

**MiTAC HOLDINGS CORPORATION AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 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.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Declaration of Consolidated Financial Statements of Affiliated Enterprises

In connection with the Consolidated Financial Statements of Affiliated Enterprises of Mitac Holding Corporation (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2021 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of Mitac Holding Corporation and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. Additionally, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, Mitac Holding Corporation does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

Matthew Feng-Chiang Miao

Chairman of MITAC HOLDINGS CORPORATION

February 25, 2022

INDEPENDENT AUDITORS' REPORT

PWCR21000456

To the Board of Directors and Shareholders of MiTAC Holdings Corporation

Opinion

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

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

Basis for opinion

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

Emphasis of matter

We draw attention to Note 6(7) to the consolidated financial statements, which describes that during 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\$12,793,377 thousand. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Sales revenue recognition

Description

For accounting policies on sales revenue recognition, please refer to Note 4(31). Considering that the sales revenue are material to its financial statements, the types of products and sales terms are various, the timing of revenue recognition can only be determined when the controls of ownership for products are transferred to the customers based on contract terms of each different customer. Thus, we identified the sales revenue recognition as a key audit matter.

How our audit addressed the matter

We conducted audit procedures, including: discussed with management and evaluated the policy of revenue recognition; assessed the effectiveness of design and implementation of internal controls over recognition of revenue; test sampled the sales transactions including their terms, performance obligations, and prices and verified the supporting documents for deliveries to ensure the proper timing and amounts of recognition; selected sales transactions for a specific period prior to and after the balance sheet date and verified transaction documents to ensure sales revenue are recorded in the proper period.

Valuation of inventory

Description

The Group is mainly engaged in manufacturing and selling computers, computer peripherals and communications products. Due to rapid technological innovations and fluctuations in market demands, there is a higher risk of inventory obsolescence. The Group's inventories are measured at the lower of costs and net realisable values. For a description of accounting policies on valuation of inventories, please refer to Note 4(14), and for uncertainty of accounting estimates and assumptions in relation to valuation of inventories, please refer to Note 5(2). Considering that the Group's inventories were material to the consolidated financial statements and with various categories, and the valuation process was subject to management's judgment, it was identified as a key audit matter.

How our audit addressed the matter

We performed audit procedures, including: discussed with management and evaluated the policy of inventory valuation, validated inventory aging report through checking the logic of calculating aged inventories and confirming the appropriateness of categorization of aged inventories; and validated the basis in determining net realizable values of obsolete or slow-moving inventories in order to evaluate the reasonableness of allowance for inventory valuation losses.

Other matter- reference to audits of other auditors

We did not audit a certain indirectly held investment accounted for using equity method that was included in the consolidated financial statements, whose financial statements were prepared under a different financial reporting framework. We have performed necessary audit procedures on the conversion of those financial statements into financial information in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission. Those financial statements prior to conversion were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the report of the other auditors. Share of profit of associates and joint ventures accounted for using equity method amounted to NT\$1,111,191 thousand and NT\$1,604,767 thousand for the years ended December 31, 2021 and 2020, respectively. Investments accounted for using equity method amounted to NT\$6,848,718 thousand and NT\$12,693,073 thousand as at December 31, 2021 and 2020, respectively.

Other matter - Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of MiTAC Holdings Corporation as at and for the years ended December 31, 2021 and 2020.

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

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

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

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

Auditors’ responsibilities for the audit of the consolidated financial statements

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

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

We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal

control that we identify during our audit.

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

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

Liu, Chien-Yu

Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan

February 25, 2022

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

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 6,651,448	9	\$ 5,805,297	10
1110	Financial assets at fair value through profit or loss - current	6(2)	157,269	-	6,107	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	1,686,541	2	1,232,843	2
1136	Financial assets at amortised cost - current	6(4) and 8	661,205	1	8,754	-
1150	Notes receivable - net		2,129	-	31,689	-
1170	Accounts receivable - net	6(5) and 12(2)	5,567,844	7	4,982,050	9
1180	Accounts receivable - related parties - net	6(5), 7 and 12(12)	15,502	-	215,960	-
1200	Other receivables	7	186,417	-	60,168	-
1220	Current income tax assets		41,869	-	2,136	-
130X	Inventories	6(6)	11,866,900	16	9,123,004	16
1410	Prepayments		736,619	1	406,538	1
1460	Non-current assets held for sale - net	6(13)	-	-	90,133	-
1470	Other current assets	6(16)	17,715	-	16,830	-
11XX	Total current assets		27,591,458	36	21,981,509	38
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	24,902,268	33	6,065,749	11
1535	Non-current financial assets at amortised cost, net	6(4) and 8	56,841	-	35,253	-
1550	Investments accounted for using equity method	6(7)	13,804,797	18	19,071,689	33
1600	Property, plant and equipment - net	6(8)	7,785,224	10	7,753,087	14
1755	Right-of-use assets	6(9) and 7	315,534	-	359,874	1
1760	Investment property - net	6(11)	1,246,361	2	1,229,431	2
1780	Intangible assets	6(12)	66,200	-	75,904	-
1840	Deferred income tax assets	6(30)	499,627	1	504,324	1
1900	Other non-current assets		80,492	-	94,915	-
15XX	Total non-current assets		48,757,344	64	35,190,226	62
1XXX	Total assets		\$ 76,348,802	100	\$ 57,171,735	100

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MITAC HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(14)	\$ 3,215,724	4	\$ 1,443,851	3
2120	Financial liabilities at fair value through profit or loss - current	6(15)	4,897	-	11,691	-
2130	Contract liabilities - current	6(23)	451,177	1	127,866	-
2170	Accounts payable		7,035,236	9	6,662,560	12
2180	Accounts payable - related parties	7	165,387	-	20,222	-
2200	Other payables	7	3,702,185	5	3,366,781	6
2230	Current income tax liabilities		426,421	1	440,247	1
2250	Provisions - current	6(18)	100,691	-	132,169	-
2280	Lease liabilities - current	7	37,842	-	36,760	-
2300	Other current liabilities	6(16)	534,387	1	279,550	-
21XX	Total current Liabilities		<u>15,673,947</u>	<u>21</u>	<u>12,521,697</u>	<u>22</u>
Non-current liabilities						
2540	Long-term borrowings	6(16)	643,147	1	863,366	2
2550	Provisions - non-current	6(18)	122,732	-	123,905	-
2570	Deferred income tax liabilities	6(30)	6,704,395	9	378,872	1
2580	Lease liabilities - non-current	7	157,180	-	194,448	-
2600	Other non-current liabilities	6(7)(17)	441,036	-	327,952	1
25XX	Total non-current liabilities		<u>8,068,490</u>	<u>10</u>	<u>1,888,543</u>	<u>4</u>
2XXX	Total liabilities		<u>23,742,437</u>	<u>31</u>	<u>14,410,240</u>	<u>26</u>
	Share capital	6(19)				
3110	Common shares		12,065,568	16	12,065,568	21
	Capital surplus	6(20)				
3200	Capital surplus		22,590,282	30	23,582,411	41
	Retained earnings	6(21)				
3310	Legal reserve		1,744,713	2	1,451,388	3
3350	Unappropriated retained earnings		14,549,186	19	4,110,220	7
	Other equity interest	6(22)				
3400	Other equity interest		1,848,438	2	1,743,283	3
3500	Treasury stocks	6(19)	(239,876)	-	(239,876)	(1)
31XX	Equity attributable to owners of the parent		<u>52,558,311</u>	<u>69</u>	<u>42,712,994</u>	<u>74</u>
36XX	Non-controlling interests		<u>48,054</u>	<u>-</u>	<u>48,501</u>	<u>-</u>
3XXX	Total equity		<u>52,606,365</u>	<u>69</u>	<u>42,761,495</u>	<u>74</u>
	Significant Contingent Liabilities And Unrecognised Contract Commitments	9(1)(2)				
	Significant Events After the Balance Sheet Date	11				
3X2X	Total liabilities and equity		<u>\$ 76,348,802</u>	<u>100</u>	<u>\$ 57,171,735</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
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items		Notes	Year ended December 31			
			2021		2020	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(23) and 7	\$ 42,185,771	100	\$ 41,145,756	100
5000	Operating costs	6(6) and 7	(37,823,877)	(90)	(36,520,695)	(89)
5900	Gross profit		4,361,894	10	4,625,061	11
	Operating expenses	6(28)(29) and 7				
6100	Selling expenses		(931,457)	(2)	(985,724)	(2)
6200	General and administrative expenses		(1,126,785)	(3)	(1,128,362)	(3)
6300	Research and development expenses		(2,261,869)	(5)	(2,436,592)	(6)
	Total operating expenses		(4,320,111)	(10)	(4,550,678)	(11)
6900	Operating profit		41,783	-	74,383	-
	Non-operating income and expenses					
7100	Interest income	6(24)	55,973	-	44,482	-
7010	Other income	6(25) and 7	659,026	2	481,886	1
7020	Other gains and losses	6(26)	14,814,801	35	10,416	-
7050	Finance costs	6(27) and 7	(23,717)	-	(46,479)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7)	3,154,756	7	2,415,388	6
7000	Total non-operating income and expenses		18,660,839	44	2,905,693	7
7900	Profit before income tax		18,702,622	44	2,980,076	7
7950	Income tax expense	6(30)	(6,741,141)	(16)	(129,291)	-
8200	Profit for the year		<u>\$ 11,961,481</u>	<u>28</u>	<u>\$ 2,850,785</u>	<u>7</u>

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MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
 (Expressed in thousands of New Taiwan dollars, except earnings per share)

		Year ended December 31					
		2021		2020			
Items	Notes	AMOUNT	%	AMOUNT	%		
Other comprehensive income (loss) - net							
Components of other comprehensive income(loss) that will not be reclassified to profit or loss							
8311	Gains (losses) on remeasurements of defined benefit plans	\$	2,099	-	\$	1,151	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		403,226	1		1,644,487	4
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		201,742	-		162,399	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(420)	-		(230)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		606,647	1		1,807,807	4
Components of other comprehensive income(loss) that will be reclassified to profit or loss							
8361	Exchange differences on translation of foreign financial statements		(290,719)	(1)		(763,323)	(1)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(174,399)	-		40,785	-
8360	Components of other comprehensive loss that will be reclassified to profit or loss		(465,118)	(1)		(722,538)	(1)
8300	Other comprehensive income for the year	\$	141,529	-	\$	1,085,269	3
8500	Total comprehensive income for the year	\$	12,103,010	28	\$	3,936,054	10
Profit (loss), attributable to:							
8610	Owners of parent	\$	11,960,937	28	\$	2,918,705	7
8620	Non-controlling interests	\$	544	-	\$	(67,920)	-
Comprehensive income(loss) attributable to:							
8710	Owners of parent	\$	12,102,626	28	\$	4,004,833	10
8720	Non-controlling interests	\$	384	-	\$	(68,779)	-
9750	Basic earnings per share			10.01			2.45
9850	Diluted earnings per share			9.96			2.42

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

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
		Retained earnings					Other equity interest					
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The accompanying notes are an integral part of these consolidated financial statements.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 18,702,622	\$ 2,980,076
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(28)	948,418	908,976
Amortization	6(28)	95,654	89,722
(Reversal of) provision of expected credit loss	12(2)	(3,055)	17,494
(Gain) loss of of financial assets/liabilities at fair value through profit or loss	6(26)	(17,881)	18,855
Interest expense	6(27)	23,717	46,479
Interest income	6(24)	(55,973)	(44,482)
Dividend income	6(25)	(325,929)	(214,428)
Share of profit of associates accounted for using equity method	6(7)	(3,154,756)	(2,415,388)
Gain on disposal of property, plant and equipment	6(26)(13)	(1,944)	(564)
Gain on disposal of non-current assets held for sale	6(26)	(1,045,095)	-
(Gain) loss on disposal of investments	6(26)	(13,782,172)	6,674
Loss on inventory market value decline	6(6)	86,047	137,040
Changes in operating assets and liabilities			
Changes in operating assets			
Decrease in Notes receivable		29,394	61,062
(Increase) decrease in Accounts receivable		(436,497)	1,069,041
Decrease in Other receivables		29,689	64,646
Increase in Inventories		(2,932,053)	(1,694,988)
(Increase) decrease in Prepayments		(321,031)	34,425
(Increase) decrease in Other current assets		(1,843)	13,223
Changes in operating liabilities			
Increase (decrease) in Contract liabilities		326,254	(147,102)
Increase in Accounts payable		554,302	854,435
Increase in Other payables		355,829	165,626
(Decrease) increase in Provisions for liabilities		(31,465)	3,523
Increase in Other current liabilities		86,210	9,055
Decrease in Accrued pension liabilities		(10,920)	(14,827)
Increase in other operating liabilities		7	603
Cash (outflow) inflow generated from operations		(882,471)	1,949,176
Receipt of interest		51,542	48,487
Cash dividend received		1,149,718	813,467
Payment of interest		(22,356)	(51,786)
Payment of income tax		(441,116)	(88,573)
Net cash (used in) flows from operating activities		(144,683)	2,670,771

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MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		\$ (142,511)	\$ (102,528)
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	16,211
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		22,112	-
(Increase) decrease in financial assets at amortised cost		(673,857)	490,770
Acquisition of financial assets at fair value through profit or loss		(140,000)	(11,148)
Proceeds from disposal of financial assets at fair value through profit or loss		-	89,242
Acquisition of investments accounted for using equity method	6(7)	-	(131,207)
Proceeds from disposal of investments accounted for using equity method	6(7)	1,466,118	-
Proceeds from disposal of subsidiaries	6(33)	-	(78,615)
Proceeds from disposal of non-current assets classified as held for sale	6(13)	1,134,495	-
Acquisition of property, plant and equipment	6(8)	(1,005,772)	(780,003)
Proceeds from disposal of property, plant and equipment		13,109	8,959
refundable deposits		(515)	(6,117)
Acquisition of intangible assets	6(12)	(85,968)	(76,994)
Acquisition of investment properties	6(11)	(13,137)	-
other non-current assets		-	(12,961)
Net cash flows from (used in) investing activities		<u>574,074</u>	<u>(594,391)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term loans	6(34)	1,771,380	(2,349,843)
Proceeds from long-term debt	6(34)	48,658	119,073
Repayments of long-term debt	6(34)	(95,184)	-
Increase (decrease) in guarantee deposits	6(34)	6,858	(671)
Repayments of lease liabilities	6(34)	(39,432)	(51,255)
Cash dividends paid	6(33)	(1,196,009)	(1,070,961)
Proceeds from sale of treasury shares	6(19)	-	196,628
Investments increased by non-controlling interest	6(32)	-	90,150
Capital surplus - dividends unclaimed by the shareholders	6(20)	360	1,100
Net cash flows from (used in) financing activities		<u>496,631</u>	<u>(3,065,779)</u>
Effects of changes in exchange rates		(79,871)	130,130
Net increase (decrease) in cash and cash equivalents		846,151	(859,269)
Cash and cash equivalents at beginning of year	6(1)	5,805,297	6,664,566
Cash and cash equivalents at end of year	6(1)	<u>\$ 6,651,448</u>	<u>\$ 5,805,297</u>

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

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

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 (referred herein as the “MiTAC Computing Technology”), as the consideration for the acquisition of 220,000 thousand newly issued ordinary shares of MiTAC 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 (referred herein as the “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 authorised for issuance by the Board of Directors on February 25, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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 the 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
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.	

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

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

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets and liabilities at fair value through other comprehensive income.
- (c) Defined benefit liabilities 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 IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns

through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main activities	Ownership (%)		Remarks
			December 31, 2021	December 31, 2020	
MiTAC Holdings Corp.	MiTAC International Corp.	Computer and its peripherals: design, manufacture and sell communications products	100	100	
MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	Computer and its peripherals: design, manufacture and sell communications products	100	100	
MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	Automotive electronics, AIOT and software : design, manufacture and sell communications products	97.17	97.17	
MiTAC International Corp.	Tsu Fung Investment Corp.	General investments	100	100	
MiTAC International Corp.	Silver Star Developments Ltd.	General investments	100	100	
MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd.	General investments	100	100	

Investor	Subsidiary	Main activities	Ownership (%)		Remarks
			December 31, 2021	December 31, 2020	
MiTAC Computing Technology Corp.	MiTAC Telematics Technology Corporation	Sales of self-produced products and related after-sale services	100	100	
MiTAC Digital Technology Corp.	Access Wisdom Holdings Ltd.	General investments	100	100	
MiTAC Digital Technology Corp.	Mio International Ltd.	General investments	100	100	
Tsu Fung Investment Corp.	MiTAC Digital Technology Corp.	Automotive electronics, AIOT and software :design , manufacture and sell communications products	0.001	0.001	
Silver Star Developments Ltd.	Pacific China Corp.	General investments	100	100	
Pacific China Corp.	MiTAC Star Service Ltd.	General investments	100	100	
Pacific China Corp.	Software Insights Ltd.	General investments	100	100	
Pacific China Corp.	Start Well Technology Ltd.	General investments	100	100	
Pacific China Corp.	Huge Extent Ltd.	General investments	100	100	
Access Wisdom Holdings Ltd.	MiTAC Europe Ltd.	Sales of automotive electronics, AIOT products	100	100	
MiTAC Technology UK Ltd.	Tyan Computer Corp.(USA)	Sales of computer peripherals , hardware/ software and related products	100	100	
MiTAC Technology UK Ltd.	MiTAC Information Systems Corp.	Assembling and sale of computer peripherals , hardware/software and related products	100	100	
MiTAC Europe Ltd.	MiTAC Digital Corp.	Sales of automotive electronics, AIOT products	100	100	
MiTAC Europe Ltd.	MiTAC Australia Pty Ltd.	Sales of automotive electronics, AIOT products	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	
Silver Star Developments Ltd.	MiTAC Benelux N.V.	Sale of communication products and related after-sale services	100	100	
Silver Star Developments Ltd.	MiTAC Pacific (H.K.) Ltd.	Export and import trading services.	100	100	
Start Well Technology Ltd.	MiTAC Investment Holding Ltd.	General investments	100	100	
MiTAC Investment Holding Ltd.	MiTAC Computer (Kunshan) Ltd.	Manufacture of ommunication, computers, computer peripherals, hardware/software and related products and sale of own produced products	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	
MiTAC Investment Holding Ltd.	MiTAC Logistic Service (Kunshan) Ltd.	Agency of freight transport,export and import trading and warehousing services.	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	
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	
MiTAC Computer (Kunshan) Ltd.	MiTAC Information Systems (Kunshan) Co., Ltd.	Manufacture of ommunication, computers, computer peripherals, hardware/software and related products and sale of own produced products	100	100	
Software Insights Ltd.	MiTAC Research (Shanghai) Ltd.	Research, development of computer software and related technical advisory services	100	100	

Investor	Subsidiary	Main activities	Ownership (%)		Remarks
			December 31, 2021	December 31, 2020	
Software Insights Ltd.	MiTAC Innovation (Kunshan) Ltd.	Research, development of computer software and related technical advisory services	100	100	
Mio International Ltd.	Mio Technology (Suzhou) Ltd.	Sales of automotive electronics, AIOT products	100	100	

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) Foreign currency translation

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

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the spot

exchange rate at the date of that balance sheet;

- ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period.
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

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

(6) Cash equivalents

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

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

- A. Financial assets at amortized cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:

- (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- (10) Accounts and notes receivable
 - A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
 - B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- (11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost (including accounts receivable or contract assets that have a significant financing component, lease receivables, loan commitments and financial guarantee contracts), at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.
- (12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

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

 - A. The contractual rights of the cash flows from the financial asset expire.
 - B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
 - C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.
- (13) Leasing arrangements(lessor) – operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is

recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

- A. The perpetual inventory system is adopted for inventory recognition. Inventories are stated at standard cost, and adjusted at the end of reporting period to approximate them to the cost calculated on a weighted average method.
- B. At the end of period, inventories are evaluated at the lower of cost or net realizable value, and the individual item approach is used in the comparison of cost and net realizable value. The calculation of net realizable value should be based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses.

(15) Non-current assets held for sale

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

(16) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or

acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(17) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of discarded assets is derecognised when critical repairs are incurred, and other repair expenses are charged to profit or loss for the period when they incur.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly,

any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures (included utility equipment)	5 ~ 55 years
Machinery and equipment	2 ~ 10 years
Transportation equipment	4 ~ 5 years
Leasehold improvements	2 ~ 5 years
Other equipment	2 ~ 7 years

(18) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable; and
- (b) Variable lease payments that depend on an index or a rate.

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

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability; and
- (b) Any lease payments made at or before the commencement date.

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

(19) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 10 ~ 55 years.

(20) Intangible assets

The use right of computer software was capitalised based on the acquisition cost and cost to

prepare the specific software to become usable. Computer software was amortized based on the contract or on a straight-line basis over 5 years.

(21) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognised.

(22) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term and shortterm loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(23) Notes and accounts payable

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

(24) Derecognition of financial liabilities

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

(25) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(26) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date. Provisions are not recognised for future operating losses.

(27) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

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

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

(28) Income tax

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

- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(29) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the

proceeds.

- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells cloud computing products and mobile communication products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) Revenue from sales is recognised based on the price specified in the contract, net of the sales returns and sales discounts. The Group provides to customers the sales return right and sales discounts and recognises refund liability for expected sales discounts payable to customers in relation to sales by using the expected value method.
- (c) The Group's obligation to provide maintenance services for faulty products under the standard warranty terms is recognised as a provision.
- (d) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

- (a) The Group provides technology services and installment repairs and maintenance services. Revenue from providing services is recognised in the accounting period in which the services are rendered. The customer pays at the time specified in the

payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

- (b) Some contracts include multiple deliverables. Such services are accounted for as a single performance obligation as they are highly interrelated and indistinguishable.

C. Incremental costs of obtaining a contract

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The recognised asset is amortized on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

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.

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Therefore, there might be material changes to the evaluation.

As of December 31, 2021, the carrying amount of inventories is described in Note 6 (6).

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash:		
Cash on hand and revolving funds	\$ 496	\$ 753
Checking accounts and demand deposits	5,267,900	4,145,332
Cash equivalents:		
Time deposits	1,383,052	1,659,212
Total	<u>\$ 6,651,448</u>	<u>\$ 5,805,297</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	December 31, 2021	December 31, 2020
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 140,000	\$ -
Derivatives	-	-
Subtotal	140,000	-
Valuation adjustment - Beneficiary certificates	48	-
Valuation adjustment - Derivatives	17,221	6,107
Total	<u>\$ 157,269</u>	<u>\$ 6,107</u>

A. The Group recognised net gain (loss) of \$11,162 and \$(15,747) on financial assets at fair value through profit or loss for the years ended December 31, 2021 and 2020, respectively.

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

Financial Instrument	Item	December 31, 2021	
		Notional Amount (in thousands)	Fair Market Value (in thousands)
MiTAC Computing Technology Corp.			
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD 70,000	9,064
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD 28,000	1,536
MiTAC Digital Technology Corp.			
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD 12,500	1,524
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD 2,000	237
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR 1,000	396
Forward foreign exchange - Sell	Advance booking AUD to buy USD	AUD 650	212
Forward foreign exchange - Sell	Advance booking EUR to buy NTD	USD 550	27
MiTAC Computer (Kunshan) Ltd.			
Forward foreign exchange - Sell	Advance booking USD to buy CNY	USD 12,000	CNY 362
MiTAC Computer (Shunde) Corp.			
Forward foreign exchange - Sell	Advance booking USD to buy CNY	USD 13,000	CNY 593
Silver Star Developments Ltd.			
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR 2,000	USD 3

Financial Instrument	Item	December 31, 2020	
		Notional Amount (in thousands)	Fair Market Value (in thousands)
MiTAC Computing Technology Corp.			
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD 20,500	4,014
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD 13,000	1,376
MiTAC Digital Technology Corp.			
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD 2,500	567
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD 4,000	130
MiTAC Technology (Kunshan) Co., Ltd.			
Forward foreign exchange - Sell	Advance booking USD to buy CNY	USD 300 CNY	5

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	December 31, 2021	December 31, 2020
Current items:		
Listed stocks	\$ 887,725	\$ 800,614
Valuation adjustment	<u>798,816</u>	<u>432,229</u>
Total	<u>\$ 1,686,541</u>	<u>\$ 1,232,843</u>
Non-current items:		
Listed stocks	\$ 19,991,750	\$ 1,225,051
Unlisted stocks	<u>1,827,484</u>	<u>1,794,303</u>
Subtotal	21,819,234	3,019,354
Valuation adjustment	<u>3,083,034</u>	<u>3,046,395</u>
Total	<u>\$ 24,902,268</u>	<u>\$ 6,065,749</u>

A. The Group recognised \$403,226 and \$1,644,487 in other comprehensive income for fair value change for the years ended December 31, 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 December 31, 2021 and 2020, the fair value of investments were \$26,588,809 and \$7,298,592, respectively.

C. The Group sold \$16,211 of investments at fair value and resulted in cumulative losses on disposal amounting to \$11,382 during 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	December 31, 2021	December 31, 2020
Current items:		
Structured deposits	\$ 34,800	\$ -
Pledged deposits	<u>626,405</u>	<u>8,754</u>
	<u>\$ 661,205</u>	<u>\$ 8,754</u>
Non-current items:		
Pledged deposits	<u>\$ 56,841</u>	<u>\$ 35,253</u>

A. As of December 31, 2021 and 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 \$718,046 and \$44,007, 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

	December 31, 2021	December 31, 2020
Third parties	\$ 5,646,702	\$ 5,073,532
Less: Allowance for bad debts	(78,858)	(91,482)
	5,567,844	4,982,050
Related parties	<u>15,502</u>	<u>215,960</u>
	<u>\$ 5,583,346</u>	<u>\$ 5,198,010</u>

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

	December 31, 2021	December 31, 2020
Not past due	\$ 5,191,621	\$ 5,011,648
Up to 90 days	460,483	248,007
91 to 180 days	6,566	1,680
Over 181 days	<u>3,534</u>	<u>28,157</u>
	<u>\$ 5,662,204</u>	<u>\$ 5,289,492</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2021 and 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 December 31, 2021 and 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 \$5,583,346 and \$5,198,010, respectively.

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

(6) Inventories

	December 31, 2021	December 31, 2020
	<u>Book value</u>	<u>Book value</u>
Raw materials	\$ 9,227,846	\$ 6,699,085
Work in process	1,214,356	643,449
Finished goods	<u>1,424,698</u>	<u>1,780,470</u>
Total	<u>\$ 11,866,900</u>	<u>\$ 9,123,004</u>

Expense and loss incurred on inventories:

	For the year ended December 31 2021	2020
Cost of goods sold	\$ 37,737,830	\$ 36,383,655
Loss on decline in market value	<u>86,047</u>	<u>137,040</u>
	<u>\$ 37,823,877</u>	<u>\$ 36,520,695</u>

(7) Investments accounted for using equity method

A.

<u>Investee company</u>	December 31, 2021	December 31, 2020
Getac Holdings Corp. (Note 1)	\$ 5,804,772	\$ 5,249,079
3 Probe Technology Co., Ltd.	13,945	13,962
Lian Jie Investment Co., Ltd.	248,027	168,258
Lian Jie II Investment Co., Ltd.	39,529	42,467
Shen-Tong Construction & Development Co., Ltd.	85,807	86,012
Mainpower International Ltd.	258,510	240,230
Concentrix Corp.	6,804,427	6,677,974
TD Synnex Corp. (Note 2)	-	5,977,703
Suzhou MiTAC Preclusion Technology Co., Ltd.	380,334	354,254
Loyal Fidelity Aerospace Corp.	-	123,406
Harbinger Ruyi Venture Ltd.	18,441	18,970
Harbinger Ruyi II Venture Ltd.	82,742	49,096
Infopower Technologies Ltd.	<u>68,263</u>	<u>70,278</u>
	<u>\$ 13,804,797</u>	<u>\$ 19,071,689</u>
Credit balance of long-term investment (Note 3)	<u>\$ (138,964)</u>	<u>\$ (22,604)</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.

Note 3: Shown as “other non-current liabilities”.

- B. The Group recognized its share of profit from associates accounted for using equity method for the years ended December 31, 2021 and 2020 amounting to \$3,154,756 and \$2,415,388, respectively, and recognized its share of other comprehensive income from associates accounted for using equity method amounting to \$27,343 and \$203,184, respectively.

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

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2021	December 31, 2021		
Getac Holdings Corp.	Taiwan	31.86%	32.31%	Owned over 20% ownership	Equity method
TD Synnex Corp.	USA	-%	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

	Getac Holdings Corp.	
	December 31, 2021	December 31, 2020
Current assets	\$ 21,642,016	\$ 19,825,742
Non-current assets	14,202,370	14,029,191
Current liabilities	(11,597,730)	(11,735,921)
Non-current liabilities	(4,283,267)	(4,125,717)
Non-controlling interest	(1,740,918)	(1,748,248)
Total net assets	\$ <u>18,222,471</u>	\$ <u>16,245,047</u>
Share in associate's net assets	\$ <u>5,804,772</u>	\$ <u>5,249,079</u>

	TD Synnex Corp.(Note 1)	
	December 31, 2021	December 31, 2020
Current assets	\$ -	\$ 209,922,862
Non-current assets	-	27,111,310
Current liabilities	-	(132,336,507)
Non-current liabilities	-	(46,502,998)
Total net assets	<u>\$ -</u>	<u>\$ 58,194,667</u>
Share in associate's net assets	<u>\$ -</u>	<u>\$ 5,977,703</u>

	Concentrix Corp.	
	December 31, 2021	December 31, 2020
Current assets	\$ 42,712,039	\$ 40,537,748
Non-current assets	96,574,524	106,421,273
Current liabilities	(26,800,164)	(28,782,657)
Non-current liabilities	(40,426,778)	(53,166,720)
Total net assets	<u>\$ 72,059,621</u>	<u>\$ 65,009,644</u>
Share in associate's net assets	<u>\$ 6,804,427</u>	<u>\$ 6,677,974</u>

Statement of comprehensive income

	Getac Holdings Corp.	
	For the year ended December 31	
	2021	2020
Revenue	\$ 30,084,126	\$ 27,837,743
Profit for the period from continuing operations	\$ 4,263,192	\$ 2,668,793
Other comprehensive (loss) income - net of tax	(454,511)	95,120
Total comprehensive income	<u>\$ 3,808,681</u>	<u>\$ 2,763,913</u>
Dividends received from associates	<u>\$ 682,971</u>	<u>\$ 532,345</u>

	TD Synnex Corp.(Note 1)	
	For the year ended December 31	
	2021	2020
Revenue	\$ 449,162,148	\$ 729,177,445
Profit for the period from continuing operations	\$ 7,712,595	\$ 15,514,505
Other comprehensive (loss) income - net of tax	943,350	415,068
Total comprehensive income	<u>\$ 8,655,945</u>	<u>\$ 15,929,573</u>
Dividends received from associates	<u>\$ 89,254</u>	<u>\$ 63,107</u>

	Concentrix Corp.	
	For the year ended December 31	
	2021	2020
Revenue	\$ 156,487,709	\$ -
Profit for the period from continuing operations	\$ 10,954,754	\$ -
Other comprehensive (loss) income - net of tax	(1,836,618)	-
Total comprehensive income	\$ 9,118,136	\$ -
Dividends received from associates	\$ 34,593	\$ -

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

Note 2: Concentrix Corp. was established on December 1, 2020. Thus, the information related to its statement of comprehensive income was not available in 2020.

- 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 December 31, 2021 and 2020, the carrying amount of the Group's individually immaterial associates amounted to \$1,195,598 and \$1,166,933, respectively.

	For the year ended December 31	
	2021	2020
Profit for the period from continuing operations	\$(39,662)	\$ 234,673
Other comprehensive (loss) income - net of tax	346,507	357,805
Total comprehensive income	\$ 306,845	\$ 592,478

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

	December 31, 2021	December 31, 2020
Getac Holdings Corp.	\$ 10,605,110	\$ 9,310,410
TD Synnex Corp.	-	12,292,833
Concentrix Corp.	24,425,473	14,898,117
Total	\$ 35,030,583	\$ 36,501,360

- G. The Group increased its investment in Synnex Corp. amounting to \$131,207 for the years ended December 31, 2020.
- H. The Group sold part of its ownership in Concentrix Corp. for proceeds of \$1,466,118 and resulted in gains on disposal amounting to \$997,898 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 \$12,793,377.

- 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 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 December 31 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 December 31, 2021 and 2020, the carrying amounts of the associate were \$(115,032) and \$(22,604), 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
At January 1, 2021											
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>
2021											
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	-	132,269	264,332	56,422	4,536	15,990	23,561	53,985	207,452	247,225	1,005,772
Disposal	-	(8)	(10,044)	(349)	(380)	(25)	(246)	-	(113)	-	(11,165)
Reclassifications(Note)	-	1,124,645	15,572	2,569	(14)	(14)	875	-	5,096	(1,185,219)	(36,490)
Depreciation	-	(241,568)	(310,108)	(35,481)	(9,011)	(20,818)	(29,438)	(66,794)	(168,730)	-	(881,948)
Effects of foreign exchange	(5,099)	(19,243)	(7,003)	(267)	(55)	(206)	(416)	-	(2,320)	(9,423)	(44,032)
At December 31	<u>\$ 1,080,283</u>	<u>\$ 4,662,288</u>	<u>\$ 1,064,444</u>	<u>\$ 68,791</u>	<u>\$ 20,254</u>	<u>\$ 25,475</u>	<u>\$ 90,273</u>	<u>\$ 86,877</u>	<u>\$ 506,151</u>	<u>\$ 180,388</u>	<u>\$ 7,785,224</u>
At December 31, 2021											
Cost	\$ 1,080,283	\$ 7,647,461	\$ 2,963,363	\$ 203,234	\$ 71,571	\$ 193,499	\$ 177,036	\$ 169,253	\$ 1,354,660	\$ 180,388	\$ 14,040,748
Accumulated depreciation and impairment	-	(2,985,173)	(1,898,919)	(134,443)	(51,317)	(168,024)	(86,763)	(82,376)	(848,509)	-	(6,255,524)
	<u>\$ 1,080,283</u>	<u>\$ 4,662,288</u>	<u>\$ 1,064,444</u>	<u>\$ 68,791</u>	<u>\$ 20,254</u>	<u>\$ 25,475</u>	<u>\$ 90,273</u>	<u>\$ 86,877</u>	<u>\$ 506,151</u>	<u>\$ 180,388</u>	<u>\$ 7,785,224</u>

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

											Construction in progress and equipment under inspection	
	Land	Buildings and structures	Machinery	Computer and communication equipment	Transportation equipment	Office equipment	Leasehold improvements	Molding equipment	Other equipment			Total
At January 1, 2020												
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	-	6,959	210,600	16,818	8,701	9,700	36,651	57,366	175,319	257,889		780,003
Disposal	-	(1,836)	(1,297)	(263)	-	(33)	(60)	-	(4,906)	-	(8,395)
Reclassifications(Note)	-	9,825	63,288	378	-	295	6,242	-	18,213	(85,827)		12,414
Effects from disposal of subsidiaries	-	-	-	-	-	(3,925)	(10,706)	-	(16,295)	-	(30,926)
Depreciation	-	(223,466)	(313,311)	(34,016)	(9,940)	(19,595)	(26,376)	(48,156)	(160,571)	-	(835,431)
Effects of foreign exchange	(9,561)	(4,259)	14,028	228	115	46	123	-	5,051	18,656		24,427
At December 31	<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>
At December 31, 2020												
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>

(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 carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2021	December 31, 2020
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 226,241	\$ 238,179
Buildings and structures	86,896	118,168
Machinery	604	389
Transportation equipment	<u>1,793</u>	<u>3,138</u>
	<u>\$ 315,534</u>	<u>\$ 359,874</u>
	<u>For the year ended December 31</u>	
	2021	2020
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 10,977	\$ 14,160
Buildings and structures	32,814	38,803
Machinery	299	334
Transportation equipment	<u>1,345</u>	<u>897</u>
	<u>\$ 45,435</u>	<u>\$ 54,194</u>

- D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$6,941 and \$95,650, respectively.
- E. The right-of-use assets reclassified to non-current assets held for sale amounted to \$56,602 for the year ended December 31, 2020. Please refer to Note 6(13)B for details.
- F. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>For the year ended December 31</u>	
	2021	2020
Interest expense on lease liabilities	\$ 3,391	\$ 4,143
Expense on short-term lease contracts	19,716	20,528
Expense on leases of low-value assets	<u>3,471</u>	<u>4,910</u>
	<u>\$ 26,578</u>	<u>\$ 29,581</u>

- G. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases was \$66,010 and \$80,836, 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 years ended December 31, 2021 and 2020, the Group recognised rent income in the amounts of \$112,554 and \$103,990, respectively, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2021	December 31, 2020
Not later than one year	\$ 99,688	\$ 108,941
Later than one year but not later than five years	115,480	141,206
Over five years	2,697	6,211
	<u>\$ 217,865</u>	<u>\$ 256,358</u>

(11) Investment property

	Land	Buildings and structures	Total
<u>At January 1, 2021</u>			
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	-	13,137	13,137
Reclassifications	-	36,490	36,490
Depreciation	-	(21,035)	(21,035)
Effects of foreign exchange	(1,611)	(10,051)	(11,662)
At December 31	<u>\$ 953,224</u>	<u>\$ 293,137</u>	<u>\$ 1,246,361</u>
At December 31, 2021			
Cost	\$ 953,224	\$ 640,908	\$ 1,594,132
Accumulated depreciation and impairment	-	(347,771)	(347,771)
	<u>\$ 953,224</u>	<u>\$ 293,137</u>	<u>\$ 1,246,361</u>
	Land	Buildings and structures	Total
<u>At January 1, 2020</u>			
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>

	Land	Buildings and structures	Total
2020			
At January 1,	\$ 954,213	\$ 288,608	\$ 1,242,821
Depreciation	-	(19,351)	(19,351)
Effects of foreign exchange	622	5,339	5,961
At December 31	<u>\$ 954,835</u>	<u>\$ 274,596</u>	<u>\$ 1,229,431</u>
At December 31, 2020			
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>

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

	For the year ended December 31	
	2021	2020
Rental income from the lease of the investment property	<u>\$ 23,587</u>	<u>\$ 21,995</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 17,611</u>	<u>\$ 16,722</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ 16,558</u>	<u>\$ 13,180</u>

B. The fair value of the investment property held by the Group on December 31, 2021 and 2020 were \$3,635,787 and \$3,502,285, 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	
	December 31, 2021	December 31, 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	85,968	76,994
Amortization	(95,654)	(89,722)
Effects of disposal of subsidiaries	-	(835)
Effects of foreign exchange	(18)	19
At December 31	<u>\$ 66,200</u>	<u>\$ 75,904</u>

		Computer software	
		December 31, 2021	December 31, 2020
At December 31			
Cost	\$	271,299	\$ 275,844
Accumulated amortization and impairment	(205,099)	(199,940)
	\$	<u>66,200</u>	\$ <u>75,904</u>

Details of amortization of intangible assets are as follows:

	For the year ended December 31	
	2021	2020
Operating costs	\$ 1,325	\$ 1,309
Selling expenses	10,523	16,544
Administrative expenses	15,868	13,982
Research and development expenses	<u>67,938</u>	<u>57,887</u>
	\$ <u>95,654</u>	\$ <u>89,722</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 December 31, 2021, the Group has completed the disposal with proceeds amounting to \$335,268 and recognised \$301,454 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 December 31, 2021, the Group has completed the disposal with proceeds amounting to \$799,227 and recognised \$743,641 of gain on disposal.

Non-current assets held for the sale:

	December 31, 2021	December 31, 2020
Right-of-use assets	\$ -	\$ 68,515
Investment property	-	21,618
	<u>\$ -</u>	<u>\$ 90,133</u>

(14) Short-term borrowings

	December 31, 2021	December 31, 2020
Unsecured bank borrowings	\$ 2,661,804	\$ 1,443,851
Ssecured bank borrowings	<u>553,920</u>	<u>-</u>
	<u>\$ 3,215,724</u>	<u>\$ 1,443,851</u>
Interest rates	0.38%~0.85%	0.56%~0.63%

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

Item	December 31, 2021	December 31, 2020
Current items:		
Financial liabilities held for trading Valuation adjustment -Derivatives	<u>\$ 4,897</u>	<u>\$ 11,691</u>

A. The Group recognised net profit (loss) of \$6,719 and \$(3,108) for the years ended December 31, 2021 and 2020, respectively.

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

		December 31, 2021		
Financial Instrument	Item	Notional Amount (in thousands)		Notional Amount (in thousands)
MiTAC Computing Technology Corp.				
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	30,000	(789)
Forward foreign exchange - Buy	Advance booking JPY to sell USD	JPY	262,000	(2,154)
MiTAC Digital Technology Corp.				
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	6,000	(294)
Forward foreign exchange - Sell	Advance booking USD to buy JPY	USD	500	(22)
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR	500	(25)
Forward foreign exchange - Sell	Advance booking AUD to buy USD	AUD	4,150	(799)
Forward foreign exchange - Sell	Advance booking AUD to buy NTD	AUD	200	(69)
MiTAC Computer (Kunshan) Ltd.				
Forward foreign exchange - Sell	Advance booking USD to buy CNY	USD	4,000	CNY (85)
MiTAC Computer (Shunde) Corp.				
Forward foreign exchange - Sell	Advance booking USD to buy CNY	USD	6,000	CNY (86)
		December 31, 2020		
Financial Instrument	Item	Notional Amount (in thousands)		Notional Amount (in thousands)
MiTAC Computing Technology Corp.				
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	14,000	(1,085)
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	12,500	(1,562)
MiTAC Digital Technology Corp.				
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	6,000	(1,141)

Financial Instrument	Item	December 31, 2020	
		Notional Amount (in thousands)	Notional Amount (in thousands)
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD 3,500	(319)
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR 800	(722)
Forward foreign exchange - Sell	Advance booking AUD to buy USD	AUD 3,250	(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)

(16) Long-term borrowings

	December 31, 2021	December 31, 2020
Unsecured bank borrowings	\$ 863,330	\$ 910,634
Less: Current portion(shown as 'other current liabilities')	(220,183)	(47,268)
	<u>\$ 643,147</u>	<u>\$ 863,366</u>
Interest rate range (Note)	0.49%-0.5%	0.49%-1%
Expiry date	113.10.15~115.10.15	113.10.15~115.10.15

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

(17) Pensions

A. (a) The Company and its 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 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 and its 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 and its domestic subsidiaries will make contributions to cover the deficit by next March.

(b) The amounts recognised in the balance sheet are determined as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	\$ (542,371)	\$ (558,954)
Fair value of plan assets	<u>272,748</u>	<u>276,726</u>
Net defined benefit liability	<u>\$ (269,623)</u>	<u>\$ (282,228)</u>

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

	<u>Present value of defined benefit</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
2021			
Balance at January 1	\$ (558,954)	\$ 276,726	\$ (282,228)
Current service cost	(2,518)	-	(2,518)
Interest (expense) income	(2,623)	1,247	(1,376)
	<u>(564,095)</u>	<u>277,973</u>	<u>(286,122)</u>
Remeasurements:			
Return on plan assets(excluding amounts included in interest income or expense)	-	3,714	3,714
Change in demographic assumptions	(13,426)	-	(13,426)
Change in financial assumptions	6,901	-	6,901
Experience adjustments	<u>4,910</u>	<u>-</u>	<u>4,910</u>
	<u>(1,615)</u>	<u>3,714</u>	<u>2,099</u>
Pension fund contribution	-	8,233	8,233
Paid pension	<u>23,339</u>	<u>(17,172)</u>	<u>6,167</u>
Balance at December 31	<u>\$ (542,371)</u>	<u>\$ 272,748</u>	<u>\$ (269,623)</u>

	<u>Present value of defined benefit</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
2020			
Balance at January 1	\$ (570,152)	\$ 272,159	\$ (297,993)
Current service cost	(3,220)	-	(3,220)
Interest (expense) income	(4,276)	2,074	(2,202)
	(577,648)	274,233	(303,415)
Remeasurements:			
Return on plan assets(excluding amounts included in interest income or expense)	-	9,009	9,009
Change in demographic assumptions	(124)	-	(124)
Change in financial assumptions	(14,146)	-	(14,146)
Experience adjustments	6,410	-	6,410
	(7,860)	9,009	1,149
Pension fund contribution	-	8,330	8,330
Paid pension	26,554	(14,846)	11,708
Balance at December 31	<u>\$ (558,954)</u>	<u>\$ 276,726</u>	<u>\$ (282,228)</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the " Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

i. MiTAC International Corp. :

	2021	2020
Discount rate	<u>0.625%</u>	<u>0.375%</u>
Future salary increase	<u>2.000%</u>	<u>2.000%</u>

ii. MiTAC Computing Technology Corp. :

	2021	2020
Discount rate	<u>0.625%</u>	<u>0.500%</u>
Future salary increase	<u>2.000%</u>	<u>2.000%</u>

iii. MiTAC Digital Technology Corp. :

	2021	2020
Discount rate	<u>0.625%</u>	<u>0.500%</u>
Future salary increase	<u>2.000%</u>	<u>2.000%</u>

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

i. MiTAC International Corp. :

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	\$ <u>1,917</u>	\$ <u>(1,973)</u>	\$ <u>(1,914)</u>	\$ <u>1,869</u>
December 31, 2020				
Effect on present value of defined benefit obligation	\$ <u>2,353</u>	\$ <u>(2,426)</u>	\$ <u>(2,347)</u>	\$ <u>2,289</u>

ii. MiTAC Computing Technology Corp. :

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	\$ <u>6,712</u>	\$ <u>(6,948)</u>	\$ <u>(6,732)</u>	\$ <u>6,538</u>
December 31, 2020				
Effect on present value of defined benefit obligation	\$ <u>7,317</u>	\$ <u>(7,585)</u>	\$ <u>(7,344)</u>	\$ <u>7,123</u>

iii. MiTAC Digital Technology Corp. :

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	\$ <u>3,172</u>	\$ <u>(3,286)</u>	\$ <u>(3,185)</u>	\$ <u>3,091</u>
December 31, 2020				
Effect on present value of defined benefit obligation	\$ <u>3,325</u>	\$ <u>(3,451)</u>	\$ <u>(3,340)</u>	\$ <u>3,236</u>

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 amount to \$8,305.
- (g) As of December 31, 2021, the weighted average duration of that retirement plan is 6.8~10 years.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s Mainland China subsidiaries 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 years ended December 31, 2021 and 2020 were \$215,606 and \$151,031, respectively.

(18) Provisions

Warranty	2021	2020
Beginning balance	\$ 256,074	\$ 252,306
Additional provisions	66,233	102,389
Used during the period	(97,698)	(98,866)
Effects of foreign exchange	(1,186)	245
Ending balance	\$ <u>223,423</u>	\$ <u>256,074</u>

Analysis of total provisions:

	December 31, 2021	December 31, 2020
Current	\$ <u>100,691</u>	\$ <u>132,169</u>
Non-current	\$ <u>122,732</u>	\$ <u>123,905</u>

(19) Share capital

A. As of December 31, 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	
	2021	2020
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 December 31	<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:

		December 31, 2021	
Name of company holding the shares	Reason for reacquisition	Number of shares (shares in thousands)	Book value
Subsidiary - Tsu Fung Investment Corp.	Stock conversion	9,250	\$ 162,874
Subsidiary - SSDL	Stock conversion	2,128	77,002
		December 31, 2020	
Name of company holding the shares	Reason for reacquisition	Number of shares (shares in thousands)	Book value
Subsidiary - Tsu Fung Investment Corp.	Stock conversion	9,250	\$ 162,874
Subsidiary - SSDL	Stock conversion	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 before it is reissued to the employees.
- (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 three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six 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 years ended December 31, 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 trnsactions	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	-	-	12,150	-	-	-	12,150
Capital surplus - dividends unclaimed by the subsidiaries' shareholders	-	-	-	-	-	(12)	(12)
Disposal of investments accounted for using equity method	-	-	(1,016,018)	-	-	-	(1,016,018)
Capital surplus - dividends unclaimed by the shareholders	-	-	-	-	-	372	372
At December 31, 2021	\$ 21,571,329	\$ 468,577	\$ 201,493	\$ 609	\$ 346,814	\$ 1,460	\$ 22,590,282

	Share premium	Treasury stock trnsactions	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 recognised 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	-	-	87,108	-	-	-	87,108
Capital surplus - dividends unclaimed by the subsidiaries' shareholders	-	-	-	-	-	1,100	1,100
At December 31, 2020	\$ 21,571,329	\$ 457,198	\$ 1,205,361	\$ 609	\$ 346,814	\$ 1,100	\$ 23,582,411

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 paidin 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. Earnings appropriation ratio and cash dividends ratio are subject to adjustments once approved by the stockholders.
- 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 earnings had been resolved at the shareholders' meeting on July 16, 2021. Details are summarized below:

	2020	
	Amount	Dividend per share (in dollars)
Legal reserve	\$ 293,325	
Cash dividend	1,206,557	\$ 1.00
Total	<u>\$ 1,499,882</u>	<u>\$ 1.00</u>

- F. On February 25, 2022, the appropriation of earnings for the years ended December 31, 2021 proposed by the Board of Directors and to be approved by the shareholders is as follows:

	For the year ended December 31, 2021	
	Amount	Dividend per share (in dollars)
Legal reserve	\$ 1,193,885	
Cash dividend	2,413,114	\$ 2.00
Total	<u>\$ 3,606,999</u>	<u>\$ 2.00</u>

(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	-	347,348	347,348
Reclassified to retained earnings upon disposal			
- Group	5,498	-	5,498
- Associates	(40,712)	-	(40,712)
Revaluation			
- Group	403,226	-	403,226
- Associates	202,098	-	202,098
Currency translation differences			
- Group	-	(637,904)	(637,904)
- Associates	-	(174,399)	(174,399)
At December 31	<u>\$ 4,116,843</u>	<u>\$ (2,268,405)</u>	<u>\$ 1,848,438</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	-	6,674	6,674
Reclassified to retained earnings upon disposal			
- Group	11,370	-	11,370
- Associates	(25,693)	-	(25,693)
Revaluation			
- Group	1,644,487	-	1,644,487
- Associates	163,142	-	163,142
Currency translation differences			
- Group	-	(769,181)	(769,181)
- Associates	-	40,785	40,785
At December 31	<u>\$ 3,546,733</u>	<u>\$ (1,803,450)</u>	<u>\$ 1,743,283</u>

(23) Operating revenue

	For the year ended December 31	
	2021	2020
Revenue from contracts with customers	\$ <u>42,185,771</u>	\$ <u>41,145,756</u>

A. Disaggregation of revenue from contracts with customers

	For the year ended December 31	
	2021	2020
Cloud computing product	\$ 33,404,792	\$ 32,838,299
Automotive electronics and AIoT product	4,819,114	4,747,921
Others	<u>3,961,865</u>	<u>3,559,536</u>
	\$ <u>42,185,771</u>	\$ <u>41,145,756</u>

B. Contract liabilities

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

	December 31, 2021	December 31, 2020
Contract liabilities– sales of goods	\$ 446,841	\$ 122,771
Contract liabilities– others	<u>4,336</u>	<u>5,095</u>
Total	\$ <u>451,177</u>	\$ <u>127,866</u>

(24) Interest income

	For the year ended December 31	
	2021	2020
Interest income from bank deposits	\$ 55,347	\$ 41,469
Interest income from financial assets measured at amortised cost	<u>626</u>	<u>3,013</u>
	\$ <u>55,973</u>	\$ <u>44,482</u>

(25) Other income

	For the year ended December 31	
	2021	2020
Rental revenue	\$ 112,554	\$ 103,990
Dividend income	325,929	214,428
Other income	<u>220,543</u>	<u>163,468</u>
	\$ <u>659,026</u>	\$ <u>481,886</u>

(26) Other gains and losses

	For the year ended December 31	
	2021	2020
Gains on disposals of property, plant and equipment	\$ 1,944	\$ 564
Gain(losses) on disposal of investments	13,782,172	(6,674)
Gains on disposal of non-current assets held for sale	1,045,095	-
Net currency exchange gains (losses)	14,251	99,944
(Losses) gains on financial assets liabilities at fair value through profit or loss	17,881	(18,855)
Other losses	(46,542)	(64,563)
	<u>\$ 14,814,801</u>	<u>\$ 10,416</u>

(27) Financial costs

	For the year ended December 31	
	2021	2020
Interest expense on bank borrowings	\$ 20,326	\$ 42,336
Interest expense on lease liabilities	3,391	4,143
	<u>\$ 23,717</u>	<u>\$ 46,479</u>

(28) Expense by nature

	For the year ended December 31	
	2021	2020
Employee benefit expense	\$ 5,412,353	\$ 5,515,583
Depreciation charges on property, plant and equipment, investment property and right-of-use assets	948,418	908,976
Amortization charges	95,654	89,722
Total	<u>\$ 6,456,425</u>	<u>\$ 6,514,281</u>

(29) Employee benefit expenses

	For the year ended December 31	
	2021	2020
Wages and salaries	\$ 4,743,974	\$ 4,900,839
Labor and health insurance fees	285,781	290,549
Pension costs	219,500	156,453
Other personnel expenses	163,098	167,742
	<u>\$ 5,412,353</u>	<u>\$ 5,515,583</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 years ended December 31, 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 years ended December 31, 2021 and 2020, employees' compensation were accrued at \$12,052 and \$2,937, respectively; and directors' remuneration were accrued at \$7,000 and \$5,000, respectively. The aforementioned amounts were recognised in salary expenses. Employees' cash bonus and directors' and supervisors' remuneration of 2021 and 2020 as resolved at the Board of Directors of the Company were in agreement with those amounts recognised in the 2021 and 2020 consolidated financial statements.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the year ended December 31	
	2021	2020
Current tax:		
Current tax on profits for the year	\$ 401,405	\$ 164,933
Tax on undistributed surplus earnings	71,668	9,901
Prior year income tax overestimation	(67,089)	(12,573)
Total current tax	<u>405,984</u>	<u>162,261</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>6,335,157</u>	(32,970)
Total deferred tax	<u>6,335,157</u>	(32,970)
Income tax expense	<u>\$ 6,741,141</u>	<u>\$ 129,291</u>

- (b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	For the year ended December 31	
	2021	2020
Actuarial gain on defined benefit obligations	<u>\$ 420</u>	<u>\$ 230</u>

B. Reconciliation between income tax expense and accounting profit

	For the year ended December 31	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	\$ 6,344,734	\$ 687,274
Tax on undistributed earnings	71,668	9,901
Unrecognised deferred income tax liabilities	(211,693)	(334,003)
Tax exempt income by tax regulation	(2,731,684)	(208,381)
Expenses disallowed by tax regulations	59	(8,594)
Change in assessment of realisation of deferred tax (liabilities) assets	3,335,146	(4,333)
Prior year income tax overestimation	(67,089)	(12,573)
Income tax expense	<u>\$ 6,741,141</u>	<u>\$ 129,291</u>

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

	For the year ended December 31, 2021				
	Beginning balance	Recognised in profit or loss	Recognised in other comprehensive income	Effects of exchange rate changes	Ending balance
Deferred tax assets:					
Temporary differences:					
Warranty provision	\$ 47,450	\$(5,417)	\$ -	\$ -	\$ 42,033
Loss from decline in inventory price to market value	110,835	20,092	-	(1,190)	129,737
Unrealised estimate payable	151,765	1,091	-	(1,006)	151,850
Unused compensated absences	23,363	(951)	-	(131)	22,281
Accrued pension liability	78,983	(24,774)	(420)	-	53,789
Others	41,481	51,692	-	28	93,201
Loss carryforward	<u>50,447</u>	<u>(42,797)</u>	<u>-</u>	<u>(914)</u>	<u>6,736</u>
Subtotal	<u>504,324</u>	<u>(1,064)</u>	<u>(420)</u>	<u>(3,213)</u>	<u>499,627</u>
Deferred tax liabilities:					
Temporary differences:					
Equity investments	(377,028)	(6,329,285)	-	8,570	(6,697,743)
Others	(1,844)	(4,808)	-	-	(6,652)
Subtotal	<u>(378,872)</u>	<u>(6,334,093)</u>	<u>-</u>	<u>8,570</u>	<u>(6,704,395)</u>
Total	<u>\$ 125,452</u>	<u>\$(6,335,157)</u>	<u>\$(420)</u>	<u>\$ 5,357</u>	<u>\$(6,204,768)</u>

For the year ended December 31, 2020					
	Beginning balance	Recognised in profit or loss	Recognised in other comprehensive income	Effects of exchange rate changes	Ending balance
Deferred tax assets:					
Temporary differences:					
Warranty provision	\$ 44,278	\$ 3,172	\$ -	\$ -	\$ 47,450
Loss from decline in inventory price to market value	108,611	4,221	-	(1,997)	110,835
Unrealised estimate payable	124,439	28,517	-	(1,191)	151,765
Unused compensated absences	15,107	8,430	-	(174)	23,363
Accrued pension liability	82,133	(2,920)	(230)	-	78,983
Others	78,451	(36,428)	-	(542)	41,481
Loss carryforward	<u>28,067</u>	<u>24,277</u>	<u>-</u>	<u>(1,897)</u>	<u>50,447</u>
Subtotal	<u>481,086</u>	<u>29,269</u>	<u>(230)</u>	<u>(5,801)</u>	<u>504,324</u>
Deferred tax liabilities:					
Temporary differences:					
Equity investments	(377,028)	-	-	-	(377,028)
Others	<u>(5,545)</u>	<u>3,701</u>	<u>-</u>	<u>-</u>	<u>(1,844)</u>
Subtotal	<u>(382,573)</u>	<u>3,701</u>	<u>-</u>	<u>-</u>	<u>(378,872)</u>
Total	<u>\$ 98,513</u>	<u>\$ 32,970</u>	<u>\$ (230)</u>	<u>\$ (5,801)</u>	<u>\$ 125,452</u>

D. Expiration dates of unused net operating tax losses of the Company and its subsidiaries and amounts of unrecognised deferred tax assets are as follows:

December 31, 2021				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	Assessed	\$ 31,991	\$ 31,991	2022
2014	Assessed	<u>33,143</u>	<u>33,143</u>	2024
		<u>\$ 65,134</u>	<u>\$ 65,134</u>	
December 31, 2020				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	Assessed	\$ 31,991	\$ 31,991	2022
2014	Assessed	<u>33,143</u>	<u>33,143</u>	2024
		<u>\$ 65,134</u>	<u>\$ 65,134</u>	

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

	December 31, 2021	December 31, 2020
Deductible temporary differences	<u>\$ 756,142</u>	<u>\$ 758,760</u>

F. The Company has not recognised taxable temporary differences associated with

investment in subsidiaries as deferred tax liabilities. As of December 31, 2021 and 2020, the amounts of temporary difference unrecognised as deferred tax liabilities were \$396,013 and \$15,306,892, respectively.

G. The Company's income tax returns through 2017 have been assessed and approved by the Tax Authority.

H. 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 \$6,320,715 in 2021.

(31) Earnings per share

For the year ended December 31, 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	\$ <u>11,960,937</u>	1,195,178	\$ <u>10.01</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 11,960,937		
Less: Effect of dilutive potential common stocks issued by investee companies	(52,426)		
Assumed conversion of all dilutive potential ordinary shares	-	360	
Net income attributable to common stockholders plus dilutive effect of common stock equivalents	\$ <u>11,908,511</u>	<u>1,195,538</u>	\$ <u>9.96</u>
For the year ended December 31, 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	\$ <u>2,918,705</u>	1,193,649	\$ <u>2.45</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,918,705		
Less: Effect of dilutive potential common stocks issued by investee companies	(26,233)		
Assumed conversion of all dilutive potential ordinary shares	-	113	
Net income attributable to common stockholders plus dilutive effect of common stock equivalents	\$ <u>2,892,472</u>	<u>1,193,762</u>	\$ <u>2.42</u>

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

The Group's subsidiary, MiTAC Computing Technology Corp. lost substantial control over Hyve Design Solutions Corporation (please refer to Note 6(7)M.), resulting in a decrease in non-controlling interests amounting to \$33,330.

(33) Supplemental cash flow information

A. Financing activities with partial cash payments :

	For the year ended December 31	
	2021	2020
Cash dividends declared but yet to be paid – the Company	\$ 1,206,557	\$ 1,077,283
Add: Cash dividends to minority interests paid by subsidiaries	831	4,462
Less: subsidiaries received cash dividends paid from parent company	(11,379)	(10,784)
Cash paid during the period	<u>\$ 1,196,009</u>	<u>\$ 1,070,961</u>

B. The Group lost control over Hyve Design Solutions Corporation on August 19, 2020 (please refer to Note 4(3)B.). 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	1,771,380	6,858	(42,823)	(46,526)	1,688,889
Impact of changes in foreign exchange rate	493	(102)	(3,695)	(778)	(4,082)
Changes in other non-cash items	-	-	10,332	-	10,332
At December 31, 2021	<u>\$ 3,215,724</u>	<u>\$ 29,961</u>	<u>\$ 195,022</u>	<u>\$ 863,330</u>	<u>\$ 4,304,037</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	(2,349,843)	(671)	(55,398)	119,073	(2,286,839)
Impact of changes in foreign exchange rate	(10,177)	231	(2,415)	-	(12,361)
Changes in other non-cash items	-	-	99,793	-	99,793
At December 31, 2020	<u>\$ 1,443,851</u>	<u>\$ 23,205</u>	<u>\$ 231,208</u>	<u>\$ 910,634</u>	<u>\$ 2,608,898</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)
Harbinger VIII Venture Capital Corp.	The Company was this company's director

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)

		For the year ended December 31	
		2021	2020
Sales of goods:			
-Associates-TD Synnex Corp. and subsidiaries	\$	495,237	\$ 1,536,462
-Associates-Others		67,327	70,358
-Other related parties		<u>27,823</u>	<u>5,499</u>
		<u>590,387</u>	<u>1,612,319</u>
-Associates-TD Synnex Corp. and subsidiaries		314	179,909
-Associates-Others		13,050	4,220
-Other related parties		<u>7</u>	<u>52</u>
Subtotal		<u>13,371</u>	<u>184,181</u>
Total	\$	<u><u>603,758</u></u>	\$ <u><u>1,796,500</u></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)

		For the year ended December 31	
		2021	2020
Purchases of goods:			
-Associates	\$	45,152	\$ 56,013
-Other related parties - Synnex Technology International Corp. and subsidiaries		<u>233,100</u>	<u>352,402</u>
Total	\$	<u><u>278,252</u></u>	\$ <u><u>408,415</u></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:

		December 31, 2021	December 31, 2020
Accounts receivable:			
-Associates-TD Synnex Corp. and subsidiaries	\$	-	\$ 215,717
-Associates-Others		749	70
-Other related parties		<u>14,753</u>	<u>173</u>
Subtotal		<u><u>15,502</u></u>	<u><u>215,960</u></u>

	December 31, 2021	December 31, 2020
Other receivables:		
-Associates-Getac Holdings Corp. and subsidiaries	\$ 15,986	\$ 22,203
-Associates-TD Synnex Corp. and subsidiaries	-	335
-Associates-Others	2,058	1,324
-Other related parties	<u>2,417</u>	<u>6,723</u>
Subtotal	<u>20,461</u>	<u>30,585</u>
Total	<u>\$ 35,963</u>	<u>\$ 246,545</u>

D. Payables to related parties:

	December 31, 2021	December 31, 2020
Accounts payable:		
-Associates	\$ 21,278	\$ 6,483
-Other related parties - Synnex Technology International Corp. and subsidiaries	<u>144,109</u>	<u>13,739</u>
Subtotal	<u>165,387</u>	<u>20,222</u>
Other payables:		
-Associates	1,863	3,344
-Other related parties	<u>1,115</u>	<u>3,603</u>
Subtotal	<u>2,978</u>	<u>6,947</u>
Total	<u>\$ 168,365</u>	<u>\$ 27,169</u>

E. Property transactions:

(a) Acquisition of property, plant and equipment:

	For the year ended December 31	
	2021	2020
Associates	\$ 2,735	\$ 2,441
Other related parties	<u>2,905</u>	<u>3,161</u>
Total	<u>\$ 5,640</u>	<u>\$ 5,602</u>

(b)

For the years ended December 31, 2021

Account	Number of shares	Subject of the transaction	Acquisition amount
Financial assets at fair value through other comprehensive income-Non-current	3,750 thousand shares	Harbinger VIII Venture Capital Corp.	<u>\$ 37,500</u>

For the years ended December 31, 2020: None.

F. Lease transactions — leasee

(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:

	December 31, 2021	December 31, 2020
-Associates	\$ <u>21,881</u>	\$ <u>32,101</u>

ii. Interest expense

	For the year ended December 31 2021	2020
Associates	\$ <u>1,614</u>	\$ <u>2,175</u>

G. Lease transactions — lessor

	For the year ended December 31 2021	2020
Rent income		
Associates	\$ 42,651	\$ 36,211
Other related parties	<u>1,508</u>	<u>1,424</u>
Total	\$ <u>44,159</u>	\$ <u>37,635</u>

H. Expenses

	For the year ended December 31 2021	2020
Associates	\$ 11,370	\$ 83,451
Other related parties	<u>2,135</u>	<u>3,820</u>
Total	\$ <u>13,505</u>	\$ <u>87,271</u>

(3) Key management compensation

	For the year ended December 31 2021	2020
Salaries and other short-term employee benefits	\$ 41,489	\$ 45,940
Post-employment benefits	<u>576</u>	<u>567</u>
Total	\$ <u>42,065</u>	\$ <u>46,507</u>

8. PLEDGED ASSETS

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

Pledged asset	Book Value		Purpose
	December 31, 2021	December 31, 2020	
Time deposits (shown as "Financial assets at amortised cost-non-current")	\$ 10,121	\$ 10,253	Guarantee deposit for lease
Time deposits (shown as "Financial assets at amortised cost-current")	-	8,754	Customs guarantee

Pledged asset	Book Value		Purpose
	December 31, 2021	December 31, 2020	
Time deposits (shown as "Financial assets at amortised cost-non-current")	46,720	25,000	Guarantee deposit for letter of guarantee for customs duties
Time deposits (shown as "Financial assets at amortised cost-current")	626,405	-	Guarantees deposit for borrowings
	<u>\$ 683,246</u>	<u>\$ 44,007</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies: None.

(2) Commitments

Capital expenditure contracted but not provided are as follows:

	December 31, 2021	December 31, 2020
Property, plant and equipment	<u>\$ -</u>	<u>\$ 60,288</u>

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

	December 31, 2021	December 31, 2020
<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>\$ 157,269</u>	<u>\$ 6,107</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	<u>\$ 26,588,809</u>	<u>\$ 7,298,592</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 6,651,448	\$ 5,805,297
Financial assets at amortised cost	718,046	44,007
Notes receivable	2,129	31,689
Accounts receivable	5,567,844	4,982,050

	December 31, 2021	December 31, 2020
Accounts receivable - related parties	15,502	215,960
Other receivables	186,417	60,168
Refundable deposits	23,488	23,600
	<u>\$ 13,164,874</u>	<u>\$ 11,162,771</u>
	December 31, 2021	December 31, 2020
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	<u>\$ 4,897</u>	<u>\$ 11,691</u>
Financial liabilities at amortised cost		
Short-term borrowings	\$ 3,215,724	\$ 1,443,851
Accounts payable	7,035,236	6,662,560
Accounts payable - related parties	165,387	20,222
Other accounts payable	3,702,185	3,366,781
Refundable deposits	29,961	23,205
Long-term borrowings (including current portion)	<u>863,330</u>	<u>910,634</u>
	<u>\$ 15,011,823</u>	<u>\$ 12,427,253</u>
Lease liabilities	<u>\$ 195,022</u>	<u>\$ 231,208</u>

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance. The Group uses derivative financial instruments to hedge certain risk exposures (see Notes 6(2), 6(15)).

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 is as follows:

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 122,854	27.680	\$ 3,400,589
USD:CNY	8,258	6.372	228,590
<u>Non-monetary items</u>			
CNY:USD	87,554	0.157	380,334
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	334,281	27.680	9,252,911
AUD:NTD	5,000	20.080	100,400
USD:CNY	62,368	6.372	1,726,355

December 31, 2020			
(Foreign currency: functional currency)	Foreign currency amount	Exchange rate	Book value
	(In thousands)		(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 90,420	28.480	\$ 2,575,161
USD:CNY	13,739	6.507	391,287
<u>Non-monetary items</u>			
CNY:USD	80,935	0.154	354,254
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	249,573	28.480	7,107,837
USD:CNY	12,609	6.507	359,102

- ii. Total exchange gain, including realized and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2021 and 2020, amounted to \$14,251 and \$99,944, respectively.
- iii. The Group's foreign currency market risk analysis regarding significant exchange rate fluctuations is shown below:

For the year ended December 31, 2021				
Sensitivity analysis				
	fluctuation %	Affected income	Affected other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1.00%	\$ 34,006	\$	-
USD:CNY	1.00%	2,286		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1.00%	92,529		-
AUD:NTD	1.00%	1,004		-
USD:CNY	1.00%	17,264		-

For the year ended December 31, 2020					
Sensitivity analysis					
	fluctuation %	Affected income	Affected other comprehensive income		
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	1.00%	\$ 25,752	\$		-
USD:CNY	1.00%	3,913			-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1.00%	71,078			-
USD:CNY	1.00%	3,591			-
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 years ended December

31, 2021 and 2020. Other components of equity would have increased/decreased by \$265,888 and \$72,986, 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 years ended December 31, 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 years ended December 31, 2021 and 2020 would have decreased /increased by \$408 and \$235, 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 December 31, 2021 and 2020, the loss rate methodology is as follows:

December 31, 2021	Group A	Group B	Total
Expected loss rate	0% - 100%	0.011% - 0.7%	
Value	\$ 451,451	\$ 5,210,753	\$ 5,662,204
Allowance	76,040	2,818	78,858

December 31, 2020	Group A	Group B	Total
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

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:

	2021
At January 1	\$ 91,482
Reversal of provision for impairment	(3,055)
Write-off	(8,971)
Effect of foreign exchange	(598)
At December 31	\$ 78,858

	2020
At January 1	\$ 77,034
Reversal of provision for impairment	17,494
Write-off	(3,496)
Effect of foreign exchange	450
At December 31	\$ 91,482

(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 nonderivative 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>December 31, 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	\$ 3,217,285	\$ -	\$ -	\$ -
Accounts payable	7,200,623	-	-	-
Other payables	3,702,185	-	-	-
Lease liabilities	39,351	36,260	24,506	107,617
Guarantee deposits	11,831	8,952	1,369	7,809
Long-term				
borrowings	223,965	259,098	236,653	151,819

Non-derivative financial liabilities:

<u>December 31, 2020</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	\$ 1,444,893	\$ -	\$ -	\$ -
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

Derivative financial liabilities

As December 31, 2021 and 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:

December 31, 2021	Level 1	Level 2	Level 3	Total
<u>Recurring fair value</u>				
<u>measurements Financial</u>				
<u>assets:</u>				
Forward exchange contracts	\$ -	\$ 17,221	\$ -	\$ 17,221
Equity securities	<u>22,136,974</u>	<u>335,894</u>	<u>4,115,941</u>	<u>26,588,809</u>
Total	<u>\$ 22,136,974</u>	<u>\$ 353,115</u>	<u>\$ 4,115,941</u>	<u>\$26,606,030</u>
<u>Recurring fair value</u>				
<u>measurements Financial</u>				
<u>liabilities:</u>				
Forward exchange contracts	\$ -	\$ 4,897	\$ -	\$ 4,897
December 31, 2020	Level 1	Level 2	Level 3	Total
<u>Recurring fair value</u>				
<u>measurements Financial</u>				
<u>assets:</u>				
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>
<u>Recurring fair value</u>				
<u>measurements Financial</u>				
<u>liabilities:</u>				
Forward exchange contracts	\$ -	\$ 11,691	\$ -	\$ 11,691

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

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

- | | Listed shares
Closing price | Open-end fund
Net worth |
|---------------------|--------------------------------|----------------------------|
| Market quoted price | | |
- 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 years ended December 31, 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 December 31, 2021 and 2020:

	Equity securities	
	2021	2020
January 1	\$ 3,121,764	\$ 2,485,297
Proceeds from capital reduction for the year	(21,932)	-
Decreased in the year	-	(12,303)
Acquired in the year	55,400	17,095
Gains recognised in other comprehensive income	960,710	632,564
Effects of foreign exchange	(1)	(889)
December 31	\$ 4,115,941	\$ 3,121,764

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:

	<u>Fair value at December 31, 2021</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 4,115,941	Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value.
	<u>Fair value at December 31, 2020</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 3,121,764	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:

		<u>December 31, 2021</u>					
		<u>Recognised in profit or loss</u>		<u>Recognised in other comprehensive income</u>			
	<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	
Financial assets							
Equity instrument	Net asset value	±1%	\$ -	\$ -	\$ 41,159	\$ 41,159	
		<u>December 31, 2020</u>					
		<u>Recognised in profit or loss</u>		<u>Recognised in other comprehensive income</u>			
	<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	
Financial assets							
Equity instrument	Net asset value	±1%	\$ -	\$ -	\$ 31,218	\$ 31,218	

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 year ended December 31, 2021				
Item	Cloud computing business group	Automotive electronics and AIoT business group	Others	Total
Revenue	\$ 33,404,792	\$ 4,819,114	\$ 3,961,865	\$ 42,185,771
Segment gain (loss)	224,827	(12,015)	(171,029)	41,783

For the year ended December 31, 2020				
Item	Cloud computing business group	Automotive electronics and AIoT business group	Others	Total
Revenue	\$ 32,838,299	\$ 4,747,921	\$ 3,559,536	\$ 41,145,756
Segment gain (loss)	122,664	45,069	(93,350)	74,383

(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 years ended December 31, 2021 and 2020 is provided as follows:

Items	For the year ended December 31	
	2021	2020
Profit for reportable segments	\$ 41,783	\$ 74,383
Unallocated:		
Share of profits and losses from affiliates and joint ventures accounted for using the equity method	3,154,756	2,415,388
Dividend revenue	325,929	214,428
Interest revenue	55,973	44,482
Net currency exchange gain	14,251	99,944
Gain(losses) on disposal of investments	13,782,172	(6,674)
Gains on disposal of non-current assets held for sale	1,045,095	-
Other income	282,663	138,125
Income before tax from operations	<u>\$ 18,702,622</u>	<u>\$ 2,980,076</u>

(4) Information on products and services

	For the year ended December 31	
	2021	2020
Sales	\$ 41,934,322	\$ 40,649,210
Other revenue	251,449	496,546
Total	<u>\$ 42,185,771</u>	<u>\$ 41,145,756</u>

(5) Geographical information

For the years ended December 31, 2021 and 2020, revenues and non-current assets from certain regions are listed below:

	For the year ended December 31			
	2021		2020	
	Revenue	Assets - non-current	Revenue	Assets - non-current
Taiwan	\$ 1,097,932	\$ 4,968,434	\$ 1,157,516	\$ 5,268,271
USA	21,552,030	679,710	23,009,897	685,545
Europe	6,285,996	90,162	4,403,958	109,461
Others	13,249,813	3,729,408	12,574,385	3,426,334
Total	<u>\$ 42,185,771</u>	<u>\$ 9,467,714</u>	<u>\$ 41,145,756</u>	<u>\$ 9,489,611</u>

(6) Major customer information

For the years ended December 31, 2021 and 2020, the major customer information of the Group are listed below:

Customer	For the year ended December 31, 2021		
	Revenue	Percentage of total revenue	Segment
Customer A	\$ 9,319,019	22%	Cloud computing business group
Customer B	9,611,340	23%	Cloud computing business group
Customer C	3,497,230	8%	Cloud computing business group
Customer D	4,988,583	12%	Cloud computing business group

Customer	For the year ended December 31, 2020		
	Revenue	Percentage of total revenue	Segment
Customer A	\$ 4,618,786	11%	Cloud computing business group
Customer B	11,717,045	28%	Cloud computing business group
Customer C	4,656,177	11%	Cloud computing business group
Customer D	4,347,822	11%	Cloud computing business group

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES
Loans to others
For the year ended December 31, 2021

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for shortterm financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	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	\$ -	\$ 4,947,586	\$ 9,895,172
0	MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	Other receivables-related parties	Y	3,500,000	3,500,000	2,747,794	0.22%~0.45%	2	-	Operations	-	None	-	4,947,586	9,895,172
0	MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	1,000,000	1,000,000	866,384	0.26%~0.43%	2	-	Operations	-	None	-	4,947,586	9,895,172
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	-	18,424,740	18,424,740
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	-	18,424,740	18,424,740
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	-	18,424,740	18,424,740
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	-	18,424,740	18,424,740
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	-	1,530,505	1,530,505
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	-	653,110	653,110
4	Silver Star Developments Ltd.	MiTAC International Corp.	Other receivables-related parties	Y	2,064,440	-	-	0	2	-	Operations	-	None	-	8,586,526	8,586,526
4	Silver Star Developments Ltd.	MiTAC Holdings Corp.	Other receivables-related parties	Y	3,713,088	3,675,904	3,614,178	0	2	-	Operations	-	None	-	42,932,629	42,932,629
4	Silver Star Developments Ltd.	Software Insights Ltd.	Other receivables-related parties	Y	28,390	-	-	0	2	-	Operations	-	None	-	42,932,629	42,932,629
4	Silver Star Developments Ltd.	Start Well Technology Ltd.	Other receivables-related parties	Y	873,171	847,008	847,008	0	2	-	Operations	-	None	-	42,932,629	42,932,629
4	Silver Star Developments Ltd.	MiTAC Benelux N.V.	Other receivables-related parties	Y	79,051	62,640	62,640	0	2	-	Operations	-	None	-	42,932,629	42,932,629
4	Silver Star Developments Ltd.	MiTAC Logistic Service (Kunshan) Ltd.	Other receivables-related parties	Y	8,340	-	-	0	2	-	Operations	-	None	-	42,932,629	42,932,629
5	Tyan Computer Corp.(USA)	MiTAC Information Systems Corp.	Other receivables-related parties	Y	214,013	207,600	207,600	2.83%	2	-	Operations	-	None	-	1,074,321	1,074,321
6	MiTAC Investment Holding Ltd.	MiTAC Technology (Kunshan) Co., Ltd.	Other receivables-related parties	Y	43,840	43,440	43,440	3.85%	2	-	Operations	-	None	-	6,164,885	6,164,885
6	MiTAC Investment Holding Ltd.	MiTAC Information Systems (Kunshan) Co., Ltd.	Other receivables-related parties	Y	385,792	43,440	43,440	0%~4.3%	2	-	Operations	-	None	-	6,164,885	6,164,885
7	MiTAC Research (Shanghai) Ltd.	MiTAC Investment Holding Ltd.	Other receivables-related parties	Y	276,192	-	-	0	2	-	Operations	-	None	-	942,573	942,573
7	MiTAC Research (Shanghai) Ltd.	MiTAC Information Systems (Kunshan) Co., Ltd.	Other receivables-related parties	Y	274,680	273,672	273,672	0%~4.3%	2	-	Operations	-	None	-	942,573	942,573
8	Access Wisdom Holdings Ltd.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	31,389	30,448	30,448	0	2	-	Operations	-	None	-	39,576	39,576

No. (Note1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for shortterm financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)
													Item	Value		
9	Mio International Ltd.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	19,975	19,376	19,376	0	2	-	Operations	-	None	-	20,053	20,053
9	Mio International Ltd.	Access Wisdom Holdings Ltd.	Other receivables-related parties	Y	19,975	19,376	19,376	0	2	-	Operations	-	None	-	100,265	100,265
10	MiTAC Computer (Shunde) Corp.	MiTAC Information Systems (Kunshan) Co., Ltd.	Other receivables-related parties	Y	272,223	-	-	4.3%	2	-	Operations	-	None	-	5,685,389	5,685,389
11	MiTAC Computer (Kunshan) Ltd.	MiTAC Information Systems (Kunshan) Co., Ltd.	Other receivables-related parties	Y	348,800	347,520	347,520	0%~3.85%	2	-	Operations	-	None	-	5,643,588	5,643,588

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.

- (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 Holdings Corp. 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 200% of the net worth on the latest financial statements audited by independent auditors.
- (9) If MiTAC Research (Shanghai) 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 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 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 200% of the net worth on the latest financial statements audited by independent auditors.
- (14) If MiTAC Computer (Kunshan) 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 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 year ended December 31, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2021	Outstanding endorsement/ guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/guaran- tee 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	\$ 24,737,931	\$ 199,745	\$ 138,400	\$ 138,400	\$ -	0.28 %	\$ 24,737,931	Y	N	N
0	MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	2	24,737,931	664,866	644,944	644,944	-	1.30 %	24,737,931	Y	N	N
0	MiTAC Holdings Corp.	MiTAC International Corp.	2	24,737,931	230	-	-	-	- %	24,737,931	Y	N	N
0	MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	2	24,737,931	3,805	3,691	3,691	-	0.01 %	24,737,931	Y	N	N
0	MiTAC Holdings Corp.	MiTAC Information Systems Corp.	2	24,737,931	513,630	-	-	-	- %	24,737,931	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 six 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)
December 31, 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 December 31, 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	\$ 205,466	0.19	\$ 205,466	
MiTAC Holdings Corp.	stocks	Healthera Corporation	None	Financial assets at fair value through other comprehensive income-non current	72,112	2,456	0.30	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	68,633	1.16	68,633	
MiTAC Holdings Corp.	stocks	WHETRON ELECTRONICS CO., LTD.	The Compny was this company's director	Financial assets at fair value through other comprehensive income-non current	6,550,000	195,458	9.05	195,458	
MiTAC Holdings Corp.	stocks	Harbinger VIII Venture Capital Corp.	The Compny was this company's director	Financial assets at fair value through other comprehensive income-non current	11,250,000	110,737	11.57	110,737	
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	2,434,263	2.79	2,434,263	
MiTAC International Corp.	stocks	UPC Technology Corp.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	16,179,560	349,478	1.20	349,478	
MiTAC International Corp.	stocks	COMPUCASE ENTERPRISE CO., LTD.	None	Financial assets at fair value through other comprehensive income-non current	10,000,000	337,000	8.83	337,000	
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	347,219	0.31	347,219	
MiTAC International Corp.	stocks	MiTAC Information Technology Corp.	The Compny's chairman was this company's director	Financial assets at fair value through other comprehensive income-non current	6,259,734	79,574	4.17	79,574	
MiTAC International Corp.	stocks	MiTAC INC.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	32,931,366	2,115,268	8.70	2,115,268	
MiTAC International Corp.	stocks	Overseas Investment & Development Corp.	None	Financial assets at fair value through other comprehensive income-non current	1,000,000	11,441	1.11	11,441	
MiTAC International Corp.	stocks	Harbinger Venture Capital Corp.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	27,828	243	14.05	243	
MiTAC International Corp.	stocks	Harbinger VI Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income-non current	3,213,811	47,812	13.28	47,812	
MiTAC International Corp.	stocks	Harbinger VII Venture Capital Corp.	The Compny was this company's director	Financial assets at fair value through other comprehensive income-non current	8,338,028	113,584	9.39	113,584	
Tsu Fung Investment Corp.	stocks	MiTAC Holdings Corp.	Ultimate parent company	Financial assets at fair value through other comprehensive income-current	9,250,594	325,621	0.77	325,621	Note 1
Tsu Fung Investment Corp.	stocks	Getac Holdings Corp.	None	Financial assets at fair value through other comprehensive income-current	7,783,741	433,555	1.31	433,555	
Tsu Fung Investment Corp.	stocks	UPC Technology Corp.	None	Financial assets at fair value through other comprehensive income-current	17,460,231	377,141	1.30	377,141	
Tsu Fung Investment Corp.	stocks	Synnex Technology International Corp.	None	Financial assets at fair value through other comprehensive income-current	8,217,974	544,030	0.49	544,030	

Securities held by	Marketable securities		Relationship with the securities issuer	General ledger account	As of December 31, 2021				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
Tsu Fung Investment Corp.	stocks	Lien Hwa Industrial Holdings Corporation	None	Financial assets at fair value through other comprehensive income-current	4,732,382	292,934	0.34	292,934	
Tsu Fung Investment Corp.	stocks	PROMISE Technology Inc.	The Compny was this company's director	Financial assets at fair value through other comprehensive income-current	2,609,479	38,881	2.92	38,881	
Tsu Fung Investment Corp.	stocks	MiTAC Information Technology Corp.	None	Financial assets at fair value through other comprehensive income-non current	4,594,672	58,407	3.06	58,407	
Tsu Fung Investment Corp.	stocks	MiTAC INC.	None	Financial assets at fair value through other comprehensive income-non current	20,302,221	1,304,012	5.36	1,304,012	
Tsu Fung Investment Corp.	stocks	Tung Da Investment Co., Ltd.	The Compny was this company's director	Financial assets at fair value through other comprehensive income-non current	4,848,125	167,511	19.99	167,511	Note 2
Tsu Fung Investment Corp.	stocks	Harbinger Venture Management Co., Ltd.	The Group's chairman was this company's chairman	Financial assets at fair value through other comprehensive income-non current	862,922	16,741	19.99	16,741	
Tsu Fung Investment Corp.	stocks	Lien Yung Investment Corp.	The Compny was this company's director	Financial assets at fair value through other comprehensive income-non current	9,217,196	159,918	19.99	159,918	
Tsu Fung Investment Corp.	Funds	UPAMC JAMES BOND Money Market Fund	None	Financial assets at fair value through profit or loss-current	4,150,189	70,023	-	70,023	
Tsu Fung Investment Corp.	Funds	PGIM Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss-current	4,378,914	70,025	-	70,025	
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	74,904	0.18	74,904	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	16,777,006	5.52	16,777,006	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	41	14.83	41	
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 realised.

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 year ended December 31, 2021

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2021		Addition		Disposal				Balance as at December 31, 2021	
					Number of shares	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.	Concentrix Corp	Investments accounted for using equity method	-	-	5,299,980	\$ 6,677,974	-	\$ -	359,754	\$1,466,118 (US\$52,344)	\$468,220 (US\$16,716)	\$997,898 (US\$35,628)	4,940,226	\$ 6,804,427

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

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the year ended December 31, 2021

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

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	\$ 55,586 (CNY12,804)	\$ 799,227 (CNY184,094)	All collected	\$ 743,641 (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	\$ 33,814 (CNY7,788)	\$ 335,268 (CNY77,225)	All collected	\$ 301,454 (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 year ended December 31, 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	\$ 9,830,593	42 %	Note 1	Note 3	Note 1	\$ 3,785,225	62 %	
MiTAC Computing Technology Corp.	Tyan Computer Corp.(USA)	Subsidiary	Sales	410,728	2 %	Note 1	Note 3	Note 1	-	- %	
MiTAC Computing Technology Corp.	MiTAC Telematics Technology Corporation	Subsidiary	Sales	110,818	- %	Note 1	Note 3	Note 1	176	- %	
MiTAC Computing Technology Corp.	TD Synnex Corp. and its subsidiaries	Note 4	Sales	288,950	1 %	Note 1	Note 3	Note 1	-	- %	
MiTAC Computing Technology Corp.	Synnex Technology International Corp. and its subsidiaries	Other related parties	Purchases	227,479	1 %	Note 2	Note 3	Note 2	(142,009)	3 %	
MiTAC Computing Technology Corp.	MiTAC Japan Corp.	Affiliate	Sales	219,370	1 %	Note 1	Note 3	Note 1	45,059	1 %	
MiTAC Digital Technology Corp.	MiTAC Digital Corp.	Subsidiary	Sales	105,273	2 %	Note 1	Note 3	Note 1	-	- %	
MiTAC Digital Technology Corp.	MiTAC Australia Pty Ltd.	Subsidiary	Sales	155,853	3 %	Note 1	Note 3	Note 1	99,212	12 %	
MiTAC Digital Technology Corp.	MiTAC Computer (Kunshan) Ltd.	Affiliate	Purchases	1,464,566	36 %	Note 2	Note 3	Note 2	(810,402)	57 %	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Affiliate	Sales	114,744	1 %	Note 1	Note 3	Note 1	1,291,352	37 %	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Affiliate	Purchases	219,673	2 %	Note 2	Note 3	Note 2	(45,059)	3 %	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Digital Technology Corp.	Affiliate	Sales	1,474,926	10 %	Note 1	Note 3	Note 1	828,233	23 %	
MiTAC Technology UK Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Parent Company	Purchases	10,241,320	51 %	Note 2	Note 3	Note 2	(3,785,225)	69 %	
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	-	- %	
Access Wisdom Holdings Ltd. and its subsidiaries	MiTAC Digital Technology Corp.	Parent Company	Purchases	262,483	93 %	Note 2	Note 3	Note 2	(99,212)	77 %	

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 NT\$100 million or 20% of paid-in capital or more
For the year ended December 31, 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	\$ 3,785,225	\$ 9,540	2.39	\$ 383,994	Subsequent collection	\$ -	\$ -	
MiTAC Digital Technology Corp.	MiTAC Information Systems (Kunshan) Co., Ltd.	Affiliate	-	129,060	-	-	Not Applicable	-	-	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Affiliate	1,291,352	13,637	0.08	-	Not Applicable	1,181,936	-	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Digital Technology Corp.	Affiliate	828,233	912	1.76	-	Not Applicable	346,000	-	

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2021

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)	Footnote
0	MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	1	Other receivables	\$ 2,892,086		3.79 %	
0	MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	1	Other receivables	891,371		1.17 %	
1	MiTAC International Corp.	MiTAC Holdings Corp.	2	Other receivables	226,961		0.30 %	
1	MiTAC International Corp.	MiTAC Computing Technology Corp.	3	Other operating revenue	118,921		0.16 %	
2	MiTAC Computing Technology Corp.	MiTAC Holdings Corp.	2	Other receivables	1,420,000		1.86 %	
2	MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	3	Sales	10,241,320	Note 4	24.28 %	
2	MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	3	Accounts receivable	3,785,225	Note 4	4.96 %	
2	MiTAC Computing Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Sales	219,673	Note 4	0.52 %	
2	MiTAC Computing Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Purchases	114,744	Note 5	0.27 %	
2	MiTAC Computing Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Accounts payable	1,291,352	Note 5	1.69 %	
2	MiTAC Computing Technology Corp.	MiTAC Telematics Technology Corporation	3	Sales	110,818	Note 4	0.26 %	
3	Silver Star Developments Ltd. and its subsidiaries	MiTAC Holdings Corp.	2	Other receivables	3,614,178		4.73 %	
4	MiTAC Digital Technology Corp.	Access Wisdom Holdings Ltd. and its subsidiaries	3	Sales	262,483	Note 4	0.62 %	
4	MiTAC Digital Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Purchases	1,474,926	Note 5	3.50 %	
4	MiTAC Digital Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Accounts payable	828,233	Note 5	1.08 %	
4	MiTAC Digital Technology Corp.	MiTAC Holdings Corp.	2	Other receivables	618,960		0.81 %	
4	MiTAC Digital Technology Corp.	MiTAC Information Systems (Kunshan) Co., Ltd.	3	Other receivables	129,060	-	0.17 %	

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 year ended December 31, 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 December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
MiTAC Holdings Corp.	MiTAC International Corp.	Taiwan	Computer and its peripherals: design , manufacture and sell communications products	\$ 24,739,187	\$ 24,739,187	2,393,020,550	100.00	\$ 48,760,743	\$ 11,836,512	\$ 11,825,133	Subsidiary
MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	Taiwan	Computer and its peripherals: design , manufacture and sell communications products	3,419,621	3,419,621	232,757,102	100.00	3,812,095	223,935	224,007	Subsidiary
MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	Taiwan	Automotive electronics, AIOT and software : design , manufacture and sell communications products	1,547,485	1,547,485	103,099,000	97.17	1,628,117	19,234	18,719	Subsidiary
MiTAC Holdings Corp.	Infopower Technologies Ltd.	India	Manufacture and sale of electronic product.	71,597	71,597	6,774,199	33.33	68,263	(1,328)	(443)	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	31.86	5,804,772	4,273,793	-	Associate
MiTAC International Corp.	Tsu Fung Investment Corp.	Taiwan	General investments	625,000	625,000	142,884,651	100.00	3,905,108	125,479	-	Subsidiary
MiTAC International Corp.	3 Probe Technology Co., Ltd.	Taiwan	Information process service, sales of software and international trading.	16,839	16,839	1,086,000	23.25	13,945	7,094	-	Associate
MiTAC International Corp.	Lian Jie Investment Co., Ltd.	Taiwan	General investments	113,057	113,057	11,305,650	49.98	248,027	(1,782)	-	Associate
MiTAC International Corp.	Lian Jie II Investment Co., Ltd.	Taiwan	General investments	32,500	32,500	3,250,000	32.50	39,529	(259)	-	Associate
MiTAC International Corp.	Silver Star Developments Ltd. and its subsidiaries	British Virgin Islands	General investments	4,879,965	4,879,965	176,299,302	100.00	34,669,468	15,801,756	-	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	85,807	(430)	-	Associate
MiTAC International Corp.	Loyal Fidelity Aerospace Corp.	Taiwan	Electronic components manufacturing, aircraft and its parts manufacturing and wholesale industry.	121,475	121,475	674,025	15.40	(20,326)	(162,537)	-	Associate
MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	UK	General investments	1,409,814	1,409,814	55,146,138	100.00	1,666,974	265,290	-	Subsidiary
MiTAC Computing Technology Corp.	Hyve Design Solutions Corporation	USA	Assemble and sales of computer and peripheral equipment.	138,400	138,400	1,000,000	50.00	(115,032)	(202,662)	-	Associate
MiTAC Digital Technology Corp.	Mio International Ltd. and its subsidiaries	British Virgin Islands	General investments	63,046	63,046	1,275,001	100.00	77,984	1,312	-	Subsidiary
MiTAC Digital Technology Corp.	Access Wisdom Holdings Limited. and its subsidiaries	British Virgin Islands	General investments	-	-	48,500,000	100.00	171,413	79,288	-	Subsidiary
Silver Star Developments Ltd. and its subsidiaries	Mainpower International Ltd.	British Virgin Islands	General investments	152,240	152,240	5,500,001	13.28	258,510	147,120	-	Associate

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Silver Star Developments Ltd. and its subsidiaries	Concentrix Corp.	USA	Information process services, sales of computer peripheral, system and network products	6,065,155	6,490,390	4,940,226	9.44	6,804,427	10,954,754	-	Associate
Silver Star Developments Ltd. and its subsidiaries	Harbinger Ruyi Venture Ltd.	British Virgin Islands	General investments	27,680	27,680	1,000,000	28.57	18,441	42	-	Associate
Silver Star Developments Ltd. and its subsidiaries	Harbinger Ruyi II Venture Ltd.	British Virgin Islands	General investments	27,680	27,680	10,000	32.26	82,742	(915)	-	Associate
Tsu Fung Investment Corp.	Loyal Fidelity Aerospace Corp.	Taiwan	Electronic components manufacturing, aircraft and its parts manufacturing and wholesale industry.	15,504	15,504	86,024	1.97	(3,606)	(162,537)	-	Associate
Tsu Fung Investment Corp.	MiTAC Digital Technology Corp.	Taiwan	Automotive electronics, AIOT and software :design , manufacture and sell communications products	16	16	1,000	-	16	19,234	-	Subsidiary

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES
Information on investments in Mainland China
For the year ended December 31, 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 year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee as of December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
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	\$ 1,810,169	2	\$ 1,104,453	\$ -	\$ -	\$ 1,104,453	\$ 852,196	100.00	\$ 852,196	\$ 3,695,396	\$ -	
MiTAC Computer (Kunshan) Ltd.	Manufacture of omunication, computers, computer peripherals, hardware/software and related products and sale of own produced products	2,217,633	2	1,622,048	-	-	1,622,048	(14,350)	100.00	(14,350)	2,807,436	-	
MiTAC Technology (Kunshan) Co., Ltd.	Testing, maintenance and display of computer components and related technical advisory services and after-sale services	35,955	2	27,680	-	-	27,680	(20,035)	100.00	(20,035)	7,283	-	
MiTAC Research (Shanghai) Ltd.	Research, development of computer software and related technical advisory services	158,725	2	143,936	-	-	143,936	14,321	100.00	14,321	457,374	-	
Suzhou MiTAC Preclusion 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.	1,533,335	2	373,680	-	-	373,680	-	27.44	-	639,206	-	
Mio Technology (Suzhou) Ltd.	Sales of automotive electronics, AIOT products	8,157	2	27,542	-	-	27,542	1,312	100.00	1,312	34,769	-	
MiTAC Logistic Service (Kunshan) Ltd.	Agency of freight transport,export and import trading and warehousing services.	29,629	2	27,680	-	-	27,680	153	100.00	153	39,320	-	
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	8,899	2	8,304	-	-	8,304	255	100.00	255	19,487	-	
MiTAC Innovation (Kunshan) Ltd.	Research, development of computer software and related technical advisory services	28,543	2	27,680	-	-	27,680	4,034	100.00	4,034	79,205	-	
MiTAC Telematics Technology Corporation	Sales of self-produced products and related after-sale services	8,688	1	2,020	-	-	2,020	332	100.00	332	17,017	-	
MiTAC Investment Holding Ltd.	General investments	2,038,605	2	830,400	-	-	830,400	(31,829)	100.00	(31,829)	3,050,595	-	
MiTAC Information Systems (Kunshan) Co., Ltd.	Manufacture of omunication, computers, computer peripherals, hardware/software and related products and sale of own produced products	1,042,560	3	-	-	-	-	(49,145)	100.00	(49,145)	986,857	-	

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

- (1) Directly invest in a company in Mainland China.
- (2) Invest in the investees in Mainland China through the company which are located in the third area.
- (3) Others:Invest in Mainland China through investees in Mainland Chian.

Note 2: In the 'Investment income (loss)recognised by the Company For the year ended December 31, 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 December 31, 2020 of MiTAC Computer (Kunshan) Co., Ltd., MiTAC Investment Holding Ltd remitted out USD 29,900 thousand.

B.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
MiTAC International Corp.	\$ 3,717,488	\$ 4,513,288	\$ 29,496,761
MiTAC Computing Technology Corp.	2,020	2,020	2,284,074
MiTAC Digital Technology Corp.	20,622	20,622	1,004,916

B. 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 year ended December 31, 2021 amounted to \$20,449 for details of other significant transactions, please refer to table 1 and table 6.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Major shareholders information
December 31, 2021

Table 11

Expressed in thousands of NTD
(Except as otherwise indicated)

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 %