divisions and Branch Units

April 25, 2022

Title	Nationality	Name	Gender and	Terms of Office	Shares held		Spouse and minor children Shares held		Shares held in the name of others		Major Experience and Qualifications	Concurrent position(s) in the Company and other companies	A manager who is related to a spouse or relative within two degrees of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	TW	Ivan Liu	Male	2017/07	58,077	0.04%	0	0	0	0	Institute of Communications Engineering, National Chiao Tung University Senior Consultant, Twinmos Technologies Inc. Executive Vice President, GMI Technology Inc.	None	Assistant Vice President	Liu, Po-Heng	Siblings	None
Vice President	TW	Bai, Chieh-Liang (Note 1)	Male	2003/09	0	0	0	0	0	0	Department of Electronics, Chung Yuan Christian University Assistant Vice President, Synnex Technology International Corporation Independent Director, Unitech Computer Co.,Ltd. Vice President of GMI Technology Inc.	None	None	None	None	None
Finance Division Vice President	TW	Jason Lin	Male	2008/02	89,609	0.07%	0	0	0	0	EMBA, National Chengchi University Finance Manager, Lite-on Semiconductor Corporation	Director, GW Electronics Company Limited Independent Director, Unitech Computer Co.,Ltd.	None	None	None	None
Vice President	TW	Chiang, Hung-Hsiang (Note 2)	Male	2021/02	24	0	2,000	0	0	0	Lee-Ming Institute of Technology	None	None	None	None	None
Senior Assistant Vice President	TW	Lin, Mei-Hui	Female	2015/01	33,400	0.02%	981	0	0	0	Department of Economics, Tunghai University Administrative Manager, Synnex Technology International	None	None	None	None	None
Senior Assistant Vice President	TW	Li, Yun-Hsiang	Male	2003/04	484,830	0.35%	21,298	0.02%	0	0	Taoyuan Agricultural & Industrial Senior High School Mainland China Sales Manager, Segos Electronics(Hong Kong)Limited	None	None	None	None	None
Senior	TW	Chen,	Male	2016/07	13	0	0	0	0	0	EMBA, National Chengchi University Senior Manager, Finance Department,	None	None	None	None	None

Title	Nationality	Name	Gender and	Terms of Office	Shares held		Spouse and minor children Shares held		Shares held in the name of others		Major Experience and Qualifications	Concurrent position(s) in the Company and other companies	A manager who is related to a spouse or relative within two degrees of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Assistant Vice President		Ching-Hsien									Joinsoon Electronics Mfg. Co.,Ltd.					
Senior Assistant Vice President	TW	Ko, Deng-Chia	Male	2008/04	0	0	0	0	0	0	Lunghwa Junior College of Technology Sales Manager, Li Wei Enterprise Co.,Ltd.	None	None	None	None	None
Assistant Vice President	TW	Lin, Yi-Ping (Note 3)	Female	2019/03	3,442	0	1,623	0	0	0	Department of Accounting, Chinese Culture University Master of International Finance in-service program, National Taipei University KPMG Taiwan	None	None	None	None	None
Assistant Vice President	TW	Cho, Wan-Yu	Female	2019/03	0	0	0	0	0	0	Department of Journalism, Shih Hsin University Sales Director, Evershine Technology Corporation	None	None	None	None	None
Assistant Vice President	TW	Liu, Po-Heng	Male	2019/06	0	0	0	0	0	0	Department of Business Administration, Tamkang University CIO, Huaxin Technology (Jiangxi) Co.,Ltd. Director, Materials, Rayson Technology (Shenzhen) Co.,Ltd. Vice President, GMI (Hong Kong) Co., Ltd., GW Electronics (Shenzhen) Limited, GW Electronics (Shanghai) Limited Senior Manager, Kingpak Technology Manager, Zero One Technology Assistant Manager, Kingmax Technology Consultant, Data Systems Consulting Co., Ltd.	None	President	Ivan Liu	Siblings	None
Assistant Vice President	TW	Li, Hai-Ding (Note 4)	Male	2020/11	0	0	0	0	0	0	China Maritime College VP of Business Development, Hawyang Semiconductor Corp.	None	None	None	None	None
Assistant Vice President	TW	Lai, Chih-Hsuan (Note 5)	Male	2021/02	0	0	0	0	0	0	Tungnan Institute of Technology BD Section Head, Myson Century Inc.	Corporate Representative of Shandong Wanshunhe Energy Co.,Ltd.	None	None	None	None

Title	Nationality	Name	Gender and	Terms of Office	Shares held		Spouse and minor children Shares held		Shares held in the name of others		Major Experience and Qualifications	Concurrent position(s) in the Company and other companies	A manager who is related to a spouse or relative within two degrees of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Assistant Vice President	TW	Yu, Ming-Che (Note 5)	Male	2021/02	0	0	0	0	0	0	Lien Ho College of Technology and Commerce	None	None	None	None	None
Assistant Vice President	TW	Lin, Hui-Chong (Note 6)	Male	2021/03	0	0	0	0	0	0	Department of Economics, Feng Chia University CFO of of Wolves Valley Entertainment Co.,Ltd.	None	None	None	None	None

Note 1: Reappointed as Corporate Director Representative to the Company on October 28, 2021 and retired on December 31, 2021

Note 2: Newly appointed in February 2021, promoted to Vice President in June 2021.

Note 3: Resigned on April 15, 2021.

Note 4: Newly appointed in November 2020, resigned on May 7, 2021.

Note 5: Newly appointed in February 2021.

Note 6: Newly appointed in March 2021.

7. Remuneration of Directors, President, and Vice President

(1) Remuneration for directors (including independent directors)

Dec. 31, 2021
Unit: NT\$ '000

Title	Name	Remuneration to Directors								A, B, C and D and their proportion to net income after tax		Related remuneration for part-time employees								A, B, C, D, E, F and G, and their proportion to net income after tax		Remuneration received from a reviewed business other than the Company's subsidiary or from the parent company		
		Remuneration (A)		Retirement Pension (B)		Directors' remuneration (C)		Operating expenses (D)				Salaries, bonuses and special allowances (E)		Retirement Pension (F)		Employee's compensation (G)								
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report					
		Cash amount	Stock amount	Cash amount	Stock amount																			
Director	Corporate Director	Dejie Investment Co., Ltd.																						
	Chairman of the Board	Dejie Investment Co., Ltd. Representative: Yeh, Chia-Wen																						
	Director	Dejie Investment Co., Ltd. Representative: Ivan Liu		-	-	-	-	5,000	5,000	92	92	5,092	5,092	17,123	17,123	173	173	600	-	600	-	22,988	22,988	None
	Director	Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun										1.14%	1.14%									5.16%	5.16%	
Director	Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang (Note 1)																							

	Co., Ltd.: Bai, Chieh-Liang	Chieh-Liang		
NT\$ 1,000,000 (inclusive of) - NT\$ 2,000,000 (exclusive of)	Chen, Chi-Jen, Jan, Sen, Lin, Ming-Chieh	Chen, Chi-Jen, Jan, Sen, Lin, Ming-Chieh	Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun Yeh, Chen, Chi-Jen, Jan, Sen, Lin, Ming-Chieh	Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun Yeh, Chen, Chi-Jen, Jan, Sen, Lin, Ming-Chieh
NT\$ 2,000,000 (inclusive of) - NT\$3,500,000 (exclusive of)			Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang	Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang
NT\$ 3,500,000 (inclusive of) - NT\$5,000,000 (exclusive of)				
NT\$ 5,000,000 (inclusive of) - NT\$10,000,000 (exclusive of)	Dejie Investment Co., Ltd.	Dejie Investment Co., Ltd.	Dejie Investment Co., Ltd. Representative: Ivan Liu Dejie Investment Co., Ltd. Representative: Yeh, Chia-Wen Dejie Investment Co., Ltd.	Dejie Investment Co., Ltd. Representative: Ivan Liu Dejie Investment Co., Ltd. Representative: Yeh, Chia-Wen Dejie Investment Co., Ltd.
NT\$ 10,000,000 (inclusive of) - NT\$15,000,000 (exclusive of)				
NT\$ 15,000,000 (inclusive of) - NT\$30,000,000 (exclusive of)				
NT\$ 30,000,000 (inclusive of) - NT\$50,000,000 (exclusive of)				
NT\$ 50,000,000 (inclusive of) - NT\$100,000,000 (exclusive of)				
NT\$100,000,000 or more				
Total	9	9	9	9

(2) Remuneration of the President and Vice President

Dec 31, 2021

Unit: NT\$ '000

Title	Name	Salary (A)		Retirement Pension (B)		Bonus and Special Allowances (C)		Employee compensation amount (D)				A, B, C and D and their proportion to net income after tax (%)		Remuneration received from a reinvested business other than the Company's subsidiary or from the parent company		
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report			
								Cash Amount	Stock Amount	Cash Amount	Stock Amount					
CEO	Yeh, Chia-Wen	15,489	15,489	388	388	8,110	8,110	600	-	600	-	24,587	5.52%	24,587	5.52%	None
President	Ivan Liu															
Vice President	Bai, Chieh-Liang (Note 1)															
Vice President	Jason Lin															
Vice President	Chiang, Hung-Hsiang (Note 2)															

Note 1: Reappointed as Corporate Director Representative to the Company on October 28, 2021 and resigned on December 31, 2021

Note 2: Appointed on June 1, 2021

Remuneration Pay Scale

Remuneration pay scale for each president and vice president(s) of the Company	Name of the President and Vice President(s)	
	The Company	All companies included in the financial report€
Below NT\$1,000,000.		
NT\$ 1,000,000 (inclusive of) - NT\$ 2,000,000 (exclusive of)	Chiang, Hung-Hsiang	Chiang, Hung-Hsiang
NT\$ 2,000,000 (inclusive of) - NT\$3,500,000 (exclusive of)	Bai, Chieh-Liang, Jason Lin	Bai, Chieh-Liang, Jason Lin
NT\$ 3,500,000 (inclusive of) - NT\$5,000,000 (exclusive of)		
NT\$ 5,000,000 (inclusive of) - NT\$10,000,000 (exclusive of)	Ivan Liu, Yeh, Chia-Wen	Ivan Liu, Yeh, Chia-Wen
NT\$ 10,000,000 (inclusive of) - NT\$15,000,000 (exclusive of)		
NT\$ 15,000,000 (inclusive of) - NT\$30,000,000 (exclusive of)		
NT\$ 30,000,000 (inclusive of) - NT\$50,000,000 (exclusive of)		
NT\$ 50,000,000 (inclusive of) - NT\$100,000,000 (exclusive of)		
NT\$100,000,000 or more		
Total	5	5

(4) Remuneration of the top five highest paid executives of listed companies

Dec 31, 2021

Unit: NT\$ '000

Title	Name	Salary (A)		Retirement Pension (B)		Bonus and Special Allowances (C)		Employee compensation amount (D)				A, B, C and D and their proportion to net income after tax (%)		Remuneration received from a reinvested business other than the Company's subsidiary or from the parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Ivan Liu	17,385	17,385	522	522	8,560	8,560	600		600	-	27,067 6.08%	27,067 6.08%	None
Vice President	Jason Lin													
Vice President	Bai, Chieh-Liang (Note 1)													
Vice President	Chiang, Hung-Hsiang (Note 2)													
Senior Assistant Vice President	Li, Yun-Hsiang													

Note 1: Resigned on December 31, 2021.

Note 2: Appointed on June 1, 2021

(5) Name of the manager who distributes employee compensation and the circumstances of the distribution:

Dec 31, 2021

	Title	Name	Stock amount	Cash amount	Total	Total to net income after tax (%)
Manager	President	Ivan Liu	-	600	600	0.13%
	Vice President	Bai, Chieh-Liang (Note 1)				
	Vice President	Jason Lin				
	Vice President	Chiang, Hung-Hsiang (Note 2)				
	Senior Assistant Vice President	Li, Yun-Hsiang				
	Senior Assistant Vice President	Lin, Mei-Hui				
	Senior Assistant Vice President	Ko, Deng-Chia				
	Assistant Vice President	Chen, Ching-Hsien				
	Assistant Vice President	Lin, Yi-Ping (Note 3)				
	Assistant Vice President	Cho, Wan-Yu				
	Assistant Vice President	Liu, Po-Heng				
	Assistant Vice President	Li, Hai-Ding (Note 4)				
	Assistant Vice President	Lai, Chih-Hsuan (Note 5)				
	Assistant Vice President	Yu, Ming-Che (Note 6)				
Assistant Vice President	Lin, Hui-Chong (Note 7)					

Note 1: Resigned on Dec. 31, 2021

Note 2: Appointed on June 1, 2021

Note 3: Resigned on April 15, 2021.

Note 4: Newly appointed on November 9, 2020, resigned on May 7, 2021

Note 5: Newly appointed in February 2021

Note 6: Newly appointed in February 2021

Note 7: Newly appointed in March 2021

- (6) Amount paid by the Company and all companies in the consolidated financial statements to the directors, supervisors, president and vice presidents of the Company over the last two fiscal years. An analysis of total managerial remuneration as a percentage of net income after tax on an individual or individual financial report and a description of the policy for the payment of remuneration, and a description of the policy, criteria and mix of compensation payments, the process for setting compensation, and the relationship to operating performance and future risks:

Title	2020 Total compensation paid to the Company's directors, general manager and vice president as a percentage of net income after tax for the Company and all companies in the consolidated financial statements	2021 Total compensation paid to the Company's directors, general manager and vice president as a percentage of net income after tax for the Company and all companies in the consolidated financial statements
Director	10.84%	7.46%
Supervisors		
President and Vice President(s)		

The remuneration policy for directors and supervisors is set forth in the Company's Articles of Incorporation and approved by the shareholders' meeting; the remuneration for the president and vice president is based on performance and the Company's salary system.

III. State of the Company's implementation of corporate governance:

(I) State of Operations and Evaluation of the Board of Directors

The tenth session of the Board of Directors of the Company was re-elected at the shareholders' meeting held on June 17, 2019, and the main duties of the Board of Directors are to formulate and monitor the Company's long-, medium- and short-term operational objectives and the improvement of operational performance, provide strategic guidance to the management team and supervise the Company's compliance with various laws and regulations to ensure the rights and interests of shareholders and stakeholders.

The Board of Directors met 5 times in FY2021 (A) and the attendance of directors was as follows:

Title	Name	Actual number of attendance B	Number of Attendance by proxy	Actual attendance rate (%) [B/A]	Remark
Chairman of the Board	Dejie Investment Co., Ltd. Representative: Yeh, Chia-Wen	5	0	100%	
Director	Dejie Investment Co., Ltd. Representative: Ivan Liu	5	0	100%	
Director	Dejie Investment Co., Ltd. Representative: Wang, Kuo-Chang	3	0	75%	2021/10/28 Change of Corporate Director Representative - Discharge from Office
Director	Dejie Investment Co., Ltd. Representative: Bai, Chieh-Liang	1	0	100%	2021/10/28 Change of Corporate Director Representative - New Appointment
Director	Dejie Investment Co., Ltd. Representative: Yeh, Po-Chun	5	0	100%	
Independent Director	Jan, Sen	5	0	100%	
Independent Director	Chen, Chi-Jen	5	0	100%	2021/11/12 Resignation
Independent Director	Lin, Ming-Chieh	5	0	100%	

Attendance status of independent directors at each board meeting in FY2021

⊙: Attended in person; ☆: Attended by proxy; *: Did not attend

FY2021	Mar. 25	May 11	Jul. 06	Aug. 10	Nov. 09
Jan, Sen	⊙	⊙	⊙	⊙	⊙
Chen, Chi-Jen	⊙	⊙	⊙	⊙	⊙
Lin, Ming-Chieh	⊙	⊙	⊙	⊙	⊙

Other matters to be recorded:

I. (I) Matters listed in Article 14-3 of the Securities and Exchange Act:

Date of the Meeting	Contents of the motion	Opinions of independent directors and the Company's handling of the opinions of independent directors
10th Session 9th Meeting 2021/03/25	<ol style="list-style-type: none"> 1. Approved the "Assessment of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for FY2020. 2. Approved the amendment of certain provisions of the Company's "Procedures for the Preparation of Financial Statements". 3. Approved the amendment of certain provisions of the "Procedures for Election of Directors" of the Company. 4. Approved the appropriation of net income for FY2020. 5. Approved the transfer of surplus earnings to capital increase and the issuance of new shares for FY2020. 6. Approved the distribution of directors' and employees' remuneration for FY2020. 7. Approved the cancellation of capital loan quota to investee GW Electronics Company Limited. 8. Approved the release of directors from non-compete agreements and restrictions. 	None
10th Session 10th Meeting 2020/05/11	<ol style="list-style-type: none"> 1. Approved the change of certified public accountants in accordance with the internal duty rotation adjustment of the CPA firm. 2. Approved the Company's consolidated financial statements for the first quarter of 2021. 	None
10th Session 11th Meeting 2021/07/06	<ol style="list-style-type: none"> 1. Approved to reschedule the date and place of the 2021 Annual General Meeting of Shareholders of the Company. 	None
10th Session 12th Meeting 2021/08/10	<ol style="list-style-type: none"> 1. Approved the ex-rights date for the issuance of new shares for capital increase from the Company's FY2021 earnings and related matters. 2. Approved the amendment of certain provisions of the Company's "Internal Control System for Payroll Cycle". 	None

	3. Approved the Company's guarantee for GMI International Trading (Shanghai) Co.,Ltd. to apply for a credit facility from Fubon Bank (China).	
10th Session 13th Meeting 2021/11/9	<ol style="list-style-type: none"> 1. Approved the relocation of the Company's Head Office. 2. Approved the purchase of new equipment. 3. Approved the amendment of certain provisions of the "Internal Control System" of the Company. 4. Approved the "Audit Plan" of the Company for FY2021. 5. Approved the Company's proposal to participate in the cash capital increase of Unitech Electronics Co.,Ltd. 	<p>Procurement of new equipment: The independent director, Ji-Jen Chen, expressed his reservations and suggested that the upgrade of data center and other equipment to the cloud could be considered.</p> <p>The Chairman said that the new equipment was procured by referring to the practices of other peer companies, and this method would be adopted first and then adjusted or upgraded in the future depending on the operating conditions.</p>

(II) Other matters resolved by the Board of Directors with the objection or reservation of the independent directors and recorded or stated in writing: None

(III) Whether the Company has established an information security risk management framework, formulated information security policies and specific management plans, and disclosed them on the Company's website or annual report: Information security risk management policy is disclosed on the Company's website and on page 83 of the Annual Report.

II. The recusal of a director from a motion with potential conflict of interest shall be described with the name of the director, the content of the motion, the reasons for the recusal, and participation in voting: None.

III. Listed companies should disclose information on the periodicity and duration, scope, manner and content of the evaluation of the self- (or peer) evaluation by the board of directors:

Nature	Cycle of evaluation	Period of evaluation	Scope of evaluation	Evaluation method	Content of evaluation
Board of Directors	Once a year	2021.01.01 - 2021.12.31	Board of Directors and individual directors	Internal self-evaluation by the board of directors and self-evaluation by board members	<p>The performance of the Company's Board of Directors is evaluated in the following five major aspects:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the Company 2. Improvement of the quality of board decisions 3. Composition and structure of the board of directors 4. Selection and continuing education of directors 5. Internal Control <p>The self-evaluation of the board members includes the following six major aspects:</p> <ol style="list-style-type: none"> 1. Mastery of the Company's objectives and tasks 2. Directors' awareness of their

					<ul style="list-style-type: none"> responsibilities 3. Participation in Company operations 4. Internal relationship management and communication 5. Professionalism and continuing education of directors 6. Internal control
Audit Committee	Once a year	2021.01.01 - 2021.12.31	Audit Committee	Audit Committee Internal self-evaluation	<p>The internal self-evaluation of the Audit Committee includes the following five major aspects:</p> <ul style="list-style-type: none"> 1. Participation in the operation of the Company 2. Awareness of the Audit Committee's responsibilities 3. Improving the quality of the Audit Committee's decision making 4. Composition and selection of audit committee members 5. Internal Control
Remuneration Committee	Once a year	2021.01.01 - 2021.12.31	Remuneration Committee	Internal self-evaluation of Remuneration Committee	<p>The internal self-evaluation of the Remuneration Committee and the performance evaluation of the members include the following five major aspects:</p> <ul style="list-style-type: none"> 1. Participation in the operation of the Company 2. Awareness of the responsibilities of the functional committee 3. Improving the quality of functional committee decisions 4. Composition and selection of functional committee members 5. Internal Control

IV. The objectives of the current year and the most recent year to enhance the functions of the Board of Directors (such as establishing an Audit Committee, enhancing information transparency, etc.) and the implementation status thereof: The Company completed the performance evaluation of the Board of Directors and functional committees (Audit Committee and Remuneration Committee) in 2021, and reported the performance evaluation results to the Audit Committee, Remuneration Committee and Board of Directors respectively, in order to implement corporate governance and strengthen the effectiveness of the Board of Directors' operations.

(II) Operations of the Audit Committee:

1. The tenth session of the Board of Directors of the Company has three independent directors. The Audit Committee is composed of all independent directors and the first Audit Committee is chaired and convened by Mr. Jan, Sen. The Audit Committee aims to further establish a good corporate governance system, improve the audit supervision function and strengthen the management function.
2. The main work of the Audit Committee for FY2021 is as follows:
 - (1) Fair presentation of the Company's financial statements.
 - (2) The selection (dismissal) and independence and performance of the certified public accountants.
 - (3) The effective implementation of the Company's internal control system.
 - (4) The Company's compliance with relevant laws and regulations.
 - (5) The control of the Company's existing or potential risks.

The Audit Committee met four times in FY2021 (A), and attendance records were as follows:

Title	Name	Actual attendance (B)	Number of Attendance by proxy	Attendance rate (%) (B/A)	Remark
Independent Director	Jan, Sen	4	0	100%	
Independent Director	Chen, Chi-Jen	4	0	100%	Resigned on 2021/11/12
Independent Director	Lin, Ming-Chieh	4	0	100%	

Other matters to be recorded:

I. If any of the following have occurred during the performance of duties of the Audit Committee is one of the following, the date and period of the Board of Directors' meeting, the content of the motion, the result of the Audit Committee's resolution and the Company's handling of the Audit Committee's opinion should be described.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act.

Date of the Audit Committee	Contents of the Motion and Corresponding Resolution
1st Session 9th Meeting 2021/3/25	<p>Motion: ◎ Distribution of surplus earnings for FY2020.</p> <ul style="list-style-type: none"> ◎ Transfer of surplus earnings to capital increase and the issuance of new shares for FY2020. ◎ The "Internal Control System Effectiveness Assessment" and the "Statement of Internal Control System" for FY2020 were approved. ◎ The Company's "Financial Statement Preparation Process Management Procedures" were revised. ◎ Amendments to certain provisions of the Company's "Procedures for Election of Directors". ◎ To approve the cancellation of capital loan quota to the Company's investee GW Electronics Company Limited <p>Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.</p>
1st Session 10th Meeting 2021/5/11	<p>Motion: ◎ To approve the change of certified public accountants in accordance with the internal duty rotation adjustment of the CPA firm.</p> <ul style="list-style-type: none"> ◎ To approve the Company's consolidated financial statements for the first quarter of 2021. <p>Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.</p>
1st Session 11th Meeting 2021/08/10	<p>Motion: ◎ To approve the Company's consolidated financial statements for the second quarter of 2021.</p> <ul style="list-style-type: none"> ◎ Approved the ex-rights date for the issuance of new shares for capital increase from the Company's FY2021 earnings and related matters. ◎ Approval for the amendment of certain provisions of the Company's "Internal Control System for Payroll Cycle". ◎ Approval of the Company's guarantee for GMI International Trading (Shanghai) Co.,Ltd. to apply for credit facilities from Fubon Hua Yi Bank.

	<p>Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.</p>
<p>1st Session 12th Meeting 2021/11/9</p>	<p>Motion: ◎ To approve the Company's consolidated financial statements for the third quarter of 2021.</p> <ul style="list-style-type: none"> ◎ To approve the relocation of the Company's Head Office. ◎ To approve the procurement of new equipment. ◎ To approve the amendment of certain provisions of the Company's "Internal Control System". ◎ To approve the "Audit Plan" for FY2021. ◎ To approve the Company's proposal to participate in the cash capital increase of Unitech Electronics Co.,Ltd. <p>Audit Committee Member's Opinion: The independent director, Ji-Jen Chen, expressed reservations about the procurement of new equipment and suggested that the Company may consider upgrading the data center and other equipment to the cloud, such as replacing the procurement of new equipment with AWS solutions.</p> <p>The Company's handling of the Audit Committee's opinion: the new equipment is procured by reference to the practices of other companies, and this method shall be adopted first. The Company shall then adjust or upgrade in the future depending on the operating conditions.</p> <p>Resolution: Except for the independent director, Ji-Jen Chen, who expressed reservations about the procurement of new equipment, all other Audit Committee members present agreed to approve the procurement of new equipment.</p>

(II) Except for the preceding items, other items not approved by the Audit Committee and approved by two-thirds or more of all directors: None.

II. The recusal of a director from a motion with potential conflict of interest shall be described with the name of the director, the content of the motion, the reasons for the recusal, and participation in voting: None.

III. Communication between the independent directors and the internal auditors and the attesting CPAs (including the material issues, methods and results of communication regarding the Company's financial and business conditions):

(1) Communication with internal auditors:

Date	Communication items	Communication results
2021.03.25 Audit Committee	Approved the "Assessment of the Effectiveness of Internal Control System" and "Statement of Internal Control System" for FY2020	1. Agreed to engage in the matter 2. Approved and submitted to the Board of Directors for resolution
2021.11.09 Audit Committee	1. Approved the amendment of certain provisions of the "Internal Control System" of the Company 2. Approved the "Audit Plan" of the Company for FY2021	1. Agreed to engage in the matter 2. To approve and submit to the Board of Directors for resolution

(2) Communication with the CPA:

Date	Communication items	Communication results
2021.03.25 Audit Committee	To explain the findings and results of the audit of the consolidated and individual financial statements for FY2020 and to communicate the key audit issues.	1. Agreed to engage in the matter 2. Approved and submitted to the Board of Directors for resolution

2021.05.11 Audit Committee	To present the findings and results of the review of the consolidated financial statements for the first quarter of 2021.	<ol style="list-style-type: none"> 1. Agreed to engage in the matter 2. Approved and submitted to the Board of Directors for resolution
2021.08.10 Audit Committee	To present the findings and results of the review of the consolidated financial statements for the second quarter of 2021.	<ol style="list-style-type: none"> 1. Agreed to engage in the matter 2. To approve and submit to the Board of Directors
2021.11.09 Audit Committee	To present the findings and results of the review of the consolidated financial statements for the third quarter of 2021.	<ol style="list-style-type: none"> 1. Agreed to engage in the matter 2. To approve and submit to the Board of Directors

(3) The state of the Company's implementation of corporate governance, any variance from the *Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies*, and the reason for any such variance.

Evaluation Items	Operation		Differences from the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i> , and the reasons thereof
	Yes	No	
1. Has the Company formulated and disclosed the Code of Corporate Governance Practices in accordance with the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i> ?	V		The Code of Corporate Governance Practices was approved by the Board of Directors on March 26, 2020, and is available on the Market Observation Post System and the Company's website (www.gmitec.com) for download. The Company operates in accordance with the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i> , and there are no discrepancies.

Evaluation Items	Operation		Summary Description	Differences from the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i> , and the reasons thereof
	Yes	No		
2. Shareholding structure and shareholders' rights	V		The Company has set up a spokesperson, a deputy spokesperson and a stock office to handle shareholder proposals and stock-related matters, in addition to the commissioned stock agency.	The Company operates in accordance with the in accordance with the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i> , and there are no discrepancies.
(1) Has the Company established internal procedures to handle shareholders' proposals, questions, disputes and litigation matters, and implemented them in accordance with the procedures?	V		The Company has a professional stock agent and has dedicated staff to keep track of the list of shareholders, major shareholders and changes in their shareholdings.	
(2) Does the Company have a list of the major shareholders who effectively control the Company and the ultimate controllers of the major shareholders?	V		The Company has established relevant systems in its internal control system in accordance with relevant laws and regulations, and the authority and responsibility of each company's personnel and property management are clearly delineated, and there are no Non-arm's Length Transactions.	
(3) Has the Company established and implemented a risk control and firewall mechanism with its affiliates?	V		The Company has established "Management Practices to Prevent Insider Trading" to prohibit insiders from trading marketable securities using undisclosed information in the market.	
(4) Has the Company established internal regulations to prohibit insiders from trading marketable securities using undisclosed information in the market?				

Evaluation Items	Operation		Summary Description	Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons thereof																														
	Yes	No																																
3. Composition and Responsibilities of the Board of Directors (1) Has the Board of Directors formulated diversity policies, specific management objectives and implemented them?	V		<p>The diversity policy and implementation of the Board of Directors are as follows:</p> <ol style="list-style-type: none"> The Company has formulated a diversity policy for the board of directors' structure in the "Code of Corporate Governance Practices". The Company has formulated a diversity policy for the board structure in the "Code of Corporate Governance Practices", including the following two major criteria: <ol style="list-style-type: none"> Basic criteria and values: gender, age, nationality and culture, etc. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc. The Board of Directors as a whole should possess the following competencies: <ol style="list-style-type: none"> Business judgment. Accounting and financial analysis skills. Business management skills. Crisis management ability. Industry knowledge. International market perspective. Leadership skills. Decision-making ability. The Company focuses on the composition of the Board of Directors, with a target of 3 independent directors (43%) and 1 female director. The status of achievement is described in points 4 and 5 below. There is one female director (14%) and two independent directors (29%) in the Board of Directors of the Company. The seniority of service of independent directors is 11 years and 5 years, respectively. There are 3 directors (43%) who are employees, and the age distribution of directors is as follows: <ol style="list-style-type: none"> Under 40 years old: 1. Aged 51 - 60: 2. Aged 61- 70: 2. Aged 70 or older: 1. The professional background of each director and supervisor of the Company are listed as follows: <table border="1" data-bbox="741 1161 1827 1476"> <thead> <tr> <th></th> <th>Title</th> <th>Name</th> <th>Gender</th> <th>Business management</th> <th>Leadership and decision making</th> <th>Knowledge of Industry</th> <th>Finance and accounting</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Corporate shareholder representative</td> <td>Chairman of the Board</td> <td>Yeh, Chia-Wen</td> <td>Male</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td>Director</td> <td>Ivan Liu</td> <td>Male</td> <td>V</td> <td>V</td> <td>V</td> <td></td> </tr> <tr> <td>Director</td> <td>Yeh, Po-</td> <td>Female</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> </tr> </tbody> </table> 		Title	Name	Gender	Business management	Leadership and decision making	Knowledge of Industry	Finance and accounting	Corporate shareholder representative	Chairman of the Board	Yeh, Chia-Wen	Male	V	V	V	V	Director	Ivan Liu	Male	V	V	V		Director	Yeh, Po-	Female	V	V	V	V	<p>The Company operates in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and there are no discrepancies.</p>
	Title	Name	Gender	Business management	Leadership and decision making	Knowledge of Industry	Finance and accounting																											
Corporate shareholder representative	Chairman of the Board	Yeh, Chia-Wen	Male	V	V	V	V																											
	Director	Ivan Liu	Male	V	V	V																												
	Director	Yeh, Po-	Female	V	V	V	V																											

Evaluation Items	Operation							Differences from the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i> , and the reasons thereof
	Yes	No	Summary Description					
			Chun Bai, Chieh-Liang	Male	V	V	V	
			Independent Director	Jan, Sen	Male	V	V	V
			Independent Director	Lin, Ming-Chieh	Male	V	V	V

Evaluation Items	Operation		Summary Description	Differences from the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i> , and the reasons thereof
	Yes	No		
(2) Has the Company voluntarily established various functional committees other than the Compensation and Audit Committee in accordance with the law?	V		The Company has established a Remuneration Committee and an Audit Committee after the general election at the Annual General Meeting of Shareholders in 2019, and will establish other functional committees in the future depending on its business needs.	The Company will establish other functional committees depending on the operating conditions and business needs.
(3) Has the Company established a method for evaluating the performance of the Board of Directors and the method of evaluation, and conducts annual and regular performance evaluations, and reports the results of the performance evaluations to the Board of Directors and uses them as reference for individual directors' salary and remuneration and nomination for reappointment?	V		On March 26, 2020, the Board of Directors resolved to establish the "Performance Evaluation Method for the Board of Directors and Functional Committees", which includes the evaluation of the performance of the entire Board of Directors, individual board members and functional committees. The Company has completed the evaluation of the performance of the Board of Directors, the Audit Committee and the Remuneration Committee for the period from January 1, 2021 to December 31, 2021, and the results will be used as one of the references for the selection or nomination of directors and the compensation of individual directors in the future. The results of the evaluation were reported to the Board of Directors and functional committees on March 24, 2022, after the statistical scoring of each procedure.	The Company operates in accordance with the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i> , and there are no discrepancies.
(4) Does the Company regularly evaluate the independence of the attesting CPAs?		V	The Company does not regularly conduct independence evaluations of attesting CPAs.	Evaluation is still pending.

<p>4. Does the Company have a suitable and appropriate number of qualified corporate governance personnel and designate a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board meetings and shareholders' meetings in accordance with the law, and preparing minutes of board meetings and shareholders' meetings, etc.)?</p>	<p>V</p>	<p>The Company's operations are jointly undertaken by the Finance Department, the Audit Office and the Operations Management Department, but the Head of Corporate Governance has not yet been designated.</p>	<p>The Company will allocate an appropriate corporate governance officer depending on the actual operational needs.</p>
<p>5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and set up a stakeholder area on the Company's website, and appropriately respond to important CSR issues of concern to stakeholders?</p>	<p>V</p>	<p>The Company has set up a stakeholder area on its website and provided contact information to respond appropriately to the issues of concern to stakeholders, and the communication channel is smooth.</p> <p>In 2021, the communication with stakeholders is as follows:</p> <ol style="list-style-type: none"> 1. The "News Center" provides monthly information on state of operations, earnings calls, financial reports, important resolutions of the board of directors and shareholders' meetings, and other online featured news, totaling 20 posts. 2. The "Market Observation Post System" announces dividend payments, information on legal meetings, financial reports, and important resolutions of the board of directors' and shareholders' meetings, totaling 20 posts. 	<p>The Company operates in accordance with the in accordance with the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i>, and there are no discrepancies.</p>
<p>6. Has the Company appointed a professional stock transfer agent to handle shareholders' meetings?</p>	<p>V</p>	<p>The Company has appointed the Registrar Agency Department of Capital Securities Corporation to handle stock affairs of shareholders.</p>	<p>The Company operates in accordance with the in accordance with the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i>, and there are no discrepancies.</p>

<p>7. Information Disclosure</p> <p>(1) Has the Company set up a website to disclose financial operations and corporate governance information?</p> <p>(2) Has the Company adopted other means of information disclosure (e.g., setting up an English website, designating a person responsible for the collection and disclosure of corporate information, implementing a spokesperson system, and placing the proceedings of corporate meetings on the Company's website)?</p> <p>(3) Does the company publish and report its annual financial statements within two months after the end of the fiscal year? Does the Company announce and report its annual financial report within two months after the end of the fiscal year, and announce and report its first, second, and third quarterly financial reports and monthly operating conditions well in advance of the prescribed deadline?</p>	<p>V</p> <p>V</p> <p>V</p>	<p>The Company has set up a website (www.gmitec.com) to disclose financial and corporate governance information and update it from time to time for investors' reference.</p> <p>The Company has set up a trilingual website in traditional Chinese, simplified Chinese and English, and provides a dedicated email address for related businesses. The Company has also established a "Procedures for Handling Material Internal Information" and has established a good mechanism for handling and disclosing material internal information, and has implemented a spokesperson system. In addition to announcing monthly consolidated revenue, the Company holds regular corporate meetings and discloses them on the Company's website to enhance the transparency of the Company's information.</p> <p>The Company announces and reports its annual financial report, first, second and third quarter financial reports, and monthly operations by the prescribed deadline.</p>	<p>The Company operates in accordance with the in accordance with the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i>, and there are no discrepancies.</p> <p>The Company operates in accordance with the in accordance with the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i>, and there are no discrepancies.</p> <p>The implementation will depend on the actual operation of the Company.</p>
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<p>8. Is there any other important information that can help to understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the company's purchase of liability insurance for directors and supervisors)?</p>	<p>V</p>	<p>Employee rights and benefits: The Company safeguards the legal rights and benefits of employees in accordance with the Labor Standards Law.</p> <ol style="list-style-type: none"> 1. Employee care: In addition to the regulations of the law, the Company has established good welfare measures, employee education and training, and a retirement system to establish a good relationship of mutual trust and dependence with employees. 2. Investor relations: The Company regularly announces financial information. 3. Supplier relations: The Company maintains good supply and demand relationships with its suppliers. 4. Stakeholders' rights: Stakeholders are allowed to provide opinions and communicate with the Company as required by law, and to make reference to the appropriate items in the future development of the Company's work. 5. Directors and Supervisors Training: The Company's directors and supervisors are required by law to continue their education and report their education on the Market Observation Post System. 6. Implementation of risk management policies and risk measurement standards: The Company has established an internal control system in accordance with the <i>Regulations Governing Establishment of Internal Control Systems by Public Companies</i>, and has effectively implemented and regularly revised the system to reduce the risks of the Company's operations. 7. Implementation of customer policies: The Company has established customer credit limit control rules and maintains good relationships with customers to generate company profits and control risks. 8. Company purchase of liability insurance for directors and supervisors: The Company has purchased liability insurance for its directors and reported the insurance coverage on the Market Observation Post System. 	<p>The Company operates in accordance with the in accordance with the <i>Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</i>, and there are no discrepancies.</p>
<p>9. Please provide information on the results of the corporate governance assessment released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the latest fiscal year, and propose priority areas for improvement.</p> <p>Improvements made:</p> <ol style="list-style-type: none"> 1. The Company has disclosed the policy on diversity of board members, specific management objectives and implementation of the diversity policy on the Company's website and annual report. <p>Priorities for enhancement:</p> <ol style="list-style-type: none"> 1. Establish functional committees other than statutory requirements. 2. The independence of the certified public accountants is regularly evaluated and the evaluation procedures are disclosed in the annual report. 3. Upload the English version of the meeting notice, meeting manual and supplementary information, and annual report. <p>The Company has room for improvement in corporate governance, and will continue to promote corporate governance in the future by focusing on the improvement of the unscored indicators.</p>			

(4) If the Company has a remuneration committee or nomination committee in place, the composition and operation of such committee shall be disclosed.

1. Composition of the Remuneration Committee:

On December 7, 2011, the Board of Directors approved the establishment of the Remuneration Committee. On June 17, 2019, the Company re-elected and appointed Independent Director Lin, Ming-Chieh, Independent Director Jan, Sen, and Independent Director Chen, Chi-Jen as the fourth session members of the Remuneration Committee, and elected Lin, Ming-Chieh as the convenor.

Information on the members of the Remuneration Committee

Capacity	Conditions Name	Professional Qualifications and Experience	Independence	Concurrently a member of Remuneration Committee of other listed companies, and the number of companies served
Independent Director	Jan, Sen	Jan graduated from National Chengchi University with a Master's degree in Business Administration, and is the convenor of the Audit Committee and a member of the Remuneration Committee of the Company. Jan is Chairman of Ikano International Co.,Ltd. and has more than five years of experience in finance and related work experience required by the Company, with the ability to perform in business management, decision-making and market strategies. None of the circumstances as described in Article 30 of the Company Act has occurred.	<ul style="list-style-type: none"> (1) Not an employee of the Company or its affiliated companies. (2) Not a director or supervisor of the Company or its affiliates. (3) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (4) Not a manager listed in (1) or a spouse, a relative within the second degree of consanguinity or a relative within the third degree of consanguinity of a person listed in (2) or (3). (5) A director, supervisor or employee of a corporate shareholder who does not directly hold more than 5% of the total 	0

Independent Director	Chen, Chi-Jen (Note 1)	Chen Graduated from Stern School of Business with a Master's degree in Business Administration, is currently the Chairman of Youholder Co.,Ltd. and an independent director of Unitech Electronics Co.,Ltd. Chen has more than five years of working experience in business, finance and corporate business, and possesses expertise in business management, leadership and industry knowledge. None of the circumstances as described in Article 30 of the Company Act has occurred.	<p>number of the Company's outstanding shares, or who is among the top five holders of shares, or who has designated a representative as a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or 2 of the Company Act.</p> <p>(6) Whereby a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company.</p> <p>(7) Whereby the chairperson, president, or person holding an equivalent position of</p>	1.
Independent Director	Lin, Ming-Chieh	Lin graduated from the MBA Program of National Chengchi University. He is the convener of the Remuneration Committee and a member of the Audit Committee of the Company, an independent director and a member of the Remuneration Committee of C Sun Industrial Co.,Ltd., an independent director and a member of the Remuneration Committee of Chicony Electronics Co., Ltd. Lin has more than five years of professional qualifications as a professor at public and private colleges and universities specializing in business, finance and related disciplines necessary for the Company's business, and at least five years of experience in business, finance and corporate operations, with professional competence in business management, financial planning and accounting. None of the circumstances as described in Article 30 of the Company Act has occurred.	<p>the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution.</p> <p>(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</p> <p>(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.</p> <p>(10) No spouse or relative within two degrees of kinship with other directors.</p> <p>(11) Not elected by or on behalf of the government or a corporate entity as provided in Article 27 of the Company Act.</p>	2

Note 1: Resigned on 2021/11/12

2. Duties of the Remuneration Committee:

The Committee shall faithfully perform the following duties and responsibilities with good stewardship, and submit its recommendations to the Board of Directors for deliberation:

- (1) To establish and regularly review the policies, systems, standards and structures for performance evaluation and compensation of directors and managers.
- (2) To regularly evaluate and set the remuneration of directors and managers.

The Committee shall perform the foregoing duties and responsibilities in accordance with the following principles:

- (1) The performance evaluation and salary compensation of directors and managers shall be based on the usual industry standard and shall take into consideration the relationship with personal performance, the Company's operating performance and the remuneration of directors and managers.
- (2) Directors and managers shall not be induced to engage in conduct that exceeds the Company's risk tolerance in pursuit of financial compensation.
- (3) The percentage of bonuses paid to directors and senior managers for short-term performance and the timing of payment of some variable compensation should be determined by taking into account the characteristics of the industry and the nature of the Company's business.

The remuneration referred to in the preceding two items includes cash compensation, stock options, stock dividends, retirement benefits or severance pay, allowances and other substantial incentives.

3. Information on the operation of the Remuneration Committee:

As of April 30, 2022, the Company's fourth session Remuneration Committee had held seven committee meetings.

- (1) The Remuneration Committee of the Company consists of 3 members.
- (2) The term of office of the current members: June 17, 2019 to June 16, 2022. As of the most recent year (FY2021), the Remuneration Committee met twice (A), and the qualifications and attendance of the members are as follows:

Title	Name	Actual attendance (B)	Number of Attendance by proxy	Attendance rate (%) (B/A)	Remark
Convenor	Lin, Ming-Chieh	2	0	100%	
Committee Member	Jan, Sen	2	0	100%	
Committee Member	Chen, Chi-Jen	2	0	100%	

Other matters to be recorded:

- I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it shall state the date and period of the Board of Directors' meeting, the content of the resolution, the result of the Board of Directors' resolution and the Company's handling of the recommendations of the Remuneration Committee (if the compensation approved by the Board of Directors is superior to the recommendations of the Remuneration Committee, it shall state the difference and the reasons for the difference): None.
- II. If the members of the Remuneration Committee have dissenting opinions or reservations, and if there are records or written statements, the date and period of the Remuneration Committee, the content of the resolution, the opinions of all members, and the treatment of the opinions of the members should be stated: None.

Remuneration Committee Date	Contents of the Motion and Corresponding Resolution
4th Session 4th Meeting 2021/1/12	Motion: ◎ Annual salary adjustment for managers in FY2021. ◎ Report on the results of the self-evaluation questionnaire for the Remuneration Committee in FY2020.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.
	Motion: ◎ Year-end bonus for managers in FY2020.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the opinions of the Remuneration Committee: The bonus payment method will be discussed at the next Remuneration Committee meeting. Resolution: All members present agreed to pass the resolution as written.
4th Session 5th Meeting 2021/3/16	Motion: ◎ The distribution of directors' and supervisors' remuneration and managers' remuneration in FY2020. ◎ The principle of the remuneration allocation for managers in FY2020.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.
4th Session 6th Meeting 2022/1/11	Motion: ◎ Year-end bonus for managers in FY2021. ◎ The manager's annual salary adjustment for FY2022.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.
	Motion: ◎ Report on the results of the self-evaluation questionnaire for the Remuneration Committee in FY2021.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Result: The average score of the Company's overall Remuneration Committee

	<p>performance self-evaluation is 98% (full score 100%). The positive evaluation result demonstrated that the Company has strengthened the effectiveness of the Remuneration Committee.</p> <p>All members present agreed to approve the resolution as presented.</p>
<p>4th Session 7th Meeting 2022/3/15</p>	<p>Motion: © The distribution of directors' and supervisors' remuneration and managers' remuneration in FY2021.</p> <p>Remuneration Committee's opinion: No objection or reservation.</p> <p>The Company's handling of the Remuneration Committee's opinion: Not applicable.</p> <p>Resolution: All members present agreed to approve the resolution as proposed.</p>

(5) Implementation of the promotion of sustainable development and differences with the *Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies*

Promotion Items	Status of Implementation			Differences with the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</i> and the reasons for such variances.
	Yes	No	Summary Description	
1. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the board of directors to be handled by senior management, and is supervised by the board of directors?		V	The Company has not yet established a governance structure to promote sustainable development, set up a special (part-time) unit to promote sustainable development, and the Board of Directors has authorized senior management to handle and supervise the matter.	This will be determined depending on the company's operating conditions and scale.
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to its operations in accordance with the principle of materiality, and has it formulated relevant risk management policies or strategies?		V	The Company has not yet established risk management policies or strategies related to environmental, social and corporate governance issues related to the Company's operations.	This will be determined depending on the company's operating conditions and scale.
3. Environmental issues (1) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	V		Our office lighting are completely replaced with LED energy-saving lamps in order to contribute to environmental protection.	There is no significant difference with the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</i> .
(2) Is the company committed to improving energy	V		The Company is committed to promoting the	There is no significant

use efficiency and using recycled materials with low environmental impact?			effective use of resources and implementing measures for waste separation, recycling and reduction to realize the environmental awareness of a green earth.	difference with the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</i>
(3) Does the Company assess the potential risks and opportunities of climate change on the enterprise now and in the future, and take relevant measures in response?	V		The Company continues to promote energy saving and carbon reduction and greenhouse gas reduction measures, and encourages its employees to practice energy saving and carbon reduction.	There is no significant difference with the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</i>
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies on greenhouse gas reduction, water consumption reduction or other waste management?		V	The Company has not yet formulated relevant management policies, but the Company is committed to promoting energy conservation, carbon reduction and electricity saving programs, with electricity consumption of 194,880 kWh in FY2020 and 145,267 kWh in FY2021, a reduction of 49,613 kWh or approximately 25.46%.	This will be determined depending on the company's operating conditions and scale.
4. Social Issues (1) Has the Company established relevant management policies and procedures in accordance with relevant laws and regulations and international human rights treaties?	V		The Company's employment policies are in accordance with relevant labor laws and regulations to protect the legal rights of each employee. In order to effectively implement the employment policy and comply with labor laws and regulations, we have established employee work rules and other related management practices to ensure that the work rights of each employee are	There is no significant difference with the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</i>

			protected.	
(2) Has the Company established and implemented reasonable employee welfare measures (including salary, leave and other benefits) and appropriately reflected operational performance or results in employee compensation?	V		The Company follows the Labor Standards Act and relevant laws and regulations to set up various salary and benefit measures for its employees, and provides market competitive benefits to motivate employees.	There is no significant difference with the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</i>
(3) Does the Company provide a safe and healthy working environment for employees and implement safety and health education for employees on a regular basis?	V		To enhance the safe and healthy working environment for employees, the following methods are adopted: 1. Conducting regular employee health checks. 2. Implementing a smoke-free work environment so that employees can work in a comfortable and healthy environment. 3. Provide employees with clean, safe and secure drinking water, and regularly commission an EPA-approved organization to test the water quality of drinking water for total bacterial colony count and E. coli count in the quantities required by law, and regularly maintain and disinfect the water supply equipment. 4. In case of emergencies caused by natural disasters or human negligence, fire and earthquake drills are held from time to time to enable employees to follow emergency	There is no significant difference with the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</i>

			<p>response plans and minimize the impact on employees.</p> <p>5. Employee outdoor activities are held from time to time, and the budget of the Welfare Committee is prepared to organize employee trips, so that employees can take proper care of their health and develop healthy exercise habits in their free time.</p> <p>6. In FY2021, no cases of occupational accidents had occurred.</p>	
(4) Has the Company established an effective career development training program for employees?	V		<p>In order to enhance the technical and managerial skills required for employees to perform various duties, and to stimulate their potential, the Company closely coordinates corporate growth and employee talent development programs to improve work efficiency, and the supervisors of each unit arrange training programs related to the duties of their employees.</p>	<p>There is no significant difference with the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</i>.</p>
(5) Does the Company follow relevant laws and regulations and international standards, and establish policies and complaint procedures to protect the rights of consumers or customers with regard to issues such as customer health and safety, customer privacy, marketing and labeling of products and services?	V		<p>The Company values the opinions of our customers. In addition to individual visits, the Company also provides a product contact window and email address on the Company's website, as well as a stakeholder area to provide a channel for customer inquiries, complaints and suggestions.</p>	<p>There is no significant difference with the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</i>.</p>
(6) Does the Company have a supplier management policy that requires suppliers to comply with		V	<p>The Company has not established relevant policies and regulations.</p>	<p>There is no significant difference with the</p>

<p>relevant regulations on environmental protection, occupational safety and health or labor human rights, and how is it implemented?</p>				<p><i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</i></p>
<p>5. Has the Company made reference to international standards or guidelines for the preparation of sustainability reports, such as ESG reports, to disclose non-financial information about the Company? Has the Company obtained any assurance or guarantee from a third-party verifier for the aforementioned reports?</p>		<p>V</p>	<p>The Company has not yet prepared an ESG Report.</p>	<p>The preparation of such reports will depend on the Company's operation and scale.</p>
<p>6. If the Company has its own "Code of Practice for Sustainable Development" in accordance with the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</i>, please describe the differences between actual operation and the <i>Principles</i>: The Company has not yet established a "Code of Practice for Sustainable Development".</p>				
<p>7. Other important information to help understand the implementation of sustainable development:</p> <ol style="list-style-type: none"> 1. On March 30, 2022, the Company obtained the ISO9001 international quality management system certification. 2. Social welfare: In order to give back to the society and to encourage and thank the front-line epidemic prevention hospitals and healthcare workers, we provided a batch of protective clothing and masks to the Yangming Branch of Taipei City Hospital and Wanfang Branch of Taipei City Hospital for the donation of epidemic prevention emergency materials to enhance the epidemic prevention capacity of the hospitals. 				

- (6) The state of the Company's performance in the area of ethical corporate management, any variance from the *Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies*, and the reason for any such variance:

Evaluation Items	Operation			Variances from the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and the reasons thereof.
	Yes	No	Summary Description	
1. Establishment of policies and programs for ethical management	V		The Company has established the "Code of Conduct for Ethical Management", which was approved by the Board of Directors and reported in the shareholders' meeting. The Code is also posted on the Company's internal/external website and the Market Observation Post System for members of the Board of Directors and the management to implement and supervise the implementation of the Code based on the concept of integrity in order to create a sustainable business environment.	Implemented in accordance with the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and there are no significant discrepancies.
(1) Has the Company established an ethical management policy approved by the Board of Directors, and has the policy and practices of honest management been clearly stated in the Articles of Incorporation and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the ethical management policy?	V			
(2) Has the company established a mechanism for assessing the risk of unethical conduct, regularly analyzed and evaluated the business activities within the scope of business that have a higher risk of unethical conduct, and formulated a plan to prevent unethical conduct based on such a plan, which at least covers the preventive measures for the conducts mentioned in paragraph 2 of Article 7 of the " <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> "?	V		The Company has established a "Code of Ethics for Employees", which prohibits unethical conduct such as bribery, accepting bribes, offering or accepting improper benefits, engaging in unfair competition, leaking trade secrets, and harming the rights of stakeholders, etc. Preventive measures and education have been taken to implement the principle of ethical management.	Implemented in accordance with the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and there are no significant discrepancies.
(3) Does the Company specify the operating procedures, conduct guidelines, disciplinary and grievance systems for non-compliance in its unethical conduct prevention program, and implement them, and regularly review and revise the previously disclosed program accordingly?			The Company has established the "Code of Conduct for Employees", which specifies the penalties for non-compliance, and has reinforced the guidance for new employees and implemented them in its operations.	Implemented in accordance with the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and there are no significant discrepancies.

Evaluation Items	Operation			Variances from the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and the reasons thereof.
	Yes	No	Summary Description	
2. Implementation of Ethical Management				
(1) Does the company evaluate the integrity records of its counterparties and specify the integrity terms in the contracts it signs with them?	V		The Company evaluates the integrity records of its business partners before conducting business transactions with them. Business activities are conducted in accordance with the terms of the contract with the counterparty, and the terms of the business contract specify the ethical conduct of the business.	Implemented in accordance with the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and there are no significant discrepancies.
(2) Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policies and plans to prevent unethical conduct and monitor their implementation?		V	The Company does not have a dedicated unit to promote the ethical corporate management, but each unit is responsible for its own implementation, and the Audit Office, which is directly under the Board of Directors, is responsible for supervising and auditing whether there is any violation of ethical management within the Company.	It will be set up according to the Company's operating condition and size.
(3) Does the Company have a conflict of interest prevention policy, provide appropriate representations, and implement them accordingly?	V		The Company has established the "Code of Conduct for Ethical Management", which provides policies to prevent conflict of interest and requires each unit to implement them.	Implemented in accordance with the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and there are no significant discrepancies.
(4) Has the company established an effective accounting system and internal control system for the implementation of ethical management, and has the internal audit unit prepared an audit plan based on the assessment results of the risk of unethical conduct and checked the compliance of the unethical conduct prevention plan, or has the Company appointed a CPA to perform the audit?		V	The Company has established an accounting system and internal control system in accordance with relevant laws and regulations. The internal audit unit performs all audits in accordance with the audit plan, and will arrange for additional audits when special circumstances arise.	Implemented in accordance with the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and there are no significant discrepancies.
(5) Does the Company regularly conduct internal and external education and training on ethical management?			The Company has established a "Code of Conduct for Ethical Management" which is disclosed on the Company's internal/external website and the Market Observation Post System (MOPS), but no regular education and training has been conducted.	The preparation of such reports will depend on the Company's operation and scale.

Evaluation Items	Operation			Variances from the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and the reasons thereof.
	Yes	No	Summary Description	
3. Operation of the Company's whistleblower system				
(1) Has the Company established a specific whistleblowing and reward system, established a convenient whistleblowing channel, and assigned appropriate personnel to receive whistleblowing reports?	V	V	The Company has established the "Rules for Internal and External Reporting of Illegal and Unethical Conduct of the Company", which defines the reporting process and reporting channels, but has not yet established the related reward system.	The procedures will be determined according to the company's operating conditions and size.
(2) Has the Company established standard operating procedures for the investigation of reported matters, follow-up measures to be taken after the completion of the investigation, and related confidentiality mechanisms?	V	V	The Company maintains the confidentiality of all complaints, and the procedures and mechanisms for reporting illegal, unethical and unethical conduct by internal and external personnel are specified in the "Rules for Internal and External Reporting of Illegal and Unethical Conduct of the Company".	Implemented in accordance with the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and there are no significant discrepancies.
(3) Does the Company take measures to protect the whistleblower from improper reprisals as a result of the whistleblowing?			The Company will maintain confidentiality and will not subject the whistleblower to improper or unfair treatment as a result of reporting unethical conduct.	Implemented in accordance with the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and there are no significant discrepancies.

Evaluation Items	Operation			Variances from the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and the reasons thereof.
	Yes	No	Summary Description	
4. Enhancement of information disclosure Does the Company disclose the contents and effectiveness of its Code of Conduct on Ethical Management on its website and MOPS?	V		The Company has disclosed the Code of Conduct for Ethical Management on the Company's official website and the MOPS.	Implemented in accordance with the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> and there are no significant discrepancies.
5. If the Company has its own code of ethical management in accordance with the " <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> ", please describe the differences between its operation and the <i>Principles</i> . The Company has established the "Code of Conduct for Ethical Management" to establish and develop a corporate culture of integrity management, and there is no difference between the actual operation and the <i>Principles</i> .				
6. Other important information for understanding the Company's ethical management operations: (e.g., the Company reviews and amends its Code of Conduct for Ethical Management) The Company will keep an eye on the development of domestic and international regulations related to honest management and encourage directors, managers and employees to make suggestions for improvement. The Company's "Code of Conduct for Ethical Management" has been revised in the 2019 Annual General Meeting of Shareholders in response to the amendment of the law to enhance the effectiveness of the Company's ethical management.				

- (7) If the Company has established a code of corporate governance and related regulations, it should disclose its method of inquiry. The Company has established the "Articles of Incorporation," "Rules of Procedure of the Shareholders' Meeting," "Regulations for Board of Directors' Meetings," "Procedures for Election of Directors," "Regulations for Performance Evaluation of the Board of Directors and Functional Committees," "Organizational Rules of the Audit Committee," "Organizational Rules of the Remuneration Committee," "Rules for Internal and External Reporting of Illegal and Unethical Conduct of the Company," "Procedures for Handling the Acquisition or Disposal of Assets," "Procedures for Lending Funds to Others", "Procedures for Endorsement and Guarantees", "Procedures for Prevention of Insider Trading", "Procedures for Handling Material Internal Information", "Code of Corporate Governance Practices", "Code of Ethical Management", and "Code of Ethics for Employees", which can be found on the Company's website (URL: <http://www.gmitec.com>) or the Market Observation Post System.
- (8) Other important information that may be disclosed to enhance understanding of corporate governance operations: Market Observation Post System <http://mops.twse.com.tw>.

Continuing education for the Company's directors and supervisors in FY2021:

Title	Name	Date of study		Organizer	Course Name	Study hours	Total hours of study for the year
		Start	End				
Corporate Representative Director	Yeh, Chia-Wen	110/09/23	110/09/23	Securities and Futures Institute	Board of Directors' Functions from the Perspective of Corporate Fraud Prevention	3	39
		110/09/24	110/09/24	Securities and Futures Institute	Analysis and Case Studies on Non-Arms Length Transactions of Directors and Supervisors	3	
Corporate Representative Director	Yeh, Po-Chun	110/03/17	110/03/17	Securities and Futures Institute	Employee and Director Remuneration Issues - From the Amendment of Article 14 of the Securities and Exchange Act	3	
		110/09/08	110/09/08	Securities and Futures Institute	Wafer Foundry and Advanced Packaging Technologies and Supply Chain Opportunities	3	
Corporate Representative Director	Ivan Liu	110/08/24	110/08/24	Taiwan Corporate Governance Association	Corporate Governance from KY Case As An Example	3	
		110/09/01	110/09/01	Taiwan Corporate Governance Association	Key Technologies and Market Applications of 5G and IoT	3	
Corporate Representative Director	Bai, Chieh-Liang	110/11/16	110/11/16	Securities and Futures Institute	Blockchain Technology Development and Business Model	3	
		110/12/10	110/12/10	Securities and Futures Institute	Global Risk Awareness - Opportunities and Challenges in the Next Decade	3	
Independent Director	Jan, Sen	110/12/10	110/12/10	Securities and Futures Institute	Global Risk Awareness - Opportunities and Challenges in the Next Decade	3	
		110/12/15	110/12/15	Securities and Futures Institute	Human Resources and M&A Integration Issues in Corporate Mergers and Acquisitions	3	
Independent Director	Chen, Chi-Jen	110/10/19	110/10/19	Taiwan Corporate Governance Association	Ten Essential Lessons in Corporate Governance	3	
Independent Director	Lin, Ming-Chieh	110/11/05	110/11/05	Taiwan Corporate Governance Association	Corporate Management and Crisis Management (Part 1)	3	
		110/11/05	110/11/05	Taiwan Corporate Governance Association	Corporate Management and Crisis Management (Part 2)	3	

(9) Implementation status of internal control system

1. Statement of Internal Control System

GMI Technology Inc.
Statement of Internal Control System

Date: March 24, 2022

Based on the results of our self-evaluation, the Company hereby declares that its internal control system for 2021 is as follows:

1. The Company recognizes that the establishment, implementation and maintenance of the internal control system is the responsibility of the Company's Board of Directors and management, and hereby declares that the Company has established such a system. The purpose of the system is to provide reasonable assurance of the effectiveness and efficiency of operations (including profitability, performance and safety of assets), reliability of reporting, timeliness, transparency and compliance with relevant regulations and compliance with relevant laws and regulations.
2. No matter how well designed, an effective internal control system can only provide reasonable assurance of the achievement of the above three objectives; moreover, the effectiveness of the internal control system may change due to changes in circumstances and conditions. However, the Company's internal control system has a self-monitoring mechanism, and once deficiencies are identified, the Company will take corrective action.
3. The Company determines the effectiveness of the design and implementation of the internal control system in accordance with the criteria for determining the effectiveness of the internal control system set forth in the "*Regulations Governing Establishment of Internal Control Systems by Public Companies*" (the "*Guidelines*"). The judgment items of the internal control system adopted in the *Guidelines* are divided into five components based on the management control process: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. supervision. Each component includes a number of items. Please refer to the "*Guidelines*" for the aforementioned items.
4. The Company has adopted the above internal control system judgment items to examine the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the aforementioned evaluation, the Company believes that the design and implementation of the Company's internal control system (including supervision and management of subsidiaries) as of December 31, 2021, including the understanding of the extent to which operational effectiveness and efficiency objectives have been achieved, and the reporting of such internal control system is reliable, timely, transparent and in compliance with relevant regulations and relevant laws and regulations, is effective and can reasonably ensure The design and implementation of the internal control system in compliance with the relevant regulations and relevant laws and regulations are effective and can reasonably ensure the achievement of the above objectives.

6. This statement will be the main content of the Company's annual report and public statement, and shall be made public. If any of the aforementioned contents are disclosed in a false or concealed manner, the Company will be subject to legal liability under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
7. This Statement was approved by the Board of Directors at its meeting held on March 24, 2022, and of the six directors present, none held an dissenting opinion, with all directors agreeing to the contents of this statement.

GMI Technology Inc.

Chairman: Yeh, Chia-Wen (Signature)

Director: Ivan Liu (Signature)

2. If a CPA is engaged to review internal control, the accountant's review report should be disclosed: Not applicable.
- (10) For the most recent fiscal year and as of the date of printing of the annual report, whether the Company and its internal officers have been subject to penalties in accordance with the law, or the Company has imposed penalties on its internal officers for violating the provisions of the internal control system, and the results of such penalties may have a material effect on shareholders' equity or the price of securities, the contents of the penalties, major deficiencies and improvements should be stated: None.
- (11) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Shareholders' Meeting	Date	Material resolutions and status of implementation										
Shareholders' Meeting	July 22, 2021	<p>1. Recognition of the 2020 financial statements. Implementation: The motion was approved by vote. The results of the voting were as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number of voting rights present</th> <th style="text-align: center;">For</th> <th style="text-align: center;">Against</th> <th style="text-align: center;">Invalid</th> <th style="text-align: center;">Abstention/ No vote</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">72,298,682</td> <td style="text-align: center;">67,849,403</td> <td style="text-align: center;">1,968,015</td> <td style="text-align: center;">0</td> <td style="text-align: center;">2,481,264</td> </tr> </tbody> </table> <p>2. To recognize the appropriation of earnings for FY2020 Implementation status:</p> <p>(1) The Company's net income of NT\$197,574,408 FY2020 was distributed in accordance with the Company's Articles of Incorporation. After legal reserve, plus remeasurement of defined benefit plans and special reserve, the amount of NT\$9,889,672 is proposed to be retained, with the remaining amount distributed. The motion was approved by vote. The results of the voting were as follows:</p>	Number of voting rights present	For	Against	Invalid	Abstention/ No vote	72,298,682	67,849,403	1,968,015	0	2,481,264
Number of voting rights present	For	Against	Invalid	Abstention/ No vote								
72,298,682	67,849,403	1,968,015	0	2,481,264								

Number of voting rights present	For	Against	Invalid	Abstention/No vote
72,298,682	67,849,402	1,968,014	0	2,481,266

(2) All of the earnings distribution for FY2019 has been distributed. September 2, 2020 was the ex-dividend date, and September 30, 2020 was the stock dividend payment date and the cash dividend payment date.

3. Motion to discuss the issuance of new shares for capital increase from surplus earnings for FY2020.

Implementation status:

(1) In order to meet operational needs and improve financial structure, the Company intends to distribute the FY2020 earnings to shareholders as a bonus. In order to meet the operational needs and improve the financial structure, the Company intends to allocate NT\$125,114,050 as dividends to shareholders and increase the capital to issue new shares amounting to 12,511,405 shares with a par value of NT\$10 per share. Based on the shareholding ratio of the shareholders as recorded in the register of shareholders on the basis of the ex-rights allotment. The Company will allot 100 shares for every 1,000 shares without compensation. If the allotment of fractional shares is less than one share, the original shareholder shall, within five days from the ex-allotment date, apply to the Company's stock transfer agent to consolidate the fractional shares and if the allotment is still less than one share, the fractional shares should be paid in cash at the face value of the shares.

The results of the voting were as follows:

Number of voting rights present	For	Against	Invalid	Abstention/No vote
72,298,682	69,810,312	36,286	0	2,452,084

(2) This case was approved by the FSC on August 3, 2021. On September 2, 2021, the Ministry of Economic Affairs approved the change of registration.

4. To discuss the amendment of certain provisions of the "Procedures for Election of Directors" of the Company.

Implementation: The motion was approved by vote.

The results of the voting were as follows:

Number of voting rights present	For	Against	Invalid	Abstention/No vote
.				

		72,298,682	69,811,383	5,284	0	2,482,015
		<p>5. Motion to release directors from non-compete agreements and restrictions.</p> <p>Implementation: The motion was approved by vote.</p> <p>The results of the voting were as follows:</p>				
		Number of voting rights present	For	Against	Invalid	Abstention/ No vote
		72,298,682	67,844,460	2,001,318	0	2,452,904

Board of Directors	Date	Important Resolutions
Board of Directors	10th Session 9th Meeting March 25, 2021	<ol style="list-style-type: none"> 1. Approved the Company's 2021 Business Plan 2. Approved the Company's financial statements for FY2020. 3. Approved the appropriation of the Company's FY109 surplus earnings. 4. Approved the transfer of surplus earnings to capital increase and the issuance of new shares for FY2020. 5. Approved the distribution of remuneration to directors, supervisors and employees for FY2020. 6. Approved the distribution of year-end bonus to managers in FY2020. 7. Approved the principle of remuneration distribution for managers in FY2020. 8. Approved the annual salary adjustment of the Company's managers in FY2021. 9. Approved the amendment of certain provisions of the Company's "Procedures for the Preparation of Financial Statements". 10. Approved the amendment of certain provisions of the Company's "Procedures for Election of Directors". 11. Approved the cancellation of capital loan quota to the Company's investee. 12. Approved the release of directors. 13. Approved the "Evaluation of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for FY2020. 14. Approved the date, place, and agenda of the 2021 Annual General Meeting of Shareholders and related matters.
Board of Directors	10th Session 10th Meeting May 11, 2021	<ol style="list-style-type: none"> 1. Approved the rotating change of duties of attesting CPAs on the request of the commissioned accounting firm. 2. Approved the Company's consolidated financial statements for the first quarter of 2021. 3. Approved the Company's accounts receivable that have been outstanding for three months after the normal credit period and are significant in amount are not considered as

		a loan of funds.
Board of Directors	10th Session 11th Meeting July 6, 2021	1. The Board of Directors approved the proposal to reschedule the date and place of the 2021 Annual General Meeting of Shareholders.
Board of Directors	10th Session 12th Meeting August 10, 2021	<ol style="list-style-type: none"> 1. Approved the ex-rights date for the issuance of new shares for capital increase from the Company's FY2020 earnings and related matters. 2. Approved the amendment of certain provisions of the Company's "Internal Control System for Payroll Cycle". 3. Approved the Company's guarantee for GMI International Trading (Shanghai) Co.,Ltd. to apply for credit facilities from Fubon Hua Yi Bank.
Board of Directors	10th Session 13th Meeting November 9, 2021	<ol style="list-style-type: none"> 1. Approved the relocation of the Company's Head Office. 2. Approved the proposal to procure new equipment. 3. Approved the amendment of certain provisions of the "Internal Control System" of the Company. 4. Approved the "Audit Plan" for FY2022. 5. Approved the Company's proposal to participate in the cash capital increase of Unitech Electronics Co.,Ltd.
Board of Directors	10th Session 14th Meeting January 11, 2022	<ol style="list-style-type: none"> 1. Approved the appointment of members of the Company's Remuneration Committee. 2. Approved the indirect investment in Dexuan Investment Co., Ltd. through an overseas subsidiary, GMI Technology (BVI) Co., Ltd. 3. Approved the proposed investment in Shandong Wanshunhe Energy Co.,Ltd. 4. Approved the payment of year-end bonus to the Company's managers for FY2021. 5. Approved the annual salary adjustment of the Company's managers in FY2022.
Board of Directors	10th Session 15th Meeting March 24, 2022	<ol style="list-style-type: none"> 1. Approved the Company's 2022 Business Plan 2. Approved the Company's financial statements for FY2021. 3. Approved the distribution of remuneration to directors, supervisors and employees for FY2021. 4. Approved the amendment of certain provisions of the Company's "Articles of Incorporation". 5. Approved the amendment of certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings". 6. Approved the creation of the position of Chief of Staff of the Company. 7. Approved the Company's issuance of new shares for

		<p>capital increase in cash.</p> <p>8. Approved the amendment of certain provisions of the "Procedures for the Acquisition or Disposal of Assets" of the Company.</p> <p>9. Approved the re-election of the Company's directors.</p> <p>10. Approved the acceptance of proposals from more than one percent of the shareholders.</p> <p>11. Approved the acceptance of nominations for Board directors by more than 1% of the shareholders.</p> <p>12. Approved the release of directors from non-compete agreements and restrictions.</p> <p>13. Approved the "Assessment of the Effectiveness of Internal Control System" and "Statement of Internal Control System" for FY2021</p> <p>14. Approved the date, place, and agenda of the 2022 Annual General Meeting of Shareholders and related matters.</p>
Board of Directors	10th Session 16th Meeting May 10, 2022	<p>1. Reported the consolidated financial statements for the first quarter of 2022.</p> <p>2. Approved the appropriation of the Company's FY2021 earnings.</p> <p>3. Approved the re-election of directors of the Company.</p>

(12) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(13) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, president, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer: None.

IV. Information on the professional fees of the attesting CPAs:

(I) CPA fees information

Unit: NT\$ '000

Name of the accounting firm	Name of attesting CPA	Period of audit	Audit fees	Non-audit fees	Total	Notes
KPMG Taiwan	Jason Lin	110/01/01- 110/12/31	2,530	230	2,760	Non-audit service items:
	Winston Yu					1. Transfer pricing report 150
						2. Review of stock grants 50
						4. Payroll checklist 30
						Total 230

(II) If the audit fee paid in the year of change of accounting firm is less than the audit fee in the year before the change, the amount of the audit fee before and after the change and the reasons for the change should be disclosed: None.

(III) If the audit fee is reduced by 10% or more from the previous year, the amount, percentage and reasons for the reduction shall be disclosed: None.

V. Information on the change of CPAs:

(I) About the former attesting CPA

Date of Replacement	Approved by the Board of Directors on May 11, 2021		
Reasons and explanations for the replacement	The former attesting CPAs of the Company were May Yang and Winston Yu of KPMG Taiwan. In line with the internal job rotations of KPMG Taiwan, the attesting CPAs of the Company were changed to Jason Lin and Winston Yu with effect from the first quarter of 2021.		
Indicate whether the appointment is terminated or not accepted by the appointed CPA.	Party	CPA	Appointer
	Situation		
	Voluntary termination of appointment	Not applicable	Not applicable
	No longer accept (renew) the appointment	Not applicable	Not applicable
Opinions on audit reports issued within the last two years other than unqualified opinions and reasons thereof.	None		
Any disagreement with the Company	Yes		Accounting Principles and Practices
			Disclosure of Financial Reports
			Scope of Audit or Procedures
			Other
	None		
	Description		
Other disclosures (Items 1(d) to 1(g) of Article 10(6) of this Standard should be disclosed)	Not applicable		

(II) Successor CPA

Name of the Firm	KPMG Taiwan
Name of CPA	Jason Lin and Winston Yu, Certified Public Accountants
Date of Appointment	May 11, 2021
Consultation on the accounting treatment or accounting principles for certain transactions and possible issuance of financial statements prior to the appointment and the results of such consultation	Not applicable
Written opinion of the successor accountants on matters on which the predecessor accountants disagreed	Not applicable

(III) A letter of reply from the predecessor accountant on the matters set forth in paragraphs 6(1) and 2(3) of Article 10 of this Standard.

VI. Where the Company's chairman, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(I) Changes in shareholdings of directors, managers and major shareholders:

Unit: Shares

Title	Name	FY2021		As of April 25, 2022	
		Shares held Increase (decrease) ratio	Number of pledged shares Increase (decrease) ratio	Shares held Increase (decrease) ratio	Number of pledged shares Increase (decrease) ratio
Corporate Representative Director	Yeh, Chia-Wen (Dejie Investment Co., Ltd.)	-	-	-	-
Corporate Representative Director (President)	Ivan Liu (Dejie Investment Co., Ltd.)	5,279	-	-	-

Title	Name	FY2021		As of	
		Shares held Increase (decrease) ratio	Number of pledged shares Increase (decrease) ratio	April 25, 2022	
				Shares held Increase (decrease) ratio	Number of pledged shares Increase (decrease) ratio
Corporate Representative Director	Yeh, Po-Chun (Dejie Investment Co., Ltd.)	7,016	-	-	-
Corporate Representative Director	Wang, Kuo-Chang (Dejie Investment Co., Ltd.) (Note 1)	-	-	-	-
Corporate Representative Director	Bai, Chieh-Liang (Dejie Investment Co., Ltd.) (Note 2)	-	-	-	-
Independent Director	Jan, Sen	-	-	-	-
Independent Director	Chen, Chi-Jen (Note 3)	-	-	-	-
Independent Director	Lin, Ming-Chieh	10,671	-	-	-
Vice President	Bai, Chieh-Liang (Note 2)	-	-	-	-
Finance, Vice President	Jason Lin	86,052	-	-	-
Vice President	Chiang, Hung-Hsiang (Note 4)	2	-	-	-
Senior Assistant Vice President	Li, Yun-Hsiang	25,893	-	-	-
Senior Assistant Vice President	Lin, Mei-Hui	(9,964)	-	-	-
Senior Assistant Vice President	Chen, Ching-Hsien	1.	-	-	-
Senior Assistant Vice President	Ko, Deng-Chia	-	-	-	-
Assistant Vice President	Lin, Yi-Ping (Note 5)	-	-	-	-
Assistant Vice President	Cho, Wan-Yu	-	-	-	-
Assistant Vice President	Liu, Po-Heng	-	-	-	-
Assistant Vice President	Li, Hai-Ding (Note 6)	-	-	-	-
Assistant Vice President	Lai, Chih-Hsuan (Note 7)	-	-	-	-
Assistant Vice President	Yu, Ming-Che (Note 7)	-	-	-	-
Assistant Vice President	Lin, Hui-Chong (Note 8)	-	-	-	-
Major Shareholder	Dejie Investment Co., Ltd.	3,419,972	-	-	6,255,000

Note 1: Dismissed on 2021/10/28.

Note 2: On October 28, 2021, Bai, Chieh-Liang replaced Wang, Kuo-Chang as corporate director.

Note 3: Resigned as an independent director of the Company on November 12, 2021.

Note 4: Newly appointed in February 2021, promoted to Vice President in June 2021.

Note 5: Resigned on April 15, 2021 .

Note 6: Resigned on May 7, 2021

Note 7: Newly appointed on February 2021

Note 8: Newly appointed in March 2021

(II) Information on related parties for the transfer of shares or pledge of shares: None.

VIII. Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another:

Information on the relationship between the ten largest shareholders of the Company

Date: As of April 25, 2022

Name (Note 1)	Shares held		Shares held by spouse and minor children		Shares held in the name of others		The names and relationships of the ten largest shareholders who are related to each other under SFAS No. 6 (Related Party Disclosures) or who are related to each other as spouses or second degree relatives. (Note 3)		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or Name)	Relationship	
Dejie Investment Co., Ltd.	37,619,698	27.34%	0	0%	0	0%	Yeh, Chia-Wen	The Chairman of the company is also the Chairman of GMI Technology Inc.	
Dejie Investment Co., Ltd.	11,650,420	8.47%	0	0%	0	0%	Yeh, Ming-Han	The Chairman of the company is the son of the Chairman of GMI Technology Inc.	
Dejie Investment Co., Ltd.	8,014,263	5.82%	0	0%	0	0%	None	None	
Lin, He-Yue	2,979,500	2.17%	0	0%	0	0%	None	None	
Getz Healthcare (BVI) Co.,Ltd.	1,370,156	1.00%	0	0%	0	0%	None	None	
Wu, Wen-Shan	1,070,000	0.78%	0	0%	0	0%	None	None	
Li, Lu-Min	800,595	0.58%	0	0%	0	0%	None	None	
Standard Chartered custodian Credit Suisse International investment account	715,199	0.52%	0	0%	0	0%	None	None	
Wu, Yuan-Chih	704,000	0.51%	0	0%	0	0%	None	None	
Chase Bank Custodian JP Morgan Securities Limited Investment Account	674,910	0.49%	0	0%	0	0%	None	None	

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company, and the consolidated shareholding ratio:

Dec 31, 2021
Unit: '000 Shares

Reinvested Business Entities	The Company		Investment by directors, managers who directly or indirectly control the business		Consolidated Investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
GMI Technology (BVI) Co., Ltd	18,277	100.00%	-	-	18,277	100.00%
Global Mobile Internet Co.,Ltd.	1,548	34.21%	-	-	1,548	34.21%
HARKEN INVESTMENTS LIMITED	13,169	100.00%	-	-	13,169	100.00%
Vector Electronic Company Limited	34,149	100.00%	-	-	34,149	100.00%
GMI International Trading (Shanghai) Co.,Ltd.	Note 1	100.00%	-	-	註 1	100.00%
GMI Yongda Electronics (Shenzhen) Co.,Ltd.	Note 1	100.00%	-	-	註 1	100.00%
Shenzhen Hongda Futong Electronics Co.,Ltd.	Note 1	100.00%	-	-	註 1	100.00%
GW Electronics Company Limited	102,000	51.00%	-	-	102,000	51.00%
Unitech Electronics Co.,Ltd.	9,559	12.73%	-	-	9,559	12.73%

Note 1: Not applicable, non joint stock company, and no shares issued.

IV. Raising of Funds

I. Capital and share capital of the Company

(I) Source of share capital

April 25, 2022
Unit: Shares, NT\$

Year and Month	Issue Price	Authorized share capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Use of property other than cash to offset stock acquisition payments	Others
1995 Oct.	10	2,500,000	25,000,000	1,000,000	10,000,000	Establishment of share capital Capital increase in cash 10,000,000	None	Note 1
1996 Nov.	10	2,500,000	25,000,000	2,000,000	20,000,000	Capital increase in cash 10,000,000	None	Note 2
1997 Sep.	10	3,000,000	30,000,000	3,000,000	30,000,000	Capital increase in cash 10,000,000	None	Note 3
1998 Jun.	10	7,000,000	70,000,000	5,000,000	50,000,000	Capital increase in cash NT\$ 20,000,000	None	Note 4
1998 Dec.	10	1,500,000	15,000,000	1,500,000	15,000,000	Capital reduction NT\$ 35,000,000	None	Note 5
1999 Aug.	10	3,000,000	30,000,000	3,000,000	30,000,000	Capital increase in cash NT\$ 15,000,000	None	Note 6
2000 Jul.	10	10,000,000	100,000,000	5,000,000	50,000,000	Capital increase in cash NT\$ 20,000,000	None	Note 7
2002 Apr.	10	21,000,000	210,000,000	21,000,000	210,000,000	capital increase in cash amounting to NT\$ 160,000,000	None	Note 8
2003 Jun.	12	60,000,000	600,000,000	34,065,000	340,650,000	capital increase in cash amounting to NT\$ 100,000,000 capital increase transferred from surplus earnings amounting to NT\$ 29,400,000 Employee bonus transferred to capital increase amounting to NT\$1,250,000	None	Note 9
2003 Nov.	10	60,000,000	600,000,000	34,098,250	340,982,500	Employee Stock Options NT\$ 332,500	None	Note 10
2004 Apr.	10	60,000,000	600,000,000	34,250,750	342,507,500	Employee Stock Options NT\$1,525,000	None	Note 11
2004 Sep.	10	60,000,000	600,000,000	38,620,750	386,207,500	Capital increase transferred from surplus earnings amounting to NT\$41,100,000 Employee bonus transferred to capital increase amounting to NT\$2,600,000	None	Note 12
2004 Oct.	10	60,000,000	600,000,000	38,646,340	386,463,400	Employee Stock Options NT\$ 255,900	None	Note 13
2005 Apr.	10	60,000,000	600,000,000	38,921,590	389,215,900	Employee Stock Options NT\$ 2,752,500	None	Note 14

2005 Aug.	10	60,000,000	600,000,000	43,524,533	435,245,330	Capital increase transferred from surplus earnings amounting to NT\$35,029,430 Employee bonus transferred to capital increase amounting to NT\$11,000,000	None	Note 15
2005 Oct.	10	60,000,000	600,000,000	43,696,533	436,965,330	Employee Stock Options NT\$1,720,000	None	Note 16
2005 Nov.	16	60,000,000	600,000,000	48,779,533	487,795,330	Capital increase in cash amounting to NT\$ 50,830,000	None	Note 17
2006 Apr.	10	60,000,000	600,000,000	48,884,783	488,847,830	Employee Stock Options NT\$1,052,500	None	Note 18
2006 Aug.	10	150,000,000	1,500,000,000	53,806,718	538,067,180	Capital increase transferred from surplus earnings amounting to NT\$34,219,350 Employee bonus transferred to capital increase amounting to NT\$15,000,000	None	Note 19
2006 Oct.	10	150,000,000	1,500,000,000	53,863,218	538,632,180	Employee Stock Options NT\$565,000	None	Note 20
2007 Apr.	10	150,000,000	1,500,000,000	53,959,968	539,599,680	Employee Stock Options NT\$967,500	None	Note 21
Year and Month	Issue Price	Authorized share capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Use of property other than cash to offset stock acquisition payments	Others
2007 Aug.	10	150,000,000	1,500,000,000	57,007,967	570,079,670	Capital increase transferred from surplus earnings amounting to NT\$26,979,990 Employee bonus transferred to capital increase amounting to NT\$3,500,000	None	Note 22
2007 Oct.	10	150,000,000	1,500,000,000	57,082,717	570,827,170	Employee Stock Options NT\$747,500	None	Note 23
2008 Apr.	10	150,000,000	1,500,000,000	57,155,217	571,552,170	Employee Stock Options NT\$725,000	None	Note 24
2008 Sep.	10	150,000,000	1,500,000,000	62,157,635	621,576,350	Capital increase transferred from surplus earnings amounting to NT\$45,724,180 Employee bonus transferred to capital increase amounting to NT\$4,300,000	None	Note 25
2008 Nov.	5.36	150,000,000	1,500,000,000	72,157,635	721,576,350	Private Placement 100,000,000	None	Note 26
2010 Sep.	22	150,000,000	1,500,000,000	87,157,635	871,576,350	Capital increase in cash amounting to NT\$150,000,000	None	Note 27
2013 Sep.	10	150,000,000	1,500,000,000	90,643,941	906,439,410	Capital increase transferred from surplus earnings amounting to NT\$34,863,060	None	Note 28
2014 Oct.	10	150,000,000	1,500,000,000	95,176,139	951,761,390	Capital increase transferred from	None	Note 29

						surplus earnings amounting to NT\$45,321,980		
2015 Sep.	10	150,000,000	1,500,000,000	108,500,799	1,085,007,990	Capital increase transferred from surplus earnings amounting to NT\$133,246,600	None	Note 30
2016 May	6	150,000,000	1,500,000,000	128,500,799	1,285,007,990	Capital increase in cash amounting to NT\$200,000,000	None	Note 31
2018 Mar.	7	150,000,000	1,500,000,000	109,002,365	1,090,023,650	Capital reduction to cover losses NT\$294,984,340 Capital increase in cash 100,000,000	None	Note 32
2018 Nov.	10	150,000,000	1,500,000,000	110,310,394	1,103,103,940	Capital increase transferred from surplus earnings amounting to NT\$13,080,290	None	Note 33
2019 Sep.	10	200,000,000	2,000,000,000	118,032,122	1,180,321,220	Capital increase transferred from surplus earnings amounting to NT\$77,217,280	None	Note 34
2020 Sep.	10	200,000,000	2,000,000,000	125,114,050	1,251,140,500	Capital increase transferred from surplus earnings amounting to NT\$70,819,280	None	Note 35
2021 Sep.	10	200,000,000	2,000,000,000	137,625,455	1,376,254,550	Capital increase transferred from surplus earnings amounting to NT\$125,114,050	None	Note 36

Note 1: October 6, 1995 Jian-Yi-Zi No. 01020108.
Note 2: November 20, 1996 Jian-Yi-Zi No. 85360314.
Note 3: September 13, 1997 Jian-Yi-Zi No. 86331123.
Note 4: June 10, 1998 Jian-Yi-Zi No. 87296832
Note 5: December 17, 1998, Jian-Yi-Zi No. 87357242.
Note 6: August 23, 1999, Jian 88 Zhong-Zi No. 668450.
Note 7: July 7, 2000, Jian 89 Zhong-Zi No. 89456457.
Note 8: April 29, 2002, Jing-Shou-Shang-Zi No. 09101142830.
Note 9: July 22, 2003, Fu-Jian-Shang-Zi No. 09212843110.
Note 10: Nov. 24, 2003 Fu-Jian-Shang-Zi No. 09222872710.
Note 11: April 14, 2004, Fu-Jian-Shang-Zi No. 09308425600.
Note 12: September 15, 2004 Fu-Jian-Shang-Zi No. 09319633220.
Note 13: October 21, 2004, Fu-Jian-Shang-Zi No. 09321168010.
Note 14: April 22, 2005, Fu-Jian-Shang-Zi No. 09408044800.
Note 15: August 31, 2005, Fu-Jian-Shang-Zi No. 09417385410.
Note 16: October 20, 2005, Fu-Jian-Shang-Zi No. 09423433400.
Note 17: November 23, 2005, Fu-Jian-Shang-Zi No. 09424714900.
Note 18: April 20, 2006, Fu-Jian-Shang-Zi No. 09575614010.
Note 19: August 28, 2006, Jing-Shou-Shang-Zi 09501191550.
Note 20: October 18, 2006, Jing-Shou-Shang-Zi No. 09501234010.
Note 21: April 14, 2005 Jing-Shou-Shang-Zi No. 09601077170.
Note 22: August 30, 2007 Jing-Shou-Shang-Zi No.09601212940.
Note 23: October 18, 2007 Jing-Shou-Shang-Zi No.09601250240.
Note 24: April 17, 2008 Jing-Shou-Shang-Zi No.09701091940.
Note 25: September 8, 2008 Jing-Shou-Shang-Zi No.09701230320.
Note 26: November 12, 2008 Jing-Shou-Shang-Zi No.09701290140.
Note 27: September 13, 2010 Jing-Shou-Shang-Zi No.09901206530.
Note 28: September 23, 2013 Jing-Shou-Shang-Zi No.10201192590.
Note 29: October 30, 2014 Jing-Shou-Shang-Zi No.1031218920.
Note 30: September 17, 2015 Jing-Shou-Shang-Zi No.10401195590.
Note 31: May 19, 2016 Jing-Shou-Shang-Zi No.10501102960.
Note 32: March 16, 2018 Jing-Shou-Shang-Zi No.10701026700.
Note 33: November 15, 2018 Jing-Shou-Shang-Zi No.10701142500.
Note 34: September 11, 2019 Jing-Shou-Shang-Zi No.10801124150.
Note 35: September 7, 2020 Jing-Shou-Shang-Zi No.10901171010.
Note 36: September 11, 2021 Jing-Shou-Shang-Zi No.11001162620.

April 25, 2022; Unit: Shares

Shares Type	Authorized Share Capital			Remark	
	Shares outstanding		Unissued shares		Total
Registered Common Stock	Listed	Unlisted	62,374,545	200,000,000	None
	137,625,455	-			

Information about the issuer's approved offering of securities under the omnibus reporting system:
Not applicable

(II) Shareholder structure:

April 25, 2022; Unit: Shares

Shareholder Structure	Government Agencies	Financial Institutions	Other Corporate Entities	Foreign institutions and foreigners	Individuals	Total
Number of persons	0	0	154	55	23,838	24,047
Shares held	0	0	57,648,860	5,118,004	74,858,591	137,625,455
Shareholdings %	0%	0%	41.89%	3.72%	54.39%	100.00%

(III) Shareholding diversification:

1. Ordinary shares: par value NT\$10

April 25, 2022; Unit: Shares

Shareholdings by class	Number of shareholders	Shares held	Shareholding ratio (%)
1-999	16,584	734,632	0.53%
1,000-5,000	5,108	10,838,493	7.88%
5,001-10,000	1,047	7,939,073	5.77%
10,001-15,000	413	5,142,468	3.74%
15,001-20,000	250	4,553,257	3.31%
20,001-30,000	229	5,695,537	4.14%
30,001-40,000	100	3,544,831	2.58%
40,001-50,000	68	3,076,427	2.24%
50,001-100,000	144	10,443,086	7.59%
100,001-200,000	55	7,410,826	5.38%
200,001-400,000	30	7,932,732	5.76%
400,001-600,000	7	3,435,352	2.49%
600,001-800,000	5	3,374,109	2.45%
800,001-1,000,000	1	800,595	0.58%
1,000,001 以上	6	62,704,037	45.56%
Total	24,047	137,625,455	100.00%

2. Preferred shares: The Company has not issued any preferred shares.

(IV) List of Major Shareholders

April 25, 2022; Unit: Shares

Name of major shareholders	Shares held	Shareholding ratio (%)
Dejie Investment Co., Ltd.	37,619,698	27.34
Dejia Investment Co., Ltd.	11,650,420	8.47
Taotech Co., Ltd.	8,014,263	5.82
Lin, He-Yue	2,979,500	2.17
Getz Healthcare (BVI) Co.,Ltd.	1,370,156	1.00
Wu, Wen-Shan	1,070,000	0.78
Li, Lu-Min	800,595	0.58
Standard Chartered custodian Credit Suisse International investment account	715,199	0.52
Wu, Yuan-Chih	704,000	0.51
Chase Bank Custodian JP Morgan Securities Limited Investment Account	674,910	0.49

(V) Stock price, net worth, earnings, dividends and related information per share for the last two fiscal years

Item		Year		2020	2021	April 30, 2022 (Note 7)
Stock Price per Share	Highest			16.60	29.05	28.60
	Lowest			9.95	14.05	22.45
	Average			14.38	21.24	24.67
NAV per share	Before Distribution			11.89	13.77	15.08
	After Distribution			10.81	(Note 1)	-
Earnings per share	Weighted average number of shares (shares)			125,114,050	137,625,455	137,625,455
	Earnings per share (Note 2)	Before retroactive adjustment		1.58	3.24	1.00
		After retroactive adjustment		1.44	(Note 1)	-
Dividend per share	Cash dividends			-	2 (Note 1)	-
	Non-remunerated allotment of shares	Earnings distribution(NT\$)		1	-	-
		Capital surplus distribution(NT\$)		-	-	-
	Accumulated unpaid dividends(Note 3)			-	-	-

Investment return analysis	PE ratio(Note 4)	9.10	6.56	24.67
	Ratio of dividend/price to dividend ratio (Note 5)	-	10.62	-
	Dividend yield rate (Note 6)	-	9.42%	-

Note 1: The dividend per share for FY2021 has not been approved by the shareholders' meeting.

Note 2: If there is a retroactive adjustment due to the gratis stock allotment, the earnings per share before and after the adjustment should be shown.

Note 3: If the conditions of issuance of equity securities stipulate that the unpaid dividends for the current year may be accumulated and paid in the year of earnings, the unpaid dividends as of the current year should be disclosed separately.

Note 4: PE ratio = average closing price per share/earnings per share for the year.

Note 5: Ratio of dividend/price to dividend ratio = average closing price per share / cash dividends per share for the year.

Note 6: Dividend yield rate = Cash dividend per share / Average closing price per share for the year.

Note 7: The net value per share and earnings per share should be presented as of the latest quarterly period audited by the CPAs as of the printing date of the annual report; the rest of the columns should be presented as of the current year as of the printing date of the annual report.

(VI) Dividend policy and implementation status:

1. Dividend policy as stated in the Company's Articles of Incorporation:

The dividend policy set forth in the Company's Articles of Incorporation is as follows (approved at the Annual General Meeting on June 21, 2016): According to the Company's Articles of Incorporation, if there is any surplus in the annual accounts, 10% shall be set aside as legal reserve after paying taxes and covering accumulated losses in accordance with the law, but the legal reserve may not be set aside if it has reached the Company's paid-in capital, and the rest shall be set aside or reversed to special reserve in accordance with the law. If there is any unappropriated earnings, the Board of Directors shall prepare a proposal for the appropriation of the earnings and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

In order to maintain a sound financial structure and to take into account the interests of investors, the Company adopts a balanced dividend policy by distributing no less than 30% of the current year's distributable earnings and paying cash dividends on at least 10% of the current year's dividends. If the dividends are not sufficient, the Company may distribute stock dividends in full.

2. Proposed Dividend Distribution for FY 2021

In FY2021, the Company recorded net profit after tax amounting to NT\$445,505,907. After taking into account the remeasurement of the defined benefit plan and the legal reserve and special reserve, the remaining amount of NT\$97,637,209 will not be distributed and will be distributed in accordance with the Articles of Incorporation. On May 10, 2022, the Board of Directors resolved to distribute cash dividends of NT\$275,250,910, or NT\$2 per share, based on 137,625,455 shares outstanding, to shareholders for approval at the 2022 Annual General Meeting of Shareholders.

FY2021 Earnings Distribution Table

	Unit: NT\$
Undistributed earnings at the beginning of the period	9,889,672
Add: Net income after tax for the period	445,505,907
Add: Defined benefit plan remeasurement	720,982
Less: Disposal of financial assets measured at fair value through other comprehensive income	(1,047,739)
Less: Provision for legal reserve	(44,517,915)
Less: Provision for special reserve	(37,662,788)
Available-for-distribution earnings	<u>372,888,119</u>
Distribution items:	
Less: Dividends - cash dividends (NT\$2)	(275,250,910)
Undistributed earnings at the end of the period	<u><u>NT\$97,637,209</u></u>

3. Significant changes in expected dividend policy: None

(VII) The effect of the proposed share placement without consideration on the operating results and earnings per share of the Company.

Unit: NT\$'000 (except Earnings Per Share, which is in NT\$)

Item	Year		FY2022 (Estimated)
	Paid-in capital at the beginning of period		
Dividend distribution for the year	Cash dividends per share		NT\$2
	Number of allotted shares per share		-
	Number of shares per share from capital reserve		-
Changes in operating results	Operating Income		Not applicable
	Increase (decrease) in operating income over the same period last year		
	Net income after tax		
	Increase (decrease) in net income after tax compared to the same period last year		
	Earnings per share		
	Increase (decrease) in earnings per share from the same period last year		
	Average return on investment (inverse of average annual cost/benefit ratio)		
Proposed mandatory earnings per share and cost/benefit ratio	If all of the capital surplus is transferred to cash dividends	Proposed earnings per share	Not applicable
		Proposed average annual rate of return on investment	
	If capital surplus is not transferred to capital	Proposed earnings per share	
		Proposed average annual rate of return on investment	
	If capital surplus is not provided and capitalization of earnings is converted to cash dividends	Proposed earnings per share	
		Proposed average annual rate of return on investment	

Note: The Company has not announced the financial forecast for FY2022, therefore, there is no need to disclose the projected information for FY2022.

(VIII) Compensation to employees and directors:

1. The percentage or scope of remuneration to employees and directors as stated in the

Company's Articles of Incorporation:

Article 21, Chapter 5 of the Company's Articles of Incorporation.

The Company shall set aside not less than 0.1% of the Company's annual profit. The Board of Directors shall resolve that the remuneration to employees shall be paid in shares or cash, and the target employees shall be those who meet certain requirements. The Company may set aside not more than 2% of the above-mentioned profits as remuneration to directors by resolution of the board of directors. The distribution of remuneration to employees and directors should be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the Company shall reserve the amount to cover losses in advance before allocating the remuneration to employees and directors in accordance with the aforementioned ratio.

2. The basis for estimating the amount of compensation to employees and directors, the basis for calculating the number of shares for employee compensation distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount:

The Company does not issue stock-based compensation to employees.

3. Information on the proposed employee bonus distribution approved by the Board of Directors: The calculation of directors' and employees' remuneration for FY2021 was based on the Company's pre-tax net income of NT\$558,223,000 (excluding directors' and employees' remuneration) multiplied by the distribution percentage stipulated in the Company's Articles of Incorporation. The distribution was approved by all directors and independent directors present as follows:

	Distribution amount (NT\$)
Cash compensation to employees	600,000
Employee stock bonus	0
The board of directors, supervisors, directors and supervisors resolved to allocate not more than 2% of the remuneration to the directors in advance.	8,000,000

4. The actual distributions (including the number of shares distributed, the amount and the price of the shares) after the compensation to employees, directors and supervisors in the previous year, and the differences between the distributions and the compensation to employees, directors and supervisors, should be described as follows:

- (1) The actual distribution of bonuses to employees and remuneration to directors and supervisors for the FY2020 is as follows:

Cash compensation to employees: NT\$260,000.

Employee stock bonus: NT\$0.

Remuneration to directors and supervisors: NT\$5,000,000.

- (2) If there is any difference between the above amount and the amount recognized as bonus to employees and remuneration to directors and supervisors, please state the amount of difference, the reason for the difference, and the circumstances under which the difference was handled: None.

(IX) Buyback of the Company's shares: None.

II. Status of the Company's Corporate Bonds: None.

III. Status of the Company's Preferred Shares: None.

IV. Status of the Company's Overseas Depositary Receipts: None.

V. Status of the Company's Employee Stock Options: None.

- (I) For all new restricted employee shares for which the vesting conditions have not yet been met for the full number of shares, the annual report shall disclose the status up to the date of publication of the annual report and the effect on shareholders' equity: None.

- (II) Names and acquisition status of managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired, cumulative to the date of publication of the annual report:

The Company has no manager who has acquired employee stock options and top ten employees who have acquired stock options.

VI. New Restricted Employee Shares: None.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Implementation of the Company's Capital Allocation Plans: None.

V. Operations Overview

I. Business Description

(I) Business Scope

1. The principal business scope the Company is engaged in:
 - A. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.
 - B. I301010 Software Design Services
 - C. CC01050 Data Storage Media Units Manufacturing
 - D. CC01060 Wired Communication Equipment and Apparatus Manufacturing
 - E. CC01070 Telecommunication Equipment and Apparatus Manufacturing
 - F. CC01080 Electronics Components Manufacturing
 - G. F118010 Wholesale of Computer Software
 - H. F119010 Wholesale of Electronic Materials
 - I. F113050 Wholesale of Computers and Clerical Machinery Equipment
 - J. F113070 Wholesale of Telecommunication Apparatus
 - K. IZ99990 Other Industrial and Commercial Services
 - L. F401010 International Trade
 - M. I501010 Product Design
 - N. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Ratio of major products to revenue (FY2021)

Unit: NTS '000

Business Scope	Net Operating Revenue	Operating weight(%)
Digital Communication Application Solutions and Components	16,314,633	86.54
Storage Application Solutions and Components	2,464,524	13.07
Analog Electronic Components	73,532	0.39
Total	18,852,689	100.00

Source: Audited financial reports for FY2021

3. Current products (services) of the Company:

(1) Digital communication application solutions and components:

Application solutions: Wireless LAN card, S-HUB, Router, ADSL broadband network, AP, WDMA, VoIP, LCD monitor, Desktop PC, Notebook, card reader, Tablet PC, Bluetooth headset, IoT transmission module, fiber optic module, etc.

Components: Wireless network IC, LAN IC, LCD driver IC, USB Disk control IC, Audio decoding IC, USB interface application IC, Card Reader control IC, ARM CPU, WiFi-PA, Bluetooth IC.

(2) Storage device application solutions and components:

Application solutions: LCD TV, Set-top Box, digital multimedia player (DMP), various memory cards (MMC, CF, SD...), solid state hard disk, etc.

Components: SRAM, SDRAM, DDR Memory, SPI Flash, SSD and various memory card control ICs.

(3) Analog electronic components:

Application: Power Adapter, ADSL broadband network, SOHO Gateway.

Components: GaN transistors, network physical layer chips, power control/protection devices.

4. New products (services) to be developed:

In addition to strengthening and developing existing products in the IT sector and developing peripheral products for wireless communication networks, the Company shall also focus on combining multimedia and consumer electronics products to capture the market driven by the global consumer demand for electronics. In order to meet the needs of users to save and share multimedia data, the design and search for higher capacity and lower power consumption storage technology will become the primary challenge. GMI's new direction of development in its self-positioning as a "solutions provider" is as follows:

(1) Computer and Peripheral (Information Technology) Application Solutions.

SOHO Gateway, Wireless LAN, LCD Monitor, Memory Card, SSD, Network Storage, Card Reader, Notebook Charger, PoE Switch, 10GPoN, etc. etc.

(2) Consumer Electronic application solutions:

LCD Monitor, DMP, Bluetooth Headset, Bluetooth Speaker, Tablet (MID), WiDi, IoT, IoI, dashcam recorder, Universal PD Transformer.

(II) Industry Overview

1. The main application areas and solutions are all competitive and profitable products. The various development trends of the Company's main application products are described as follows:

(1) TWS: True Wireless Bluetooth Headset

TWS headset mainly transmits signals through Bluetooth technology. However, due to the small size and battery capacity of TWS headphones, and the need to meet users' demands for connection stability, battery life and sound quality, Bluetooth connection technology with faster transmission speed, more stable connection capability and lower power consumption is one of the core technologies for the development of TWS headphones.

The launch of Bluetooth 5.0 meets the demand of TWS headset technology development. In June 2016, the Bluetooth 5.0 technology standard was announced. Compared with Bluetooth 4.0, Bluetooth 5.0 technology improves the transmission speed by 2 times, transmission distance by 4 times and data transmission by 8 times, while maintaining the characteristics of low power consumption and strong stability of Bluetooth transmission. Bluetooth 5.0

technology effectively improves the quality of wireless signal transmission and enables TWS headset to achieve two-sided communication function (i.e. two headphones can be used as the main speaker), thus improving the user experience and enhancing the competitiveness of the product.

With the basic solution of the pain points of TWS headset such as connection stability and delay (i.e. wireless Bluetooth transmission problem), the technical level of TWS headset will continue to improve (e.g. optimization of battery life, improvement of noise reduction effect of headset, improvement of voice recognition accuracy rate, etc.), which is beneficial to accelerate the product iteration and upgrade of TWS headset and promote the prosperous development of the industry.

(2) AC to DC build in PD function power converter

The Gallium Nitride market is expected to grow steadily due to demand in the power supply market. The market for cell phone charger components is growing exponentially in terms of volume and technological advancement. The GaN power supply market will grow at a compound annual growth rate (CAGR) of 55% from 2017 to 2023. GaN components offer better on-off and switching performance at high frequencies, high reliability, and the ability to further reduce the size of peripheral components and increase power density, which is why GaN power components are driving the trend toward higher wattage power supply systems amid the recent wave of energy savings and carbon reduction.

While the mainstream power supply market is still dominated by traditional silicon components, the power supply market continues to rapidly evolve, and specifications are getting better in terms of performance. As the process design of silicon power components has become a bottleneck, GaN, with its high-frequency operating characteristics, higher efficiency, and reduced heat generation problems, has a prime opportunity in the market. Applications where GaN technology continues to grow are expected to be low power fast charging USB PD power adapters and high power adapters for gaming laptops. This is largely due to the fact that existing controllers and drivers can support these applications that require high switching frequencies, thereby shortening the design lead time. As more drivers, controllers and module solutions become available for higher power applications such as servers, cloud and telecom, GaN is expected to be rapidly adopted as an application to support high frequency, energy efficient power designs.

(3) IoT Applications

The Internet is currently the trendiest topic in the market, and all suppliers are sprinting into this field, giving rise to rapidly increasing technological advancements and competition. The Internet market requires not

only the provision of hardware, but also the integration of software development and platform integration to meet the business opportunities brought about by the rise of IoT.

Opportunities in hardware: 1. IoT devices and related communication devices, various sensor ICs, communication ICs, micro-controllers and micro-mechanical structures. 2. System composition and installation: Most of them require system companies to propose solutions, assist in platform installation, and then provide maintenance work. 3. Software development: Each IoT device must have an application program to enable the exchange of data between devices.

IoT offers a wide range of applications, from wearable devices that are closest to people to offices, factories, transportation facilities, public facilities, and various devices in every corner of the city, from near to far, IoT will cover all kinds of activities in human society, including food, clothing, housing, transportation, and entertainment.

(4) Wireless Local Area Network (WLAN)

In WLAN, the world's mainstream technologies have integrated Wi-Fi, Bluetooth, and FM radio technologies into a single chip, and applications have moved from PC/NB to mobile phones, tablet PCs, and even cars. Taiwan has a solid foundation in WLAN technology, mainly for PC/NB applications, and WLAN products continue to see adoption in new applications. This is because through a wireless LAN, a group of wiring devices in any building connected to a wireless access point can provide network access point service to a PC equipped with a wireless LAN interface card. This maximizes the efficiency of PC resource utilization, such as laptops in this environment, which can be moved to any location for use. The original mainstream PC data transmission products have gradually evolved from access devices and wireless routers to integrated gateways, continuously enhancing the added value and gradually incorporating broadband and network security functions, and moving from retail channels to service providers and SMEs.

Wi-Fi CERTIFIED 6™ is based on the IEEE 802.11ax standard certification program and supports the capacity, efficiency, coverage and performance required by users in today's most demanding Wi-Fi environments. The Wi-Fi CERTIFIED 6 network focuses on providing high-quality connectivity in stadiums and other public venues with hundreds or thousands of interconnected devices, as well as in enterprise-class networks running time-sensitive, high-bandwidth applications, ensuring that every connected device achieves optimal performance. Consumer electronics products such as Set-Top Box, digital camera,

PVR, etc., the integration of consumer electronics applications will create potential future growth momentum for networking vendors.

(5) Automotive Ethernet

The increase in the number of electronic control units (ECU) and sensors in the vehicle to promote fundamental changes in the embedded automotive network systems. In order to support car safety and entertainment system on the bandwidth needs of cars, Ethernet networks will be able to achieve very high speed data transmission in cars. Currently, in-vehicle data networks can reach speeds of up to 10 Gbps. High bandwidth and fast signal processing are essential for autonomous driving.

As vehicles become more automated, the number of in-vehicle electronic control units continues to increase, and the rise of data-intensive applications such as Advanced Assisted Driving Systems (ADAS), high-definition cameras and LiDAR technology increases the demand for data transfer rates and overall bandwidth.

Data in the traditional network domain will be connected to the same electronic control unit based on its location in the vehicle, significantly reducing cables, further reducing weight and cost, and improving fuel efficiency. Ethernet technology will be the key to the transformation of in-vehicle networks.

In addition to supporting high-speed data transmission, Ethernet technology follows the Open Systems Interconnection (OSI) communication model. Ethernet is a stable, long-established and widely known technology that has been widely used in data communication and industrial automation. Compared to other in-vehicle network protocols, Automotive Ethernet has a well-defined development roadmap that provides additional speed levels, unlike CAN and LIN protocols that have reached a stage where applications have exceeded their capabilities and there is no clear upgrade path to resolve known issues.

It is expected that Ethernet will become the foundation for automotive data transfer in the future, providing a common protocol stack and reducing gateway requirements as well as hardware costs and associated software overhead. Its scalability will meet the need for higher speed and ultra-low latency capabilities. Each Ethernet switch in the regional architecture can transfer data from different domain activities to the local switch, and then the Ethernet backbone aggregates the data to improve the efficiency of available resources.

(6) USB Type-C

USB Type-C has gained much attention in PC and consumer electronics (PC peripherals) industry. Combining a number of important features (power supply, easy connectivity, and high transfer bandwidth) in one package to meet user needs, USB Type-C is expected to become one of the most versatile interfaces, but it can

also create many confusing transmission problems. For example: Alt Mode, Accessory Mode, Structured Vendor Defined Messaging (VDM), and Unstructured VDM, etc., users and engineers need a lot of communication to solve these problems.

2. Competitive Landscape

In terms of the main industry sectors in which the Company currently operates, Realtek, AUO and Winbond are mainly used in the information technology (IT) industry, while AUO, Realtek and Winbond are used in the consumer electronic industry and Realtek and Winbond products are mainly used in the network communication industry (telecommunication). With a sound customer structure and a complete product line, GMI has been playing the role of an application solution provider from the beginning, entering industries and applications where the market is about to take off and striving to provide more high value-added services as a total solutions provider. Therefore, despite the intensifying competition from our competitors, we are able to quickly gain the trust of our suppliers and customers and generate higher profits through our ability to integrate industry trends, market applications, product development, technical support, material supply and marketing channels. The names of the Company's major competitors, business items and major products represented are listed below.

Company Name	Business Scope	Sales ratio	Main Products	Agent Brand
GMI International	Semiconductor components distribution, sales and system development services	100%	Digital communication application solutions and components, memory components, computer peripheral application solutions and components, digital home appliance application solutions and components, storage device application solutions and components, analog electronic components, etc.	Realtek, Actions Technology, AUO, Winbond, etc.
WPG Holdings	Distributor and sales of semiconductor parts and components	100%	Application-specific Standard Parts (ASSP), CPU/MPU, Memory, Logic, Linear, Discrete, etc.	ALI, AOS, CREE, Infineon, Intel, MediaTek, Micron, MPS, Novatek, NXP, OmniVision, Realtek, OmniVision, Realtek, Samsung Electronics, Samsung SDI, SEMCO, ST Micro, SEMTECH, Spreadtrum, Toshiba, Vishay, Winbond, etc.

Company Name	Business Scope	Sales ratio	Main Products	Agent Brand
tw Microelectronics	Distributor and sales of semiconductor or parts and components	100%	LOGIC ICs, mixed-signal ICs, LINEAR ICs, application-specific ICs, DISCRETE components, storage ICs, image sensor IC sets, high-speed interface components, programmable ICs, microprocessors and memory, etc.	Ambarella, Broadcom, ESMT, EXAR, Intersil, Linear, LG, Magnachip, Marvell, Maxim, Micron, Nanya, NXP, ON, Realtek, ST Microelectronics, and IDT
Zenitron Corporation	Distributor and sales of semiconductor or parts and components	100%	Memory cards, ICs/ICs, transistors, power field effect transistors, diodes, light emitting diodes, power modules, wafers and resistors, capacitors, camera modules, microcontrollers, acceleration sensors, etc.	SANDISK, ROHM, Infineon, Vishay, Cypress, Fuji Electric, Real Thinking, Realtek, Global Mixed-Mode Technology, E-Lan, InvenSense, Parade, RFID Power, TDK, TAIYO YUDEN, Vishay, NICHICON, etc.

(III) Overview of the Company's Technologies and its Research and Development Work

1. Research and development expenses for the most recent fiscal year

Unit: NT\$ '000

Item	2021	Q1 2022
R&D Expenses	33,629	4,952

2. Successful development of technologies or products

(1) Under the active operation and planning of the "Technical Support Department", the technologies or products successfully developed in recent years are listed as follows:

Year	Supplier	Product	Application
110	Realtek	Data communication	Data switch
	Realtek	Wireless solution	PC/NB peripheral
	Realtek	Multi Media process	DMP,DHC,LCD Monitor
	Realtek	IOT solution	IOT Application
	Realtek	USB controller	PC/NB peripheral
	Realtek	Audio codec	Desktop 、 Notebook 、 Tablet 、 IPC
	Realtek	TWS	Consumer electronics
	AUO	LCD Panel	Industrial Application
	Winbond	SPI Flash	NB

Year	Supplier	Product	Application
109	Realtek	Data communication	Data switch
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	Realtek	Multi Media process	DMP,DHC,LCD Monitor
	Realtek	IOT solution	IOT Application
	Realtek	USB controller	PC/NB peripheral
	Realtek	Audio codec	Desktop 、 Notebook 、 Tablet 、 IPC
	Realtek	TWS	Consumer electronics
	Ganrich	GaN FET	AC to DC Power Adapter
	AUO	LCD Panel	Industrial Application

(2) The results of self-development or design commissioned by customers

Year	Product Name	Application
2021	Bluetooth Headset TWS + ANC Function	Consumer Electronics
	LCD monitor	Home/commercial displays
	HMI control Interface	Industrial Display Interface
	NoteBook docking station	IT
	IoT module	IoT Applications
	PD AC to DC Adapter	Consumer Electronics
	PoE Ethernet Switch	IT
	10G PON	Network Communications
2020	Bluetooth Headset TWS + ANC Function	Consumer Electronics
	LCD monitor	Home/commercial displays
	HMI control Interface	Industrial Display Interface
	NoteBook docking station	IT
	IoT module	IoT Applications
	PD AC to DC Adapter	Consumer Electronics
	PoE Ethernet Switch	IT
	10G PON	Network Communications

(4) Long-term and Short-term Business Development Plans

1.Short-term development plan

(1) Strengthen product application development capability

The electronic parts distribution industry has changed from traditional product information delivery to a total solutions provider service, and the ability to provide customers with a complete product line and correct application solutions is an indispensable requirement for the distribution industry nowadays. In view of this, we will continue to strengthen the capacity of our product

development team and train new technical support engineers for product application, and distribute them in our offices in Taiwan, Hong Kong and China to provide customers with more professional and correct product application solutions. In order to effectively provide Total Solution technical support services to our customers, we not only have our own professional team of experts, but also seek external strategic alliances to achieve the goal of assisting our customers to bring their products to market in a timely manner.

(2) Provide complete supply of master parts for application products

In today's market environment, a single product line is no longer able to provide customers with maximum procurement benefits. Therefore, we are able to provide customers with total solutions for major product lines to achieve procurement benefits and convenience in applications. For example, for portable media players (PMPs), we not only provide complete application technology, but also supply the main components of the package, such as USB interface components and SDRAM memory.

(3) Strengthen the Company's operation and operation management system

In order to meet the customer's order taking and design pattern in Taiwan and procurement and production pattern in China, the Company continues to strengthen the information management and flexible use in China, Hong Kong, and Taiwan through the investment business, and improve the logistics management to reduce the risk of inventory stagnation and increase the cost efficiency.

2. Long-term development plan

(1) Complete the marketing service network in the Asia-Pacific region

Nowadays, the Asia-Pacific region has become a global center for the development and production of information products, and international marketing is a necessary condition for the success of semiconductor channel operators. We have set up 12 service offices in Taiwan, Hong Kong and China, such as Shenzhen, Shanghai and Beijing. With years of experience in the China market, we will expand to Japan, Korea and Singapore in the future to expand our product lines and expand our customer base.

(2) Develop products with high added value and in line with market trends

Profit is the only way for a company to survive, and creating high profit and increasing added value are the guiding principles of our company's management. Therefore, we will continue to keenly leverage our insights to identify the mainstream application products of future trends, develop application solutions, and gain an advantageous position before the mainstream market is formed. For example, "digital lifestyle" is a way to gain profit and sustainable management by being aware of the inevitable trend before it is formed, so that we

can start to lay out our plans, acquire product distribution rights, strengthen development technology, and build marketing channels before the market trend. We aim to be the best provider of information technology, consumer electronics, communication products and other high-tech "product application solutions" in the Asia Pacific and Greater China regions.

(3) Staff Training and Financial Planning

The three essential elements of a channel business are manpower, products and capital. We have been planning a complete system of personnel training and organizational cooperation for a long time, and we understand the personal career planning of our employees and make the most effective arrangement to achieve the best utilization of talents, so that we can achieve a win-win situation for both the company and the employees. At the same time, we will continue to strengthen our financial operation capability to build up the company's operational quality and to grow continuously under a sound financial structure.

II. Market as Well as the Production and Marketing Situation

(1) Market Analysis

1. Sales of major products in recent years

Unit: NT\$ '000

Region	Year	FY2020		FY2021	
		Sales Volume	%	Sales Volume	%
Taiwan		555,320	4.06	828,734	4.40
Hong Kong and China		13,123,326	95.94	17,849,763	94.68
Others		-	-	174,192	0.92
Net revenue		13,678,646	100.00	18,852,689	100.00

2. Market share

The ratio of the sales of semiconductor components to the sales of electronic components in Taiwan for the last three years is as follows:

Unit: NT\$ 100m

Year \ Item	GMI Semiconductor Corp. Sales Value of Components	Electronic Components Industry Sales Value	Market Share (%)
2019	127	12,144	1.04%
2020	137	12,994	1.05%
2021	189	15,096	1.25%

Source: IEK Consulting (ITRI), Electronic Components Industry Value.

3. Future market supply and demand and growth

The Company is mainly a distributor of electronic component products produced by domestic and foreign electronic component manufacturers. The growth of the electronic components industry is directly influenced by the downstream demand for information, communication and consumer electronics products.

ITRI's "Outlook 2022 and CES Key Trends Seminar" is a seminar where ITRI's senior research team provides the latest analysis of the show and the general observation of the technology industry in 2022, including AI, digital sustainability, smart mobile and semiconductor technology development trends, hoping to provide diverse ideas to empower Taiwan's industry to gain insight into market trends.

The U.S. Consumer Electronics Show (CES) is the annual technology landmark event. In order to help the industry grasp first-hand key international trends, ITRI held the "Outlook 2022 and CES Key Trends Seminar" online on the 14th, in which the senior research team of the Industrial Economics & Knowledge Center (IEK) provided the latest analysis of the exhibition and the general observation points of the technology industry in 2022, including digital sustainability, smart mobile and semiconductor technology development. The seminar is expected to provide a variety of ideas to help Taiwan's industry gain insight into market trends.

In terms of trend analysis, ITRI's IEK research team observed that the COVID-19 pandemic has triggered a boom in the metaverse, 5G and virtual markets. Since the global outbreak of COVID-19 in 2020, consumer behavior has gradually been transformed, and the desire to live and work smarter has driven consumers to upgrade their technology usage capabilities. The rapid development of emerging technologies such as metaverse, space technology, food technology, and non-fungible tokens (NFT). Therefore, Taiwan should establish a new concept of epidemic prevention and adeptly harness innovative technologies in order to become a key partner in a globally resilient industrial ecosystem and grasp new opportunities in the technology industry chain.

CES 2022 can be summarized into five key themes, including:

1. The rise of sustainable innovation and climate-friendly technology; technology majors continue to pursue sustainable development to combat the challenges of climate change and build a sustainable journey for their products.
2. New logistics trends in the 21st century will drive the development of new transportation technologies, and are committed to the three visions of zero collision, zero emission and zero congestion.
3. Emerging display technologies continue to enter the smart home and IoT application fields, thus breaking away from traditional consumer electronics.
4. Exponential growth of connected smart edge devices and evolution of

wireless technology; simultaneous growth of 5G/mm-wave technology and wireless serial application semiconductors.

5. More in-depth and extensive computing and AI artificial intelligence innovation applications; high computing power/low power processor architecture, new machine vision, natural language processing/conversational AI artificial intelligence, machine learning content generation simulation technology and other derivative innovation applications are blooming. With the continuous advancement of innovative technologies, it is expected to break through pandemic challenges and lead the market to continue to create new momentum for growth.

According to the IEK research team of ITRI, the post-pandemic new normal will continue in 2022, with major companies continuing to build digital ecosystems and incorporating sustainable management concepts. The overall consumer demand will be driven by the data economy with more digital touch points and digital platform services, so that the next wave of technology will move toward a physical digitalization (Phygital) scenario with the integration of network and reality, and a new digital economy ecosystem where digital and physical co-sense. Emerging applications will be laid out in a Metaverse vision, including the use of web 3.0 and NFT to construct digital transactions and new ecological networks, which will lead to an open, fair, and secure “creator economy”. Facing the challenges of global climate change, major companies will continue to pursue sustainable production and consumption, such as sustainable housing, food and agriculture, energy, logistics, digital health and other products, and build digital solutions through green source design to address climate risks and create low-carbon benefits to enhance post-epidemic digital life and health.

The automotive industry continues to be one of the most anticipated highlights at CES 2022. Although some car manufacturers have temporarily switched to online participation due to the surge of the pandemic, the overall trend will not be affected. The show can be summarized into five key trends: "Electric Vehicles Overwhelmingly Win", "Development of Highly Automated Driving now has a set development timeframe", "The Future of Logistics is the management of the vehicle itself", "Software-Defined Manufacturer" and "Self-Driving/EV Trends are gaining momentum in the large vehicle equipment segment". Furthermore, regardless of the positioning of the products, almost all of them have the reduction of carbon emission as the biggest development premise. In addition, even though vehicle technology has made significant strides in recent years, from the perspective of product specification changes, including: the uncertainty caused by external environmental conditions on the sensor, the third space inside the car is much more restricted than the home and identify the public

area, the risk of unexpected conditions on the safety of the car and the traditional display mode is less able to meet the needs of future vehicles, etc., is still the direction of development efforts of manufacturers.

ITRI's IEK research team observed that the rise of post-pandemic hybrid work patterns has accelerated the development of new trends in the areas of video streaming, entertainment, gaming, telecommuting, online learning, and fitness. In terms of display technology, Samsung, LG, SONY, Hisense, and other major international companies have integrated AI artificial intelligence into immersive audio and video technology to showcase various seamlessly connected smart life solutions, including 8K, Mini/Micro LED, transparent display, e-sports products and other emerging audio-visual devices; in terms of smart mobility, the rapid development of electric vehicles has driven the demand for smart cockpit displays. In the area of smart mobility, the rapid development of electric vehicles has led to an increase in demand for displays in smart cabins, and more concept products are on display to foresee future in-car convenience; the metaverse has allowed portable wearable devices to flourish, and the immersive experience may become the ultimate form of online office.

According to the IEK research team, with the maturity of high-speed and low-latency 5G networks and the rise of connected terminal electronic devices, traditional devices are being transformed into connected devices, and the semiconductor technology base behind them will further accelerate the rise of various fields such as smart home, smart wear, smart manufacturing, smart city and self-driving cars. The exhibition can be summarized into four major trends for future development: First, the automotive electronics market is heating up, and car manufacturers and chip makers are adding cloud-based automatic update (OTA) functions to provide more convenient system corrections and updates; second, the epidemic is accelerating the formation of 5G networks and their associated infrastructure, and wireless functions are not only for communication, but also for wave charging, which is gradually becoming commercialized; third, leading manufacturers are establishing interconnected ecosystems to promote the integration of electronic products. The leading companies are establishing interconnected ecosystems to promote the integration of electronic products in order to improve user convenience and expand product market share. Wearable devices are branching out under the trend of network connectivity, from smart watches, medical masks, electronic guide undershirts, miniature smart hearing aids, etc. Various innovative devices are gradually emerging.

In addition, in the car network, VR/AR and other devices that need image transmission and low latency network to improve security and interactivity, we will gradually see the importance of 5G network in this area. It can be said that 5G

networks will link up the automation of smart cities and smart homes, accelerating the convenience of life and urban development.

In addition to showcasing the new generation of processors, chip makers will further enhance resource scheduling and power management with the help of architecture upgrades, more advanced process technologies, and AI artificial intelligence to bring stronger performance and better power consumption. For example, semiconductor makers Qualcomm, Mobileye, and NVIDIA have each announced their latest self-driving chips that will be available on the market in 2024, enabling the realization of Level 4 autonomous driving scenarios. The epidemic is accelerating the digital transformation of smart homes. For the TV entertainment experience, AI audio and video processing chips will further use deep learning to enhance image and sound quality, pushing display technology to a higher level; in addition, smart home appliances will also help people simplify the burden of household chores through AI artificial intelligence, while bringing a safer and more convenient environment to smart homes .

Source: ITRI's "Outlook 2022 and CES Key Trends Seminar" The wave of sustainability trends continues with metaverse, AI artificial intelligence, and 5G.

4. Favorable and unfavorable factors and countermeasures for competitive niche and development prospect:

(1) The Company has the following competitive niches

A. Professional and comprehensive management team

Our company was founded by industry experts in the consumer electronics industry, and the core management team has more than 15 years of experience in the industry, which gives us the advantage of familiarity with the industry and marketing planning experience, as well as a keen insights to customer needs and market trends. In particular, our management team in the China market has over 10 years of experience in the mainland market, giving us an absolute competitive advantage in the information industry where China is the main battleground in Asia today and in the future.

B. Superior technical capabilities

The Company understands that having the necessary conditions of a traditional distributor is not enough to make a name for itself in such a competitive industry, but we need to have excellent product development capabilities to help our customers launch their products correctly and quickly, and to help them solve their problems in the shortest possible time when they encounter bottlenecks in the product development process. In the process of cooperating with the original manufacturers, we keep accumulating knowledge, mastering new knowledge of products and discovering new

markets, and providing the best product combinations to our customers immediately, so that the upstream original manufacturers and downstream customers can work more closely together, and achieve a "Solutions Provider" oriented to technology marketing.

C. Complete product integration

The completeness of the supply of parts and materials is correlated to the customer's willingness to purchase orders and directly affects the customer's competitive advantage. Therefore, obtaining and maintaining a complete and diverse product portfolio is the key to obtaining orders from customers and achieving stable and growing product sales. Through the technical support of our application engineers, we provide total solutions to our customers, gaining their absolute trust and enhancing our company's competitive advantage in the industry.

D. Comprehensive marketing channels

For a professional solutions provider, keen market insights, a professional management team, superior product development capabilities, and a complete product line are indispensable, but without a diversified and comprehensive marketing channel, the above resources and capabilities cannot be maximized. In light of the key corporate mission to "provide services wherever the customer is located", the Company has deployed several service bases (e.g. Beijing, Shanghai, Shenzhen, etc.) in China, the most important location in the IT industry, with Hong Kong as the key node, to provide customers with immediate delivery services through professional logistics personnel, and professional accounting personnel to help customers do the most effective capital management and cost reduction. At the same time, the MIS system has been set up to enable all GMI staff to obtain all industry news and customer information in the shortest possible time, so as to provide customers with immediate and optimal services and to fully recognize GMI as an indispensable partner.

(2) Favorable factors:

A. Stable distribution rights and comprehensive product portfolio

Our main suppliers include Realtek, AU Optronics, and Winbond, all of which are household names in the industry with strong competitiveness in the market, and we have received excellent feedback from our suppliers for our newly acquired distribution lines. For suppliers who have been cooperating with us for many years, we have a strong agency and distributorship relationship, so overall our agency line is stable. In addition, our product portfolio is designed to meet the convenience of one-time purchase and to

reduce the cost of procurement for our customers. Therefore, our products are used in a wide range of applications, including information, communication and consumer electronics industries, to meet the diverse product choices of our customers and to establish long-term partnerships.

B. Professional design and application service capability

We have many seasoned product managers who are well aware of the market trends, and our "Technical Support Department" has professional R&D and design application engineers to provide customers with product market and trend analysis, collaborative research and development of new product design-in software and hardware integration capabilities (Total Solutions) and the most competitive component combinations, which are well recognized and appreciated by our customers.

C. Market Growth Potential

In 2022, the demand for semiconductor chips will be strong due to the digital transformation trend brought by the pandemic, which has led to a paradigm shift in human lifestyles and accelerated digital transformation trends. This is driving strong growth in semiconductor production, which is expected to reach US\$565.1 billion in 2022, an annual increase of 11%, a double-digit growth for three consecutive years, and a new record high in production value.

Under the influence of the epidemic, the development trend of the semiconductor industry in 2022: Since the end of 2019, the pandemic has not only led to a dire shortage of raw materials, but also the lockdown of cities and factory shutdowns. This has greatly impacted the global semiconductor industry with an increasingly serious imbalance between supply and demand. On one hand, global demand for semiconductor wafers continues to rise, boosting global semiconductor industry revenue in 2021 and 2022; on the other hand, wafer fabrication capacity cannot meet all demand, making semiconductor wafer shortages the new norm for the global industry. We estimate this situation to continue for at least the next 1 or 2 years. In light of geopolitical developments and general global semiconductor supply/demand imbalance, governments are actively promoting the development of regional semiconductor supply chains, and with fabs actively expanding production capacity, the Market Intelligence & Consulting Institute (MIC) of the Institute for Information Industry expects the tight supply/demand situation to ease from the second half of 2022 to 2023. In addition, emerging technologies and applications such as Artificial intelligence of things (AIoT), automotive electronics, and compound semiconductors will continue to drive demand for

more types and quantities of semiconductor components, becoming a major catalyst of semiconductor industry growth in the post-pandemic era.

Review and outlook of semiconductor industry trends in 2022: According to the MIC report, the global market size is estimated to reach US\$606.5 billion by 2022, with a growth rate of 10.1%, and the long-term demand for semiconductor components will be driven by new and emerging applications. However, with fabs and packaging plants at full capacity, it is expected that the imbalance between supply and demand in the chip market will not be alleviated until 2022, and the growth of demand in data center, edge computing and automotive applications will need to be observed.

Source:

Investor.com.tw: IC Insights Forecasts Global Semiconductor Output to Grow at a Record 11% Annually by 2022

UDN /NAIPO Newsletter - Semiconductor Industry Development Trends to 2022: Supply-Demand Imbalance Leads to Capacity Crowding, Emerging Applications Continue to Drive Demand

(3) Unfavorable factors and response measures:

A. The booming development of suppliers and channel operators has led to fierce competition in the market

The success or failure of a distributor depends on the quality of the product and the competition among the industry. In recent years, the booming development of semiconductor design companies and distributors has led to high homogeneity and substitution of different brands and multiple distributors for the same brands, resulting in price competition and compressed profit margins.

Response measures:

- a. Since its establishment, the Company has positioned itself as a professional Solution Provider, with six functions: keen industry trend analysis, decisive market application insights, strong product development capabilities, professional technical support service, complete material supply chain and flexible marketing channel development to create a high value-added market and profits different from those of traditional channel providers. Therefore, we have already differentiated our market position from the industry and avoided price competition among the industry that compresses profit margins.
- b. The product lines that we represent and distribute are prospective core technology products and wide applications in the future, and we have established a good relationship with our suppliers from the early stage of their entry into the market, so they have a leading position in their industry, with products that are highly competitive in the market.

B. Short life cycle of downstream products

The electronics industry is often characterized by the change of product generations with the introduction of new products, which also tests the ability of semiconductor component distributors to grasp product information and inventory control.

Response measures:

- a. To maintain a high degree of keen acuity to market trends and strengthen our ability to serve new technologies by actively introducing future core technology product lines and developing new customers in different fields in order to diversify operating risks and ensure stable profitability.
- b. In order to keep abreast of the latest market demand and the most suitable inventory quantity, our BD staff will regularly present and compile the latest customer demand opinions and market information collected during business meetings, and utilize data such as product order status, inventory quantity, product attributes, market conditions, projected sales plan and procurement lead time as reference for purchasing and safety stock decision-making. The inventory is usually based on the common parts and components, while the parts and components for specific applications are based on the order acceptance status to ensure the appropriateness and flow of the inventory, and the inventory forecast is regularly compiled as a reference for procurement decisions.
- c. To strengthen product market development, the Company shall continue to focus on new trends in products and markets, set future directions and opportunities, and introduce new distribution lines and develop new market customers in a timely manner in order to grasp business opportunities.

(II) Usage and Manufacturing Processes for the Company’s Main Products

1. Important Applications of Major Products

Major Products	Significant Applications
Digital Communication Application Solutions Components	Applications: Wireless LAN cards, S-Hubs, routers, ADSL Broadband Network, AP, Wireless Multimedia Receiver (WDM), Voice over Internet Protocol (VoIP), LCD DesktopPC, Notebook, Card Reader, etc., Tablets, Bluetooth headsets, IoT transmission modules, fiber optic modules Components: Wireless network IC, LAN IC, LCD driver IC, USB flash drive control IC, audio decoding IC, USB interface application ICs, Card Reader Control ICs, ARM CPU, Wi-Fi-PA, Bluetooth ICs.
Storage Devices Application Solutions Components	Application: LCD TV, Set-top Box, multimedia player (DMP), various Memory card types (MMC, CF, SD...), solid state drives, etc. Components: SRAM, SDRAM, DDRMemory, SPIFlash, SSD, and various memory card control ICs. memory card control ICs.
Analog Electronics Components	Applications: Power adapters, ADSL broadband network, SOHO Gateways. Components: GaN transistors, network physical layer chips, clock generators, voltage regulators, over-current protection devices, power control devices.

2. Major product manufacturing process: Not applicable (the Company is not a manufacturer).

(III) Supply of major raw materials: Not applicable (the Company is not a manufacturer).

(IV) The names of customers who accounted for more than 10% of the total procurement (sales) in any of the last two years

and the amount and percentage of purchase (sales) thereof:

1. The names of customers accounting for more than 10% of the net purchases in the last two years and the amounts and proportions of their purchases, and the reasons for the changes

Reasons:

Unit: NT\$ ‘000

2020					2021				As of Q1, 2022 (Note 2)			
Item	Title	Amount	As a percentage of net purchases for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net purchases for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net purchases for the current year as of Q1, 2022 (%)	Relationship with the Company
1.	Realtek	11,735,400	89.39%	Note 1	Realtek	15,518,075	86.02%	Note 1	Realtek	4,342,200	82.81%	Note 1
	Others	1,392,347	10.61%		Others	2,522,371	13.98%		Others	901,168	17.19%	
	Net purchases	13,127,747	100%		Net purchases	18,040,446	100%		Net purchases	5,243,368	100.00%	

Note 1: The Chairman of the Company is a substantive related party to the other company.

Note 2: The financial information in the first quarter of 2022 was reviewed by the CPAs only.

The Company's major supplier for the last two years is Realtek Semiconductor Corporation. Realtek Semiconductor Corporation. Sales of its main products have thrived with the recent widespread adoption of wireless network communications in the China and Taiwan markets. This line of products has the ability to be used in consumer electronics and home multimedia entertainment equipment, as well as wireless LAN functionality, with a relatively strong growth potential.

2. The names of customers accounting for more than 10% of the net sales in the last two years and the amounts and proportions of their purchases, and the reasons for the changes

Reasons:

Unit: NT\$ '000

2020					2021				As of Q1, 2022 (Note 1)			
Item	Title	Amount	As a percentage of net sales for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net sales for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net sales for the current year as of Q1, 2022 (%)	Relationship with the Company
1.	Hon Hai Precision Industry Co., Ltd. (Foxconn)	3,944,209	28.83%	None	Hon Hai Precision Industry Co., Ltd. (Foxconn)	4,373,423	23.20	None	Hon Hai Precision Industry Co., Ltd. (Foxconn)	1,068,301	20.61%	None
	Others	9,734,437	71.17%		Others	14,479,266	76.80		Others	4,115,809	79.39%	
	Net purchases	13,678,646	100%		Net purchases	18,852,689	100%		Net purchases	5,184,110	100.00%	

Note 1: The financial information in the first quarter of 2022 was reviewed by the CPAs only.

Hon Hai Precision Industry mainly procures Realtek's WiFi and LAN chips from the Company. The increase in revenue was mainly due to the increase in demand for mass production of end-user products.

(V) Production volume for the last two fiscal years: Not applicable (the Company is not a manufacturing company).

(VI) Sales volume for the last two fiscal years

Unit: NT\$ '000

Sales Volume	Year	FY2020				FY2021			
		Domestic		Export		Domestic		Export	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Major Products									
Digital Communication Application Solutions and Components	Note	410,084	Note	11,937,663	Note	672,245	Note	15,642,388	
Storage Application Solutions and Components	Note	144,947	Note	1,184,431	Note	145,302	Note	2,319,222	
Analog Electronic Components	Note	289	Note	1,232	Note	11,187	Note	62,345	
Total	Note	555,320	Note	13,123,326	Note	828,734	Note	18,023,955	

Note 1: Since the Company has a wide range of products and different units of quantity, we only provide sales values for major product categories.

III. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels:

April 30, 2022

Year		FY2020	FY2021	FY2022 As of April 30, 2022
Employee	Business Units	79	99	96
	Administrative Units	117	97	98
	Total	196	196	194
Average Age		39.82	38.89	38.73
Average Seniority		6.29	6.96	6.79
Education Level Distribution	PhD	0	0	0
	Master's Degree	4	5	5
	Bachelor's Degree	169	168	165
	High School Diploma	20	20	21
	Below High School	3	3	3

IV. Information on environmental protection expenses:

Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: The Company is principally engaged in the trading, import and export of semiconductor parts and components, and due to the nature of its business, there is no environmental pollution.

V. Labor relations:

1. List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

(1) Employee welfare measures

The Company's employees regularly apply for various welfare measures, such as employee health insurance and group insurance, and employees are entitled to annual bonuses, employee meal gatherings, birthday parties, and other benefits. In order to improve the quality of human resources and cultivate professional talents, we provide relevant professional training according to the needs of personnel and business. We also

have a profit distribution and dividend system, a people-oriented management promotion system, a transfer system, and domestic and overseas travel subsidies for employees.

(2) Various staff training and training

New employees are required to be briefed by HR personnel on the day they report to work, including all code of conduct rules and welfare system. Pre-employment training focuses on helping new employees get familiar with the working environment and get into the situation as soon as possible. Through planned training, all employees will be able to give full play to their strengths in the workplace. From time to time, the Company conducts training courses either uniformly or individually by the unit, and participates in training courses held by domestic and foreign training institutions.

(3) Retirement system and its implementation

The Company has a retirement plan for its regular employees. Starting from May 2003, a monthly pension fund of 2% of salaries is provided to the Company's Labor Pension Fund Supervisory Committee and deposited in the name of the Committee in the Bank of Taiwan. In accordance with the Labor Law of the Hong Kong Special Administrative Region, the employees of the Hong Kong Branch are subject to the "Mandatory Provident Fund Scheme Act" and the monthly contributions are made at 5% of their salaries to their individual pension accounts. Since July 1, 2005, all employees of the Taiwan head office are subject to the "Labor Pension Act", which provides for a defined contribution retirement plan, and 6% of the employees' monthly salaries are contributed to their individual pension accounts.

(4) Group agreements between labor and management and measures to protect employees' rights and interests

In order to protect the rights and interests of employees and to harmonize the labor relations, the Company has made efforts to strengthen the harmony between management and employees and to ensure two-way communication and coordination to solve problems.

2. Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

The Company has not had any labor disputes since its establishment. In the future, the Company will strengthen the communication between employers and employees in order to promote the prosperity of the Company and to protect the welfare of employees, and under the peaceful and rational operation of both parties, labor disputes should not occur easily in the future.

VI. Information Security Management

- (I) Information security risk management structure, information security policy, specific management plan and resources invested in information security management. These regulations apply to the management of all employees, outsourced vendors, third-party

personnel and related information assets of all units of the Company.

1. Information Security Management Framework

- (1) Chief Information Security Officer: The head of the Information Management Division is responsible for convening and chairing information security management meetings on a regular basis, and making decisions based on the results of the meetings for implementation.
- (2) Information security team: The team is composed of the supervisors of each business unit to propose motions based on information security management issues, and is responsible for planning, promoting and coordinating the resolution.
- (3) The information security meeting shall be convened and chaired by the Chief Information Security Officer to approve various information security matters, announce new security policies, review corrective and preventive measures, respond to information security crises, and regulate the relevant personnel in accordance with these Regulations, including rewards and disciplinary measures.

2. Information Security Policy

- (1) To ensure the confidentiality of company-related information and to protect confidential company and personal information.
- (2) To ensure the integrity and availability of information related to the Company's business and to improve administrative efficiency and quality.
- (3) To enhance the information security protection capability in line with the promotion of national policies and to achieve the goal of sustainable business operation.

3. Specific management plan for information security

Currently, the Company has not purchased information security insurance, but has established a joint defense mechanism for human resources training and information security.

(1) Physical and Environmental Security Management

Computer equipment security and server room control management includes hardware environment control, power supply, cable security, and equipment maintenance. In order to avoid leakage of personal information, the information assets and equipment are disposed of by the information unit in accordance with the procedures.

(2) Security management of software use

The Company strictly prohibits the use of illegal software. The software used within the Company has been authorized by the vendor and cannot be downloaded or installed without the consent of the head of the information management department to avoid infringement of intellectual property, misuse of laws, or activation of malicious execution files.

(3) Perimeter Security Management

IT support personnel or maintenance service personnel can only enter when accompanied or authorized by the information management department, and records of entry and exit shall be kept.

(4) Network security and data security management

1. Network security management: To assign dedicated personnel to manage the network system, maintain the normal operation of the network system, set up firewalls and information security protection equipment to prevent illegal intrusion into the company causing the risk of commercial secrets and personal information leakage, and keep complete records of all personnel logging in and out of the internal network and host system.

2. Data security management: access control and data storage security, strict password management, regular data and software backup, and off-site storage mechanism for important information storage.

3. The Company cannot fully guarantee against malicious attacks from third-party network paralysis systems, but no malicious network attacks have occurred in 2021 or as of the date of the annual report, affecting the Company's normal operations.
4. Resources Invested in Information Security Management
 1. The Group has invested a total of 2 persons in the information security team.
 2. The Company holds regular meetings every week to review the information security vulnerabilities and review the correction status every month.
 3. 10,290 endpoint threats have been successfully blocked through anti-virus endpoint protection and behavior analysis modules.
 4. 15,014,623 spam emails and 75,231 threat emails were successfully blocked by the spam protection and threat protection modules.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: The Group has not suffered any financial loss due to material information security incidents in the latest year and up to the date of printing of the annual report.

VII. Important Contracts

Nature of Contracts	Parties	Date of commencement and expiration of the contract	Main Contents	Restrictions
Agency Agreement	Realtek Semiconductor Corporation	2016/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Multimedia Division I, Multimedia Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2016/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Communication Network Division, Communication Network Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2017/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Computer Peripherals Division I, Computer Peripherals Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2022/01/01 - termination of the agreement between the parties	Online Multimedia Product Distribution Agreement	Restricted product sales area
Agency Agreement	Realtek Singapore Pte. Ltd	2017/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Communication Network Business Group	Restricted product sales area
Agency Agreement	Realtek SingaporePte. Ltd	2017/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Computer Peripherals Business Group	Restricted product sales area
Agency Agreement	Realtek SingaporePte. Ltd	2020/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Multimedia Products Business Group	Restricted product sales area
Agency Agreement	RayMX Micro Co.,Ltd.	2019/01/01 - termination of the agreement between the parties	Product Distribution Agreement	Restricted product sales area
Agency Agreement	OPNOUS Co.,Ltd.	2019/08/12 - termination of the agreement between the parties	Distributor Agreement	
Agency Agreement	ACTnano	2019/10/09 - 2022/10/09	Agency Agreement	
Product Distribution Agreement	Winbond Electronics Corp.	2022/01/01 - 2022/12/31	Distribution contract for IC products	Restricted product sales area
Agency Agreement	Derun Semi Co.,Ltd.	2022/01/01 - 2022/12/31	Product Distribution Agreement	
Agency Agreement	Artilux Inc.	2021/01/15 - termination of the agreement between the parties	Agency Agreement	
Agency Agreement	Centera Photonics Inc..	2021/03/20 - 2022/03/20	Distributor Agreement	Restricted product sales area
Agency	Potens Semiconductor Corporation	2021/03/05 - termination of	Product Distribution Agreement	

Agreement		the agreement between the parties		
Agency Agreement	NeuronBasic Technology Inc.	2021/05/01 - 2022/04/30	Distributor License Agreement	
Agency Agreement	M3 Technology Inc.	2021/12/01 - termination of the agreement between the parties	Product Distribution Agreement	Restricted product sales area
Agency Agreement	Starmems Semiconductor Corp.	2021/12/06 - termination of the agreement between the parties	Product Distribution Agreement	Restricted product sales area
Agency Agreement	Storart Technology Co.,Ltd.	2021/04/14 - termination of the agreement between the parties	Product Distribution Agreement	Restricted product sales area

Note: The above contract will be automatically extended if both parties do not agree to terminate before the contract expires.

VI. Financial Overview

I. Condensed balance sheet and consolidated income statement for the last five fiscal years, name of certified public accountant and audit opinion.

(I) Condensed balance sheet and consolidated income statement

(1) Condensed Balance Sheet - IFRS (Consolidated Financial Statements)

Unit: NT\$ '000

Year		Financial information for the last five fiscal years (Note 1)					Current year ended March 31, 2022 Financial Information (Note 2)
		2017	2018	2019	2020	2021	
Item							
Current assets		3,203,487	3,765,372	4,663,450	5,159,348	6,750,806	7,617,286
Property, plant and equipment		6,195	11,715	14,446	12,346	9,338	307,288
Intangible assets		-	-	-	-	-	-
Other assets		36,063	31,552	62,577	345,487	548,578	250,213
Total assets		3,245,745	3,808,639	4,740,473	5,517,181	7,308,722	8,174,787
Current liabilities	Before distribution	2,078,304	2,452,737	3,314,146	3,794,777	5,193,077	5,882,642
	After distribution	2,078,304	2,452,737	3,314,146	3,794,777	(Note 3)	(Note 2)
Non-current liabilities		2,321	62,292	22,006	234,727	220,451	217,241
Total liabilities	Before distribution	2,140,596	2,474,743	3,334,853	4,029,504	5,413,528	6,099,883
	After distribution	2,140,596	2,474,743	3,334,853	4,029,504	(Note 3)	(Note 2)
Equity attributable to owners of the parent company		1,105,149	1,333,896	1,405,620	1,487,677	1,895,194	2,074,904
Share capital		990,024	1,103,104	1,180,321	1,251,140	1,376,254	1,376,254
Capital reserve		74,977	44,977	44,977	44,977	44,977	44,977
Retained earnings	Before distribution	74,643	202,767	211,829	267,745	587,811	725,249
	After distribution	74,643	59,363	70,191	267,745	(Note 3)	(Note 2)
Other equity interests		(34,495)	(16,952)	(31,507)	(76,185)	(113,848)	(71,576)
Treasury stock		-	-	-	-	-	-
Non-controlling interests		-	-	-	-	-	-
Total Equity	Before distribution	1,105,149	1,333,896	1,405,620	1,487,677	1,895,194	2,074,904
	After distribution	1,105,149	1,267,709	1,334,801	1,487,677	(Note 3)	(Note 2)

Note 1: The financial information for each year was audited and certified by attesting CPAs.

Note 2: The financial information for the first quarter of 2022 was reviewed by CPAs only.

Note 3: The appropriation of earnings for 2021 is subject to the approval of the shareholders' meeting.

(2) Condensed Consolidated Statements of Income - IFRS (Consolidated Financial Statements)

Unit: NT\$ '000

Item \ Year	Financial information for the last five fiscal years (Note 1)					Current year ended March 31, 2022 Financial Information (Note 2)
	2017	2018	2019	2020	2021	
Operating Revenue	8,559,738	9,812,498	12,704,736	13,678,646	18,852,689	5,184,110
Gross Profit	398,361	444,156	597,988	675,170	1,091,967	281,075
Operating Profit and Loss	44,527	144,906	217,399	275,510	546,320	160,275
Non-operating Income and Expenses	(282,256)	(3,209)	(10,584)	(27,290)	7,329	15,115
Net Income before Tax	(237,729)	141,697	206,815	248,220	553,649	175,390
Continuing operations Net income for the period	(219,956)	138,461	154,917	197,574	445,506	137,438
Loss from discontinued operations	-	-	-	-	-	-
Net income (loss) for the period	(219,956)	138,461	154,917	197,574	445,506	137,438
Other comprehensive income for the period (Net after tax)	(74,454)	20,286	(17,006)	(44,698)	(36,942)	42,272
Total comprehensive income for the period	(294,410)	158,747	137,911	152,876	408,564	179,710
Net income attributable to owners of the parent company	(219,710)	138,461	154,917	197,574	445,506	137,438
Net income attributable to noncontrolling interests	(246)	-	-	-	-	-
Total consolidated profit or loss attributable to owners of the parent company	(284,509)	158,747	137,911	152,876	408,564	179,710
Total comprehensive income attributable to noncontrolling interests	(9,901)	-	-	-	-	-
Earnings per share	(2.22)	1.28	1.31	1.58	3.24	1.00

Note 1: The financial information for each year was audited and certified by attesting CPAs.

Note 2: The financial information for the first quarter of 2022 was reviewed by CPAs only.

(3) Condensed Balance Sheet - IFRS (Parent Company Only Financial Reports)

Unit: NT\$ '000

Year		Financial information for the last five fiscal years (Note 1)				
		2017	2018	2019	2020	2021
Item						
Current assets		3,181,230	3,746,998	4,645,145	5,102,347	6,660,503
Property, plant and equipment		2,332	8,875	10,243	8,843	5,935
Intangible assets		-	-	-	-	-
Other assets		47,682	39,456	50,746	370,148	602,079
Total assets		3,231,244	3,795,329	4,706,134	5,481,338	7,268,517
Current liabilities	Before distribution	2,063,803	2,439,427	3,290,134	3,762,576	5,158,985
	After distribution	2,063,803	2,439,427	3,290,134	3,762,576	(Note 2)
Non-current liabilities		62,292	22,006	10,380	231,085	214,338
Total liabilities	Before distribution	2,126,095	2,461,433	3,300,514	3,993,661	5,373,323
	After distribution	2,126,095	2,461,433	3,300,514	3,993,661	(Note 2)
Equity attributable to owners of the parent company		1,105,149	1,333,896	1,405,620	1,487,677	1,895,194
Share capital		990,024	1,103,104	1,180,321	1,251,140	1,376,254
Capital reserve		74,977	44,977	44,977	44,977	44,977
Retained Earnings	Before distribution	74,643	202,767	211,829	267,745	587,811
	After distribution	61,563	59,363	70,191	267,745	(Note 2)
Other equity interests		(34,495)	(16,952)	(31,507)	(76,185)	(113,848)
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total Equity	Before distribution	1,105,149	1,333,896	1,405,620	1,487,677	1,895,194
	After distribution	1,105,149	1,267,709	1,334,801	1,487,677	(Note 2)

Note 1: The financial information for each year was audited and certified by attesting CPAs.

Note 2: The appropriation of the FY2021 earnings is subject to the resolution of the shareholders' meeting.

(4) Condensed Consolidated Statements of Income - IFRS (Parent Company Only
Financial Reports)

Unit: NT\$ '000

Item \ Year	Financial information for the last five fiscal years (Note 1)				
	2017	2018	2019	2020	2021
Operating Revenue	8,536,640	9,811,433	12,697,137	13,655,164	18,771,092
Gross Profit	383,822	441,260	592,907	668,067	1,044,151
Operating Profit and Loss	72,626	147,251	222,201	246,620	517,168
Non-operating Income and Expenses	(310,002)	(5,554)	(15,386)	1,600	32,455
Net Income before Tax	(237,376)	141,697	206,815	248,220	549,623
Continuing operations Net income for the period	(219,710)	138,461	154,917	197,574	445,506
Loss from discontinued operations	-	-	-	-	-
Net income (loss) for the period	(219,710)	138,461	154,917	197,574	445,506
Other comprehensive income for the period (Net after tax)	(64,799)	20,286	(17,006)	(44,698)	(36,942)
Total comprehensive income for the period	(284,509)	158,747	137,911	152,876	408,564
Net income attributable to owners of the parent company	(219,710)	138,461	154,917	197,574	445,506
Net income attributable to noncontrolling interests	-	-	-	-	-
Total consolidated profit or loss attributable to owners of the parent company	(284,509)	158,747	137,911	152,876	408,564
Total comprehensive income attributable to noncontrolling interests	-	-	-	-	-
Earnings per share	(2.22)	1.28	1.31	1.58	3.24

Note 1: The financial information for each year was audited and certified by attesting CPAs.

(II) Name of the attesting CPAs and audit opinion for the past five fiscal years:

Audit Year	Name of Accounting Firm	Name of Attesting CPA	Audit opinion
2017	KPMG Taiwan	May Yang and Peggy Chen	Unqualified opinion
2018	KPMG Taiwan	May Yang and Delphi Chen	Unqualified opinion
2019	KPMG Taiwan	May Yang and Winston Yu	Unqualified opinion
2020	KPMG Taiwan	May Yang and Winston Yu	Unqualified opinion
2021	KPMG Taiwan	Jason Lin and Winston Yu	Unqualified opinion

Analyzed items (Note 3)		Financial analysis for the last five fiscal years (Note 1)					Current year ended March 31, 2022 (Note 2)
		2017	2018	2019	2020	2021	
Financial Structure (%)	Debt to Assets Ratio	65.95	64.98	70.35	73.04	74.07	74.62
	Long-term capital to property, plant and equipment	18,844.89	11,574.07	9,873.51	554.10	689.29	745.93
Debt Service Coverage Ratio (DSCR) (%)	Current ratio	154.14	153.52	140.71	135.96	130.00	129.49
	Quick ratio	127.49	131.27	120.18	114.76	108.85	104.86
	Interest Coverage Ratio	(14.79)	7.77	9.06	12.74	18.45	23.54
Operating Performance	Accounts receivable turnover ratio	4.68	4.44	4.50	4.55	5.63	5.80
	Average collection days	77.99	82.20	81.11	80.22	64.83	62.93
	Inventory turnover ratio (times)	15.80	17.04	19.75	17.51	18.80	17.60
	Accounts payable turnover ratio (times)	8.01	6.49	6.63	5.71	6.40	6.60
	Average sales days	23.10	21.42	18.48	20.85	19.41	20.74
	PPE turnover ratio (times)	1,381.72	1,095.76	971.27	84.10	61.03	67.08
	Total assets turnover ratio (times)	2.64	2.78	2.97	2.67	2.94	3.04
Profitability	Return on assets (%)	(6.43)	4.42	4.10	4.18	7.34	8.40
	Return on equity (%)	(17.63)	11.35	11.31	13.66	26.34	30.88
	Profit before tax to capital stock ratio (%)	(24.01)	12.85	17.52	19.84	40.23	50.96
	Net Income Ratio (%)	(2.57)	1.41	1.22	1.44	2.36	2.65
	Earnings per share (NT\$)	(2.22)	1.28	1.31	1.58	3.24	1.00
Cash flow	Cash flow ratio (%)	6.74	5.86	(10.46)	25.06	(8.32)	(4.43)
	Cash flow adequacy ratio (%)	248.51	95.10	485.30	133.79	40.34	75.44
	Cash reinvestment ratio (%)	12.13	10.67	(29.75)	51.76	(20.39)	(12.61)
Leverage	Operating leverage	1.10	1.03	1.10	1.09	2.00	1.03
	Financial leverage	1.51	1.17	1.13	1.08	1.06	1.05

Please explain the reasons for the changes in each financial ratio for the last two years. (The analysis is exempted if the change is less than 20%)

1. Long-term capital to property, plant and equipment ratio: This is mainly due to the increase in net shareholders' equity as a result of the continued profitability in FY2021 compared to FY2020.
2. Interest coverage ratio: The increase in net income before income taxes was mainly due to the continued profitability in FY2021 compared to FY2020.
3. Accounts receivable turnover ratio: The increase was mainly due to the continued profitability in FY2021 and the increase in revenue from sales customers with collection period of 60 to 90 days was greater than that from sales customers with collection period of 120 days.
4. PPE turnover ratio: This is mainly due to the increase in demand for consumer electronics products driven by the COVID-19 pandemic which continued to contribute to revenue in 2021.
5. Return on assets, return on equity, net income before income taxes to paid-in capital, net income ratio and earnings per share: Mainly due to the increase in demand for consumer electronics products driven by the COVID-19 pandemic, which continued to contribute to profitability in 2021.
6. Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio: Mainly due to net cash outflow from operating activities in FY2021.

Note 1: The financial information of each year was audited and certified by attesting CPAs.

Note 2: The financial information for the first quarter of 2022 was reviewed by CPAs only.

Note 3: The calculation formula is as follows:

II. Financial analysis for the last five fiscal years

(1) Financial Analysis - IFRS (Consolidated Financial Statements)

1. Financial Structure

- (1) Debt to asset ratio = total liabilities / total assets.
- (2) Long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

2. Debt Service Coverage Ratio (DSCR)

- (1) Current ratio = current assets / current liabilities.
- (2) Quick ratio = (Current Assets - Inventory - Prepaid Expenses) / Current Liabilities.
- (3) Interest coverage ratio = Net income before income tax and interest expense / Interest expense for the period.

3. Operating Performance

- (1) Accounts receivable (including accounts receivable and notes receivable arising from operations) turnover ratio = Net sales / Average accounts receivable (including accounts receivable and notes receivable arising from operations) balance for each period.
- (2) Average collection days = 365 / receivable turnover ratio.
- (3) Inventory turnover rate = cost of goods sold / average inventory amount.
- (4) Accounts payable (including accounts payable and notes payable arising from operations) turnover ratio = cost of goods sold / average accounts payable (including accounts payable and notes payable arising from operations) balance for each period.
- (5) Average sales days = 365 / inventory turnover ratio.
- (6) Property, plant and equipment turnover ratio = Net sales / Average net property, plant and equipment.
- (7) Total asset turnover ratio = Net sales / Average total assets.

4. Profitability

- (1) Return on assets = [Profit and loss after tax + interest expense × (1 - tax rate)] / average total assets.
- (2) Return on equity = Profit or loss after tax / average total equity.
- (3) Net income ratio = Profit or loss after tax / Net sales.
- (4) Earnings per share = (Profit or loss attributable to owners of parent company - preferred stock dividends) / weighted average number of shares outstanding.

5. Cash Flow

- (1) Cash flow ratio = Net cash flow from operating activities / Current liabilities.
- (2) Net cash flow adequacy ratio = Net cash flow from operating activities for the last five years / (capital expenditures + increase in inventories + cash dividends) for the last five years.

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other noncurrent assets + working capital).

6. Leverage:

(1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating income.

(2) Financial leverage = Operating income / (Operating income - interest expense).

(2) Financial Analysis - IFRS (Individual Financial Reports)

Year		Financial analysis for the last five fiscal years (Note 1)				
		2017	2018	2019	2020	2021
Analyzed items (Note 2)						
Financial Structure (%)	Debt to Assets Ratio	65.80	64.85	70.13	72.86	73.93
	Long-term capital to property, plant and equipment	50,061.79	15,277.77	13,824.07	559.23	695.00
Debt Service Coverage Ratio (DSCR) (%)	Current ratio	154.14	153.60	141.18	135.61	129.10
	Quick ratio	127.44	131.43	120.62	114.96	108.60
	Interest Coverage Ratio	(14.77)	7.77	9.51	13.26	18.69
Operating Performance	Accounts receivable turnover ratio	4.59	4.40	4.51	4.52	5.55
	Average collection days	79.59	83.04	80.93	80.75	65.77
	Inventory turnover ratio (times)	15.95	17.16	19.89	17.87	19.47
	Accounts payable turnover ratio (times)	8.00	6.49	6.63	5.71	6.39
	Average sales days	22.88	21.27	18.35	20.42	18.75
	PPE turnover ratio (times)	3,440.81	1,750.95	1,328.29	85.99	61.46
	Total assets turnover ratio (times)	2.70	2.79	2.99	2.68	2.94
Profitability	Return on assets (%)	(6.55)	4.44	4.10	4.20	7.38
	Return on equity (%)	(17.61)	11.35	11.31	13.66	26.34
	Profit before tax to capital stock ratio (%)	(23.98)	12.85	17.52	19.84	37.58
	Net Income Ratio (%)	(2.57)	1.41	1.22	1.45	2.37
	Earnings per share (NT\$)	(2.22)	1.28	1.31	1.58	3.24
Cash flow	Cash flow ratio (%)	8.86	5.11	(10.57)	24.73	(9.37)
	Cash flow adequacy ratio (%)	(45.40)	11.77	46.02	147.52	37.21
	Cash reinvestment ratio (%)	16.04	9.34	(29.59)	51.57	(26.48)
Leverage	Operating leverage	1.04	1.02	1.05	1.06	1.03
	Financial leverage	1.26	1.17	1.12	1.09	1.06

Please explain the reasons for the changes in each financial ratio for the last two years. (The analysis is exempted if the change is less than 20%)

1. Long-term capital to property, plant and equipment ratio: This is mainly due to the increase in net shareholders' equity as a result of the continued profitability in FY2021 compared to FY2020.
2. Interest coverage ratio: The increase in net income before income taxes was mainly due to the continued profitability in FY2021 compared to FY2020.
3. Accounts receivable turnover ratio: The increase was mainly due to the continued profitability in FY2021 and the increase in revenue from sales customers with collection period of 60 to 90 days was greater than that from sales customers with collection period of 120 days.
4. PPE turnover ratio: This is mainly due to the increase in demand for consumer electronics products driven by the COVID-19 pandemic which continued to contribute to revenue in 2021.
5. Return on assets, return on equity, net income before income taxes to paid-in capital, net income ratio and earnings per share: Mainly due to the increase in demand for consumer electronics products driven by the COVID-19 pandemic, which continued to contribute to profitability in 2021.
6. Cash flow ratio, cash flow equivalency ratio, and cash reinvestment ratio: Mainly due to net cash outflow from operating activities in FY2021.

Note 1: The financial information for each year was audited and certified by attesting CPAs.

Note 2: The calculation formula is as follows:

1. Financial Structure

- (1) Debt to asset ratio = total liabilities / total assets.
- (2) Long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

2. Debt Service Coverage Ratio (DSCR)

- (1) Current ratio = current assets / current liabilities.
- (2) Quick ratio = (Current Assets - Inventory - Prepaid Expenses) / Current Liabilities.
- (3) Interest coverage ratio = Net income before income tax and interest expense / Interest expense for the period.

3. Operating Performance

- (1) Accounts receivable (including accounts receivable and notes receivable arising from operations) turnover ratio = Net sales / Average accounts receivable (including accounts receivable and notes receivable arising from operations) balance for each period.
- (2) Average collection days = 365/receivable turnover ratio.
- (3) Inventory turnover rate = cost of goods sold / average inventory amount.
- (4) Accounts payable (including accounts payable and notes payable arising from operations) turnover ratio = cost of goods sold / average accounts payable (including accounts payable and notes payable arising from operations) balance for each period.
- (5) Average sales days = 365 / inventory turnover ratio.
- (6) Property, plant and equipment turnover ratio = Net sales / Average net property, plant and equipment.
- (7) Total asset turnover ratio = Net sales / Average total assets.

4. Profitability

- (1) Return on assets = [Profit and loss after tax + interest expense × (1 - tax rate)] / average total assets.
- (2) Return on equity = Profit or loss after tax / average total equity.
- (3) Net income ratio = Profit or loss after tax / Net sales.
- (4) Earnings per share = (Profit or loss attributable to owners of parent company - preferred stock dividends)/weighted average number of shares outstanding.

5. Cash Flow

- (1) Cash flow ratio = Net cash flow from operating activities / Current liabilities.
- (2) Net cash flow adequacy ratio = Net cash flow from operating activities for the last five years / (capital expenditures + increase in inventories + cash dividends) for the last five years.
- (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other noncurrent assets + working capital).

6. Leverage:

- (1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating income.
- (2) Financial leverage = Operating income / (Operating income - interest expense).

- III. The Audit Committee's report on the most recent annual financial statements: Please refer to page 104.
- IV. The most recent annual financial report and the auditor's report certified by the attesting CPA: please refer to pages 105 to 157.
- V. The Company's most recent annual audited financial statements: Please refer to pages 158 to 216.
- VI. The effect of the financial difficulties of the Company and its affiliates on the financial position of the Company for the most recent fiscal year and up to the date of printing of the annual report: None.

VII. Review and Analysis of Financial Position, Financial Performance, and Risk Matters

I. Financial Position

1. Comparative analysis of financial position

Unit: NT\$ '000

Item \ Year	2021	FY2020	Variation in	
			Amount	%
Current assets	6,750,806	5,159,348	1,591,458	30.85
Property, plant and equipment	9,338	12,346	(3,008)	(24.36)
Investment properties	297,592	298,500	(908)	(0.30)
Intangible assets	-	-	-	-
Other assets	250,986	46,987	203,999	434.16
Total assets	7,308,722	5,517,181	1,781,541	32.47
Current liabilities	5,193,077	3,794,777	1,398,300	36.85
Non-current liabilities	220,451	234,727	(14,276)	(6.08)
Total liabilities	5,413,528	4,029,504	1,384,024	34.35
Equity attributable to owners of the parent company	1,895,194	1,487,677	407,517	27.39
Share capital	1,376,254	1,251,140	125,114	10.00
Capital reserve	44,977	44,977	-	-
Retained earnings	587,811	267,745	320,066	119.54
Other equity interests	(113,848)	(76,185)	(37,663)	49.44
Treasury stock	-	-	-	-
Non-controlling interests	-	-	-	-
Total equity	1,895,194	1,487,677	407,517	27.39
<p>1. Analysis of changes in the percentage of increase or decrease: (Changes of less than 20% and changes of less than \$10 million are exempt)</p> <p>(1) Current assets: The increase in accounts receivable and inventories was due to the strong performance in FY2021.</p> <p>(2) Other assets: The increase was due to the participation in the cash capital increase of Unitech Electronics in FY2021, which was accounted for as an investment under the equity method.</p> <p>(3) Total assets: The increase in accounts receivable and inventories due to the strong performance in FY2021 and the participation in the cash increase of Unitech Electronics, which was accounted for as an investment under the equity method.</p> <p>(4) Total current liabilities and liabilities: As a result of the growth of the Company's business in FY2021, the Company's imports increased, but the Company's major customers had longer collection periods, so the Company utilized short-term bank loans to pay for the goods.</p> <p>(5) Owner's equity, retained earnings and total equity attributable to the parent company: This was due to the continued profitability in FY2021.</p> <p>(6) Other equity: Mainly due to the effect of exchange rate changes on the translation of financial statements of foreign operating companies.</p> <p>2. Contingency plans: None.</p>				

II. Financial performance

1. Financial performance analysis

Unit: NT\$ '000

	2021	FY2020	Increase (decrease) amount	Change (%)
Operating Revenue	18,852,689	13,678,646	5,174,043	37.83
Operating Costs	17,760,722	13,003,476	4,757,246	36.58
Gross Profit	1,091,967	675,170	416,797	61.73
Operating Expenses	545,647	399,690	145,957	36.52
Operating Income	546,320	275,510	270,810	98.29
Non-operating Income and Expenses	7,329	(27,290)	34,619	(126.86)
Net Income before Tax	553,649	248,220	305,429	123.05
Net income of continuing operations for the period	445,506	197,574	247,932	125.49
Loss from discontinued operations	-	-	-	-
Net income (loss) for the period	445,506	197,574	247,932	125.49
Other comprehensive income for the period	(36,942)	(44,698)	7,756	(17.35)
Total comprehensive income for the period	408,564	152,876	255,688	167.25
Net income attributable to owners of the parent company	445,506	197,574	247,932	125.49
Net income attributable to noncontrolling interests	-	-	-	-
Total consolidated profit or loss attributable to owners of the parent company	408,564	152,876	255,688	167.25
Total comprehensive income attributable to noncontrolling interests	-	-	-	-
Earnings per share	3.24	1.58	1.66	105.06
Analysis of percentage change: (Changes of less than 20% and changes of less than \$10 million are not analyzed)				
(1) Operating income, gross profit, net income, net income before income tax, net income and total comprehensive income: This is due to strong business growth in FY2021.				
(2) Non-operating income and expenses: Mainly due to the net foreign currency exchange gain resulting from the narrowing of the exchange rate between the U.S. dollar and the New Taiwan dollar in FY2021.				
(3) Increase in net income and earnings per share attributable to owners of the parent company: This was mainly due to the increase in operating income for the year.				
(4) Increase in other comprehensive income and total comprehensive income and loss attributable to owners of the parent company: This was mainly due to the change in exchange rate resulting in the translation of financial statements of foreign operating companies.				

- (2) Expected sales volume and its basis, possible impact on the Company's future financial operations and plans for response

The Company has not published its financial forecast for 2022, and therefore does not intend to disclose the expected sales volume.

III. Cash Flow

(I) Liquidity analysis for the last two years

Item \ Year	2021	FY2020	Increase (decrease) ratio
Cash flow ratio	(8.32)	25.06	(133.20)%
Cash flow adequacy ratio	40.34	133.79	69.85%
Cash reinvestment ratio	(22.85)	51.76	(144.15)%
Analysis of the changes in the ratio			
1. The decrease in cash flow ratio and cash reinvestment ratio is due to the cash outflow from operations.			
2. Decrease in cash flow equivalents ratio: Due to the increase in capital expenditures and cash dividends from the acquisition of real estate in 2020. .			

(II) Cash flow analysis for the coming year

Unit: NT\$ '000

Beginning of period Cash Balance	Estimated annual net cash flow from operating activities	Expected full-year Net cash inflows from investing and financing activities	Estimated remaining (deficit) cash	Estimated cash shortfall Remedial measures	
				Investment Plan	Financing plan
1,447,717	412,876	(287,151)	1,573,442	-	-
1. Analysis of changes in cash flows in the coming year. Operating activities: The cash inflows from operations are expected to be generated in the coming year. Net cash inflow from investing and financing activities for the year: This is due to the expected repayment of bank loans in the future.					

IV. The impact of significant capital expenditures on financial operations for the most recent fiscal year: None

V. Investment policy, main reasons for profit or loss for the most recent fiscal year, and improvement plans and investment plans for the coming year

Unit: NT\$ '000

Investee company	Profit or loss for the period (After tax)	Investment policy	Profit or loss Main Reasons	Improvement Plan	Investment plan for the coming year
GMI Technology (BVI)Co.,Ltd	29,402	Indirect investment in Mainland China from a third region	GMI Technology (BVI) Co., Ltd. is a holding company and derives its main profit from investment interests.	Depending on the future operation, we will evaluate the capital increase plan.	Expected to invest USD 500,000
HARKEN INVESTMENTS LIMITED	-	Indirectly reinvested in Hong Kong from a third region	As a holding company, the current profit is derived from interest income.	Depending on the future operation, we will evaluate the capital increase plan.	None
Vector Electronic Company Limited	29,403	Indirect investment in Mainland China from a third region	GMI Technology (BVI) Co., Ltd. is a holding company and derives its main profit from investment interests.	Depending on the future operation, we will evaluate the capital increase plan.	Expected to invest USD 497,250
GMI International Trading (Shanghai) Co.,Ltd.	27,682	Responsible for the sale and purchase of electronic parts and components in bonded warehouses in North China and marketing consulting services	The profit is mainly due to the growth of revenue.	Depending on the future operation, we will evaluate the capital increase plan.	Expected to invest RMB 3 million
GMI Yongda Electronics (Shenzhen) Co.,Ltd.	(307)	Responsible for the sale and purchase of electronic components and business marketing consulting services in South China.	The loss is mainly due to the fact that the company is no longer in operation, but still has operating expenses.	Depending on the operating condition of the subsidiary, we will consider whether to terminate the business in the future.	None
Shenzhen Hongda Futong Electronics Co.,Ltd.	2,195	Responsible for the sale and purchase of electronic parts and components in China	The profit is mainly due to the marketing service fee from the parent company, which is sufficient to cover the expenses of marketing.	Future evaluation will depend on the operating condition of the subsidiaries	None
GW Electronics Company Limited	-	Responsible for the sale and purchase of electronic components of Toshiba's Flash and Discrete products, with the agent relationship currently terminated.	Currently, there is no business activity.	Future evaluation will depend on the status of accounts receivable collection.	None
Global Mobile Internet Co.,Ltd.	(459)	Trading of communication equipment and information software services	The loss was mainly due to the fact that the company has no revenue but still incurs operating	To be reevaluated depending on future operating conditions	None

			expenses.		
Unitech Electronics Co.,Ltd.	529	Development, manufacturing and marketing of "automatic data collection products" and related businesses	Profit from normal operating activities	None	None

VI. Analysis and evaluation of risk matters for the most recent year and as of the printing date of the annual report

(I) The impact of interest rates, exchange rate changes and inflation on the Company's profit and loss and future measures to address them:

1. Impact of exchange rate changes on the Company's revenue and profitability and the Company's specific measures in response to exchange rate changes

(1) Impact of exchange rate changes on the Company's revenue and profitability

Most of the Company's product prices are denominated in U.S. dollars, therefore, the trend of the U.S. dollar exchange rate and the change in the Company's foreign exchange gain or loss are quite correlated. The Company engages in foreign exchange hedging operations as necessary to control the risks arising from changes in foreign exchange rates in order to reduce the impact of changes in foreign exchange rates on revenue and profitability.

(2) Specific measures taken by the Company in response to changes in foreign exchange rates

The Company responds to the risk of exchange rate fluctuations by directly offsetting the increase in foreign currency receivables due to export sales by increasing the foreign currency payables arising from the purchase of goods in order to achieve the effect of Natural Hedge. The Company shall collect information on exchange rate changes at all times. We will keep in close contact with banks to keep abreast of exchange rate movements. In accordance with IFRS 7 "Financial Instruments: Disclosures" and the "Procedures for the Acquisition or Disposal of Assets" established by the Company, the risk of exchange rate fluctuations is timely hedged through sound and strict control by those in charge.

2. Impact of interest rate changes on the Company's revenue and profitability and the Company's specific measures to respond to changes in interest rates

(1) Impact of interest rate changes on the Company's revenue and profitability

The Company's finance costs for FY2021 were \$31,730,000, which accounted for 0.17% of operating revenues, an insignificant percentage that shall not impact the Company's revenue or profitability.

(2) The Company's specific measures to respond to changes in interest rates

The Company will gradually apply for cash capital increase, increase the proportion of its own funds and improve the financial structure to minimize the

interest rate risk.

3. Inflationary impact on the Company's revenue and profitability and the Company's specific measures to address inflation.

(1) Inflationary impact on the Company's revenue and profitability

There was no significant impact on the Company's profit or loss due to inflation during the year.

(2) Specific measures taken by the Company in response to inflation

The Company continuously monitors changes in upstream commodity prices to reduce the impact of cost changes on the Company's profit or loss.

(II) The Company's policy on engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement and guarantee, and derivative transactions, the main reasons for profits or losses, and future measures to address them.

1. The Company did not engage in high-risk, highly leveraged investments in FY2021.

2. The Company's endorsement guarantee and loan of funds to others for the year ended December 31, 2021: The Company guaranteed the loan from GMI (Shanghai) International Trade Co.,Ltd. applied for a credit facility of RMB 20 million from Fubon Bank (China), Hongqiao Branch.

(1) Policy: The Company endorsed the guarantee for its subsidiaries in accordance with the "Procedures for Endorsement and Guarantee".

(2) Main reasons: The Company provides endorsement and guarantee to its subsidiaries, and the endorsement and guarantee items are financing guarantees.

(3) Future measures: The necessary control measures are carried out in accordance with the endorsement and guarantee procedures.

3. The Company did not engage in derivative financial instruments in FY2021.

(III) Future research and development

Research and development plan for FY2022

Product/application name	Cooperating supplier
STB (Set-top Box)	Winbond 、 Realtek 、 Zbit
SSD	Realtek 、
NB/MB/AIO/IPC	Realtek 、 Winbond 、
BTSpeakerandTWS	Realtek
ACtoDCAdapater	Ganrich,GaNPower
LCDpanelmodule	AUO
Wi-Fi/ADSL	Realtek 、 Winbond
NetworkSWITCHIC	Realtek 、 Winbond
PCPeripheralsandType-C	Realtek 、 Zbit
IOT(Internet of Things)	Realtek
IOI(Internet of Identities)	Realtek
Industrial HMI	AUO 、 Zbit
Automotive Ethernet	Realtek 、 Zbit
xPON	Realtek 、 Winbond

The total amount of R&D expenses for the above projects is estimated to be NT\$35,000,000 for FY2022.

- (IV) Impact of significant domestic and foreign policies and legal changes on the Company's financial operations and measures to address them.

There was no material impact on the Company's financial operations due to significant domestic or foreign policy and legal changes in the most recent fiscal year.

- (V) Impact of technological changes (including information and communications security risks) and industry changes on the Company's financial operations and measures taken in response.

There were no significant changes in technology and information and communications security risks that had a material impact on the Company's financial operations in the most recent year.

- (VI) Impact of corporate image change on corporate crisis management and measures to address it.

Since its establishment, the Company has been actively strengthening its internal management and reinforcing its core values. The Company has a good corporate image and has not experienced any corporate crisis due to changes in corporate image.

- (VII) Expected benefits, possible risks and measures for mergers and acquisitions: None.

- (VIII) Expected benefits, possible risks and measures for plant expansion: None.

- (IX) Risks of concentration of imports or sales and measures to address them: None.

- (X) The effect of the transfer or change of ownership of directors or major shareholders holding more than 10% of the shares on the Company, the risk and measures to be taken: None.

- (XI) Impact, risk and response to changes in management rights: None.

- (XII) If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, president, de facto responsible person, or major shareholder with a stake of more than 10 percent, the facts of the dispute, the amount involved, the date of commencement of litigation, the principal parties involved in the litigation, and the disposition of the matter as of the date of publication of the annual report shall be disclosed: None.

- (XIII) Other significant risks and responses: None.

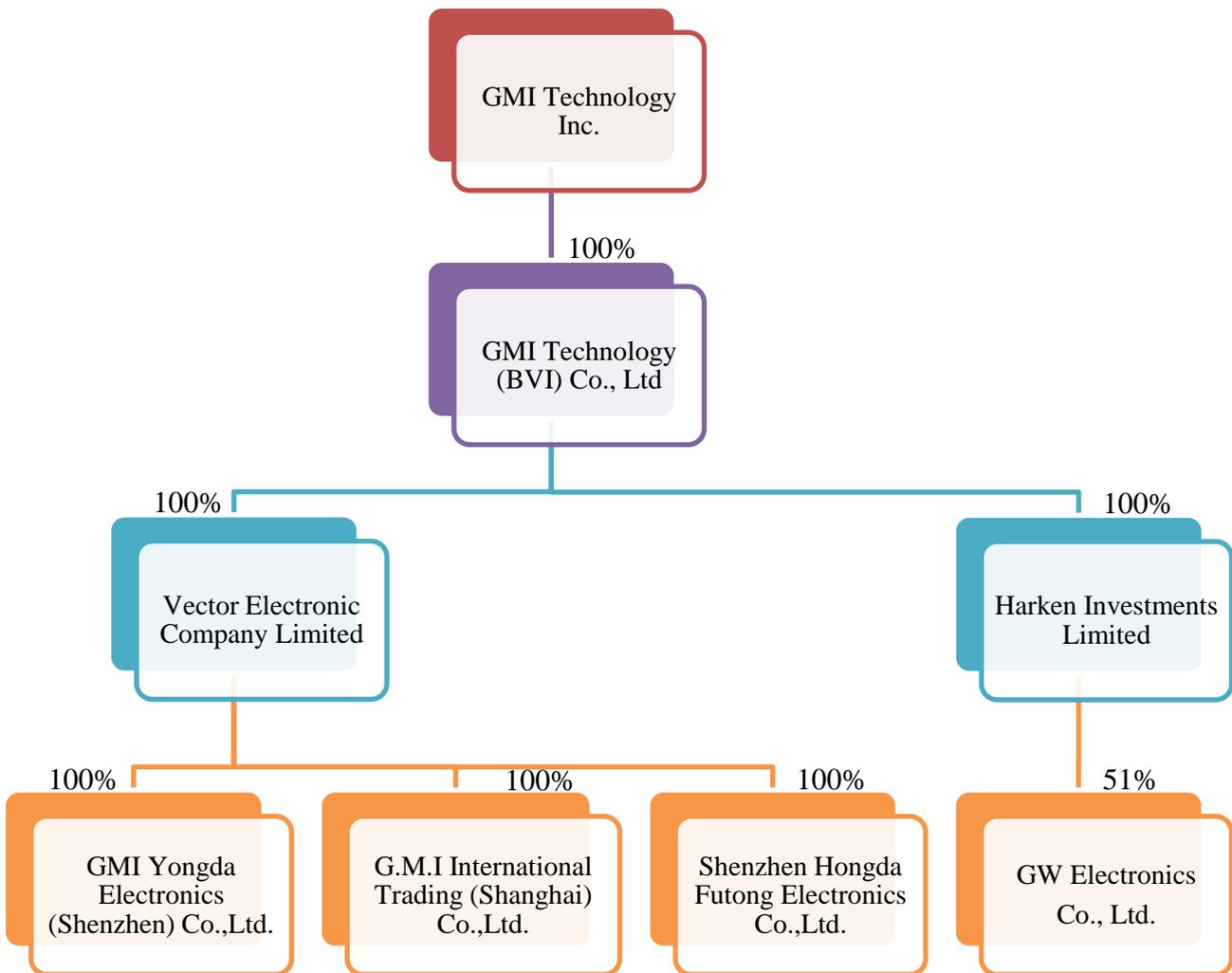
VII. Other important matters: None.

VIII. Special Items to be Included

I. Information on affiliated companies.

(I) Report on merger of affiliated companies

1. Organization chart of affiliated companies (2021.12.31)



2. Basic information of each affiliated company

Unit: NT\$ '000

Company name	Date of Establishment	Address :	Paid-in capital	Main scope of business or production
GMI. Technology (BVI) Co.,Ltd.	2003.05.22	Beaufort House, P.O. Box 438, Road Town, Tortola, British Virgin Island	NT\$556,991 (USD18,277)	Investment Holding Company
Harken Investments Limited	2012.07.03	Commence Chambers, P.O.Box 2208, Road Town, Tortola, British Virgin Islands.	NT\$393,484 (USD13,169)	Investment Holding Company
GW Electronics Company Limited	2012.08.06	Unit 13-16, 8/F, Fo Tang Industrial Centre, Nos. 26-28 Au Pui Wan Street, Fo Tan, Shatin, New Territories, Hong Kong	NT\$771,050 (HKD200,000)	Electronic Components Trading
Vector Electronic Company Limited	1990.11.13	9/F., Shatin Industrial Building, Nos.22-28 Wo Shui Street, Fo Tan, Shatin, Hong Kong.	NT\$151,141 (HKD34,149)	Electronic Components Trading
GMI International Trading (Shanghai) Co.,Ltd.	2002.02.07	Room 1616, Building 1, No.18 Taigu Road, Shanghai Free Trade Pilot Zone, P.R.C.	NT\$68,382 (RMB14,740.9)	Electronic Components Trading Business Marketing & Consulting Services
GMI Yongda Electronics (Shenzhen) Co.,Ltd.	2007.09.27	Unit 2-7, 10/F, Wuzi Land Building, No.6 Liyuan Road, Luohu District, Shenzhen, P.R.C.	NT\$34,576 (RMB8,000)	Electronic Components Trading Business Marketing & Consulting Services
Shenzhen Hongda Futong Electronics Co.,Ltd.	2012.05.08	Unit 2-7, 10/F, Wuzi Land Building, No.6 Liyuan Road, Luohu District, Shenzhen, P.R.C.	NT\$65,445 (RMB13,638.11)	Electronic Components Trading

3. Names and shareholdings of directors, supervisors and presidents of affiliated companies

Unit: NT\$ '000

Company name	Title	Shareholdings held by	Shares held	
			Number of Shares / Capital Contribution	Shareholding ratio (%) / Capital contribution ratio
GMI Technology (BVI) Co.,Ltd	Chairman of the Board	GMI Technology Inc. Corporate Representative: Yeh, Chia-Wen	NT\$556,991 (USD18,277)	100%
HARKEN INVESTMENTS LIMITED	Chairman of the Board	GMI Technology (BVI) Co., Ltd Corporate Representative: Yeh, Chia-Wen	NT\$393,484 (USD13,169)	100%
GW Electronics Company Limited The Company	Chairman of the Board	Kuo, Tsan-Chang	NT\$393,236 (HKD102,000)	51.00
Vector Electronic Company Limited	Chairman of the Board	GMI Technology (BVI) Co., Ltd Corporate Representative: Yeh, Chia-Wen	NT\$151,141 (HKD34,149)	100%
GMI International Trading (Shanghai) Co.,Ltd.	Chairman of the Board	Executive Director: Chen, Ching-Hsien	NT\$68,382 (RMB14,740.9)	100%
GMI Yongda Electronics (Shenzhen) Co.,Ltd.	Chairman of the Board	Vector Electronic Company Limited Representative: Chen, Ching-Hsien	NT\$34,576 (RMB8,000)	100%
Shenzhen Hongda Futong Electronics Co.,Ltd.	Chairman of the Board	Vector Electronic Company Limited Representative: Chen, Ching-Hsien	NT\$65,445 (RMB13,638.11)	100%

4. State of Operations of Affiliated Companies

Unit: NT\$ '000

Company name	Registered Capital (Note 2)	Total assets	Total liabilities	Net value	Operating Revenue	Operating income (loss)	Profit (loss) for the period (After tax)	Earnings Per Share (NT\$) (After tax)
GMI. Technology (BVI) Co.,Ltd	NT\$556,991	64,859	-	64,859	-	-	29,402	-
Harken Investments Limited	NT\$393,484	65	-	65	-	-	-	-
GW Electronics Company Limited	771,051	(Note 3)						
Vector Electronic Company Limited	NT\$151,141	64,907	117	64,790	-	(170)	29,403	-
GMI International Trading (Shanghai) Co.,Ltd.	NT\$68,382	211,273	165,548	45,725	863,172	26,433	27,682	-
GMI Yongda Electronics (Shenzhen) Co.,Ltd.	NT\$34,576	662	39	623	-	(308)	(307)	-
Shenzhen Hongda Futong Electronics Co.,Ltd.	NT\$65,445	41,595	23,750	17,845	83,150	3,196	2,195	-

Note 1: The financial statements of each of the above companies were audited and certified by attesting CPAs.

Note 2: Based on historical exchange rates.

Note 3: The subsidiary was temporarily taken over by a Hong Kong court in January 2017 after a liquidation order was issued by a Hong Kong court.

(II) Consolidated Financial Statements of affiliated companies: Please refer to pages 105 to 157.

(III) Business Report on affiliated companies: None.

II. Private placement of marketable securities for the most recent year and up to the date of the annual report: None

III. Holding or disposal of the Company's shares by subsidiaries in the most recent year and as of the date of the annual report: None

IV. Other necessary supplementary information: None

IX. Matters that may materially affect on shareholders' equity or the price of securities as defined in Article 36, paragraph 2, subparagraph 2 of the Securities and Exchange Act for the most recent fiscal year and as of the date of the annual report: none.

GMI Technology Inc.

Audit Report prepared by the Audit Committee

The Board of Directors has prepared and submitted to the Board of Directors a business report, parent company only financial statements, consolidated financial statements and a proposal for distribution of earnings for the year ended December 31, 2021, among which the parent company only financial statements and consolidated financial statements have been duly audited and certified by the attesting CPAs Jason Lin and Winston Yu of KPMG Taiwan, whereby an Audit Report has been issued.

The above-mentioned business report, financial statements, consolidated financial statements and statement of earnings distribution were examined by the Audit Committee and were found to be in order and consistent with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

The Audit report is hereby presented to
the 2022 Annual General Meeting of Shareholders of GMI Technology Inc.

GMI Technology Inc.

Audit Committee Convenor: Jan, Sen

May 10, 2022