

**MiTAC HOLDINGS CORPORATION AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT**

SEPTEMBER 30, 2021 AND 2020

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT

PWCR21000140

To the Board of Directors and Shareholders of MiTAC Holdings Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of MiTAC Holdings Corporation and its subsidiaries (the "Group") as at September 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

The financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method during the same period were not reviewed by independent auditors. Total assets of these subsidiaries and the balances of these investments accounted for using equity method amounted to NT\$11,844,252 thousand and NT\$16,981,662 thousand, constituting 17% and 31% of the consolidated total assets as at September 30, 2021 and 2020, respectively, total liabilities amounted to NT\$2,302,408 thousand and NT\$1,694,842 thousand, constituting 11% and 12% of the consolidated total liabilities as at September 30, 2021 and 2020, respectively, and the total comprehensive income (loss) and share of profit or loss and other comprehensive income of associates and joint ventures accounted for using equity method amounted to NT(\$379,560) thousand, NT\$852,673 thousand, NT\$960,100 and NT\$953,043 thousand, constituting (8%), 52%, 11% and 42% of the consolidated total comprehensive income (loss) for the three months and nine months then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of the insignificant subsidiaries and equity method investees been reviewed by independent auditors as described in the *Basis for qualified conclusion* section, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2021 and 2020, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Emphasis of matter

We draw attention to Note 6(7) to the consolidated financial statements, which describes that during the third quarter of 2021, the Group's ownership in the associate, TD Synnex Corp., was decreased and the Group lost significant influence over it. As a result, the Group recognised gains on disposal of investments amounting to NT\$12,820,034 thousand. Our conclusion is not modified in respect of this matter.

Liu, Chien-Yu

Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan

November 11, 2021

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

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2021, DECEMBER 31, 2020 AND SEPTEMBER 30, 2020
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

| | Assets | Notes | September 30, 2021 | | December 31, 2020 | | September 30, 2020 | |
|---------------------------|---|-------------------|----------------------|------------|----------------------|------------|----------------------|------------|
| | | | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| Current assets | | | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 6,633,952 | 9 | \$ 5,805,297 | 10 | \$ 4,349,646 | 8 |
| 1110 | Financial assets at fair value through profit or loss - current | 6(2) | 4,287 | - | 6,107 | - | 43,405 | - |
| 1120 | Financial assets at fair value through other comprehensive income - current | 6(3) | 1,574,567 | 2 | 1,232,843 | 2 | 1,046,687 | 2 |
| 1136 | Financial assets at amortised cost - current | 6(4) and 8 | 312,974 | - | 8,754 | - | 141,026 | - |
| 1150 | Notes receivable - net | | 46,988 | - | 31,689 | - | 84,210 | - |
| 1170 | Accounts receivable - net | 6(5) and 12(2) | 5,438,331 | 8 | 4,982,050 | 9 | 6,135,104 | 11 |
| 1180 | Accounts receivable - related parties - net | 6(5), 7 and 12(2) | 3,163 | - | 215,960 | - | 350,311 | 1 |
| 1200 | Other receivables | 7 | 75,751 | - | 60,168 | - | 55,482 | - |
| 1220 | Current income tax assets | | 26,178 | - | 2,136 | - | 16,995 | - |
| 130X | Inventories | 6(6) | 10,727,955 | 15 | 9,123,004 | 16 | 8,708,373 | 16 |
| 1410 | Prepayments | | 455,469 | 1 | 406,538 | 1 | 622,439 | 1 |
| 1460 | Non-current assets held for sale - net | 6(13) | - | - | 90,133 | - | 33,250 | - |
| 1470 | Other current assets | 6(16) | 17,464 | - | 16,830 | - | 21,449 | - |
| 11XX | Total current assets | | <u>25,317,079</u> | <u>35</u> | <u>21,981,509</u> | <u>38</u> | <u>21,608,377</u> | <u>39</u> |
| Non-current assets | | | | | | | | |
| 1517 | Financial assets at fair value through other comprehensive income - non-current | 6(3) | 22,580,575 | 32 | 6,065,749 | 11 | 5,464,992 | 10 |
| 1535 | Non-current financial assets at amortised cost | 6(4) and 8 | 43,730 | - | 35,253 | - | 35,166 | - |
| 1550 | Investments accounted for using equity method | 6(7) | 13,363,820 | 19 | 19,071,689 | 33 | 18,292,732 | 33 |
| 1600 | Property, plant and equipment - net | 6(8) | 7,515,910 | 11 | 7,753,087 | 14 | 7,836,544 | 14 |
| 1755 | Right-of-use assets | 6(9) and 7 | 320,180 | - | 359,874 | 1 | 344,670 | 1 |
| 1760 | Investment property - net | 6(11) | 1,253,851 | 2 | 1,229,431 | 2 | 1,229,151 | 2 |
| 1780 | Intangible assets | 6(12) | 78,262 | - | 75,904 | - | 80,939 | - |
| 1840 | Deferred income tax assets | | 523,086 | 1 | 504,324 | 1 | 485,680 | 1 |
| 1900 | Other non-current assets | | 78,278 | - | 94,915 | - | 100,129 | - |
| 15XX | Total non-current assets | | <u>45,757,692</u> | <u>65</u> | <u>35,190,226</u> | <u>62</u> | <u>33,870,003</u> | <u>61</u> |
| 1XXX | Total assets | | <u>\$ 71,074,771</u> | <u>100</u> | <u>\$ 57,171,735</u> | <u>100</u> | <u>\$ 55,478,380</u> | <u>100</u> |

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MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2021, DECEMBER 31, 2020 AND SEPTEMBER 30, 2020
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

| Liabilities and Equity | Notes | September 30, 2021 | | December 31, 2020 | | September 30, 2020 | | |
|---|--|--------------------|----------------------|-------------------|----------------------|--------------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | |
| Current liabilities | | | | | | | | |
| 2100 | Short-term borrowings | 6(14) | \$ 1,834,724 | 3 | \$ 1,443,851 | 3 | \$ 3,056,123 | 6 |
| 2120 | Financial liabilities at fair value through profit or loss - current | 6(15) | 1,850 | - | 11,691 | - | 9,274 | - |
| 2130 | Contract liabilities - current | 6(23) | 374,993 | 1 | 127,866 | - | 115,734 | - |
| 2170 | Accounts payable | | 6,681,720 | 9 | 6,662,560 | 12 | 5,079,634 | 9 |
| 2180 | Accounts payable - related parties | 7 | 108,803 | - | 20,222 | - | 43,789 | - |
| 2200 | Other payables | 7 | 3,529,052 | 5 | 3,366,781 | 6 | 3,410,950 | 6 |
| 2230 | Current income tax liabilities | | 426,920 | 1 | 440,247 | 1 | 449,007 | 1 |
| 2250 | Provisions - current | 6(18) | 110,339 | - | 132,169 | - | 145,820 | - |
| 2280 | Lease liabilities - current | 7 | 37,618 | - | 36,760 | - | 24,205 | - |
| 2300 | Other current liabilities | 6(16) | 408,040 | 1 | 279,550 | - | 240,181 | - |
| 21XX | Total current Liabilities | | <u>13,514,059</u> | <u>20</u> | <u>12,521,697</u> | <u>22</u> | <u>12,574,717</u> | <u>22</u> |
| Non-current liabilities | | | | | | | | |
| 2540 | Long-term borrowings | 6(16) | 704,138 | 1 | 863,366 | 2 | 863,561 | 2 |
| 2550 | Provisions - non-current | 6(18) | 137,370 | - | 123,905 | - | 110,030 | - |
| 2570 | Deferred income tax liabilities | | 6,645,751 | 9 | 378,872 | 1 | 378,727 | 1 |
| 2580 | Lease liabilities - non-current | 7 | 162,005 | - | 194,448 | - | 134,960 | - |
| 2600 | Other non-current liabilities | 6(7) | 388,722 | - | 327,952 | 1 | 307,758 | 1 |
| 25XX | Total non-current liabilities | | <u>8,037,986</u> | <u>10</u> | <u>1,888,543</u> | <u>4</u> | <u>1,795,036</u> | <u>4</u> |
| 2XXX | Total liabilities | | <u>21,552,045</u> | <u>30</u> | <u>14,410,240</u> | <u>26</u> | <u>14,369,753</u> | <u>26</u> |
| Equity | | | | | | | | |
| Share capital | | | | | | | | |
| 3110 | Common shares | 6(19) | 12,065,568 | 17 | 12,065,568 | 21 | 12,065,568 | 22 |
| Capital surplus | | | | | | | | |
| 3200 | Capital surplus | 6(20) | 22,589,371 | 32 | 23,582,411 | 41 | 23,590,900 | 43 |
| Retained earnings | | | | | | | | |
| 3310 | Legal reserve | 6(21) | 1,744,713 | 2 | 1,451,388 | 3 | 1,451,388 | 2 |
| 3350 | Unappropriated retained earnings | | 14,031,360 | 20 | 4,110,220 | 7 | 3,200,572 | 6 |
| Other equity interest | | | | | | | | |
| 3400 | Other equity interest | 6(22) | (715,274) | (1) | 1,743,283 | 3 | 990,866 | 2 |
| 3500 | Treasury stocks | 6(19) | (239,876) | - | (239,876) | (1) | (239,876) | (1) |
| 31XX | Equity attributable to owners of the parent | | <u>49,475,862</u> | <u>70</u> | <u>42,712,994</u> | <u>74</u> | <u>41,059,418</u> | <u>74</u> |
| 36XX | Non-controlling interests | | <u>46,864</u> | <u>-</u> | <u>48,501</u> | <u>-</u> | <u>49,209</u> | <u>-</u> |
| 3XXX | Total equity | | <u>49,522,726</u> | <u>70</u> | <u>42,761,495</u> | <u>74</u> | <u>41,108,627</u> | <u>74</u> |
| Significant Contingent Liabilities And Unrecognised Contract Commitments Significant Events After the Balance Sheet Date | | | | | | | | |
| 3X2X | Total liabilities and equity | | <u>\$ 71,074,771</u> | <u>100</u> | <u>\$ 57,171,735</u> | <u>100</u> | <u>\$ 55,478,380</u> | <u>100</u> |

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

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(Reviewed, not audited)

| Items | Notes | Three months ended September 30 | | | | Nine months ended September 30 | | | | |
|-------|---|---------------------------------|--------------|--------|---------------|--------------------------------|---------------|--------|---------------|-------|
| | | 2021 | | 2020 | | 2021 | | 2020 | | |
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % | |
| 4000 | Operating revenue | 6(23) and 7 | \$ 9,283,416 | 100 | \$ 11,852,050 | 100 | \$ 32,753,656 | 100 | \$ 31,119,390 | 100 |
| 5000 | Operating costs | 6(6) and 7 | (8,276,445) | (89) | (10,552,575) | (89) | (29,558,613) | (90) | (27,435,624) | (88) |
| 5900 | Gross profit | | 1,006,971 | 11 | 1,299,475 | 11 | 3,195,043 | 10 | 3,683,766 | 12 |
| | Operating expenses | 6(28)(29) and 7 | | | | | | | | |
| 6100 | Selling expenses | | (223,047) | (2) | (245,075) | (2) | (687,090) | (2) | (756,724) | (2) |
| 6200 | General and administrative expenses | | (281,160) | (3) | (268,938) | (2) | (864,937) | (3) | (838,029) | (3) |
| 6300 | Research and development expenses | | (566,344) | (6) | (582,521) | (5) | (1,671,375) | (5) | (1,899,378) | (6) |
| 6000 | Total operating expenses | | (1,070,551) | (11) | (1,096,534) | (9) | (3,223,402) | (10) | (3,494,131) | (11) |
| 6900 | Operating profit (loss) | | (63,580) | - | 202,941 | 2 | (28,359) | - | 189,635 | 1 |
| | Non-operating income and expenses | | | | | | | | | |
| 7100 | Interest income | 6(24) | 14,935 | - | 7,850 | - | 38,896 | - | 33,662 | - |
| 7010 | Other income | 6(25) and 7 | 188,005 | 2 | 185,190 | 2 | 556,333 | 2 | 338,946 | 1 |
| 7020 | Other gains and losses | 6(26) | 13,111,247 | 141 | (25,482) | - | 14,849,039 | 45 | 664 | - |
| 7050 | Finance costs | 6(27) and 7 | (3,062) | - | (6,848) | - | (18,600) | - | (37,589) | - |
| 7060 | Share of profit of associates and joint ventures accounted for using equity method | 6(7) | 733,968 | 8 | 586,114 | 5 | 2,663,448 | 8 | 1,531,304 | 5 |
| 7000 | Total non-operating income and expenses | | 14,045,093 | 151 | 746,824 | 7 | 18,089,116 | 55 | 1,866,987 | 6 |
| 7900 | Profit before income tax | | 13,981,513 | 151 | 949,765 | 9 | 18,060,757 | 55 | 2,056,622 | 7 |
| 7950 | Income tax expense | 6(30) | (6,184,001) | (67) | (40,594) | (1) | (6,639,186) | (20) | (116,218) | (1) |
| 8200 | Profit for the period | | \$ 7,797,512 | 84 | \$ 909,171 | 8 | \$ 11,421,571 | 35 | \$ 1,940,404 | 6 |

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MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(Reviewed, not audited)

| Items | Notes | Three months ended September 30 | | | | Nine months ended September 30 | | | | | |
|--|---|---------------------------------|---|----------------|-------|--------------------------------|------|----------------|------|--------------|------|
| | | 2021 | | 2020 | | 2021 | | 2020 | | | |
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | AMOUNT | % | | |
| Other comprehensive income (loss) - net | | | | | | | | | | | |
| Components of other comprehensive income (loss) that will not be reclassified to profit or loss | | | | | | | | | | | |
| 8316 | Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income | 6(3)(22) | | | | | | | | | |
| | | | | (\$ 3,127,730) | (34) | \$ 408,260 | 3 | (\$ 2,030,463) | (6) | \$ 860,367 | 3 |
| 8320 | Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss | 6(7)(22) | | (3,339) | - | 117,199 | 1 | 20,254 | - | 133,476 | - |
| 8310 | Components of other comprehensive income that will not be reclassified to profit or loss | | | (3,131,069) | (34) | 525,459 | 4 | (2,010,209) | (6) | 993,843 | 3 |
| Components of other comprehensive income (loss) that will be reclassified to profit or loss | | | | | | | | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | 6(22) | | 14,690 | - | (181,832) | (2) | (498,163) | (2) | (561,264) | (2) |
| 8370 | Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss | 6(7)(22) | | 37,325 | 1 | 386,742 | 4 | 53,467 | - | (98,285) | - |
| 8360 | Components of other comprehensive loss that will be reclassified to profit or loss | | | 52,015 | 1 | 204,910 | 2 | (444,696) | (2) | (659,549) | (2) |
| 8300 | Other comprehensive income (loss) for the period | | | (\$ 3,079,054) | (33) | \$ 730,369 | 6 | (\$ 2,454,905) | (8) | \$ 334,294 | 1 |
| 8500 | Total comprehensive income for the period | | | \$ 4,718,458 | 51 | \$ 1,639,540 | 14 | \$ 8,966,666 | 27 | \$ 2,274,698 | 7 |
| Profit (loss), attributable to: | | | | | | | | | | | |
| 8610 | Owners of parent | | | \$ 7,797,334 | 84 | \$ 909,339 | 8 | \$ 11,422,247 | 35 | \$ 2,007,700 | 6 |
| 8620 | Non-controlling interests | | | \$ 178 | - | (\$ 168) | - | (\$ 676) | - | (\$ 67,296) | - |
| Comprehensive income (loss) attributable to: | | | | | | | | | | | |
| 8710 | Owners of parent | | | \$ 4,718,300 | 51 | \$ 1,639,730 | 14 | \$ 8,967,472 | 27 | \$ 2,342,768 | 7 |
| 8720 | Non-controlling interests | | | \$ 158 | - | (\$ 190) | - | (\$ 806) | - | (\$ 68,070) | - |
| 9750 | Basic earnings per share | 6(31) | | \$ 6.52 | | \$ 0.76 | | \$ 9.56 | | \$ 1.68 | |
| 9850 | Diluted earnings per share | 6(31) | | \$ 6.51 | | \$ 0.76 | | \$ 9.51 | | \$ 1.67 | |

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

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

| Equity attributable to owners of the parent | | | | | | | | | | | | |
|--|-----------------------------|---|---------------|-----------------|----------------------------------|--|---|--------------|-----------------|------------|---------------------------|--------------|
| Notes | Capital surplus | Retained earnings | | | | Other equity interest | | | Treasury stocks | Total | Non-controlling interests | Total equity |
| | Share capital-common shares | Capital surplus, additional paid-in capital | Legal reserve | Special reserve | Unappropriated retained earnings | Financial statements translation differences of foreign operations | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | | | | | |
| Nine months ended September 30, 2020 | | | | | | | | | | | | |
| | \$ 10,772,829 | \$ 23,400,002 | \$ 1,167,412 | \$ 12,265 | \$ 3,818,704 | (\$ 1,081,728) | \$ 1,753,427 | (\$ 353,087) | \$ 39,489,824 | \$ 64,922 | \$ 39,554,746 | |
| | - | - | - | - | 2,007,700 | - | - | - | 2,007,700 | (67,296) | 1,940,404 | |
| Profit (loss) for 2020 | - | - | - | - | - | - | - | - | - | - | - | |
| Other comprehensive income (loss) for 2020 | - | - | - | - | - | (658,775) | 993,843 | - | 335,068 | (774) | 334,294 | |
| Total comprehensive income (loss) | - | - | - | - | 2,007,700 | (658,775) | 993,843 | - | 2,342,768 | (68,070) | 2,274,698 | |
| Distribution of 2019 earnings | - | - | - | - | - | - | - | - | - | - | - | |
| Legal reserve | - | - | 283,976 | - | (283,976) | - | - | - | - | - | - | |
| Special reserve | - | - | - | (12,265) | 12,265 | - | - | - | - | - | - | |
| Cash dividends | - | - | - | - | (1,077,283) | - | - | - | (1,077,283) | (4,463) | (1,081,746) | |
| Stock dividends | 1,292,739 | - | - | - | (1,292,739) | - | - | - | - | - | - | |
| Change of associates accounted for using equity method | - | 96,319 | - | - | 23,959 | - | (23,959) | - | 96,319 | - | 96,319 | |
| Disposal of Company's share by subsidiaries recognised as treasury share transactions | - | 83,417 | - | - | - | - | - | 113,211 | 196,628 | - | 196,628 | |
| Subsidiaries received cash dividends paid by the parent company | - | 10,784 | - | - | - | - | - | - | 10,784 | - | 10,784 | |
| Proceeds from disposal of investments accounted for using equity method | - | - | - | - | (86) | - | 86 | - | - | - | - | |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | 56,820 | 56,820 | |
| Proceeds from disposal of equity instruments measured at fair value through other comprehensive income | - | - | - | - | (7,972) | - | 7,972 | - | - | - | - | |
| Capital surplus - dividends unclaimed by the shareholders | - | 378 | - | - | - | - | - | - | 378 | - | 378 | |
| Balance at September 30, 2020 | \$ 12,065,568 | \$ 23,590,900 | \$ 1,451,388 | \$ - | \$ 3,200,572 | (\$ 1,740,503) | \$ 2,731,369 | (\$ 239,876) | \$ 41,059,418 | \$ 49,209 | \$ 41,108,627 | |
| Nine months ended September 30, 2021 | | | | | | | | | | | | |
| | \$ 12,065,568 | \$ 23,582,411 | \$ 1,451,388 | \$ - | \$ 4,110,220 | (\$ 1,803,450) | \$ 3,546,733 | (\$ 239,876) | \$ 42,712,994 | \$ 48,501 | \$ 42,761,495 | |
| Profit (loss) for the period | - | - | - | - | 11,422,247 | - | - | - | 11,422,247 | (676) | 11,421,571 | |
| Other comprehensive loss for the period | - | - | - | - | - | (444,566) | (2,010,209) | - | (2,454,775) | (130) | (2,454,905) | |
| Total comprehensive income (loss) | - | - | - | - | 11,422,247 | (444,566) | (2,010,209) | - | 8,967,472 | (806) | 8,966,666 | |
| Distribution of 2020 earnings | - | - | - | - | - | - | - | - | - | - | - | |
| Legal reserve | - | - | 293,325 | - | (293,325) | - | - | - | - | - | - | |
| Cash dividends | - | - | - | - | (1,206,557) | - | - | - | (1,206,557) | (831) | (1,207,388) | |
| Change of associates accounted for using equity method | - | 11,227 | - | - | 4,624 | - | (9,631) | - | 6,220 | - | 6,220 | |
| Subsidiaries received cash dividends paid by the parent company | - | 11,379 | - | - | - | - | - | - | 11,379 | - | 11,379 | |
| Proceeds from disposal of investments accounted for using equity method | - | (1,016,022) | - | - | (5,849) | - | 5,849 | - | (1,016,022) | - | (1,016,022) | |
| Capital surplus - dividends unclaimed by the shareholders | - | 376 | - | - | - | - | - | - | 376 | - | 376 | |
| Balance at September 30, 2021 | \$ 12,065,568 | \$ 22,589,371 | \$ 1,744,713 | \$ - | \$ 14,031,360 | (\$ 2,248,016) | \$ 1,532,742 | (\$ 239,876) | \$ 49,475,862 | \$ 46,864 | \$ 49,522,726 | |

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

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(Received, not audited)

| | Notes | Nine months ended September 30 | |
|--|-------|--------------------------------|--------------------|
| | | 2021 | 2020 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Profit before tax | | \$ 18,060,757 | \$ 2,056,622 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation | 6(28) | 707,988 | 674,441 |
| Amortization | 6(28) | 71,288 | 66,826 |
| Expected credit loss | 12(2) | 525 | 15,268 |
| Gain of financial assets/liabilities at fair value through profit or loss | 6(26) | (7,957) | (20,879) |
| Interest expense | 6(27) | 18,600 | 37,589 |
| Interest income | 6(24) | (38,896) | (33,662) |
| Dividend income | 6(25) | (296,240) | (212,469) |
| Share of profit of associates and joint ventures accounted for using equity method | 6(7) | (2,663,448) | (1,531,304) |
| Gain on disposal of property, plant and equipment | 6(26) | (2,003) | (1,185) |
| Gain on disposal of non-current assets classified as held for sale | 6(26) | (1,044,185) | - |
| (Gain) loss on disposal of investments | 6(26) | (13,812,619) | 4,817 |
| Loss on inventory market value decline | 6(6) | 11,036 | 136,480 |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Notes receivable | | (15,841) | 8,541 |
| Accounts receivable | | (307,571) | (234,577) |
| Other receivables | | (10,862) | 69,389 |
| Inventories | | (1,695,750) | (1,213,446) |
| Prepayments | | (43,814) | (185,201) |
| Other current assets | | (1,376) | 8,433 |
| Changes in operating liabilities | | | |
| Contract liabilities | | 250,011 | (159,234) |
| Accounts payable | | 141,219 | (690,421) |
| Other payables | | 191,264 | 209,613 |
| Provisions for liabilities | | (7,251) | 3,700 |
| Other current liabilities | | (28,790) | 16,954 |
| Accrued pension liabilities | | (5,124) | (11,674) |
| Other non-current liabilities | | (97) | 516 |
| Cash outflow generated from operations | | (529,136) | (984,863) |
| Receipt of interest | | 37,882 | 37,610 |
| Cash dividend received | | 1,085,621 | 811,508 |
| Payment of interest | | (18,157) | (42,714) |
| Payment of income tax | | (406,807) | (63,100) |
| Net cash flows from (used in) operating activities | | <u>169,403</u> | <u>(241,559)</u> |

(Continued)

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(Received, not audited)

| | Notes | Nine months ended September 30 | |
|--|-------|--------------------------------|----------------------|
| | | 2021 | 2020 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of financial assets at fair value through other comprehensive income | | (\$ 142,511) | (\$ 95,957) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | | - | 12,303 |
| Proceeds from capital reduction of financial assets at fair value through other comprehensive income | | 22,112 | - |
| (Increase) decrease in financial assets at amortised cost | | (315,347) | 358,431 |
| Acquisition of financial assets at fair value through profit or loss | | - | (11,249) |
| Proceeds from disposal of financial assets at fair value through profit or loss | | - | 89,343 |
| Acquisition of investments accounted for using equity method | 6(7) | - | (132,394) |
| Proceeds from disposal of investments accounted for using equity method | 6(7) | 1,469,173 | - |
| Decrease in net cash from disposal of subsidiaries | 6(33) | - | (78,615) |
| Proceeds from disposal of non-current assets classified as held for sale | 6(13) | 1,133,507 | - |
| Acquisition of property, plant and equipment | 6(8) | (529,524) | (712,455) |
| Proceeds from disposal of property, plant and equipment | | 2,983 | 2,381 |
| Decrease (increase) in refundable deposits | | 2,507 | (7,906) |
| Increase in intangible assets | 6(12) | (73,682) | (59,171) |
| Increase in investment property | 6(11) | (12,557) | - |
| Increase in other non-current assets | | - | (13,458) |
| Net cash flows from (used in) investing activities | | <u>1,556,661</u> | <u>(648,747)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase (decrease) in short-term borrowings | 6(34) | 392,990 | (738,644) |
| Proceeds from long-term borrowings | 6(34) | 2,268 | 72,000 |
| Increase (decrease) in guarantee deposits | 6(34) | 5,701 | (3,336) |
| Repayment of principal portion of lease liabilities | 6(34) | (29,542) | (41,360) |
| Cash dividends paid | 6(33) | (1,196,009) | (1,070,962) |
| Proceeds from disposal of treasury shares | 6(19) | - | 196,628 |
| Investments increased by non-controlling interest | 6(32) | - | 90,150 |
| Capital surplus - expired unclaimed dividends | 6(20) | 376 | 378 |
| Net cash flows used in financing activities | | <u>(824,216)</u> | <u>(1,495,146)</u> |
| Effects of changes in exchange rates | | <u>(73,193)</u> | <u>70,532</u> |
| Net increase (decrease) in cash and cash equivalents | | 828,655 | (2,314,920) |
| Cash and cash equivalents at beginning of period | 6(1) | 5,805,297 | 6,664,566 |
| Cash and cash equivalents at end of period | 6(1) | <u>\$ 6,633,952</u> | <u>\$ 4,349,646</u> |

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

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

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

(Reviewed, not audited)

1. HISTORY AND ORGANISATION

(1) MiTAC Holdings Corporation (the “Company”) was established by MiTAC International Corp. (“MiTAC International”) through a share conversion on September 12, 2013, and on the same date, the Competent Authority has approved for the Company’s shares to be listed on the Taiwan Stock Exchange (TWSE). MiTAC International became the Company’s wholly-owned subsidiary after conversion. The main business of the Company and its subsidiaries (collectively referred herein as the “Group”) is to design, manufacture and sell products related to investments, computers and its peripherals and communications.

(2) In order to promote specialization of work for transforming and improving overall competitiveness of the Group, the Board of Directors of its subsidiary, MiTAC International, has resolved to divest its cloud computing products group to the newly established company, MiTAC Computing Technology Corporation (“MiTAC Computing Technology”), as the consideration for the acquisition of 220,000 thousand newly issued ordinary shares of MiTAC Computing Technology on the spin-off day, September 1, 2014. In addition, in 2017, the Board of Directors of MiTAC International has resolved to divest its mobile communication products group to the newly established company, MiTAC Digital Technology Corporation (“MiTAC Digital Technology”), as the consideration for the acquisition of 100,000 thousand newly issued ordinary shares of MiTAC Digital Technology on the spin-off day, January 1, 2018. As a result, MiTAC International, MiTAC Computing Technology and MiTAC Digital Technology are the wholly-owned subsidiaries of the Company after the spin-off.

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

These consolidated financial statements were reported to the Board of Directors on November 11, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|---|
| Amendments to IFRS 3, 'Reference to the conceptual framework' | January 1, 2022 |
| Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use' | January 1, 2022 |
| Amendments to IAS 37, 'Onerous contracts— cost of fulfilling a contract' | January 1, 2022 |
| Annual improvements to IFRS Standards 2018–2020 | January 1, 2022 |

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2020, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.
- B. The consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2020.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets and liabilities at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets and present value of defined benefit obligation.
- B. The preparation of financial statements in compliance with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process

of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis for preparation of these consolidated financial statements is the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2020.

B. Subsidiaries included in the consolidated financial statements:

| Investor | Subsidiary | Main activities | Ownership (%) | | | Remarks |
|----------------------------------|---|--|--------------------|-------------------|--------------------|---------|
| | | | September 30, 2021 | December 31, 2020 | September 30, 2020 | |
| MiTAC Holdings Corp. | MiTAC International Corp. | Computer and its peripherals: design, manufacture and sell communications products | 100% | 100% | 100% | Note 2 |
| MiTAC Holdings Corp. | MiTAC Computing Technology Corp. | Computer and its peripherals: design, manufacture and sell communications products | 100% | 100% | 100% | Note 2 |
| MiTAC Holdings Corp. | MiTAC Digital Technology Corp. | Sales and service of electronic telecommunication, communication and software, etc | 97.17% | 97.17% | 97.17% | Note 2 |
| MiTAC International Corp. | Tsu Fung Investment Corp. | General investments | 100% | 100% | 100% | |
| MiTAC International Corp. | Silver Star Developments Ltd. | General investments | 100% | 100% | 100% | Note 2 |
| MiTAC Computing Technology Corp. | MiTAC Technology UK Ltd. | General investments | 100% | 100% | 100% | Note 2 |
| MiTAC Computing Technology Corp. | MiTAC Telematics Technology Corporation | Sales of self-produced products and related after-sale services | 100% | 100% | 100% | |
| MiTAC Digital Technology Corp. | Access Wisdom Holdings Ltd. | General investments | 100% | 100% | 100% | |
| MiTAC Digital Technology Corp. | Mio International Ltd. | Sale of communication and related products | 100% | 100% | 100% | |
| Tsu Fung Investment Corp. | MiTAC Digital Technology Corp. | Sales and service of electronic telecommunication, communication and software, etc | 0.001% | 0.001% | 0.001% | Note 2 |
| Silver Star Developments Ltd. | Pacific China Corp. | General investments | 100% | 100% | 100% | Note 2 |

| Investor | Subsidiary | Main activities | Ownership (%) | | | Remarks |
|-------------------------------|--------------------------------------|--|--------------------|-------------------|--------------------|---------|
| | | | September 30, 2021 | December 31, 2020 | September 30, 2020 | |
| Pacific China Corp. | MiTAC Star Service Ltd. | General investments | 100% | 100% | 100% | Note 2 |
| Pacific China Corp. | Software Insights Ltd. | General investments | 100% | 100% | 100% | |
| Pacific China Corp. | Start Well Technology Ltd. | General investments | 100% | 100% | 100% | |
| Pacific China Corp. | Huge Extent Ltd. | General investments | 100% | 100% | 100% | |
| Access Wisdom Holdings Ltd. | MiTAC Europe Ltd. | Sale of communication products and related after-sale services | 100% | 100% | 100% | |
| MiTAC Technology UK Ltd. | Tyan Computer Corp. (USA) | Sales of computer peripherals, hardware/ software and related products | 100% | 100% | 100% | |
| MiTAC Technology UK Ltd. | MiTAC Logistics Corp. | Sale of computer peripherals, hardware/software and related products | - | - | 100% | Note 1 |
| MiTAC Technology UK Ltd. | MiTAC Information Systems Corp. | Assembling and sale of computer peripherals, hardware/software and related products | 100% | 100% | 100% | Note 2 |
| MiTAC Europe Ltd. | MiTAC Digital Corp. | Sale of communication products and related after-sale services | 100% | 100% | 100% | |
| MiTAC Europe Ltd. | MiTAC Australia Pty Ltd. | Sale of communication products and related after-sale services | 100% | 100% | 100% | |
| Silver Star Developments Ltd. | MiTAC Japan Corp. | Sale of communication products, computer peripherals, hardware/software and related products and related after-sale services | 100% | 100% | 100% | |
| Silver Star Developments Ltd. | MiTAC Benelux N.V. | Sale of communication products and related after-sale services | 100% | 100% | 100% | |
| Silver Star Developments Ltd. | MiTAC Pacific (H.K.) Ltd. | Sale of computer peripherals, hardware/software and related products | 100% | 100% | 100% | |
| Start Well Technology Ltd | MiTAC Investment Holding Ltd. | Investment holdings | 100% | 100% | 100% | |
| MiTAC Investment Holding Ltd. | MiTAC Computer (Kunshan) Ltd. | Manufacture of computers, computer peripherals, hardware/software and related products and sale of own-produced products | 100% | 100% | 100% | |
| MiTAC Investment Holding Ltd. | MiTAC Technology (Kunshan) Co., Ltd. | Testing, maintenance and display of computer components and related technical advisory services and after-sale services | 100% | 100% | 100% | |

| Investor | Subsidiary | Main activities | Ownership (%) | | | Remarks |
|-------------------------------|---|---|--------------------|-------------------|--------------------|---------|
| | | | September 30, 2021 | December 31, 2020 | September 30, 2020 | |
| MiTAC Investment Holding Ltd. | MiTAC Logistic Service (Kunshan) Ltd. | Agency of freight transport, export and import trading and warehousing services. | 100% | 100% | 100% | |
| MiTAC Investment Holding Ltd. | MiTAC Information Technology Ltd. | After-sale maintenance, testing and technical advisory services of computers, communication products and consumer electronic products; establishment of customer service centers; customer data processing, analysis and integrated services and business administration services | 100% | 100% | 100% | |
| MiTAC Star Service Ltd. | MiTAC Computer (Shunde) Corp. | Manufacture of computer frame, motherboard, interface card, display, power supply, keyboard, related metal stamping parts and plastic parts and maintenance of motherboard | 100% | 100% | 100% | Note 2 |
| MiTAC Computer (Kunshan) Ltd | MiTAC Information Systems (Kunshan) Co., Ltd. | Sales and manufacturing of computer accessories, hardware, software and related services | 100% | 100% | 100% | |
| Software Insights Ltd. | MiTAC Research (Shanghai) Ltd. | Research, development and manufacture of computer software, sale of own-produced products and related technical advisory services | 100% | 100% | 100% | |
| Software Insights Ltd. | MiTAC Innovation (Kunshan) Ltd. | Research and development of calculator, server, mobile phone, PDA and GPS, and technical transfer, technical advisory and technical services of related R&D products | 100% | 100% | 100% | |
| Mio International Ltd. | Mio Technology (Suzhou) Ltd. | Sale of communication products and related after-sale services | 100% | 100% | 100% | |

Note 1: It completed the liquidation in 2020.

Note 2: The financial statements of the entity as of and for the nine months ended September 30, 2021 and 2020 were reviewed by the independent auditors.

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

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

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

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

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income taxes

A. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

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

There have been no significant changes as of September 30, 2021. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2020.

The Group has considered the economic implications of COVID-19 pandemic on critical accounting estimates, reflected the impact caused by the pandemic and will continue evaluating the impact on its financial position and financial performance.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|---------------------------------------|---------------------------|--------------------------|---------------------------|
| Cash: | | | |
| Cash on hand and revolving funds | \$ 470 | \$ 753 | \$ 779 |
| Checking accounts and demand deposits | 4,511,916 | 4,145,332 | 3,039,729 |
| Cash equivalents: | | | |
| Time deposits | <u>2,121,566</u> | <u>1,659,212</u> | <u>1,309,138</u> |
| Total | <u>\$ 6,633,952</u> | <u>\$ 5,805,297</u> | <u>\$ 4,349,646</u> |

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

B. The Group has no cash and cash equivalents pledged to others.

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

| Items | September 30, 2021 | December 31, 2020 | September 30, 2020 |
|--|--------------------|-------------------|--------------------|
| Current items: | | | |
| Financial assets mandatorily measured at fair value through profit or loss | | | |
| Derivatives | \$ - | \$ - | \$ - |
| Valuation adjustment | | | |
| - Derivatives | 4,287 | 6,107 | 43,405 |
| Total | \$ 4,287 | \$ 6,107 | \$ 43,405 |

A. The Group recognised net (loss) gain of (\$21,194), \$13,358, (\$1,821) and \$21,551 on financial assets at fair value through profit or loss for the three months and nine months ended September 30, 2021 and 2020, respectively.

B. The non-hedging derivative instrument transactions and contract information are as follows :

| | | September 30, 2021 | | | |
|--------------------------------------|---------------------------------|--------------------|--------|-------------------|-------|
| Financial Instrument | Item | Notional Amount | | Fair Market Value | |
| | | (in thousands) | | (in thousands) | |
| MiTAC Digital Technology Corp. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy NTD | USD | 1,000 | NTD | 8 |
| Forward foreign exchange - Sell | Advance booking EUR to buy USD | EUR | 1,380 | NTD | 738 |
| Forward foreign exchange - Sell | Advance booking AUD to buy USD | AUD | 5,400 | NTD | 976 |
| MiTAC Computer (KunShan) Co., Ltd. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy CNY | USD | 4,000 | CNY | 203 |
| MiTAC Computer (Shunde) Ltd. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy CNY | USD | 4,000 | CNY | 92 |
| Silver Star Developments Ltd. | | | | | |
| Forward foreign exchange - Sell | Advance booking EUR to buy USD | EUR | 2,200 | USD | 47 |
| | | December 31, 2020 | | | |
| Financial Instrument | Item | Notional Amount | | Fair Market Value | |
| | | (in thousands) | | (in thousands) | |
| MiTAC Computing Technology Corp. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy NTD | USD | 20,500 | NTD | 4,014 |
| Forward foreign exchange - Buy | Advance booking USD to sell NTD | USD | 13,000 | NTD | 1,376 |
| MiTAC Digital Technology Corp. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy NTD | USD | 2,500 | NTD | 567 |
| Forward foreign exchange - Buy | Advance booking USD to sell NTD | USD | 4,000 | NTD | 130 |
| MiTAC Technology (KunShan) Co., Ltd. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy CNY | USD | 300 | CNY | 5 |

| | | September 30, 2020 | | | |
|----------------------------------|---------------------------------|-----------------------------------|--------|-------------------------------------|--------|
| Financial Instrument | Item | Notional Amount (in thousands) | | Fair Market Value (in thousands) | |
| MiTAC Computing Technology Corp. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy NTD | USD | 40,000 | NTD | 11,320 |
| Forward foreign exchange - Buy | Advance booking USD to sell NTD | USD | 4,000 | NTD | 1,856 |
| Foreign exchange swap - Sell | Advance booking USD to buy NTD | USD | 78,600 | NTD | 26,117 |
| MiTAC Digital Technology Corp. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy NTD | USD | 5,500 | NTD | 1,327 |
| Forward foreign exchange - Sell | Advance booking EUR to buy USD | EUR | 652 | NTD | 115 |
| Forward foreign exchange - Sell | Advance booking AUD to buy USD | AUD | 1,600 | NTD | 564 |
| Foreign exchange swap - Sell | Advance booking USD to buy NTD | USD | 3,000 | NTD | 1,511 |
| Silver Star Developments Ltd. | | | | | |
| Forward foreign exchange - Sell | Advance booking EUR to buy USD | EUR | 2,200 | NTD | 18 |

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

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

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

| Items | September 30, 2021 | December 31, 2020 | September 30, 2020 |
|----------------------|----------------------|---------------------|---------------------|
| Current items: | | | |
| Equity instruments | | | |
| Listed stocks | \$ 887,725 | \$ 800,614 | \$ 800,614 |
| Valuation adjustment | 686,842 | 432,229 | 246,073 |
| Total | <u>\$ 1,574,567</u> | <u>\$ 1,232,843</u> | <u>\$ 1,046,687</u> |
| Non-current items: | | | |
| Equity instruments | | | |
| Listed stocks | \$ 19,991,750 | \$ 1,225,051 | \$ 1,225,051 |
| Unlisted stocks | 1,827,506 | 1,794,303 | 1,795,310 |
| Subtotal | 21,819,256 | 3,019,354 | 3,020,361 |
| Valuation adjustment | 761,319 | 3,046,395 | 2,444,631 |
| Total | <u>\$ 22,580,575</u> | <u>\$ 6,065,749</u> | <u>\$ 5,464,992</u> |

A. The Group recognised (\$3,127,730), \$408,260, (\$2,030,463) and \$860,367 in other comprehensive income for fair value change for the three months and nine months ended September 30, 2021 and 2020, respectively.

B. The Group has elected to designate the above investments, which were held mainly for medium to long-term trading purposes, as investments in equity instruments measured at fair value through other comprehensive income. As of September 30, 2021, December 31, 2020 and September 30, 2020, the fair value of investments were \$24,155,142, \$7,298,592 and \$6,511,679, respectively.

C. The Group sold \$12,303 of investments at fair value and resulted in cumulative losses on disposal amounting to \$7,972 during the third quarter of 2020.

D. On September 1, 2021, the Group lost significant influence over TD Synnex Corp., and reclassified it from investments accounted for using equity method to financial assets at fair value through other comprehensive income based on the remeasurement at fair value amounting to \$18,766,699.

(4) Financial assets at amortised cost

| Items | September 30, 2021 | December 31, 2020 | September 30, 2020 |
|---------------------|--------------------|-------------------|--------------------|
| Current items: | | | |
| Structured deposits | \$ - | \$ - | \$ 132,339 |
| Pledged deposits | 312,974 | 8,754 | 8,687 |
| | \$ 312,974 | \$ 8,754 | \$ 141,026 |
| Non-current items: | | | |
| Pledged deposits | \$ 43,730 | \$ 35,253 | \$ 35,166 |
| | \$ 43,730 | \$ 35,253 | \$ 35,166 |

A. As of September 30, 2021, December 31, 2020 and September 30, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$356,704, \$44,007 and \$176,192, respectively.

B. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(5) Accounts receivable

| | September 30, 2021 | December 31, 2020 | September 30, 2020 |
|-------------------------------|--------------------|-------------------|--------------------|
| Third parties | \$ 5,528,626 | \$ 5,073,532 | \$ 6,226,755 |
| Less: Allowance for bad debts | (90,295) | (91,482) | (91,651) |
| | 5,438,331 | 4,982,050 | 6,135,104 |
| Related parties | 3,163 | 215,960 | 350,311 |
| | \$ 5,441,494 | \$ 5,198,010 | \$ 6,485,415 |

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

| | September 30, 2021 | December 31, 2020 | September 30, 2020 |
|----------------|--------------------|-------------------|--------------------|
| Not past due | \$ 5,202,494 | \$ 5,011,648 | \$ 6,065,047 |
| Up to 90 days | 309,636 | 248,007 | 473,452 |
| 91 to 180 days | 6,201 | 1,680 | 5,191 |
| Over 181 days | 13,458 | 28,157 | 33,376 |
| | \$ 5,531,789 | \$ 5,289,492 | \$ 6,577,066 |

The above ageing analysis was based on past due date.

B. As of September 30, 2021, December 31, 2020 and September 30, 2020, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2020, the balance of accounts receivable from contracts with customers amounted to \$6,472,725.

C. As of September 30, 2021, December 31, 2020 and September 30, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$5,441,494, \$5,198,010 and \$6,485,415, respectively.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Inventories

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|-----------------|---------------------------|--------------------------|---------------------------|
| | <u>Book value</u> | <u>Book value</u> | <u>Book value</u> |
| Raw materials | \$ 8,612,939 | \$ 6,699,085 | \$ 5,682,720 |
| Work in process | 767,922 | 643,449 | 1,283,386 |
| Finished goods | 1,347,094 | 1,780,470 | 1,742,267 |
| Total | <u>\$ 10,727,955</u> | <u>\$ 9,123,004</u> | <u>\$ 8,708,373</u> |

The cost of inventories recognised as expense for the period:

| | <u>For the three months ended</u> <u>September 30, 2021</u> | <u>For the three months ended</u> <u>September 30, 2020</u> |
|---|--|--|
| Cost of goods sold | \$ 8,277,660 | \$ 10,512,098 |
| Loss on (reversal of) decline in market value | (1,215) | 40,477 |
| | <u>\$ 8,276,445</u> | <u>\$ 10,552,575</u> |
| | <u>For the nine months ended</u> <u>September 30, 2021</u> | <u>For the nine months ended</u> <u>September 30, 2020</u> |
| Cost of goods sold | \$ 29,547,577 | \$ 27,299,144 |
| Loss on decline in market value | 11,036 | 136,480 |
| | <u>\$ 29,558,613</u> | <u>\$ 27,435,624</u> |

The Group reversed a previous inventory write-down because inventories with allowance for valuation loss were partially sold by the Group for the three months ended September 30, 2021.

(7) Investments accounted for using equity method

A.

| <u>Investee company</u> | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|---|---------------------------|--------------------------|---------------------------|
| Getac Holdings Corp. (Note 1) | \$ 5,477,847 | \$ 5,249,079 | \$ 4,953,091 |
| 3 Probe Technology Co., Ltd. | 11,610 | 13,962 | 11,343 |
| Lian Jie Investment Co., Ltd. | 174,916 | 168,258 | 157,934 |
| Lian Jie II Investment Co., Ltd. | 33,009 | 42,467 | 40,807 |
| Shen-Tong Construction & Development Co., Ltd. | 85,853 | 86,012 | 86,057 |
| Mainpower International Ltd. | 250,959 | 240,230 | 229,113 |
| Concentrix Corp. | 6,699,569 | 6,677,974 | - |
| TD Synnex Corp. (Note 2) | - | 5,977,703 | 12,215,669 |
| Suzhou MiTAC Preclusion Technology Co., Ltd. | 368,493 | 354,254 | 336,621 |
| Loyal Fidelity Aerospace Corp. | 120,092 | 123,406 | 123,777 |
| Harbinger Ruyi Venture Ltd. | 18,716 | 18,970 | 19,348 |
| Harbinger Ruyi II Venture Ltd. | 53,925 | 49,096 | 48,299 |
| Infopower Technologies Ltd. | 68,831 | 70,278 | 70,673 |
| | <u>\$ 13,363,820</u> | <u>\$ 19,071,689</u> | <u>\$ 18,292,732</u> |

Note 1: On October 12, 2021, Getac Technology Corp. completed the registration and was renamed to Getac Holdings Corp.

Note 2: On September 1, 2021, Synnex Corp. announced the change in its name to TD Synnex Corp.

B. The Group recognized its share of profit from associates accounted for using equity method for the three months and nine months ended September 30, 2021 and 2020 amounting to \$733,968, \$586,114, \$2,663,448 and \$1,531,304, respectively, and recognized its share of other comprehensive income from associates accounted for using equity method amounting to \$33,986, \$503,941, \$73,721 and \$35,191, respectively.

C. The basic information of the associates that are material to the Group is as follows:

| <u>Company name</u> | <u>Principal place of business</u> | <u>Shareholding ratio</u> | | | <u>Nature of relationship</u> | <u>Methods of measurement</u> |
|----------------------|--|-------------------------------|------------------------------|-------------------------------|-----------------------------------|-----------------------------------|
| | | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> | | |
| Getac Holdings Corp. | Taiwan | 31.97% | 32.31% | 32.48% | Owned over 20% ownership | Equity method |
| TD Synnex Corp. | USA | -% | 10.28% | 10.28% | Significant influence (Note) | Equity method (Note) |
| Concentrix Corp. | USA | 9.44% | 10.28% | - | Significant influence | Equity method |

Note : Please refer to Note 6(7) J.

D. The summarized financial information of the associates that are material to the Group is as follows:

Balance sheet

| | <u>Getac Holdings Corp.</u> | | |
|---------------------------------|-----------------------------|--------------------------|---------------------------|
| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
| Current assets | \$ 21,457,580 | \$ 19,825,742 | \$ 17,314,613 |
| Non-current assets | 13,872,940 | 14,029,191 | 13,583,153 |
| Current liabilities | (12,078,361) | (11,735,921) | (9,937,119) |
| Non-current liabilities | (4,410,147) | (4,125,717) | (3,992,108) |
| Non-controlling interest | (1,710,192) | (1,748,248) | (1,718,115) |
| Total net assets | <u>\$ 17,131,820</u> | <u>\$ 16,245,047</u> | <u>\$ 15,250,424</u> |
| Share in associate's net assets | <u>\$ 5,477,847</u> | <u>\$ 5,249,079</u> | <u>\$ 4,953,091</u> |
| | <u>TD Synnex Corp.</u> | | |
| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
| Current assets | \$ - | \$ 209,922,862 | \$ 249,216,794 |
| Non-current assets | - | 27,111,310 | 136,456,739 |
| Current liabilities | - | (132,336,507) | (163,895,507) |
| Non-current liabilities | - | (46,502,998) | (102,899,143) |
| Total net assets | <u>\$ -</u> | <u>\$ 58,194,667</u> | <u>\$ 118,878,883</u> |
| Share in associate's net assets | <u>\$ -</u> | <u>\$ 5,977,703</u> | <u>\$ 12,215,669</u> |
| | <u>Concentrix Corp.</u> | | |
| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
| Current assets | \$ 41,241,004 | \$ 40,537,748 | \$ - |
| Non-current assets | 97,827,581 | 106,421,273 | - |
| Current liabilities | (24,752,857) | (28,782,657) | - |
| Non-current liabilities | (43,363,675) | (53,166,720) | - |
| Total net assets | <u>\$ 70,952,053</u> | <u>\$ 65,009,644</u> | <u>\$ -</u> |
| Share in associate's net assets | <u>\$ 6,699,569</u> | <u>\$ 6,677,974</u> | <u>\$ -</u> |

Statement of comprehensive income

| | Getac Holdings Corp. | |
|--|---|---|
| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
| Revenue | \$ 7,464,102 | \$ 7,086,833 |
| Profit for the period from continuing operations | \$ 613,320 | \$ 661,229 |
| Other comprehensive (loss) income - net of tax | (59,786) | 227,158 |
| Total comprehensive income | <u>\$ 553,534</u> | <u>\$ 888,387</u> |

| | Getac Holdings Corp. | |
|--|--|--|
| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
| Revenue | \$ 22,357,792 | \$ 20,085,154 |
| Profit for the period from continuing operations | \$ 3,528,416 | \$ 1,899,874 |
| Other comprehensive loss - net of tax | (769,686) | (48,488) |
| Total comprehensive income | <u>\$ 2,758,730</u> | <u>\$ 1,851,386</u> |
| Dividends received from associates | <u>\$ 682,971</u> | <u>\$ 532,345</u> |

| | TD Synnex Corp. | |
|--|---|---|
| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
| Revenue | \$ 145,020,476 | \$ 190,786,545 |
| Profit for the period from continuing operations | \$ 2,632,880 | \$ 3,829,837 |
| Other comprehensive (loss) income - net of tax | (351,920) | 822,136 |
| Total comprehensive income | <u>\$ 2,280,960</u> | <u>\$ 4,651,973</u> |
| Dividends received from associates | <u>\$ 29,529</u> | <u>\$ -</u> |

| | TD Synnex Corp. | |
|--|--|--|
| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
| Revenue | \$ 449,162,148 | \$ 514,705,229 |
| Profit for the period from continuing operations | \$ 7,712,595 | \$ 9,109,339 |
| Other comprehensive income (loss) - net of tax | 943,350 | (523,871) |
| Total comprehensive income | <u>\$ 8,655,945</u> | <u>(\$ 8,585,468)</u> |
| Dividends received from associates | <u>\$ 89,254</u> | <u>\$ 63,107</u> |

| | Concentrix Corp. | |
|--|---|---|
| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
| Revenue | \$ 38,932,610 | \$ - |
| Profit for the period from continuing operations | \$ 2,976,036 | \$ - |
| Other comprehensive loss - net of tax | (1,991,365) | - |
| Total comprehensive income | <u>\$ 984,671</u> | <u>\$ -</u> |

| | Concentrix Corp. | |
|--|--|--|
| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
| Revenue | \$ 115,649,688 | \$ - |
| Profit for the period from continuing operations | \$ 7,692,443 | \$ - |
| Other comprehensive loss - net of tax | (1,030,893) | - |
| Total comprehensive income | <u>\$ 6,661,550</u> | <u>\$ -</u> |

Note 1: Concentrix Corp. was established on December 1, 2020. Thus, the information related to its statement of comprehensive income was not available for the three months and nine months ended September 30, 2020.

Note 2: The Group lost control over TD Synnex Corp. since September 1, 2021. Thus, only the financial information as of August 31, 2021 was disclosed.

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

As of September 30, 2021, December 31, 2020 and September 30, 2020, the carrying amount of the Group's individually immaterial associates amounted to \$1,186,404, \$1,166,933 and \$1,123,972, respectively.

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|---|---|---|
| (Loss) profit for the period from continuing operations | (\$ 7,334) | \$ 12,728 |
| Other comprehensive (loss) income - net of tax | (28,635) | 247,168 |
| Total comprehensive (loss) income | <u>(\$ 35,969)</u> | <u>\$ 259,896</u> |
| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
| Profit for the period from continuing operations | \$ 72,524 | \$ 176,382 |
| Other comprehensive income - net of tax | 55,572 | 240,194 |
| Total comprehensive income | <u>\$ 128,096</u> | <u>\$ 416,576</u> |

F. The fair value of the Group's material associates with quoted market prices is as follows:

| | September 30, 2021 | December 31, 2020 | September 30, 2020 |
|----------------------|----------------------|----------------------|----------------------|
| Getac Holdings Corp. | \$ 9,843,522 | \$ 9,310,410 | \$ 8,691,620 |
| TD Synnex Corp. | - | 12,292,833 | 21,601,372 |
| Concentrix Corp. | 24,352,597 | 14,898,117 | - |
| | <u>\$ 34,196,119</u> | <u>\$ 36,501,360</u> | <u>\$ 30,292,992</u> |

G. The Group increased its investment in TD Synnex Corp. amounting to \$132,394 for the nine months ended September 30, 2020.

H. The Group sold part of its ownership in Concentrix Corp. for proceeds of \$1,469,173 and resulted in gains on disposal amounting to \$999,977 during the second quarter of 2021.

I. The Group holds 13.28% ownership in Mainpower International Ltd. but has significant influence over Mainpower International Ltd. as the Group serves as this company's corporate director.

J. The Group originally held 10.21% ownership in TD Synnex Corp. but has significant influence over TD Synnex Corp. as the Group is the major shareholder of TD Synnex Corp. and the Company's chairman Feng Chiang Miao serves as this company's honorary chairman. On September 1, 2021, this company issued shares for acquisitions resulting in a decrease in the ownership held by the Group down to 5.52% and the Group lost significant influence over it. On the same day, the Group reclassified it from investments accounted for using equity method at book value to financial assets at fair value through other comprehensive income based on the remeasurement at fair value, and recognised the difference as gains on disposal of investments amounting to \$12,820,034.

K. On December 1, 2020, TD Synnex Corp. completed the spin-off and established Concentrix Corp. The numbers of shares of Concentrix Corp. acquired by the shareholders of TD Synnex Corp. is equivalent to the numbers of shares in TD Synnex Corp. they held. Given that the Group is the major shareholder and one of the directors of Concentrix Corp., these indicate that the Group has significant influence over it.

- L. TD Synnex Corp.'s, Concentrix Corp.'s and Hyve Design Solutions Corporation's fiscal year ends on November 30, thus, the Group uses the financial information from December 1, 2020 to August 31, 2021 as the basis for the preparation of third quarter consolidated financial statements; Infopower Technologies Ltd.'s fiscal year ends on March 31, thus, the Group uses the financial information from January 1 to September 30 as the basis for the preparation of annual consolidated financial statements; other associates' fiscal year all end on December 31.
- M. On August 19, 2020, the Group has no current ability to direct the decisions of relevant activities on meetings of their Board of Directors of Hyve Design Solutions Corporation. Thus, the Group lost control, but has significant influence over the associate. As a result, the Group derecognised the assets, liabilities and non-controlling interest of Hyve Design Solutions Corporation in their carrying amount on the date that control ceased from the consolidated financial statements according to IAS 10. The Group recognised the retained 50% share of the investment as the investment accounted for using equity method – associate at fair value on August 19, 2020. As of September 30, 2021, December 31, 2020 and September 30, 2020, the carrying amounts of the associate were (\$83,195), (\$22,604) and (\$1,430), respectively, and shown as other non-current liabilities.
- N. The Group is the single largest shareholder of certain associates. Given that the Group has no majority voting rights, which indicates that the Group has no current ability to direct the decisions of relevant activities on meetings of their Board of Directors and shareholders after the comprehensive assessment. Thus, the Group has no control, but only has significant influence, over the associates.

(8) Property, plant and equipment

| | Land | Buildings and structures | Machinery | Computer and communication equipment | Transportation equipment | Office equipment | Leasehold improvements | Molding equipment | Other equipment | Construction in progress and equipment under inspection | Total |
|--|---------------------|-----------------------------|---------------------|--|-----------------------------|---------------------|---------------------------|----------------------|--------------------|--|---------------------|
| <u>At January 1, 2021</u> | | | | | | | | | | | |
| Cost | \$ 1,085,382 | \$ 6,450,874 | \$ 2,825,267 | \$ 179,594 | \$ 78,039 | \$ 187,613 | \$ 156,264 | \$ 160,589 | \$ 1,187,180 | \$ 1,127,805 | \$ 13,438,607 |
| Accumulated depreciation and impairment | - | (2,784,681) | (1,713,572) | (133,697) | (52,861) | (157,065) | (60,327) | (60,903) | (722,414) | - | (5,685,520) |
| | <u>\$ 1,085,382</u> | <u>\$ 3,666,193</u> | <u>\$ 1,111,695</u> | <u>\$ 45,897</u> | <u>\$ 25,178</u> | <u>\$ 30,548</u> | <u>\$ 95,937</u> | <u>\$ 99,686</u> | <u>\$ 464,766</u> | <u>\$ 1,127,805</u> | <u>\$ 7,753,087</u> |
| <u>2021</u> | | | | | | | | | | | |
| At January 1 | \$ 1,085,382 | \$ 3,666,193 | \$ 1,111,695 | \$ 45,897 | \$ 25,178 | \$ 30,548 | \$ 95,937 | \$ 99,686 | \$ 464,766 | \$ 1,127,805 | \$ 7,753,087 |
| Additions | - | 5,665 | 37,309 | 45,076 | 4,210 | 14,134 | 23,428 | 38,728 | 80,827 | 280,147 | 529,524 |
| Disposal | - | (2) | (324) | (94) | (264) | (26) | (246) | - | (24) | - | (980) |
| Reclassifications(Note) | - | 1,221,523 | 15,558 | 3,397 | (14) | (14) | 875 | - | 7,358 | (1,285,173) | (36,490) |
| Depreciation | - | (179,615) | (234,412) | (25,335) | (6,747) | (15,280) | (21,553) | (50,496) | (125,002) | - | (658,440) |
| Effects of foreign exchange | (4,015) | (36,224) | (13,897) | (364) | (112) | (341) | (693) | - | (4,699) | (10,446) | (70,791) |
| At September 30 | <u>\$ 1,081,367</u> | <u>\$ 4,677,540</u> | <u>\$ 915,929</u> | <u>\$ 68,577</u> | <u>\$ 22,251</u> | <u>\$ 29,021</u> | <u>\$ 97,748</u> | <u>\$ 87,918</u> | <u>\$ 423,226</u> | <u>\$ 112,333</u> | <u>\$ 7,515,910</u> |
| <u>At September 30, 2021</u> | | | | | | | | | | | |
| Cost | \$ 1,081,367 | \$ 7,597,272 | \$ 2,738,273 | \$ 214,942 | \$ 75,180 | \$ 193,289 | \$ 178,898 | \$ 184,778 | \$ 1,252,737 | \$ 112,333 | \$ 13,629,069 |
| Accumulated depreciation and impairment | - | (2,919,732) | (1,822,344) | (146,365) | (52,929) | (164,268) | (81,150) | (96,860) | (829,511) | - | (6,113,159) |
| | <u>\$ 1,081,367</u> | <u>\$ 4,677,540</u> | <u>\$ 915,929</u> | <u>\$ 68,577</u> | <u>\$ 22,251</u> | <u>\$ 29,021</u> | <u>\$ 97,748</u> | <u>\$ 87,918</u> | <u>\$ 423,226</u> | <u>\$ 112,333</u> | <u>\$ 7,515,910</u> |

Note: In 2021, the Group reclassified property, plant and equipment as investment property amounting to \$36,490.

| | Land | Buildings and structures | Machinery | Computer and communication equipment | Transportation equipment | Office equipment | Leasehold improvements | Molding equipment | Other equipment | Construction in progress and equipment under inspection | Total |
|--|---------------------|-----------------------------|---------------------|--|-----------------------------|---------------------|---------------------------|----------------------|--------------------|--|---------------------|
| <u>At January 1, 2020</u> | | | | | | | | | | | |
| Cost | \$ 1,094,943 | \$ 6,425,643 | \$ 2,547,343 | \$ 201,072 | \$ 72,293 | \$ 192,175 | \$ 132,544 | \$ 122,834 | \$ 1,083,777 | \$ 937,087 | \$ 12,809,711 |
| Accumulated depreciation and impairment | - | (2,546,673) | (1,408,956) | (138,320) | (45,991) | (148,115) | (42,481) | (32,358) | (635,822) | - | (4,998,716) |
| | <u>\$ 1,094,943</u> | <u>\$ 3,878,970</u> | <u>\$ 1,138,387</u> | <u>\$ 62,752</u> | <u>\$ 26,302</u> | <u>\$ 44,060</u> | <u>\$ 90,063</u> | <u>\$ 90,476</u> | <u>\$ 447,955</u> | <u>\$ 937,087</u> | <u>\$ 7,810,995</u> |
| <u>2020</u> | | | | | | | | | | | |
| At January 1 | \$ 1,094,943 | \$ 3,878,970 | \$ 1,138,387 | \$ 62,752 | \$ 26,302 | \$ 44,060 | \$ 90,063 | \$ 90,476 | \$ 447,955 | \$ 937,087 | \$ 7,810,995 |
| Additions | - | 4,363 | 198,074 | 14,345 | 6,434 | 6,616 | 31,255 | 50,822 | 139,524 | 261,022 | 712,455 |
| Disposal | - | (1) | (897) | - | - | - | (22) | - | (276) | - | (1,196) |
| Reclassifications | - | 9,825 | 63,288 | 378 | - | 295 | 6,214 | - | 17,577 | (85,227) | 12,350 |
| Effects from disposal of subsidiaries | - | - | - | - | - | (3,925) | (10,706) | - | (16,295) | - | (30,926) |
| Depreciation | - | (167,796) | (233,502) | (25,776) | (7,476) | (14,933) | (19,614) | (30,553) | (119,711) | - | (619,361) |
| Effects of foreign exchange | (5,609) | (23,454) | (8,572) | (84) | (51) | (167) | (207) | - | (2,470) | (7,159) | (47,773) |
| At September 30 | <u>\$ 1,089,334</u> | <u>\$ 3,701,907</u> | <u>\$ 1,156,778</u> | <u>\$ 51,615</u> | <u>\$ 25,209</u> | <u>\$ 31,946</u> | <u>\$ 96,983</u> | <u>\$ 110,745</u> | <u>\$ 466,304</u> | <u>\$ 1,105,723</u> | <u>\$ 7,836,544</u> |
| <u>At September 30, 2020</u> | | | | | | | | | | | |
| Cost | \$ 1,089,334 | \$ 6,395,493 | \$ 2,766,997 | \$ 198,930 | \$ 76,241 | \$ 185,551 | \$ 155,709 | \$ 165,408 | \$ 1,200,028 | \$ 1,105,723 | \$ 13,339,414 |
| Accumulated depreciation and impairment | - | (2,693,586) | (1,610,219) | (147,315) | (51,032) | (153,605) | (58,726) | (54,663) | (733,724) | - | (5,502,870) |
| | <u>\$ 1,089,334</u> | <u>\$ 3,701,907</u> | <u>\$ 1,156,778</u> | <u>\$ 51,615</u> | <u>\$ 25,209</u> | <u>\$ 31,946</u> | <u>\$ 96,983</u> | <u>\$ 110,745</u> | <u>\$ 466,304</u> | <u>\$ 1,105,723</u> | <u>\$ 7,836,544</u> |

(9) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings and structures, machinery, office equipment and transportation equipment. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.
- B. Certain leased buildings with lease terms under 12 months are short-term lease agreements. Additionally, the leased office equipment were low-value assets.
- C. The book value of right-of-use assets and the depreciation charge is as follows:

| | September 30, 2021 | December 31, 2020 | September 30, 2020 |
|--------------------------|--------------------|-------------------|--------------------|
| | Book value | Book value | Book value |
| Land | \$ 227,791 | \$ 238,179 | \$ 292,621 |
| Buildings and structures | 89,595 | 118,168 | 48,123 |
| Machinery | 664 | 389 | 451 |
| Transportation equipment | 2,130 | 3,138 | 3,475 |
| | <u>\$ 320,180</u> | <u>\$ 359,874</u> | <u>\$ 344,670</u> |

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|--------------------------|--|--|
| | Depreciation charge | Depreciation charge |
| Land | \$ 2,718 | \$ 3,579 |
| Buildings and structures | 7,924 | 8,593 |
| Machinery | 60 | 86 |
| Transportation equipment | 337 | 336 |
| | <u>\$ 11,039</u> | <u>\$ 12,594</u> |

| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|--------------------------|---|---|
| | Depreciation charge | Depreciation charge |
| Land | \$ 8,247 | \$ 10,737 |
| Buildings and structures | 25,044 | 29,087 |
| Machinery | 238 | 248 |
| Transportation equipment | 1,009 | 560 |
| | <u>\$ 34,538</u> | <u>\$ 40,632</u> |

- D. For the nine months ended September 30, 2021 and 2020, the additions to right-of-use assets were \$1,053 and \$11,841, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|---------------------------------------|---|---|
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | \$ 826 | \$ 676 |
| Expense on short-term lease contracts | 5,154 | 941 |
| Expense on leases of low-value assets | 1,209 | 2,197 |
| | <u>\$ 7,189</u> | <u>\$ 3,814</u> |
| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | \$ 2,617 | \$ 3,179 |
| Expense on short-term lease contracts | 14,463 | 16,572 |
| Expense on leases of low-value assets | 2,559 | 3,970 |
| | <u>\$ 19,639</u> | <u>\$ 23,721</u> |

F. For the nine months ended September 30, 2021 and 2020, the Group's total cash outflow for leases were \$49,181 and \$65,081, respectively.

(10) Leasing arrangements — lessor

A. The Group leases various assets including buildings and structures. Rental contracts are typically made for periods of 1 to 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. For the three months and nine months ended September 30, 2021 and 2020, the Group recognised rent income in the amounts of \$28,255, \$27,172, \$83,147 and \$76,364, respectively, based on the operating lease agreement, which does not include variable lease payments.

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

| | September 30, 2021 | December 31, 2020 | September 30, 2020 |
|--|--------------------|-------------------|--------------------|
| Not later than one year | \$ 99,397 | \$ 108,941 | \$ 99,473 |
| Later than one year but not later than five years | 123,852 | 141,206 | 162,479 |
| Over five years | 3,563 | 6,211 | 6,899 |
| | <u>\$ 226,812</u> | <u>\$ 256,358</u> | <u>\$ 268,851</u> |

(11) Investment property

| | <u>Land</u> | <u>Buildings and structures</u> | <u>Total</u> |
|---|-------------------|-------------------------------------|---------------------|
| At January 1, 2021 | | | |
| Cost | \$ 954,835 | \$ 609,265 | \$ 1,564,100 |
| Accumulated depreciation and impairment | - | (334,669) | (334,669) |
| | <u>\$ 954,835</u> | <u>\$ 274,596</u> | <u>\$ 1,229,431</u> |
| <u>2021</u> | | | |
| At January 1 | \$ 954,835 | \$ 274,596 | \$ 1,229,431 |
| Additions | - | 12,557 | 12,557 |
| Reclassification | - | 36,490 | 36,490 |
| Depreciation | - | (15,010) | (15,010) |
| Effects of foreign exchange | (1,175) | (8,442) | (9,617) |
| At September 30 | <u>\$ 953,660</u> | <u>\$ 300,191</u> | <u>\$ 1,253,851</u> |
| At September 30, 2021 | | | |
| Cost | \$ 953,660 | \$ 642,050 | \$ 1,595,710 |
| Accumulated depreciation and impairment | - | (341,859) | (341,859) |
| | <u>\$ 953,660</u> | <u>\$ 300,191</u> | <u>\$ 1,253,851</u> |
| | <u>Land</u> | <u>Buildings and structures</u> | <u>Total</u> |
| At January 1, 2020 | | | |
| Cost | \$ 954,213 | \$ 598,434 | \$ 1,552,647 |
| Accumulated depreciation and impairment | - | (309,826) | (309,826) |
| | <u>\$ 954,213</u> | <u>\$ 288,608</u> | <u>\$ 1,242,821</u> |
| <u>2020</u> | | | |
| At January 1 | \$ 954,213 | \$ 288,608 | \$ 1,242,821 |
| Depreciation | - | (14,448) | (14,448) |
| Effects of foreign exchange | 244 | 534 | 778 |
| At September 30 | <u>\$ 954,457</u> | <u>\$ 274,694</u> | <u>\$ 1,229,151</u> |
| At September 30, 2020 | | | |
| Cost | \$ 954,457 | \$ 598,471 | \$ 1,552,928 |
| Accumulated depreciation and impairment | - | (323,777) | (323,777) |
| | <u>\$ 954,457</u> | <u>\$ 274,694</u> | <u>\$ 1,229,151</u> |

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

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|--|---|---|
| Rental income from the lease of the investment property | \$ <u>6,086</u> | \$ <u>5,476</u> |
| Direct operating expenses arising from the investment property that generated rental income in the period | \$ <u>4,266</u> | \$ <u>4,206</u> |
| Direct operating expenses arising from the investment property that did not generate rental income in the period | \$ <u>4,876</u> | \$ <u>3,280</u> |
| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
| Rental income from the lease of the investment property | \$ <u>18,325</u> | \$ <u>16,041</u> |
| Direct operating expenses arising from the investment property that generated rental income in the period | \$ <u>13,164</u> | \$ <u>12,409</u> |
| Direct operating expenses arising from the investment property that did not generate rental income in the period | \$ <u>12,338</u> | \$ <u>9,711</u> |

B. The fair value of the investment property held by the Group on September 30, 2021, December 31, 2020 and September 30, 2020 were \$3,487,463, \$3,502,285 and \$3,480,419, respectively, which were revalued by independent appraisers and with reference to market transaction prices. Valuations were made using the market approach and cost approach which is categorised within Level 3 in the fair value hierarchy.

(12) Intangible assets

| | Computer software | |
|---|-------------------|------------------|
| | 2021 | 2020 |
| At January 1 | | |
| Cost | \$ 275,844 | \$ 264,109 |
| Accumulated amortization and impairment | (199,940) | (174,661) |
| | <u>\$ 75,904</u> | <u>\$ 89,448</u> |
| At January 1 | \$ 75,904 | \$ 89,448 |
| Additions | 73,682 | 59,171 |
| Amortization | (71,288) | (66,826) |
| Effects from disposal of subsidiaries | - | (835) |
| Effects of foreign exchange | (36) | (19) |
| At September 30 | <u>\$ 78,262</u> | <u>\$ 80,939</u> |
| At September 30 | | |
| Cost | \$ 264,685 | \$ 260,883 |
| Accumulated amortization and impairment | (186,423) | (179,944) |
| | <u>\$ 78,262</u> | <u>\$ 80,939</u> |

Details of amortization of intangible assets are as follows:

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|-----------------------------------|---|---|
| Operating costs | \$ 331 | \$ 329 |
| Selling expenses | 2,437 | 4,090 |
| Administrative expenses | 4,184 | 3,687 |
| Research and development expenses | 17,414 | 13,567 |
| | <u>\$ 24,366</u> | <u>\$ 21,673</u> |
| | | |
| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
| Operating costs | \$ 994 | \$ 978 |
| Selling expenses | 7,536 | 12,908 |
| Administrative expenses | 11,725 | 10,041 |
| Research and development expenses | 51,033 | 42,899 |
| | <u>\$ 71,288</u> | <u>\$ 66,826</u> |

(13) Non-current assets held for sale

- A. To cooperate with the Government of Foshan City, Guangdong Province, China to conduct land-use-right expropriation, the Board of Directors adopted a resolution on November 7, 2019 to dispose of the land-use-right and related buildings located in the Shunde District, Foshan City through public auction by the Land Arrangement and Reserve Center of Shunde District, Foshan City (“Shunde Land Development Center”) by way of land-use-right requisition on credit. The titles of land-use-right and related buildings have been transferred to and would be managed by Shunde Land Development Center. Therefore, the Group reclassified related assets as noncurrent assets held for sale in December 2019. As at September 30, 2021, the Group has completed the disposal with proceeds amounting to \$334,976 and recognised \$301,191 of gain on disposal.
- B. In addition, to cooperate with the Government of Foshan City, Guangdong Province, China to conduct land-use-right expropriation, the Board of Directors adopted a resolution on December 25, 2020 to dispose of the land-use-right of certain land located in the Shunde District, Foshan City to Shunde Land Development Center. Therefore, the Group reclassified related assets as non-current assets held for sale in December 2020. As at September 30, 2021, the Group has completed the disposal with proceeds amounting to \$798,531 and recognised \$742,994 of gain on disposal.

Non-current assets held for the sale:

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|---------------------|---------------------------|--------------------------|---------------------------|
| Right-of-use assets | \$ - | \$ 68,515 | \$ 12,165 |
| Investment property | - | 21,618 | 21,085 |
| | <u>\$ -</u> | <u>\$ 90,133</u> | <u>\$ 33,250</u> |

(14) Short-term borrowings

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|---------------------------|---------------------------|--------------------------|---------------------------|
| Unsecured bank borrowings | \$ 1,555,528 | \$ 1,443,851 | \$ 3,056,123 |
| Secured bank borrowings | 279,196 | - | - |
| | <u>\$ 1,834,724</u> | <u>\$ 1,443,851</u> | <u>\$ 3,056,123</u> |
| Interest rates | <u>0.39%~0.48%</u> | <u>0.56%~0.63%</u> | <u>0.44%~1%</u> |

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

| <u>Items</u> | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|--|---------------------------|--------------------------|---------------------------|
| Current items: | | | |
| Financial liabilities held for trading | | | |
| Valuation adjustment - Derivatives | <u>\$ 1,850</u> | <u>\$ 11,691</u> | <u>\$ 9,274</u> |

A. The Group recognised net profit (loss) of \$12,831, (\$573), \$ 9,778 and (\$672) for the three months and nine months ended September 30, 2021 and 2020, respectively.

B. The non-hedging derivative instrument transactions and contract information are as follows:

| | | September 30, 2021 | | | |
|----------------------------------|---------------------------------|-----------------------------------|---------|-------------------------------------|--------|
| Financial Instrument | Item | Notional Amount (in thousands) | | Fair Market Value (in thousands) | |
| MiTAC Computing Technology Corp. | | | | | |
| Forward foreign exchange - Buy | Advance booking JPY to sell USD | JPY | 262,000 | (NTD | 216) |
| MiTAC Digital Technology Corp. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy JPY | USD | 5,300 | (NTD | 1,608) |
| Forward foreign exchange - Sell | Advance booking AUD to buy USD | AUD | 250 | (NTD | 8) |
| Forward foreign exchange - Buy | Advance booking JPY to sell USD | JPY | 25,000 | (NTD | 18) |
| | | December 31, 2020 | | | |
| Financial Instrument | Item | Notional Amount (in thousands) | | Fair Market Value (in thousands) | |
| MiTAC Computing Technology Corp. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy NTD | USD | 14,000 | (NTD | 1,085) |
| Forward foreign exchange - Buy | Advance booking USD to sell NTD | USD | 12,500 | (NTD | 1,562) |
| MiTAC Digital Technology Corp. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy NTD | USD | 6,000 | (NTD | 1,141) |
| Forward foreign exchange - Buy | Advance booking USD to sell NTD | USD | 3,500 | (NTD | 319) |
| Forward foreign exchange - Sell | Advance booking EUR to buy USD | EUR | 800 | (NTD | 722) |
| Forward foreign exchange - Sell | Advance booking AUD to buy USD | AUD | 3,250 | (NTD | 4,471) |
| Silver Star Developments Ltd. | | | | | |
| Forward foreign exchange - Sell | Advance booking EUR to buy USD | EUR | 2,200 | (USD | 79) |
| Mitac Australia Pty Ltd. | | | | | |
| Forward foreign exchange - Buy | Advance booking USD to sell AUD | USD | 100 | (AUD | 6) |
| | | September 30, 2020 | | | |
| Financial Instrument | Item | Notional Amount (in thousands) | | Fair Market Value (in thousands) | |
| MiTAC Computing Technology Corp. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy NTD | USD | 8,000 | (NTD | 633) |
| Forward foreign exchange - Buy | Advance booking USD to sell NTD | USD | 44,000 | (NTD | 7,082) |
| Forward foreign exchange - Sell | Advance booking CNY to buy USD | CNY | 5,000 | (NTD | 149) |
| MiTAC Digital Technology Corp. | | | | | |
| Forward foreign exchange - Sell | Advance booking USD to buy NTD | USD | 2,000 | (NTD | 18) |
| Forward foreign exchange - Buy | Advance booking USD to sell NTD | USD | 7,500 | (NTD | 1,162) |
| Forward foreign exchange - Sell | Advance booking EUR to buy USD | EUR | 200 | (NTD | 40) |
| Forward foreign exchange - Sell | Advance booking AUD to buy USD | AUD | 900 | (NTD | 150) |
| Mitac Australia Pty Ltd. | | | | | |
| Forward foreign exchange - Buy | Advance booking USD to sell AUD | USD | 300 | (AUD | 2) |

(16) Long-term borrowings

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Unsecured bank borrowings | \$ 912,220 | \$ 910,634 | \$ 863,561 |
| Less: Current portion (shown as 'other current liabilities') | (208,082) | (47,268) | - |
| | <u>\$ 704,138</u> | <u>\$ 863,366</u> | <u>\$ 863,561</u> |
| Interest rate range (Note) | <u>0.49%~0.5%</u> | <u>0.49%~1%</u> | <u>0.49%~0.5%</u> |
| Expiry date | <u>2024.10.15~ 2026.10.15</u> | <u>2024.10.15~ 2026.10.15</u> | <u>2024.10.15~ 2026.10.15</u> |

Note: The abovementioned interest rates are the interest rates after obtaining the government project grants.

(17) Pensions

A. Defined benefit plan

- (a) The Company's domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company's and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company's domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company's domestic subsidiaries will make contributions to cover the deficit by next March.
- (b) For the aforementioned pension plan, the Company's domestic subsidiaries recognized pension costs of \$2,055, \$2,096, \$6,185 and \$6,273 for the three months and nine months ended September 30, 2021 and 2020, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Company's domestic subsidiaries for the year ending December 31, 2022 amount to \$8,208.

B. Defined contribution plans

- (a) Effective July 1, 2005, the Company's domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, Company's domestic subsidiaries contribute monthly an amount not lower than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Group's Mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentages of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2021 and 2020 were \$56,110, \$30,185, \$160,706 and \$112,713, respectively.

(18) Provisions

Warranty

| | <u>2021</u> | <u>2020</u> |
|-----------------------------|-------------------|-------------------|
| At January 1 | \$ 256,074 | \$ 252,306 |
| Additional provisions | 64,265 | 76,229 |
| Used during the period | (71,516) | (72,529) |
| Effects of foreign exchange | (1,114) | (156) |
| At September 30 | <u>\$ 247,709</u> | <u>\$ 255,850</u> |

Analysis of total provisions:

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|-------------|---------------------------|--------------------------|---------------------------|
| Current | \$ 110,339 | \$ 132,169 | \$ 145,820 |
| Non-current | <u>\$ 137,370</u> | <u>\$ 123,905</u> | <u>\$ 110,030</u> |

(19) Share capital

A. As of September 30, 2021, the Company's authorized capital was \$15,000,000, consisting of 1.5 billion shares, and the paid-in capital was \$12,065,568 with a par value of \$10 dollars per share. Movements in the number of the Company's ordinary shares outstanding are as follows:

Unit: in thousands of shares

| | <u>2021</u> | <u>2020</u> |
|---|------------------|------------------|
| Outstanding shares as of January 1 | 1,195,178 | 1,061,382 |
| Disposal of the Company's treasury share by subsidiaries | - | 5,816 |
| Capital increase of earnings | - | 129,274 |
| Capital increase of treasury share acquired by the subsidiaries | - | (1,294) |
| Outstanding shares as of September 30 | <u>1,195,178</u> | <u>1,195,178</u> |

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

| | | <u>September 30, 2021</u> | |
|---|---------------------------------|---|-------------------|
| <u>Name of company holding the shares</u> | <u>Reason for reacquisition</u> | <u>Number of shares (shares in thousands)</u> | <u>Book value</u> |
| Subsidiary - Tsu Fung Investment Corp. | Stock conversion | 9,250 | \$ 162,874 |
| Subsidiary - SSDL | " | 2,128 | 77,002 |

| | | <u>December 31, 2020</u> | |
|---|---------------------------------|---|-------------------|
| <u>Name of company holding the shares</u> | <u>Reason for reacquisition</u> | <u>Number of shares (shares in thousands)</u> | <u>Book value</u> |
| Subsidiary - Tsu Fung Investment Corp. | Stock conversion | 9,250 | \$ 162,874 |
| Subsidiary - SSDL | " | 2,128 | 77,002 |

| | | <u>September 30, 2020</u> | |
|---|---------------------------------|---|-------------------|
| <u>Name of company holding the shares</u> | <u>Reason for reacquisition</u> | <u>Number of shares (shares in thousands)</u> | <u>Book value</u> |
| Subsidiary - Tsu Fung Investment Corp. | Stock conversion | 9,250 | \$ 162,874 |
| Subsidiary - SSDL | " | 2,128 | 77,002 |

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury shares should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.

- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury stock should not be pledged as collateral and is not entitled to dividends.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within nine months of acquisition.
- (e) In accordance with the "Rule No. Financial-Supervisory-Commission, Securities and Futures Bureau, 1010047490," the Company shall not appropriate special reserve proportionately to the shareholding ratio for the difference of ending market price below the carrying amount of the parent's stock held by the subsidiaries. If the market price reverses subsequently, the reversal amount shall be appropriated as special reserve proportionately to the shareholding ratio.
- (f) For the nine months ended September 30, 2020, the subsidiary, Tsu Fung Investment Corp. disposed 5,816 thousand shares of the Company amounting to \$196,628.

(20) Capital surplus

| | Share premium | Treasury stock transaction | Net equity of associates and joint ventures accounted for using equity method | Changes in ownership interests in subsidiaries | Employee stock options | Others | Total |
|---|------------------|----------------------------------|---|--|---------------------------|----------|---------------|
| At January 1, 2021 | \$ 21,571,329 | \$ 457,198 | \$ 1,205,361 | \$ 609 | \$ 346,814 | \$ 1,100 | \$ 23,582,411 |
| Subsidiaries received cash dividends paid by the parent company | - | 11,379 | - | - | - | - | 11,379 |
| Changes from associates and joint ventures accounted for using the equity method | - | - | 11,227 | - | - | - | 11,227 |
| Recognition of dividends unclaimed by the subsidiaries' shareholders dividends transferred to capital surplus | - | - | - | - | - | 376 | 376 |
| Proceeds from disposal of investments accounted for using equity method | - | - | (1,016,022) | - | - | - | (1,016,022) |
| At September 30, 2021 | \$ 21,571,329 | \$ 468,577 | \$ 200,566 | \$ 609 | \$ 346,814 | \$ 1,476 | \$ 22,589,371 |

| | Share premium | Treasury stock transaction | Net equity of associates and joint ventures accounted for using equity method | Changes in ownership interests in subsidiaries | Employee stock options | Others | Total |
|---|----------------------|----------------------------------|---|--|---------------------------|---------------|----------------------|
| At January 1, 2020 | \$ 21,571,329 | \$ 362,997 | \$ 1,118,253 | \$ 609 | \$ 346,814 | \$ - | \$ 23,400,002 |
| Disposal of company's share by subsidiaries recognized as treasury share transactions | - | 83,417 | - | - | - | - | 83,417 |
| Subsidiaries received cash dividends paid by the parent company | - | 10,784 | - | - | - | - | 10,784 |
| Changes from associates and joint ventures accounted for using the equity method | - | - | 96,319 | - | - | - | 96,319 |
| Recognition of dividends unclaimed by the subsidiaries' shareholders dividends transferred to capital surplus | - | - | - | - | - | 378 | 378 |
| At September 30, 2020 | <u>\$ 21,571,329</u> | <u>\$ 457,198</u> | <u>\$ 1,214,572</u> | <u>\$ 609</u> | <u>\$ 346,814</u> | <u>\$ 378</u> | <u>\$ 23,590,900</u> |

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(21) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' accumulated deficit and then 10% of the remaining amount shall be set aside as legal reserve. Special reserve shall also be set aside or reversed pursuant to the regulations. Appropriation of the remainder along with prior year's accumulated unappropriated retained earnings shall be proposed by the Board of Directors, and shall be resolved by the stockholders when they are appropriated by issuing new shares. If the appropriation of retained earnings was appropriated in the form of cash, the appropriation should be in line with Article 240-5 of the Company Act, as resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and reported to the shareholders' meeting.
- B. Earnings appropriation ratio and cash dividends ratio are decided by the Board of Directors, taking into account the Company's financial structure, future capital requirements and profitability, and cash dividends shall account for at least 10% of the total dividends appropriated.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

In line with Article 241 of the Company Act, all or part of the legal reserve and capital reserve could be appropriated as cash dividends as resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and reported to the shareholders' meeting.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriation of 2020 and 2019 earnings had been resolved at the shareholders' meeting on July 16, 2021 and May 28, 2020. Details are summarized below:

| | <u>For the year ended December 31, 2020</u> | | <u>For the year ended December 31, 2019</u> | |
|-----------------------------|---|--|---|--|
| | <u>Amount</u> | <u>Dividend per share (in dollars)</u> | <u>Amount</u> | <u>Dividend per share (in dollars)</u> |
| Legal reserve | \$ 293,325 | | \$ 283,976 | |
| Reversal of special reserve | - | | (12,265) | |
| Cash dividend | 1,206,557 | \$ 1.0 | 1,077,283 | \$ 1.0 |
| Stock dividend | - | - | 1,292,739 | 1.2 |
| Total | <u>\$ 1,499,882</u> | <u>\$ 1.0</u> | <u>\$ 2,641,733</u> | <u>\$ 2.2</u> |

F. The amount of cash dividends distributed under the appropriation of 2020 and 2019 earnings had been resolved at the Board of Directors' meeting on March 8, 2021 and February 27, 2020, respectively, and reported to the shareholders' meeting.

(22) Other equity items

| | 2021 | | |
|--|--|-------------------------|---------------------|
| | Unrealised gains (losses) on valuation | Currency translation | Total |
| At January 1 | \$ 3,546,733 | (\$ 1,803,450) | \$ 1,743,283 |
| Reclassified to profit or loss upon disposal | | | |
| - Group | - | 346,341 | 346,341 |
| Reclassified to retained earnings upon disposal | | | |
| - Group | 5,849 | - | 5,849 |
| - Associates | (9,631) | - | (9,631) |
| Revaluation | | | |
| - Group | (2,030,463) | - | (2,030,463) |
| - Associates | 20,254 | - | 20,254 |
| Currency translation differences: | | | |
| - Group | - | (844,374) | (844,374) |
| - Associates | - | 53,467 | 53,467 |
| At September 30 | <u>\$ 1,532,742</u> | <u>(\$ 2,248,016)</u> | <u>(\$ 715,274)</u> |
| | 2020 | | |
| | Unrealised gains (losses) on valuation | Currency translation | Total |
| At January 1 | \$ 1,753,427 | (\$ 1,081,728) | \$ 671,699 |
| Reclassified to profit or loss upon disposal | | | |
| - Group | - | 4,817 | 4,817 |
| Reclassified to retained earnings upon disposal | | | |
| - Group | 8,058 | - | 8,058 |
| - Associates | (23,959) | - | (23,959) |
| Revaluation | | | |
| - Group | 860,367 | - | 860,367 |
| - Associates | 133,476 | - | 133,476 |
| Currency translation differences: | | | |
| - Group | - | (565,307) | (565,307) |
| - Associates | - | (98,285) | (98,285) |
| At September 30 | <u>\$ 2,731,369</u> | <u>(\$ 1,740,503)</u> | <u>\$ 990,866</u> |

(23) Operating revenue

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|---------------------------------------|--|--|
| Revenue from contracts with customers | \$ 9,283,416 | \$ 11,852,050 |

| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|---------------------------------------|---|---|
| Revenue from contracts with customers | \$ 32,753,656 | \$ 31,119,390 |

A. Disaggregation of revenue from contracts with customers

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|--|--|--|
| Cloud computing product | \$ 7,178,166 | \$ 9,609,676 |
| Automotive electronics and AIoT product | 1,123,599 | 1,190,231 |
| Others | 981,651 | 1,052,143 |
| | <u>\$ 9,283,416</u> | <u>\$ 11,852,050</u> |

| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|--|---|---|
| Cloud computing product | \$ 26,585,243 | \$ 24,911,048 |
| Automotive electronics and AIoT product | 3,393,719 | 3,557,349 |
| Others | 2,774,694 | 2,650,993 |
| | <u>\$ 32,753,656</u> | <u>\$ 31,119,390</u> |

B. Contract liabilities

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

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|----------------------|---------------------------|--------------------------|---------------------------|
| Contract liabilities | | | |
| – sales of goods | \$ 370,095 | \$ 122,771 | \$ 107,192 |
| Contract liabilities | | | |
| – others | 4,898 | 5,095 | 8,542 |
| | <u>\$ 374,993</u> | <u>\$ 127,866</u> | <u>\$ 115,734</u> |

(24) Interest income

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|---|--|--|
| Interest income from bank deposits | \$ 14,883 | \$ 7,177 |
| Interest income from financial assets measured at amortised cost | 52 | 673 |
| Total | <u>\$ 14,935</u> | <u>\$ 7,850</u> |

| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|---|---|---|
| Interest income from bank deposits | \$ 38,271 | \$ 30,867 |
| Interest income from financial assets measured at amortised cost | 625 | 2,795 |
| Total | <u>\$ 38,896</u> | <u>\$ 33,662</u> |

(25) Other income

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|-----------------|--|--|
| Rent revenue | \$ 28,255 | \$ 27,172 |
| Dividend income | 112,219 | 144,551 |
| Other income | 47,531 | 13,467 |
| Total | <u>\$ 188,005</u> | <u>\$ 185,190</u> |

| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|-----------------|---|---|
| Rent revenue | \$ 83,147 | \$ 76,364 |
| Dividend income | 296,240 | 212,469 |
| Other income | 176,946 | 50,113 |
| Total | <u>\$ 556,333</u> | <u>\$ 338,946</u> |

(26) Other gains and losses

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|--|--|--|
| Gains (losses) on disposals of property, plant and equipment | \$ 400 | (\$ 17) |
| Gains (losses) on disposal of investments | 12,814,322 | (4,229) |
| Gains on disposal of non-current assets held for sale | 298,437 | - |
| Net currency exchange gains | 21,308 | 174 |
| (Losses) gains on financial assets/liabilities at fair value through profit or losses | (8,363) | 12,785 |
| Other losses | (14,857) | (34,195) |
| Total | <u>\$ 13,111,247</u> | <u>(\$ 25,482)</u> |

| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|--|---|---|
| Gains on disposals of property, plant and equipment | \$ 2,003 | \$ 1,185 |
| Gains (losses) on disposal of investments | 13,812,619 | (4,817) |
| Gains on disposal of non-current assets held for sale | 1,044,185 | - |
| Net currency exchange gains | 15,250 | 37,628 |
| Gains on financial assets/liabilities at fair value through profit or losses | 7,957 | 20,879 |
| Other losses | (32,975) | (54,211) |
| Total | <u>\$ 14,849,039</u> | <u>\$ 664</u> |

(27) Financial costs

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|---------------------------------------|--|--|
| Interest expense on bank borrowings | \$ 2,236 | \$ 6,172 |
| Interest expense on lease liabilities | 826 | 676 |
| | <u>\$ 3,062</u> | <u>\$ 6,848</u> |
| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
| Interest expense on bank borrowings | \$ 15,983 | \$ 34,410 |
| Interest expense on lease liabilities | 2,617 | 3,179 |
| | <u>\$ 18,600</u> | <u>\$ 37,589</u> |

(28) Expense by nature

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|--|--|--|
| Employee benefit expense | \$ 1,331,080 | \$ 1,381,786 |
| Depreciation charges on property, plant and equipment, investment property and right-of-use assets | 242,934 | 226,194 |
| Amortization charges | 24,366 | 21,673 |
| Total | <u>\$ 1,598,380</u> | <u>\$ 1,629,653</u> |
| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
| Employee benefit expense | \$ 4,052,333 | \$ 4,178,541 |
| Depreciation charges on property, plant and equipment, investment property and right-of-use assets | 707,988 | 674,441 |
| Amortization charges | 71,288 | 66,826 |
| Total | <u>\$ 4,831,609</u> | <u>\$ 4,919,808</u> |

(29) Employee benefit expenses

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|---------------------------------|--|--|
| Wages and salaries | \$ 1,161,650 | \$ 1,248,218 |
| Labor and health insurance fees | 72,066 | 57,552 |
| Pension costs | 58,165 | 32,281 |
| Other personnel expenses | 39,199 | 43,735 |
| | <u>\$ 1,331,080</u> | <u>\$ 1,381,786</u> |

| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|---------------------------------|---|---|
| Wages and salaries | \$ 3,538,264 | \$ 3,710,937 |
| Labor and health insurance fees | 217,255 | 222,096 |
| Pension costs | 166,891 | 118,986 |
| Other personnel expenses | 129,923 | 126,522 |
| | <u>\$ 4,052,333</u> | <u>\$ 4,178,541</u> |

- A. According to the amended Articles of Incorporation, the profit (pre-tax profit before deduction of employees' compensation and directors' remuneration) of the current year shall be distributed as employees' compensation and directors' remuneration, which will be resolved by the Board of Directors. The ratio shall not be lower than 0.1% for employees and not be higher than 1% for directors. If a company has an accumulated deficit, earnings should be reserved to cover losses. Employees' compensation can be distributed by stock or dividends, and employees must be working for the Company. The Chairman of the Board is authorised to set the qualification requirements.
- B. For the nine months ended September 30, 2021 and 2020, employees' compensation was accrued at 0.1% of gain on pre-tax profit before deduction of employees' compensation and directors' remuneration. Directors' remuneration were accrued under 1% of gain on pre-tax profit before deduction of employees' compensation and directors' remuneration.
- C. For the three months and nine months ended September 30, 2021 and 2020, employees' compensation were accrued at \$7,886, \$935, \$11,520 and \$2,040, respectively; and directors' remuneration were accrued at \$1,248, \$1,248, \$3,744 and \$3,744, respectively. The aforementioned amounts were recognised in salary expenses. Employees' cash bonus and directors' remuneration of 2020 and 2019 as resolved at the Board of Directors of the Company were in agreement with those amounts recognised in the 2020 and 2019 consolidated financial statements.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Income tax expense

Components of income tax expense:

| | <u>For the three months ended September 30, 2021</u> | <u>For the three months ended September 30, 2020</u> |
|---|--|--|
| Current tax: | | |
| Current tax on profits for the period | \$ 40,239 | \$ 56,723 |
| Tax on undistributed surplus earnings | 71,668 | - |
| Prior year income tax overestimation | (1,098) | (2,319) |
| Total current tax | <u>110,809</u> | <u>54,404</u> |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 6,073,192 | (13,810) |
| Total deferred tax | <u>6,073,192</u> | <u>(13,810)</u> |
| Income tax expense | <u>\$ 6,184,001</u> | <u>\$ 40,594</u> |
| | <u>For the nine months ended September 30, 2021</u> | <u>For the nine months ended September 30, 2020</u> |
| Current tax: | | |
| Current tax on profits for the period | \$ 345,652 | \$ 123,401 |
| Tax on undistributed surplus earnings | 71,668 | 9,901 |
| Prior year income tax overestimation | (56,170) | (8,645) |
| Total current tax | <u>361,150</u> | <u>124,657</u> |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 6,278,036 | (8,439) |
| Total deferred tax | <u>6,278,036</u> | <u>(8,439)</u> |
| Income tax expense | <u>\$ 6,639,186</u> | <u>\$ 116,218</u> |

B. The Company's income tax returns through 2016 have been assessed and approved by the Tax Authority.

C. In 2021, the Group adjusted the dividend policy of the subgroup, Silver Star Developments Ltd. The surplus earnings might be remitted in the subsequent years. Thus, the Group recognised deferred tax liabilities amounting to \$6,265,643 in 2021.

| | For the nine months ended September 30, 2021 | | |
|---|--|---|------------------------------------|
| | Amount after tax | Weighted average number of ordinary shares outstanding (shares in thousands) | Earnings per share (in dollars) |
| <u>Basic earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 11,422,247 | 1,195,178 | \$ 9.56 |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 11,422,247 | | |
| Less: Effect of dilutive potential common stocks issued by investee companies | (52,418) | | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 426 | |
| Net income attributable to common stockholders plus dilutive effect of common stock equivalents | \$ 11,369,829 | \$ 1,195,604 | \$ 9.51 |

| | For the nine months ended September 30, 2020 | | |
|---|--|---|------------------------------------|
| | Amount after tax | Weighted average number of ordinary shares outstanding (shares in thousands) | Earnings per share (in dollars) |
| <u>Basic earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 2,007,700 | 1,193,140 | \$ 1.68 |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 2,007,700 | | |
| Less: Effect of dilutive potential common stocks issued by investee companies | (16,883) | | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 90 | |
| Net income attributable to common stockholders plus dilutive effect of common stock equivalents | \$ 1,990,817 | \$ 1,193,230 | \$ 1.67 |

Basic earnings per share is calculated with the gain or loss attributable to the shareholders of the ordinary shares issued by the Company, divided with outstanding weighted average ordinary shares during the period, and deducted with weighted average treasury shares.

(32) Transactions with non-controlling interest

A. Cash capital increase raised by subsidiaries

The Group's subsidiary, MiTAC Computing Technology Corp. and the non-controlling interest increased their investment in the subsidiary, Hyve Design Solutions Corporation, in January 2020 proportionally to their interests. The amount of \$90,150 was invested by the non-controlling interest.

B. Proceeds from disposal of subsidiaries

According to the statement in Note 6(7)M, the Group's subsidiary, MiTAC Computing Technology Corp. lost control over Hyve Design Solutions Corporation, and the non-controlling interest decreased by \$33,330.

(33) Supplemental cash flow information

A. Financing activities with partial cash payments :

| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|---|---|---|
| Declared cash dividends - the Company | \$ 1,206,557 | \$ 1,077,283 |
| Declared cash dividends - subsidiaries attributed to non-controlling interests | 831 | 4,463 |
| Subsidiaries received cash dividends paid by the parent company | (11,379) | (10,784) |
| Cash paid during the period | <u>\$ 1,196,009</u> | <u>\$ 1,070,962</u> |

B. The Group lost control over Hyve Design Solutions Corporation on August 19, 2020. The details of assets and liabilities relating to the subsidiary are as follows:

| | August 19, 2020 |
|---|------------------|
| Cash | \$ 78,615 |
| Accounts receivable | 107,066 |
| Other receivables | 2,743 |
| Prepayments | 4,776 |
| Property, plant and equipment | 30,926 |
| Intangible assets | 835 |
| Accounts payable to related parties | (25) |
| Other payables | (156,412) |
| Other current liabilities | (1,864) |
| Total net assets | <u>\$ 66,660</u> |
| Fair value of the Group's retained equity on the date of loss of control | 33,330 |
| Book value of the non-controlling interest on the date of loss of control | <u>33,330</u> |
| | <u>\$ 66,660</u> |

(34) Changes in liabilities from financing activities

| | Short-term borrowings | Guarantee deposit received | Lease liabilities | Long-term borrowings (including current portion) | Liabilities from financing activities-gross |
|--|-----------------------|----------------------------|-------------------|--|---|
| At January 1, 2021 | \$ 1,443,851 | \$ 23,205 | \$ 231,208 | \$ 910,634 | \$ 2,608,898 |
| Changes in cash flow | 392,990 | 5,701 | (32,159) | 2,268 | 368,800 |
| Impact of changes in foreign exchange rate | (2,117) | (257) | (3,096) | (682) | (6,152) |
| Changes in other non-cash items | - | - | 3,670 | - | 3,670 |
| At September 30, 2021 | <u>\$ 1,834,724</u> | <u>\$ 28,649</u> | <u>\$ 199,623</u> | <u>\$ 912,220</u> | <u>\$ 2,975,216</u> |

| | Short-term borrowings | Guarantee deposit received | Lease liabilities | Long-term borrowings (including current portion) | Liabilities from financing activities-gross |
|--|-----------------------|----------------------------|-------------------|--|---|
| At January 1, 2020 | \$ 3,803,871 | \$ 23,645 | \$ 189,228 | \$ 791,561 | \$ 4,808,305 |
| Changes in cash flow | (738,644) | (3,336) | (44,539) | 72,000 | (714,519) |
| Impact of changes in foreign exchange rate | (9,104) | (110) | (544) | - | (9,758) |
| Changes in other non-cash items | - | - | 15,020 | - | 15,020 |
| At September 30, 2020 | <u>\$ 3,056,123</u> | <u>\$ 20,199</u> | <u>\$ 159,165</u> | <u>\$ 863,561</u> | <u>\$ 4,099,048</u> |

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

| <u>Names of related parties</u> | <u>Relationship with the Group</u> |
|--|--|
| Getac Holdings Corp. and subsidiaries | Associate |
| Infopower Technologies Ltd. | Associate |
| Loyal Fidelity Aerospace Co., Ltd. | Associate |
| Synnex Technology International Corp. and subsidiaries | Common Chairman |
| Harbinger Venture Management Company Ltd. | Common Chairman |
| Lien Hwa Industrial Holdings Corp. and subsidiaries | Common Chairman |
| UPC Technology Corp. | Common Chairman |
| Shen-Tong Information Co.,Ltd and subsidiaries | The Group's Chairman was this company's director |
| Hyve Design Solutions Corporation and subsidiaries | Associate (Note 1) |
| Shen-Tong Construction & Development Co., Ltd. | Associate |
| TD Synnex Corp. and subsidiaries | Associate (Note 2) |

Note 1: It was formerly a subsidiary of the Group and became an associate of the Group since August 19, 2020.

Note 2: It was formerly an associate of the Group and became a non-related party of the Group since September 1, 2021 as the Group lost significant influence over it.

(2) Significant related party transactions and balances

A. Operating revenue:

(a)

| | <u>For the three months ended September 30, 2021</u> | <u>For the three months ended September 30, 2020</u> |
|---|--|--|
| Sales of goods: | | |
| -Associates-TD Synnex Corp. and subsidiaries | \$ 88,758 | \$ 422,417 |
| -Associates-Others | 16,698 | 23,498 |
| -Other related parties | 2,698 | 3,952 |
| Subtotal | <u>108,154</u> | <u>449,867</u> |
| Sales of services: | | |
| -Associates-TD Synnex Corp. and subsidiaries | 24 | 30 |
| -Associates-Others | 6,263 | 1,503 |
| -Other related parties | 7 | 20 |
| Subtotal | <u>6,294</u> | <u>1,553</u> |
| Total | <u>\$ 114,448</u> | <u>\$ 451,420</u> |
| | <u>For the nine months ended September 30, 2021</u> | <u>For the nine months ended September 30, 2020</u> |
| Sales of goods: | | |
| -Associates-TD Synnex Corp. and subsidiaries | \$ 495,237 | \$ 1,250,743 |
| -Associates-Others | 49,800 | 51,329 |
| -Other related parties | 13,106 | 4,326 |
| Subtotal | <u>558,143</u> | <u>1,306,398</u> |
| Sales of services: | | |
| -Associates-TD Synnex Corp. and subsidiaries | 314 | 179,881 |
| -Associates-Others | 10,320 | 2,893 |
| -Other related parties | 7 | 52 |
| Subtotal | <u>10,641</u> | <u>182,826</u> |
| Total | <u>\$ 568,784</u> | <u>\$ 1,489,224</u> |

(b) The selling price to related parties is determined based on the economic environment and market competition in the region of the related party.

(c) The Group's term of credit for related parties is the same with third party clients. The payment is generally due around 3 months after delivery.

B. Purchases:

(a)

| | <u>For the three months ended September 30, 2021</u> | <u>For the three months ended September 30, 2020</u> |
|---|--|--|
| Purchases of goods: | | |
| -Associates | \$ 11,340 | \$ 13,402 |
| -Other related parties - Synnex Techonology International Corp. and subsidiaries | <u>91,161</u> | <u>(57,126)</u> |
| Total | <u>\$ 102,501</u> | <u>(\$ 43,724)</u> |
| | <u>For the nine months ended September 30, 2021</u> | <u>For the nine months ended September 30, 2020</u> |
| Purchases of goods: | | |
| -Associates | \$ 23,292 | \$ 50,901 |
| -Other related parties - Synnex Techonology International Corp. and subsidiaries | <u>160,931</u> | <u>360,580</u> |
| Total | <u>\$ 184,223</u> | <u>\$ 411,481</u> |

(b) The purchase price from related parties cannot be compared with the prices to third parties due to differences in product specifications.

(c) The Group's term of payment for related parties is generally due around 3 months after counterparty's delivery.

C. Receivables from related parties:

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|---|---------------------------|--------------------------|---------------------------|
| Accounts receivable: | | | |
| -Associates-TD Synnex Corp. and subsidiaries | \$ - | \$ 215,717 | \$ 346,051 |
| -Associates-Others | 454 | 70 | 423 |
| -Other related parties | <u>2,709</u> | <u>173</u> | <u>3,837</u> |
| Subtotal | <u>3,163</u> | <u>215,960</u> | <u>350,311</u> |
| Other receivables - others: | | | |
| -Associates-Getac Holdings Corp. and subsidiaries | 13,067 | 22,203 | 22,063 |
| -Associates-TD Synnex Corp. and subsidiaries | - | 335 | 929 |
| -Associates-Others | 2,810 | 1,324 | 4,160 |
| -Other related parties | <u>2,384</u> | <u>6,723</u> | <u>2,447</u> |
| Subtotal | <u>18,261</u> | <u>30,585</u> | <u>29,599</u> |
| Total | <u>\$ 21,424</u> | <u>\$ 246,545</u> | <u>\$ 379,910</u> |

D. Payables to related parties:

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|---|---------------------------|--------------------------|---------------------------|
| Accounts payable: | | | |
| -Associates | \$ 5,925 | \$ 6,483 | \$ 2,908 |
| -Other related parties - Synnex Technology International Corp. and subsidiaries | <u>102,878</u> | <u>13,739</u> | <u>40,881</u> |
| Subtotal | <u>108,803</u> | <u>20,222</u> | <u>43,789</u> |
| Other payables: | | | |
| -Associates | 6,656 | 3,344 | 7,960 |
| -Other related parties | <u>1,136</u> | <u>3,603</u> | <u>1,322</u> |
| Subtotal | <u>7,792</u> | <u>6,947</u> | <u>9,282</u> |
| Total | <u>\$ 116,595</u> | <u>\$ 27,169</u> | <u>\$ 53,071</u> |

E. Property transactions:

Acquisition of property, plant and equipment:

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|-----------------------|--|--|
| Associates | \$ 100 | \$ - |
| Other related parties | 1,474 | 771 |
| Total | <u>\$ 1,574</u> | <u>\$ 771</u> |

| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|-----------------------|---|---|
| Associates | \$ 2,735 | \$ 1,778 |
| Other related parties | 2,605 | 1,012 |
| Total | <u>\$ 5,340</u> | <u>\$ 2,790</u> |

F. Lease transactions — lessee

(a) The Group leases buildings from Getac Technology Corp. and subsidiaries. Rental contracts are typically made for periods from years 2019 to 2023.

(b) Lease liabilities

(i) Outstanding balance:

| | September 30, 2021 | December 31, 2020 | September 30, 2020 |
|------------|--------------------|-------------------|--------------------|
| Associates | <u>\$ 24,214</u> | <u>\$ 32,101</u> | <u>\$ 33,668</u> |

(ii) Interest expense

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|------------|--|--|
| Associates | <u>\$ 381</u> | <u>\$ 524</u> |

| | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|------------|---|---|
| Associates | <u>\$ 1,267</u> | <u>\$ 1,676</u> |

G. Lease transactions — lessor

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 |
|-----------------------|--|--|
| Rent income | | |
| Associates | \$ 11,248 | \$ 10,239 |
| Other related parties | 382 | 358 |
| Total | <u>\$ 11,630</u> | <u>\$ 10,597</u> |

| | <u>For the nine months ended September 30, 2021</u> | <u>For the nine months ended September 30, 2020</u> |
|-----------------------|---|---|
| Rent income | | |
| Associates | \$ 32,045 | \$ 25,886 |
| Other related parties | 1,111 | 1,066 |
| Total | <u>\$ 33,156</u> | <u>\$ 26,952</u> |

H. Expenses

| | <u>For the three months ended September 30, 2021</u> | <u>For the three months ended September 30, 2020</u> |
|-----------------------|--|--|
| Associates | \$ 7,815 | \$ 6,954 |
| Other related parties | 118 | 863 |
| Total | <u>\$ 7,933</u> | <u>\$ 7,817</u> |

| | <u>For the nine months ended September 30, 2021</u> | <u>For the nine months ended September 30, 2020</u> |
|-----------------------|---|---|
| Associates | \$ 9,601 | \$ 79,677 |
| Other related parties | 1,041 | 2,984 |
| Total | <u>\$ 10,642</u> | <u>\$ 82,661</u> |

(3) Key management compensation

| | <u>For the three months ended September 30, 2021</u> | <u>For the three months ended September 30, 2020</u> |
|--|--|--|
| Salaries and other short-term employee benefits | \$ 6,948 | \$ 9,715 |
| Post-employment benefits | 144 | 142 |
| Total | <u>\$ 7,092</u> | <u>\$ 9,857</u> |

| | <u>For the nine months ended September 30, 2021</u> | <u>For the nine months ended September 30, 2020</u> |
|--|---|---|
| Salaries and other short-term employee benefits | \$ 36,499 | \$ 40,967 |
| Post-employment benefits | 432 | 425 |
| Total | <u>\$ 36,931</u> | <u>\$ 41,392</u> |

8. PLEGDED ASSETS

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

| <u>Pledged asset</u> | <u>Book Value</u> | | | <u>Purpose</u> |
|---|---------------------------|--------------------------|---------------------------|--|
| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> | |
| Time deposits (shown as "financial assets at amortised cost- non-current assets") | \$ 10,120 | \$ 10,253 | \$ 10,166 | Guarantee deposit for lease |
| Time deposits (shown as "financial assets at amortised cost- current assets") | - | 8,754 | 8,687 | Customs guarantee |
| Time deposits (shown as "financial assets at amortised cost- non-current assets") | 33,610 | 25,000 | 25,000 | Guarantee deposit for letter of guarantee for customs duties |
| Time deposits (shown as "financial assets at amortised cost- current assets") | 312,974 | - | - | Guarantees deposit for borrowings |
| | <u>\$ 356,704</u> | <u>\$ 44,007</u> | <u>\$ 43,853</u> | |

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted but not provided are as follows:

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|-------------------------------|---------------------------|--------------------------|---------------------------|
| Property, plant and equipment | \$ - | \$ 60,288 | \$ 75,865 |

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

(2) Financial instruments

A. Financial instruments by category

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> | <u>September 30, 2020</u> |
|--|---------------------------|--------------------------|---------------------------|
| <u>Financial assets</u> | | | |
| Financial assets at fair value through profit or loss | | | |
| Financial assets mandatorily measured at fair value through profit or loss | <u>\$ 4,287</u> | <u>\$ 6,107</u> | <u>\$ 43,405</u> |
| Financial assets at fair value through other comprehensive income | | | |
| Designation of equity instrument | <u>\$ 24,155,142</u> | <u>\$ 7,298,592</u> | <u>\$ 6,511,679</u> |
| <u>Financial assets at amortised cost/</u> | | | |
| Loans and receivables | | | |
| Cash and cash equivalents | \$ 6,633,952 | \$ 5,805,297 | \$ 4,349,646 |
| Financial assets at amortised cost | 356,704 | 44,007 | 176,192 |
| Notes receivable | 46,988 | 31,689 | 84,210 |
| Accounts receivable | 5,438,331 | 4,982,050 | 6,135,104 |
| Accounts receivable - related parties | 3,163 | 215,960 | 350,311 |
| Other receivables | 75,751 | 60,168 | 55,482 |
| Guarantee deposits | 20,565 | 23,600 | 25,389 |
| | <u>\$ 12,575,454</u> | <u>\$ 11,162,771</u> | <u>\$ 11,176,334</u> |
| <u>Financial liabilities</u> | | | |
| Financial liabilities at fair value through profit or loss | | | |
| Financial liabilities held for trading | <u>\$ 1,850</u> | <u>\$ 11,691</u> | <u>\$ 9,274</u> |
| <u>Financial liabilities at amortised cost</u> | | | |
| Short-term borrowings | \$ 1,834,724 | \$ 1,443,851 | \$ 3,056,123 |
| Accounts payable | 6,681,720 | 6,662,560 | 5,079,634 |
| Accounts payable - related parties | 108,803 | 20,222 | 43,789 |
| Other accounts payable | 3,529,052 | 3,366,781 | 3,410,950 |
| Guarantee deposits | 28,649 | 23,205 | 20,199 |
| Long-term borrowings (including current portion) | 912,220 | 910,634 | 863,561 |
| | <u>\$ 13,095,168</u> | <u>\$ 12,427,253</u> | <u>\$ 12,474,256</u> |
| Lease liabilities | <u>\$ 199,623</u> | <u>\$ 231,208</u> | <u>\$ 159,165</u> |

B. Financial risk management policies

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2020.

C. Significant financial risks and degrees of financial risks

(a)Market risk

Foreign exchange risk

- i. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, EUR, AUD, JPY and CNY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations are as follows:

| | <u>September 30, 2021</u> | | |
|--|---|--------------------------|-----------------------------|
| | <u>Foreign currency amount (In thousands)</u> | <u>Exchange rate</u> | <u>Book value (NTD)</u> |
| (Foreign currency: functional currency) | | | |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | \$ 449,481 | 27.850 | \$ 12,518,050 |
| AUD:NTD | 5,571 | 20.070 | 111,818 |
| USD:CNY | 76,597 | 6.469 | 2,133,218 |
| <u>Non-monetary items</u> | | | |
| CNY:USD | 85,597 | 0.155 | 368,493 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 452,383 | 27.850 | 12,598,866 |
| AUD:NTD | 5,700 | 20.070 | 114,405 |
| JPY:NTD | 888,959 | 0.249 | 221,351 |
| USD:CNY | 216,413 | 6.469 | 6,027,093 |

| | December 31, 2020 | | |
|--|--|------------------|---------------------|
| (Foreign currency: functional currency) | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | \$ 420,414 | 28.480 | \$ 11,973,379 |
| USD:CNY | 127,552 | 6.507 | 3,632,690 |
| <u>Non-monetary items</u> | | | |
| CNY:USD | 80,935 | 0.154 | 354,254 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 462,736 | 28.480 | 13,178,719 |
| USD:CNY | 154,042 | 6.507 | 4,387,124 |

| | September 30, 2020 | | |
|--|--|------------------|---------------------|
| (Foreign currency: functional currency) | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | \$ 518,094 | 29.100 | \$ 15,076,550 |
| USD:CNY | 93,972 | 6.817 | 2,734,571 |
| <u>Non-monetary items</u> | | | |
| CNY:USD | 78,852 | 0.147 | 336,621 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 577,144 | 29.100 | 16,794,891 |
| USD:CNY | 145,817 | 6.817 | 4,243,287 |

- ii. Total exchange gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2021 and 2020, amounted to \$21,308, \$174, \$15,250 and \$37,628, respectively.
- iii. When the exchange rates for USD, AUD, EUR, JPD and CNY to NTD and USD to CNY increased or decreased by 1%, with all other factors the same at September 30, 2021 and 2020, net loss before tax would increase or decrease by (\$41,986) and (\$32,271) for the nine months ended September 30, 2021 and 2020, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic or foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the nine months ended September 30, 2021 and 2020. Other components of equity would have increased/decreased by \$241,551 and \$65,117, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the nine months ended September 30, 2021 and 2020, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and US Dollars.
- ii. If the borrowing interest rate had increased/decreased by 0.01% with all other variables held constant, profit, net of tax for the nine months ended September 30, 2021 and 2020 would have decreased /increased by \$206 and \$294, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b)Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows stated at amortised cost.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. Individual risk limits are set based on internal or external factors in accordance with limits set by credit control manager. The utilisation of credit limits is regularly monitored.
- iv. For banks and financial institutions, only the institutions with good credit quality are accepted as counterparties.
- v. The default occurs when it expects that the contact payments cannot be recovered and are transferred to overdue receivables.

- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Group classifies customers' repayment ability in accordance with the contract term and macroeconomic forecast included in the forecastability and related industry information. The Group applies the modified approach using group methodology to estimate expected credit loss.
- viii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
- ix. The Group considered the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of September 30, 2021, December 31, 2020 and September 30, 2020, the loss rate methodology is as follows:

| <u>September 30, 2021</u> | <u>Group A</u> | <u>Group B</u> | <u>Total</u> |
|---------------------------|----------------|----------------|--------------|
| Expected loss rate | 0% - 100% | 0.012% - 0.7% | |
| Value | \$ 438,930 | \$ 5,092,859 | \$ 5,531,789 |
| Allowance | 89,167 | 1,128 | 90,295 |
| | | | |
| <u>December 31, 2020</u> | <u>Group A</u> | <u>Group B</u> | <u>Total</u> |
| Expected loss rate | 10% - 100% | 0.012% - 0.7% | |
| Value | \$ 454,571 | \$ 4,834,921 | \$ 5,289,492 |
| Allowance | 85,151 | 6,331 | 91,482 |
| | | | |
| <u>September 30, 2020</u> | <u>Group A</u> | <u>Group B</u> | <u>Total</u> |
| Expected loss rate | 10% - 100% | 0.014% - 0.7% | |
| Value | \$ 426,989 | \$ 6,150,077 | \$ 6,577,066 |
| Allowance | 82,118 | 9,533 | 91,651 |

Group A: High-risk accounts: The evaluation module is based on payment records, financial indicators, contract fulfillment status, and related industry information.

Group B: Low- and medium-risk accounts: Entities provide good payment records, strong prospects, transparent financials or collateral.

- x. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable is as follows:

| | <u>2021</u> |
|----------------------------|------------------|
| At January 1 | \$ 91,482 |
| Provision for impairment | 525 |
| Write-offs | (840) |
| Effect of foreign exchange | (872) |
| At September 30 | <u>\$ 90,295</u> |
| | <u>2020</u> |
| At January 1 | \$ 77,034 |
| Provision for impairment | 15,268 |
| Write-offs | (317) |
| Effect of foreign exchange | (334) |
| At September 30 | <u>\$ 91,651</u> |

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

| <u>September 30, 2021</u> | <u>Less than 1 year</u> | <u>Between 1 and 2 years</u> | <u>Between 2 and 3 years</u> | <u>Over 3 years</u> |
|---------------------------|-----------------------------|----------------------------------|----------------------------------|-------------------------|
| Short-term borrowings | \$ 1,835,338 | \$ - | \$ - | \$ - |
| Accounts payable | 6,790,523 | - | - | - |
| Other payables | 3,529,052 | - | - | - |
| Lease liabilities | 40,836 | 28,736 | 35,242 | 113,928 |
| Guarantee deposits | 11,809 | 6,259 | 2,604 | 7,977 |
| Long-term borrowings | 212,126 | 253,049 | 271,047 | 186,136 |

| | Less than 1 year | Between 1 and 2 years | Between 2 and 3 years | Over 3 years |
|---------------------------|---------------------|--------------------------|--------------------------|-----------------|
| <u>December 31, 2020</u> | | | | |
| Short-term borrowings | \$ 1,444,893 | \$ - | \$ - | \$ - |
| Accounts payable | 6,682,782 | - | - | - |
| Other payables | 3,366,781 | - | - | - |
| Lease liabilities | 38,661 | 37,419 | 35,154 | 132,940 |
| Guarantee deposits | 8,257 | 2,911 | 6,615 | 5,422 |
| Long-term borrowings | 52,075 | 261,139 | 249,203 | 361,425 |
| <u>September 30, 2020</u> | | | | |
| Short-term borrowings | \$ 3,059,658 | \$ - | \$ - | \$ - |
| Accounts payable | 5,123,423 | - | - | - |
| Other payables | 3,410,950 | - | - | - |
| Lease liabilities | 26,349 | 20,818 | 18,498 | 104,072 |
| Guarantee deposits | 3,202 | 4,938 | 5,006 | 7,053 |
| Long-term borrowings | 4,261 | 202,980 | 243,140 | 426,843 |

Derivative financial liabilities

As September 30, 2021, December 31, 2020 and September 30, 2020, the Group's derivative financial liabilities mature within one year.

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

- B. Fair value information of investment property at cost is provided in Note 6(11).

- C. Financial instruments not measured at fair value

Including the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, refundable deposits, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings and guarantee deposits received are approximate to their fair values.

- D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

| September 30, 2021 | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|----------------------|-------------------|---------------------|----------------------|
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets: | | | | |
| Forward exchange contracts | \$ - | \$ 4,287 | \$ - | \$ 4,287 |
| Equity securities | <u>20,306,504</u> | <u>338,782</u> | <u>3,509,856</u> | <u>24,155,142</u> |
| Total | <u>\$ 20,306,504</u> | <u>\$ 343,069</u> | <u>\$ 3,509,856</u> | <u>\$ 24,159,429</u> |

Recurring fair value measurements

Financial liabilities:

| | | | | |
|----------------------------|-------------|-----------------|-------------|-----------------|
| Forward exchange contracts | <u>\$ -</u> | <u>\$ 1,850</u> | <u>\$ -</u> | <u>\$ 1,850</u> |
|----------------------------|-------------|-----------------|-------------|-----------------|

| December 31, 2020 | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|---------------------|-------------------|---------------------|---------------------|
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets: | | | | |
| Forward exchange contracts | \$ - | \$ 6,107 | \$ - | \$ 6,107 |
| Equity securities | <u>3,892,858</u> | <u>283,970</u> | <u>3,121,764</u> | <u>7,298,592</u> |
| Total | <u>\$ 3,892,858</u> | <u>\$ 290,077</u> | <u>\$ 3,121,764</u> | <u>\$ 7,304,699</u> |

Recurring fair value measurements

Financial liabilities:

| | | | | |
|----------------------------|-------------|------------------|-------------|------------------|
| Forward exchange contracts | <u>\$ -</u> | <u>\$ 11,691</u> | <u>\$ -</u> | <u>\$ 11,691</u> |
|----------------------------|-------------|------------------|-------------|------------------|

| September 30, 2020 | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|---------------------|-------------------|---------------------|---------------------|
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets: | | | | |
| Forward exchange contracts | \$ - | \$ 43,405 | \$ - | \$ 43,405 |
| Equity securities | <u>3,440,610</u> | <u>254,082</u> | <u>2,816,987</u> | <u>6,511,679</u> |
| Total | <u>\$ 3,440,610</u> | <u>\$ 297,487</u> | <u>\$ 2,816,987</u> | <u>\$ 6,555,084</u> |

Recurring fair value measurements

Financial liabilities:

| | | | | |
|----------------------------|-------------|-----------------|-------------|-----------------|
| Forward exchange contracts | <u>\$ -</u> | <u>\$ 9,274</u> | <u>\$ -</u> | <u>\$ 9,274</u> |
|----------------------------|-------------|-----------------|-------------|-----------------|

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

| | <u>Listed shares</u> | <u>Open-end fund</u> |
|---------------------|----------------------|----------------------|
| Market quoted price | Closing price | Net worth |

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
 - iii. When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
 - v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - vi. The Group takes into account adjustments for credit risk to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the nine months ended September 30, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- F. The following table presents the changes in Level 3 instruments as at September 30, 2021 and 2020:

| | Equity securities | |
|--|---------------------|---------------------|
| | 2021 | 2020 |
| January 1 | \$ 3,121,764 | \$ 2,485,297 |
| Proceeds from capital reduction for the period | - | (12,303) |
| Acquired in the period | 55,440 | 13,500 |
| Gains recognised in other comprehensive income | 250,981 | 331,384 |
| Effects of foreign exchange | 81,711 | (891) |
| September 30 | <u>\$ 3,509,896</u> | <u>\$ 2,816,987</u> |

G. Investment department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, and reviewing the information periodically.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes significant unobservable inputs to valuation model used in Level 3 fair value measurements:

| Non-derivative equity instrument: | Fair value at September 30, 2021 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|-----------------------------------|----------------------------------|---------------------|--------------------------------|--------------------------|--|
| Unlisted shares | \$ 3,509,856 | Net asset value | Net asset value | - | The higher the net asset value, the higher the fair value. |

| Non-derivative equity instrument: | Fair value at December 31, 2020 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|-----------------------------------|---------------------------------|---------------------|--------------------------------|--------------------------|--|
| Unlisted shares | \$ 3,121,764 | Net asset value | Net asset value | - | The higher the net asset value, the higher the fair value. |

| Non-derivative equity instrument: | Fair value at September 30, 2020 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|-----------------------------------|----------------------------------|---------------------|--------------------------------|--------------------------|--|
| Unlisted shares | \$ 2,816,987 | Net asset value | Net asset value | - | The higher the net asset value, the higher the fair value. |

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

| | | | September 30, 2021 | | | |
|-------------------|-----------------|--------|------------------------------|---------------------|--|---------------------|
| | | | Recognised in profit or loss | | Recognised in other comprehensive income | |
| Financial assets | Input | Change | Favourable change | Unfavourable change | Favourable change | Unfavourable change |
| Equity instrument | Net asset value | ±1% | \$ - | \$ - | \$ 35,099 | \$ 35,099 |

| | | | December 31, 2020 | | | |
|-------------------|-----------------|--------|------------------------------|---------------------|--|---------------------|
| | | | Recognised in profit or loss | | Recognised in other comprehensive income | |
| Financial assets | Input | Change | Favourable change | Unfavourable change | Favourable change | Unfavourable change |
| Equity instrument | Net asset value | ±1% | \$ - | \$ - | \$ 31,218 | \$ 31,218 |

| | | | | | | | September 30, 2020 | | | |
|-------------------|-----------------|--------|------------------------------|---------------------|-------------------|---------------------|--|---------------------|-------------------|---------------------|
| | | | Recognised in profit or loss | | | | Recognised in other comprehensive income | | | |
| Financial assets | Input | Change | Favourable change | Unfavourable change | Favourable change | Unfavourable change | Favourable change | Unfavourable change | Favourable change | Unfavourable change |
| Equity instrument | Net asset value | ±1% | \$ | - | \$ | - | \$ | 28,170 | \$ | 28,170 |

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 5.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 6.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 7.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and (15).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 9.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 10.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6 and table 10.

(4) Major shareholders information

Major shareholders information: Please refer to table 11.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions. The Group's Chief Operating Decision-Maker manages business from the perspectives of cloud computing product business group and automotive electronics and AIoT business group.

The Group's company organization, basis of department segmentation and principles for measuring segment information for the period were not significantly changed.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments and reconciliations are as follows:

| For the nine months ended September 30, 2021 | | | | |
|--|-----------------------------------|--|--------------|---------------|
| Item | Cloud computing business group | Automotive electronics and AIoT business group | Others | Total |
| Revenue | \$ 26,585,243 | \$ 3,393,719 | \$ 2,774,694 | \$ 32,753,656 |
| Segment gain (loss) | 216,206 | (53,812) | (190,753) | (28,359) |

| For the nine months ended September 30, 2020 | | | | |
|--|-----------------------------------|--|--------------|---------------|
| Item | Cloud computing business group | Automotive electronics and AIoT business group | Others | Total |
| Revenue | \$ 24,911,048 | \$ 3,557,349 | \$ 2,650,993 | \$ 31,119,390 |
| Segment (loss) gain | 154,972 | 83,547 | (48,884) | 189,635 |

(3) Reconciliation for segment income (loss)

The revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the nine months ended September 30, 2021 and 2020 is provided as follows:

| Item | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|--|--|--|
| (Loss) income for reportable segments | (\$ 28,359) | \$ 189,635 |
| Unallocated: | | |
| Share of profits and losses from affiliates and joint ventures accounted for using the equity method | 2,663,448 | 1,531,304 |
| Dividend revenue | 296,240 | 212,469 |
| Interest revenue | 38,896 | 33,662 |
| Net currency exchange gain | 15,250 | 37,628 |
| Gains (losses) on disposal of investments | 13,812,619 | (4,817) |
| Gains on disposals of non-current assets held for sale | 1,044,185 | - |
| Other income | 218,478 | 56,741 |
| Income before tax from operations | \$ 18,060,757 | \$ 2,056,622 |

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Loans to others
For the nine months ended September 30, 2021

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

| No. (Note 1) | Creditor | Borrower | General ledger account | Is a related party | Maximum outstanding balance during the nine months ended September 30, 2021 | Balance at September 30, 2021 | Actual amount drawn down | Interest rate | Nature of loan (Note 2) | Amount of transactions with the borrower | Reason for short-term financing | Allowance for doubtful accounts | Collateral | | Limit on loans granted to a single party (Note 2) | Ceiling on total loans granted (Note 3) |
|-----------------|----------------------------------|--|-----------------------------------|--------------------|---|-------------------------------|--------------------------|--------------------|-------------------------|--|---------------------------------|---------------------------------|------------|-------|---|---|
| | | | | | | | | | | | | | Item | Value | | |
| 0 | MiTAC Holdings Corp. | MiTAC International Corp. | Other receivables-related parties | Y | \$ 2,000,000 | \$ 2,000,000 | \$ - | 0.56% | 2 | \$ - | Operations | \$ - | None | \$ - | \$ 4,576,916 | \$ 9,153,833 |
| 0 | MiTAC Holdings Corp. | MiTAC Computing Technology Corp. | Other receivables-related parties | Y | 3,500,000 | 3,500,000 | 3,157,355 | 0.22%-0.45% | 2 | - | Operations | - | None | - | 4,576,916 | 9,153,833 |
| 0 | MiTAC Holdings Corp. | MiTAC Digital Technology Corp. | Other receivables-related parties | Y | 1,000,000 | 1,000,000 | 278,500 | 0.26%~0.39% | 2 | - | Operations | - | None | - | 4,576,916 | 9,153,833 |
| 1 | MiTAC International Corp. | MiTAC Holdings Corp. | Other receivables-related parties | Y | 1,000,000 | 1,000,000 | 180,000 | 0.47978%-0.6167% | 2 | - | Operations | - | None | - | 4,222,065 | 8,444,131 |
| 1 | MiTAC International Corp. | MiTAC Computing Technology Corp. | Other receivables-related parties | Y | 2,900,000 | 2,900,000 | - | 0.21%-0.27% | 2 | - | Operations | - | None | - | 4,222,065 | 8,444,131 |
| 1 | MiTAC International Corp. | MiTAC Digital Technology Corp. | Other receivables-related parties | Y | 2,000,000 | 1,000,000 | - | 0.22%-0.42% | 2 | - | Operations | - | None | - | 4,222,065 | 8,444,131 |
| 1 | MiTAC International Corp. | Shen-Tong Construction & Development Co., Ltd. | Other receivables-related parties | Y | 1,427 | 1,427 | 1,427 | 0 | 2 | - | Operations | - | None | - | 4,222,065 | 8,444,131 |
| 2 | MiTAC Computing Technology Corp. | MiTAC Holdings Corp. | Other receivables-related parties | Y | 1,420,000 | 1,420,000 | 1,420,000 | 0.6293%~0.4937296% | 2 | - | Operations | - | None | - | 1,533,050 | 1,533,050 |
| 3 | MiTAC Digital Technology Corp. | MiTAC Holdings Corp. | Other receivables-related parties | Y | 600,000 | 600,000 | 600,000 | 0.47978%-0.5337% | 2 | - | Operations | - | None | - | 650,866 | 650,866 |
| 4 | Silver Star Developments Ltd. | MiTAC International Corp. | Other receivables-related parties | Y | 2,064,440 | - | - | 0 | 2 | - | Operations | - | None | - | 8,639,261 | 8,639,261 |
| 4 | Silver Star Developments Ltd. | MiTAC Holdings Corp. | Other receivables-related parties | Y | 3,713,088 | 3,698,480 | 3,435,855 | 0 | 2 | - | Operations | - | None | - | 43,196,305 | 43,196,305 |
| 4 | Silver Star Developments Ltd. | Software Insights Ltd. | Other receivables-related parties | Y | 28,390 | - | - | 0 | 2 | - | Operations | - | None | - | 43,196,305 | 43,196,305 |
| 4 | Silver Star Developments Ltd. | Start Well Technology Ltd. | Other receivables-related parties | Y | 873,171 | 852,210 | 852,210 | 0 | 2 | - | Operations | - | None | - | 43,196,305 | 43,196,305 |
| 4 | Silver Star Developments Ltd. | MiTAC Benelux N.V. | Other receivables-related parties | Y | 79,051 | 74,336 | 67,872 | 0 | 2 | - | Operations | - | None | - | 43,196,305 | 43,196,305 |
| 5 | Tyan Computer Corp.(USA) | Mitac Information Systems Corp. | Other receivables-related parties | Y | 214,013 | 208,875 | 208,875 | 2.83% | 2 | - | Operations | - | None | - | 1,080,919 | 1,080,919 |
| 6 | MiTAC Investment Holding Ltd. | MiTAC Technology (KunShan) Co., Ltd. | Other receivables-related parties | Y | 43,840 | 43,050 | 43,050 | 3.85% | 2 | - | Operations | - | None | - | 6,109,538 | 6,109,538 |
| 6 | MiTAC Investment Holding Ltd. | MiTAC Information Systems (Kunshan) Co., Ltd. | Other receivables-related parties | Y | 385,792 | 43,050 | 43,050 | 0%~4.3% | 2 | - | Operations | - | None | - | 6,109,538 | 6,109,538 |

| No. (Note 1) | Creditor | Borrower | General ledger account | Is a related party | Maximum outstanding balance during the nine months ended September 30, 2021 | Balance at September 30, 2021 | Actual amount drawn down | Interest rate | Nature of loan (Note 2) | Amount of transactions with the borrower | Reason for short-term financing | Allowance for doubtful accounts | Collateral | | Limit on loans granted to a single party (Note 2) | Ceiling on total loans granted (Note 3) |
|-------------------|------------------------------------|---|-----------------------------------|--------------------|---|-------------------------------|--------------------------|---------------|---------------------------|--|---------------------------------|---------------------------------|------------|-------|---|---|
| | | | | | | | | | | | | | Item | Value | | |
| 7 | MiTAC Research (ShangHai) Ltd. | MiTAC Investment Holding Ltd. | Other receivables-related parties | Y | \$ 276,192 | \$ - | \$ - | 0 | 2 | - | Operations | \$ - | None | \$ - | \$ 934,110 | \$ 934,110 |
| 7 | MiTAC Research (ShangHai) Ltd. | MiTAC Information Systems (Kunshan) Co., Ltd. | Other receivables-related parties | Y | 273,735 | 271,215 | 271,215 | 0%~4.3% | 2 | - | Operations | - | None | - | 934,110 | 934,110 |
| 8 | Access Wisdom Holdings Ltd. | MiTAC Digital Technology Corp. | Other receivables-related parties | Y | 31,389 | 30,635 | 30,635 | 0 | 2 | - | Operations | - | None | - | 39,819 | 39,819 |
| 9 | Mio International Ltd. | MiTAC Digital Technology Corp. | Other receivables-related parties | Y | 19,975 | 19,495 | 19,495 | 0 | 2 | - | Operations | - | None | - | 20,176 | 20,176 |
| 9 | Mio International Ltd. | Access Wisdom Holdings Ltd. | Other receivables-related parties | Y | 19,975 | 19,495 | 19,495 | 0 | 2 | - | Operations | - | None | - | 100,881 | 100,881 |
| 10 | MiTAC Computer (Shunde) Corp. | MiTAC Information Systems (Kunshan) Co., Ltd. | Other receivables-related parties | Y | 272,223 | - | - | 4.3% | 2 | - | Operations | - | None | - | 5,634,346 | 5,634,346 |
| 11 | MiTAC Computer (KunShan) Co., Ltd. | MiTAC Information Systems (Kunshan) Co., Ltd. | Other receivables-related parties | Y | 172,200 | 172,200 | 172,200 | 0%~3.85% | 2 | - | Operations | - | None | - | 5,592,920 | 5,592,920 |

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: The nature of loan are as follows:

- (1) Ongoing business
- (2) Short-term financing

Note 3: (1) MiTAC Holdings Corp. (the Company)'s total borrowing amount of short-term financing should not exceed 20% of the net worth on the latest financial statements audited or reviewed by independent auditors.

The borrowing amount for each borrowing company should not exceed 10% of the net worth of the Company.

(2) MiTAC International Corp. (the Company)'s total borrowing amount of short-term financing should not exceed 20% of the net worth on the latest financial statements audited or reviewed by independent auditors.

The borrowing amount for each borrowing company should not exceed 10% of the net worth of the Company.

(3) MiTAC Computing Technology Corp.'s short-term financing limit should not exceed 40% of the net worth on the latest financial statements audited.

(4) MiTAC Digital Technology Corp.'s short-term financing limit should not exceed 40% of the net worth on the latest financial statements audited.

(5) If Silver Star Developments Ltd. was lending to foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(6) If Silver Star Developments Ltd. was lending to domestic subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 40% of the net worth on the latest financial statements audited by independent auditors.

(7) The borrowing amount and the total borrowing amount of Tyan Computer Corp. (USA) lending to the ultimate parent company's direct and indirect wholly-owned foreign subsidiaries should not exceed 200% of the net worth on the latest financial statements audited by independent auditors.

(8) If MiTAC Investment Holdings Ltd. was lending to foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(9) If MiTAC Research (Shanghai) Ltd. was lending to foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(10) If Access Wisdom Holdings Ltd. was lending to domestic subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 40% of the net worth on the latest financial statements audited by independent auditors.

(11) If Mio International Ltd. was lending to foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(12) If Mio International Ltd. was lending to domestic subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 40% of the net worth on the latest financial statements audited by independent auditors.

(13) If MiTAC Computer (Shunde) Corp. was lending to foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(14) If MiTAC Computer (KunShan) Co., Ltd. was lending to foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Provision of endorsements and guarantees to others
For the nine months ended September 30, 2021

Table 2

| Number (Note 1) | Endorser/ guarantor | Party being endorsed/guaranteed | | Limit on endorsements/ guarantees provided for a single party (Note 3) | Maximum outstanding endorsement/ guarantee amount as of September 30, 2021 | Outstanding endorsement/ guarantee amount at September 30, 2021 | Actual amount drawn down | Amount of endorsements/ guarantees secured with collateral | Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company | Ceiling on total amount of endorsements/ guarantees provided (Note 3) | Provision of endorsements/ guarantees by parent company to subsidiary | Provision of endorsements/ guarantees by subsidiary to parent company | Provision of endorsements/ guarantees to the party in Mainland China |
|--------------------|------------------------|------------------------------------|--|---|--|--|-----------------------------|--|--|--|--|--|--|
| | | Company name | Relationship with the endorser/ guarantor (Note 2) | | | | | | | | | | |
| 0 | MiTAC Holdings Corp. | Tyan Computer Corp.(USA) | 2 | \$ 22,884,582 | \$ 199,745 | \$ 194,950 | \$ 194,950 | \$ - | 0.43 | \$ 22,884,582 | Y | N | N |
| 0 | MiTAC Holdings Corp. | MiTAC Computing Technology Corp. | 2 | 22,884,582 | 664,866 | 648,905 | 648,905 | - | 1.42 | 22,884,582 | Y | N | N |
| 0 | MiTAC Holdings Corp. | MiTAC International Corp. | 2 | 22,884,582 | 230 | 230 | 230 | - | 0.00 | 22,884,582 | Y | N | N |
| 0 | MiTAC Holdings Corp. | MiTAC Digital Technology Corp. | 2 | 22,884,582 | 3,805 | 3,714 | 3,714 | - | 0.01 | 22,884,582 | Y | N | N |
| 0 | MiTAC Holdings Corp. | MiTAC Information Systems Corp. | 2 | 22,884,582 | 513,630 | 501,300 | - | - | 1.10 | 22,884,582 | Y | N | N |

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following nine categories; fill in the number of category each case belongs to:

- (1) Having business relationship
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: (1) The endorsement and guarantees amount provided by MiTAC Holdings Corp. to each entity which is directly or indirectly held 50% or more of the voting power by the company should not exceed 50% of the net worth on the latest financial statements audited or reviewed by independent auditors.

- (2) MiTAC Holding Corp's total endorsements and guarantees should not exceed 50% of the net worth on the latest financial statements audited or reviewed by independent auditors.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Holding of marketable securities at the end of period (not including subsidiaries, associates and joint ventures)
September 30, 2021

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

| Securities held by | Marketable securities | | Relationship with the securities issuer | General ledger account | As of September 30, 2021 | | | | Footnote |
|--|-----------------------|---|---|---|--------------------------|------------|---------------|------------|----------|
| | | | | | Number of shares | Book value | Ownership (%) | Fair value | |
| MiTAC Holdings Corp. | stocks | Synnex Technology International Corp. | Same board chairman | Financial assets at fair value through other comprehensive income - non-current | 3,103,717 | \$ 162,014 | 0.19 | \$ 162,014 | |
| MiTAC Holdings Corp. | stocks | Healthera Corporation | None | Financial assets at fair value through other comprehensive income - non-current | 72,112 | 2,456 | 0.34 | 2,456 | |
| MiTAC Holdings Corp. | stocks | JVP VIII, L.P. | None | Financial assets at fair value through other comprehensive income - non-current | 2,037,500 | 69,055 | 1.16 | 69,055 | |
| MiTAC Holdings Corp. | stocks | WHETRON ELECTRONICS CO., LTD. | None | Financial assets at fair value through other comprehensive income - non-current | 6,550,000 | 195,459 | 9.05 | 195,459 | |
| MiTAC Holdings Corp. | stocks | Harbinger VIII Venture Capital Corp. | None | Financial assets at fair value through other comprehensive income - non-current | 11,250,000 | 112,276 | 11.57 | 112,276 | |
| MiTAC International Corp. | stocks | Lien Hwa Industrial Holdings Corporation | Same board chairman | Financial assets at fair value through other comprehensive income - non-current | 39,325,733 | 2,202,241 | 2.79 | 2,202,241 | |
| MiTAC International Corp. | stocks | UPC Technology Corp. | Same board chairman | Financial assets at fair value through other comprehensive income - non-current | 16,179,560 | 411,770 | 1.21 | 411,770 | |
| MiTAC International Corp. | stocks | COMPUCASE ENTERPRISE CO., LTD. | None | Financial assets at fair value through other comprehensive income - non-current | 10,000,000 | 316,500 | 8.83 | 316,500 | |
| MiTAC International Corp. | stocks | Synnex Technology International Corp. | Same board chairman | Financial assets at fair value through other comprehensive income - non-current | 5,245,000 | 273,789 | 0.31 | 273,789 | |
| MiTAC International Corp. | stocks | MiTAC Information Technology Corp. | The Company's chairman was this company's director. | Financial assets at fair value through other comprehensive income - non-current | 6,259,734 | 81,238 | 4.17 | 81,238 | |
| MiTAC International Corp. | stocks | MiTAC INC. | Same board chairman | Financial assets at fair value through other comprehensive income - non-current | 32,931,366 | 1,729,620 | 8.70 | 1,729,620 | |
| MiTAC International Corp. | stocks | Overseas Investment & Development Corp. | None | Financial assets at fair value through other comprehensive income - non-current | 1,000,000 | 11,191 | 1.11 | 11,191 | |
| MiTAC International Corp. | stocks | Harbinger Venture Capital Corp. | Same board chairman | Financial assets at fair value through other comprehensive income - non-current | 27,828 | 257 | 14.05 | 257 | |
| MiTAC International Corp. | stocks | Harbinger VI Venture Capital Corp. | None | Financial assets at fair value through other comprehensive income - non-current | 3,213,811 | 42,965 | 13.28 | 42,965 | |
| MiTAC International Corp. | stocks | Harbinger VII Venture Capital Corp. | Same board chairman | Financial assets at fair value through other comprehensive income - non-current | 8,338,028 | 114,216 | 9.39 | 114,216 | |
| Tsu Fung Investment Corp. | stocks | MiTAC Holdings Corp. | Ultimate parent company | Financial assets at fair value through other comprehensive income - current | 9,250,594 | 265,030 | 0.77 | 265,030 | Note 1 |
| Tsu Fung Investment Corp. | stocks | Getac Holdings Corp. | None | Financial assets at fair value through other comprehensive income - current | 7,783,741 | 402,419 | 1.31 | 402,419 | |
| Tsu Fung Investment Corp. | stocks | UPC Technology Corp. | None | Financial assets at fair value through other comprehensive income - current | 17,460,231 | 444,364 | 1.31 | 444,364 | |
| Tsu Fung Investment Corp. | stocks | Synnex Technology International Corp. | None | Financial assets at fair value through other comprehensive income - current | 8,217,974 | 428,978 | 0.49 | 428,978 | |
| Tsu Fung Investment Corp. | stocks | Lien Hwa Industrial Holdings Corporation | None | Financial assets at fair value through other comprehensive income - current | 4,732,382 | 265,013 | 0.34 | 265,013 | |
| Tsu Fung Investment Corp. | stocks | PROMISE Technology Inc. | None | Financial assets at fair value through other comprehensive income - current | 2,609,479 | 33,793 | 2.92 | 33,793 | |
| Tsu Fung Investment Corp. | stocks | MiTAC Information Technology Corp. | None | Financial assets at fair value through other comprehensive income - non-current | 4,594,672 | 59,630 | 3.06 | 59,630 | |
| Tsu Fung Investment Corp. | stocks | MiTAC INC. | None | Financial assets at fair value through other comprehensive income - non-current | 20,302,221 | 1,066,312 | 5.36 | 1,066,312 | |
| Tsu Fung Investment Corp. | stocks | Tung Da Investment Co., Ltd. | None | Financial assets at fair value through other comprehensive income - non-current | 4,848,125 | 186,724 | 19.99 | 186,724 | Note 2 |
| Tsu Fung Investment Corp. | stocks | Harbinger Venture Management Company Ltd. | None | Financial assets at fair value through other comprehensive income - non-current | 862,922 | 17,732 | 19.99 | 17,732 | |
| Tsu Fung Investment Corp. | stocks | Lien Yung Investment Corp. | None | Financial assets at fair value through other comprehensive income - non-current | 9,217,196 | 159,466 | 19.99 | 159,466 | |
| Silver Star Developments Ltd. and its subsidiaries | stocks | MiTAC Holdings Corp. | Ultimate parent company | Financial assets at fair value through other comprehensive income - non-current | 2,127,954 | 60,966 | 0.18 | 60,966 | Note 1 |
| Silver Star Developments Ltd. and its subsidiaries | stocks | TD Synnex Corp. | None | Financial assets at fair value through other comprehensive income - non-current | 5,299,980 | 15,365,622 | 5.52 | 15,365,622 | Note 3 |
| Silver Star Developments Ltd. and its subsidiaries | stocks | Budworth Investments Ltd. | None | Financial assets at fair value through other comprehensive income - non-current | 134,908 | 42 | 14.83 | 42 | |
| Silver Star Developments Ltd. and its subsidiaries | stocks | Panasas Inc. | None | Financial assets at fair value through profit or loss - non-current | 13,913 | - | 0.04 | - | |

Note 1: The Company's shares held by Tsu Fung Investment Corp. and Silver Star Developments Ltd. are accounted for as treasury stocks.

Note 2: MiTAC International Corp. sold its shares of Tung Da Investment Co., Ltd. to Tsu Fung Investment Corp., and such disposal gain has not yet been realized.

Note 3: Synnex Corp. became a non-related party of the Group since September 1, 2021 as the Group lost significant influence over it and was renamed to TD Synnex Corp.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
For the nine months ended September 30, 2021

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investor | Marketable securities | General ledger account | Counterparty | Relationship with the investor | Balance as at January 1, 2021 | | Addition | | Disposal | | | | Balance as at September 30, 2021 | |
|-------------------------------|----------------------------|---|--------------|--------------------------------|-------------------------------|--------------|------------------|--------|------------------|-----------------------------|---------------------------|---------------------------|----------------------------------|---------------|
| | | | | | Number of shares | Amount | Number of shares | Amount | Number of shares | Selling price | Book value | Gain (loss) on disposal | Number of shares | Amount (Note) |
| Silver Star Developments Ltd. | Stocks of Concentrix Corp. | Investments accounted for using equity method | - | - | 5,299,980 | \$ 6,677,974 | - | \$ - | 359,754 | \$1,469,173 (US\$52,344) | \$469,196 (US\$16,716) | \$999,977 (US\$35,628) | 4,940,226 | \$ 6,699,569 |

Note: It pertains to the book value of investments accounted for using equity method in September 2021.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the nine months ended September 30, 2021

Table 5

Expressed in thousands

| Real estate disposed by | Real estate | Transaction date or date of the event | Date of acquisition | Book value | Disposal amount | Status of collection of proceeds | Gain (loss) on disposal | Counterparty | Relationship with the seller | Reason for disposal | Basis or reference used in setting the price | Other commitments |
|------------------------------|------------------------------|---------------------------------------|---------------------|-------------------------|---------------------------|----------------------------------|---------------------------|---|------------------------------|---|--|-------------------|
| MiTAC Computer (Shunde) Ltd. | Land use rights | December 25, 2020 (Note 1) | January 1, 2003 | \$55,537 (CNY12,804) | \$798,531 (CNY184,094) | All collected | \$742,994 (CNY171,290) | Land Arrangement and Reserve Center of Shunde District, Foshan City | Third party | To cooperate with the land banking by the local government for the village-level industrial park upgrading and renovation project | Note 2 | None |
| MiTAC Computer (Shunde) Ltd. | Land use rights Buildings | November 7, 2019 (Note 1) | January 31, 1996 | \$33,785 (CNY7,788) | \$334,976 (CNY77,225) | All collected | \$301,191 (CNY69,437) | Land Arrangement and Reserve Center of Shunde District, Foshan City | Third party | To cooperate with the land banking by the local government for the city construction development project | Note 3 | None |

Note 1: It refers to the resolution date by the Board of Directors of the subsidiary.

Note 2: It was by reference to the appraisal report issued by the professional appraisal company and was determined based on the expropriation agreement.

Note 3: It was by reference to the appraisal report issued by the professional appraisal company and was determined based on the auction price.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
For the nine months ended September 30, 2021

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

| Purchaser/seller | Counterparty | Relationship with the counterparty | Transaction | | | | Differences in transaction terms | | Notes/accounts receivable (payable) | | Footnote |
|--|---|------------------------------------|------------------|--------------|-------------------------------------|-------------|----------------------------------|-------------|-------------------------------------|---|----------|
| | | | Purchases /sales | Amount | Percentage of total purchases/sales | Credit term | Unit price | Credit term | Balance | Percentage of total notes/accounts receivable (payable) | |
| MiTAC Computing Technology Corp. | MiTAC Information Systems Corp. | Subsidiary | Sales | \$ 8,407,910 | 46% | Note 1 | Note 3 | Note 1 | \$ 3,777,101 | 67% | |
| MiTAC Computing Technology Corp. | MiTAC Computer (Shunde) Ltd. | Affiliate | Purchases | 136,954 | 1% | Note 2 | Note 3 | Note 2 | (1,221,702) | 21% | |
| MiTAC Computing Technology Corp. | Tyan Computer Corp.(USA) | Subsidiary | Sales | 280,940 | 2% | Note 1 | Note 3 | Note 1 | - | 0% | |
| MiTAC Computing Technology Corp. | MiTAC Telematics Technology Corporation | Subsidiary | Sales | 110,642 | 1% | Note 1 | Note 3 | Note 1 | 6,548 | 0% | |
| MiTAC Computing Technology Corp. | TD Synnex Corp. and its subsidiaries | Note 4 | Sales | 288,950 | 2% | Note 1 | Note 3 | Note 1 | - | 0% | |
| MiTAC Computing Technology Corp. | Synnex Technology International Corp. | Other related parties | Purchases | 157,428 | 1% | Note 2 | Note 3 | Note 2 | (101,845) | 0% | |
| MiTAC Computing Technology Corp. | MiTAC Japan Corp. | Affiliate | Sales | 167,797 | 1% | Note 1 | Note 3 | Note 1 | 38,962 | 1% | |
| MiTAC Digital Technology Corp. | MiTAC Australia Pty Corp. | Subsidiary | Sales | 129,250 | 4% | Note 1 | Note 3 | Note 1 | 110,555 | 15% | |
| MiTAC Digital Technology Corp. | MiTAC Computer (Kunshan) Ltd. | Affiliate | Purchases | 1,047,429 | 36% | Note 2 | Note 3 | Note 2 | (734,110) | 55% | |
| Silver Star Developments Ltd.(SSDL) and its subsidiaries | MiTAC Computing Technology Corp. | Affiliate | Sales | 213,073 | 2% | Note 1 | Note 3 | Note 1 | 1,326,500 | 13% | |
| Silver Star Developments Ltd.(SSDL) and its subsidiaries | MiTAC Computing Technology Corp. | Affiliate | Purchases | 168,100 | 2% | Note 2 | Note 3 | Note 2 | (38,962) | 1% | |
| Silver Star Developments Ltd.(SSDL) and its subsidiaries | MiTAC Digital Technology Corp. | Affiliate | Sales | 1,057,912 | 10% | Note 1 | Note 3 | Note 1 | 754,211 | 7% | |
| MiTAC Technology UK Ltd. and its subsidiaries | MiTAC Computing Technology Corp. | Parent Company | Purchases | 8,688,850 | 53% | Note 2 | Note 3 | Note 2 | (3,777,101) | 82% | |
| MiTAC Technology UK Ltd. and its subsidiaries | TD Synnex Corp. and its subsidiaries | Note 4 | Sales | 214,775 | 1% | Note 1 | Note 3 | Note 1 | - | 0% | |
| Access Wisdom Holdings Ltd. and its subsidiaries | MiTAC Digital Technology Corp. | Parent Company | Purchases | 201,154 | 108% | Note 2 | Note 3 | Note 2 | (111,389) | 71% | |

Note 1: The Group's credit term for subsidiaries is to collect within 5 months based on the net amount of receivables after offsetting against payables. The Group's credit term for related parties is within 3 months based on the net amount of receivables after offsetting against payables; the credit term for third parties is an average of 3 months after the date of shipment.

Note 2: The Group's payment term for subsidiaries is within 5 months based on the net amount of receivables after offsetting against payables. The Group's payment term related parties within 3 months based on the net amount of receivables after offsetting against payables; the payment term for third parties is an average of 3 months after the date of shipment from the counterparty.

Note 3: The selling price to related parties is based on market value.

Note 4: TD Synnex Corp. and its subsidiaries became third parties since September 1, 2021.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
 Receivables from related parties reaching NTS\$100 million or 20% of paid-in capital or more
 September 30, 2021

Table 7

Expressed in thousands of NTD
 (Except as otherwise indicated)

| Creditor | Counterparty | Relationship with the counterparty | Accounts receivable | Other receivables | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance sheet date | Allowance for doubtful accounts | Footnote |
|--|----------------------------------|------------------------------------|---------------------|-------------------|---------------|---------------------|-----------------------|---|---------------------------------|----------|
| | | | | | | Amount | Action taken | | | |
| MiTAC Computing Technology Corp. | Mitac Information Systems Corp. | Subsidiary | \$ 3,777,101 | \$ 9,134 | 2.73 | \$ - | Not Applicable | \$ 615,742 | \$ - | |
| MiTAC Digital Technology Corp. | MiTAC Australia Pty Corp. | Subsidiary | 110,555 | 9 | 1.78 | 11,246 | Subsequent collection | 22,362 | - | |
| Silver Star Developments Ltd. and its subsidiaries | MiTAC Computing Technology Corp. | Affiliate | 1,326,500 | 12,956 | 0.20 | - | Not Applicable | 766,496 | - | |
| Silver Star Developments Ltd. and its subsidiaries | MiTAC Digital Technology Corp. | Affiliate | 754,211 | 2,444 | 1.76 | - | Not Applicable | 111,240 | - | |

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
 Significant inter-company transactions during the reporting periods
 For the nine months ended September 30, 2021

Table 8

Expressed in thousands of NTD
 (Except as otherwise indicated)

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | Percentage of consolidated total operating revenues or total assets (Note 3) |
|--------------------|--|--|--------------------------|------------------------|--------------|-------------------|--|
| | | | | General ledger account | Amount | Transaction terms | |
| 0 | MiTAC Holdings Corp. | MiTAC Computing Technology Corp. | 1 | Other receivables | \$ 3,158,528 | | 4.44% |
| 0 | MiTAC Holdings Corp. | MiTAC Digital Technology Corp. | 1 | Other receivables | 278,591 | | 0.39% |
| 1 | MiTAC International Corp. | MiTAC Holdings Corp. | 2 | Other receivables | 227,411 | | 0.32% |
| 2 | MiTAC Computing Technology Corp. | MiTAC Holdings Corp. | 2 | Other receivables | 1,420,000 | | 2.00% |
| 2 | MiTAC Computing Technology Corp. | MiTAC Technology UK Ltd. and its subsidiaries | 3 | Sales | 8,688,850 | Note 4 | 26.53% |
| 2 | MiTAC Computing Technology Corp. | MiTAC Technology UK Ltd. and its subsidiaries | 3 | Accounts receivable | 3,777,101 | Note 4 | 5.31% |
| 2 | MiTAC Computing Technology Corp. | Silver Star Developments Ltd. and its subsidiaries | 3 | Sales | 168,100 | Note 4 | 0.51% |
| 2 | MiTAC Computing Technology Corp. | Silver Star Developments Ltd. and its subsidiaries | 3 | Purchases | 213,073 | Note 5 | 0.65% |
| 2 | MiTAC Computing Technology Corp. | Silver Star Developments Ltd. and its subsidiaries | 3 | Accounts payable | 1,326,500 | Note 5 | 1.87% |
| 2 | MiTAC Computing Technology Corp. | MiTAC Telematics Technology Corporation | 3 | Sales | 110,642 | Note 4 | 0.34% |
| 3 | Silver Star Developments Ltd. and its subsidiaries | MiTAC Holdings Corp. | 2 | Other receivables | 3,435,855 | | 4.83% |
| 4 | MiTAC Digital Technology Corp. | Access Wisdom Holdings Ltd. and its subsidiaries | 3 | Sales | 201,154 | Note 4 | 0.61% |
| 4 | MiTAC Digital Technology Corp. | Access Wisdom Holdings Ltd. and its subsidiaries | 3 | Accounts receivable | 111,389 | Note 4 | 0.16% |
| 4 | MiTAC Digital Technology Corp. | Silver Star Developments Ltd. and its subsidiaries | 3 | Purchases | 1,057,912 | Note 5 | 3.23% |
| 4 | MiTAC Digital Technology Corp. | Silver Star Developments Ltd. and its subsidiaries | 3 | Accounts payable | 754,211 | Note 5 | 1.06% |
| 4 | MiTAC Digital Technology Corp. | MiTAC Holdings Corp. | 2 | Other receivables | 600,146 | | 0.84% |

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is "0".
- (2) The subsidiaries are numbered in order starting from "1".

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Group's credit term for foreign related parties is 5 months for the collection of the net amount of receivables after offsetting against payables, which takes into consideration the reasonable amount of time for the Company to ship the products to each company and for the collection of the accounts. The company's sales price with related parties is based on the international market trends and the region the sales were made.

Note 5: The Group's payment term for foreign related parties is 5 months for the collection of the net amount of receivables after offsetting against payables after checking and the transaction price is based on the international market trends and the region the sales were made.

Note 6: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Information on investees (Does not include Mainland China invested companies)
For the nine months ended September 30, 2021

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at September 30, 2021 | | | Net profit (loss) of the investee for the nine months ended September 30, 2021 | Investment income (loss) recognised by the Company for the nine months ended September 30, 2021 | Footnote |
|----------------------------------|--|------------------------|---|----------------------------------|---------------------------------|--------------------------------------|---------------|---------------|--|---|------------|
| | | | | Balance as at September 30, 2021 | Balance as at December 31, 2020 | Number of shares | Ownership (%) | Book value | | | |
| MiTAC Holdings Corp. | MiTAC International Corp. | Taiwan | Development, design and manufacturing and sale of computers and its peripherals, telecommunication related products | \$ 24,739,187 | \$ 24,739,187 | 2,393,020,550 | 100.00 | \$ 45,735,856 | \$ 11,327,805 | \$ 11,316,427 | Subsidiary |
| MiTAC Holdings Corp. | MiTAC Computing Technology Corp. | Taiwan | Development, design and manufacturing and sale of computers and its peripherals, telecommunication related products | 3,419,621 | 3,419,621 | 232,757,102 | 100.00 | 3,831,712 | 230,799 | 231,015 | Subsidiary |
| MiTAC Holdings Corp. | MiTAC Digital Technology Corp. | Taiwan | Sales and service of electronic telecommunication, communication and software, etc. | 1,547,485 | 1,547,485 | 103,099,000 | 97.17 | 1,587,258 | (23,891) | (23,152) | Subsidiary |
| MiTAC Holdings Corp. | Infopower Technologies Ltd. | India | Manufacture and sale of electronic product. | 72,249 | 72,249 | 6,774,199 | 33.33 | 68,831 | (493) | (164) | Associate |
| MiTAC International Corp. | Getac Holdings Corp. | Taiwan | Manufacturing and sale of notebook computers, military and industrial computer systems, etc. | 1,391,549 | 1,391,549 | 190,396,939 | 31.97 | 5,477,847 | 3,556,407 | | Associate |
| MiTAC International Corp. | Tsu Fung Investment Corp. | Taiwan | Investment | 625,000 | 625,000 | 142,884,651 | 100.00 | 3,519,321 | 129,980 | | Subsidiary |
| MiTAC International Corp. | 3Probe Technologies Corp. | Taiwan | Information process service, sales of software and international trading. | 16,839 | 16,839 | 1,086,000 | 23.25 | 11,610 | (2,947) | | Associate |
| MiTAC International Corp. | Lian Jie Investment Co., Ltd. | Taiwan | Investment | 113,057 | 113,057 | 11,305,650 | 49.98 | 174,916 | 5,958 | | Associate |
| MiTAC International Corp. | Lian Jie II Investment Co., Ltd. | Taiwan | Investment | 32,500 | 32,500 | 3,250,000 | 32.50 | 33,009 | 575 | | Associate |
| MiTAC International Corp. | Silver Star Developments Ltd. and its subsidiary | British Virgin Islands | Investment | 4,909,936 | 4,909,936 | 176,299,302 | 100.00 | 32,972,873 | 15,465,296 | | Subsidiary |
| MiTAC International Corp. | Shen-Tong Construction & Development Co., Ltd. | Taiwan | Building and factory construction, leasing and sales | 90,349 | 90,349 | 9,034,922 | 47.55 | 85,853 | (335) | | Associate |
| MiTAC International Corp. | LFE AEROSPACE INDUSTRY CORP. | Taiwan | Electronic components manufacturing, aircraft and its parts manufacturing and wholesale industry. | 121,475 | 121,475 | 11,233,750 | 15.40 | 107,363 | (19,085) | | Associate |
| MiTAC Computing Technology Corp. | MiTAC Technology UK Ltd. and its subsidiaries | UK | Investment | 1,419,189 | 1,419,189 | 55,146,138 | 100.00 | 1,677,606 | 244,395 | | Subsidiary |

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at September 30, 2021 | | | Net profit (loss) of the investee for the nine months ended September 30, 2021 | Investment income (loss) recognised by the Company for the nine months ended September 30, 2021 | Footnote |
|--|--|------------------------|---|----------------------------------|---------------------------------|--------------------------------------|---------------|------------|--|---|----------|
| | | | | Balance as at September 30, 2021 | Balance as at December 31, 2020 | Number of shares | Ownership (%) | Book value | | | |
| MiTAC Computing Technology Corp. | Hyve Design Solutions Corporation | USA | Assemble and sales of computer and peripheral equipment. | 139,250 | 139,250 | 1,000,000 | 50.00 | (83,195) | (137,491) | Associate | |
| MiTAC Digital Technology Corp. | Mio International Ltd. and its subsidiaries | British Virgin Islands | Sale of communication products | 63,433 | 63,433 | 1,275,001 | 100.00 | 77,615 | 988 | Subsidiary | |
| MiTAC Digital Technology Corp. | Access Wisdom Holdings Limited. and its subsidiaries | British Virgin Islands | Investment | - | - | 48,500,000 | 100.00 | 135,323 | 44,982 | Subsidiary | |
| Silver Star Developments Ltd. and its subsidiaries | Mainpower International Ltd. | British Virgin Islands | Investment | 153,175 | 153,175 | 5,500,001 | 13.28 | 250,959 | 103,394 | Associate | |
| Silver Star Developments Ltd. and its subsidiaries | Concentrix Corp. | USA | Information process services, sales of computer peripheral, system and network products | 6,102,404 | 6,530,252 | 4,940,226 | 9.44 | 6,699,569 | 7,692,443 | Associate | |
| Silver Star Developments Ltd. and its subsidiaries | Harbinger Ruyi Venture Ltd. | British Virgin Islands | Investment | 27,850 | 27,850 | 1,000,000 | 28.57 | 18,716 | 39 | Associate | |
| Silver Star Developments Ltd. and its subsidiaries | Harbinger Ruyi II Venture Ltd. | British Virgin Islands | Investment | 27,850 | 27,850 | 10,000 | 32.26 | 53,925 | (933) | Associate | |
| Tsu Fung Investment Corp. | LFE AEROSPACE INDUSTRY CORP. | Taiwan | Electronic components manufacturing, aircraft and its parts manufacturing and wholesale industry. | 15,504 | 15,504 | 1,433,740 | 1.97 | 12,729 | (19,085) | Associate | |
| Tsu Fung Investment Corp. | MiTAC Digital Technology Corp. | Taiwan | Electronic components manufacturing, aircraft and its parts manufacturing and wholesale industry. | 16 | 16 | 1,000 | - | 16 | (23,891) | Subsidiary | |

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Information on investments in Mainland China
For the nine months ended September 30, 2021

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

A. Invested information in Mainland China

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021 | Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2021 | | Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021 | Net income of investee as of September 30, 2021 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the nine months ended September 30, 2021 (Note 2) | Book value of investments in Mainland China as of September 30, 2021 | Accumulated amount of investment income remitted back to Taiwan as of September 30, 2021 | Footnote |
|---|---|-----------------|----------------------------|--|--|-------------------------|---|---|--|--|--|--|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| MiTAC Computer (Shunde) Corp. | Manufacturing of computer cases and monitors., etc. | \$ 1,793,917 | 2 | \$ 1,111,236 | \$ - | \$ - | \$ 1,111,236 | \$ 816,931 | 100.00 | \$ 816,931 | \$ 3,627,956 | \$ - | |
| MiTAC Computer (Kunshan) Co., Ltd. | Sales and manufacturing of computer accessories, hardware, software and related services | 2,197,724 | 2 | 1,632,010 | - | - | 1,632,010 | (10,447) | 100.00 | (10,447) | 2,786,092 | - | |
| MiTAC Technology (Kunshan) Co., Ltd. | Testing, repair and display of computer components and related products, and related technical advisory services and after-sale services | 35,632 | 2 | 27,850 | - | - | 27,850 | (8,503) | 100.00 | (8,503) | 18,645 | - | |
| MiTAC Research (ShangHai) Ltd. | Research, development and production of computer software, sales of own-produced products and related technical advisory services | 157,300 | 2 | 144,820 | - | - | 144,820 | 10,393 | 100.00 | 10,393 | 449,382 | - | |
| Shzhou MiTAC Precision Technology Co., Ltd. | Design and manufacturing of computer chassis and its components, percision plastic injection mould, molding parts and molding equipment processing and maintenance and repair services. | 1,519,569 | 2 | 375,975 | - | - | 375,975 | - | 27.44 | 33,981 | 619,306 | - | |
| Mio Technology (Suzhou) Ltd. | Sales of communication products and related after-sale services | 8,083 | 2 | 27,711 | - | - | 27,711 | 988 | 100.00 | 988 | 34,136 | - | |
| MiTAC Logistic Service (Kunshan) Ltd. | Agency of freight transport, export and import trading and warehousing services | 29,363 | 2 | 27,850 | - | - | 27,850 | (498) | 100.00 | (498) | 38,321 | - | |
| MiTAC Information Technology Ltd. | After-sales maintenance, testing, consulting services and related support technology services | 8,819 | 2 | 8,355 | - | - | 8,355 | 177 | 100.00 | 177 | 19,235 | - | |
| MiTAC Innovation (Kunshan) Ltd. | Research and development of computer, server, mobile phone, PDA, GNSS and GPS, and related technology transfer, technical services | 28,286 | 2 | 27,850 | - | - | 27,850 | 2,987 | 100.00 | 2,987 | 77,459 | - | |
| MiTAC Telematics Technology Corporation | Sales of self-produced products and related after-sale services | 8,610 | 1 | 2,032 | - | - | 2,032 | (240) | 100.00 | (240) | 16,296 | - | |
| MiTAC Investment Holding Ltd. | Investment Holdings | 2,020,302 | 2 | 835,500 | - | - | 835,500 | (21,500) | 100.00 | (21,500) | 3,033,431 | - | |
| MiTAC Information Systems (Kunshan) Co., Ltd. | Sales and manufacturing of computer accessories, hardware, software and related services | 1,033,200 | 3 | - | - | - | - | (30,922) | 100.00 | (30,922) | 996,040 | - | |

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Invest in Mainland China through an existing company in the third area
- (3) Others: Invest in Mainland China through investees in Mainland China.

Note 2: In the 'Investment income (loss) recognised by the Company for the nine months ended September 30, 2021' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet generated any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A. The financial statements were audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C..
 - B. The financial statements were audited and attested by R.O.C. parent company's CPA.
 - C. The financial statements were not audited and attested by independent accountants.

- (3) The basis for investment income (loss) recognition for MiTAC computer (Shunde) Corp., MiTAC Computer (Kunshan) Co., Ltd., MiTAC Research (ShangHai) Ltd., and Shzhou MiTAC Precision Technology Co., Ltd. is category B, the others are category C.

Note 3: Among the accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021 of MiTAC Computer (Kunshan) Co., Ltd., MiTAC Investment Holding Ltd remitted out USD 29,900 thousand.

| Company name | Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021 | Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) | Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA |
|----------------------------------|---|--|---|
| MiTAC International Corp. | \$ 3,740,319 | \$ 4,541,006 | \$ 27,637,111 |
| MiTAC Computing Technology Corp. | 2,032 | 2,032 | 2,295,758 |
| MiTAC Digital Technology Corp. | 20,748 | 20,748 | 979,665 |

C. Significant transactions conducted with investees in Mainland China:

MiTAC Digital Technology Corp. and MiTAC Computing Technology Corp's delivery service expenses with investees in Mainland China for the nine months ended September 30, 2021 amounted to \$16,691, for details of other significant transactions, please refer to table 1 and table 6.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES

Major shareholders information

September 30, 2021

Table 11

| Name of major shareholders | Shares | |
|--|-----------------------|---------------|
| | Number of shares held | Ownership (%) |
| MiTAC INCORPORATED | 104,431,091 | 8.65% |
| UPC Technology Corporation | 99,802,598 | 8.27% |
| Lien Hwa Industrial Holdings Corporation | 95,940,944 | 7.95% |