

**MiTAC HOLDINGS CORPORATION AND
SUBSIDIARIES**

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

MARCH 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.

INDEPENDENT AUDITORS' REVIEW REPORT

PWCR21000025

To the Board of Directors and Shareholders of MiTAC Holdings Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of MiTAC Holdings Corporation and its subsidiaries (the "Group") as at March 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Basis for qualified conclusion

The financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method during the same period were not reviewed by independent auditors. Total assets of these subsidiaries and the balances of these investments accounted for using equity method amounted to NT\$18,516,994 thousand and NT\$16,869,715 thousand, constituting 30% and 31% of the consolidated total assets as at March 31, 2021 and 2020, respectively, total liabilities amounted to NT\$3,027,934 thousand and NT\$2,754,553 thousand, constituting 17% and 18% of the consolidated total liabilities as at March 31, 2021 and 2020, respectively, and the total comprehensive income (loss) and share of profit

or loss and other comprehensive income of associates and joint ventures accounted for using equity method amounted to NT\$548,621 thousand and NT\$49,830 thousand, constituting 35% and 61% of the consolidated total comprehensive income (loss) for the three months then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of the insignificant subsidiaries and equity method investees been reviewed by independent auditors as described in the *Basis for qualified conclusion* section, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Liu, Chien-Yu

Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan

May 14, 2021

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

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2021, DECEMBER 31, 2020 AND MARCH 31, 2020

(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2021 and 2020 are reviewed, not audited)

(The balance sheets as of March 31, 2021 and 2020 are reviewed, not audited)								
Assets		Notes	March 31, 2021		December 31, 2020		March 31, 2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 6,343,524	10	\$ 5,805,297	10	\$ 7,492,834	14
1110	Financial assets at fair value through profit or loss - current	6(2)	16,986	-	6,107	-	12,353	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	1,472,787	2	1,232,843	2	846,629	1
1136	Financial assets at amortised cost - current	6(4)	-	-	-	-	17,020	-
1150	Notes receivable - net		31,559	-	31,689	-	46,748	-
1170	Accounts receivable - net	6(5), 7 and 12(2)	6,443,695	11	4,982,050	9	4,943,402	9
1180	Accounts receivable - related parties - net	6(5), 7 and 12(2)	171,382	-	215,960	-	473,308	1
1200	Other receivables	7	751,578	1	60,168	-	600,574	1
1220	Current income tax assets		2,140	-	2,136	-	26,806	-
130X	Inventories	6(6)	9,293,883	15	9,123,004	16	7,423,232	14
1410	Prepayments		419,093	1	406,538	1	482,527	1
1460	Non-current assets held for sale - net	6(14)	89,453	-	90,133	-	33,141	-
1470	Other current assets	6(7) and 8	341,415	1	25,584	-	33,128	-
11XX	Total current assets		25,377,495	41	21,981,509	38	22,431,702	41
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	6,781,329	11	6,065,749	11	4,577,790	9
1550	Investments accounted for using equity method	6(8)	19,063,462	31	19,071,689	33	17,327,811	32
1600	Property, plant and equipment - net	6(9)	7,740,132	13	7,753,087	14	7,818,547	14
1755	Right-of-use assets	6(10) and 7	345,792	1	359,874	1	363,928	1
1760	Investment property - net	6(12)	1,219,321	2	1,229,431	2	1,235,621	2
1780	Intangible assets	6(13)	85,874	-	75,904	-	84,172	-
1840	Deferred income tax assets		507,830	1	504,324	1	477,241	1
1900	Other non-current assets	6(7) and 8	125,318	-	130,168	-	99,708	-
15XX	Total non-current assets		35,869,058	59	35,190,226	62	31,984,818	59
1XXX	Total assets		\$ 61,246,553	100	\$ 57,171,735	100	\$ 54,416,520	100

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MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2021, DECEMBER 31, 2020 AND MARCH 31, 2020

(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2021 and 2020 are reviewed, not audited)

	Liabilities and Equity	Notes	March 31, 2021		December 31, 2020		March 31, 2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(15)	\$ 3,359,658	6	\$ 1,443,851	3	\$ 3,188,850	6
2120	Financial liabilities at fair value	6(16)						
	through profit or loss - current		17,284	-	11,691	-	4,656	-
2130	Contract liabilities - current	6(24)	209,550	-	127,866	-	216,955	-
2170	Accounts payable		6,757,322	11	6,662,560	12	5,321,092	10
2180	Accounts payable - related parties	7	53,020	-	20,222	-	293,514	1
2200	Other payables	7	4,480,932	8	3,366,781	6	4,023,552	7
2230	Current income tax liabilities		424,135	1	440,247	1	373,821	1
2250	Provisions - current	6(19)	123,164	-	132,169	-	140,003	-
2280	Lease liabilities - current	7	39,186	-	36,760	-	30,370	-
2300	Other current liabilities	6(17)	306,128	-	279,550	-	233,586	1
2310	Advance payment	6(14)	567,585	1	-	-	-	-
21XX	Total current Liabilities		<u>16,337,964</u>	<u>27</u>	<u>12,521,697</u>	<u>22</u>	<u>13,826,399</u>	<u>26</u>
	Non-current liabilities							
2540	Long-term borrowings	6(17)	765,662	1	863,366	2	791,561	1
2550	Provisions - non-current	6(19)	125,217	-	123,905	-	119,286	-
2570	Deferred income tax liabilities		378,287	1	378,872	1	378,008	1
2580	Lease liabilities - non-current	7	181,389	-	194,448	-	143,855	-
2600	Other non-current liabilities	6(8)	341,463	1	327,952	1	312,045	1
25XX	Total non-current liabilities		<u>1,792,018</u>	<u>3</u>	<u>1,888,543</u>	<u>4</u>	<u>1,744,755</u>	<u>3</u>
2XXX	Total liabilities		<u>18,129,982</u>	<u>30</u>	<u>14,410,240</u>	<u>26</u>	<u>15,571,154</u>	<u>29</u>
	Share capital	6(20)						
3110	Common shares		12,065,568	20	12,065,568	21	10,772,829	20
	Capital surplus	6(21)						
3200	Capital surplus		23,560,305	39	23,582,411	41	23,511,039	43
	Retained earnings	6(22)						
3310	Legal reserve		1,451,388	2	1,451,388	3	1,167,412	2
3320	Special reserve		-	-	-	-	12,265	-
3350	Unappropriated retained earnings		3,584,365	6	4,110,220	7	3,243,407	6
	Other equity interest	6(23)						
3400	Other equity interest		2,646,304	4	1,743,283	3	282,666	1
3500	Treasury stocks	6(20)	(239,876)	(1)	(239,876)	(1)	(264,033)	(1)
31XX	Equity attributable to owners of the parent		<u>43,068,054</u>	<u>70</u>	<u>42,712,994</u>	<u>74</u>	<u>38,725,585</u>	<u>71</u>
36XX	Non-controlling interests		<u>48,517</u>	<u>-</u>	<u>48,501</u>	<u>-</u>	<u>119,781</u>	<u>-</u>
3XXX	Total equity		<u>43,116,571</u>	<u>70</u>	<u>42,761,495</u>	<u>74</u>	<u>38,845,366</u>	<u>71</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>\$ 61,246,553</u>	<u>100</u>	<u>\$ 57,171,735</u>	<u>100</u>	<u>\$ 54,416,520</u>	<u>100</u>

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

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(Reviewed, not audited)

			Three months ended March 31			
	Items	Notes	2021		2020	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(24) and 7	\$ 11,427,520	100	\$ 8,683,565	100
5000	Operating costs	6(6) and 7	(10,381,861)	(91)	(7,530,728)	(87)
5900	Gross profit		<u>1,045,659</u>	<u>9</u>	<u>1,152,837</u>	<u>13</u>
	Operating expenses	6(29)(30) and 7				
6100	Selling expenses		(227,709)	(2)	(259,878)	(3)
6200	General and administrative expenses		(287,805)	(3)	(283,704)	(3)
6300	Research and development expenses		(551,025)	(5)	(626,308)	(7)
6000	Total operating expenses		(1,066,539)	(10)	(1,169,890)	(13)
6900	Operating loss		(20,880)	(1)	(17,053)	-
	Non-operating income and expenses					
7100	Interest income	6(25)	9,299	-	12,824	-
7010	Other income	6(26) and 7	74,651	1	77,174	1
7020	Other gains and losses	6(27)	(13,350)	-	3,398	-
7050	Finance costs	6(28) and 7	(6,669)	-	(20,896)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(8)	<u>659,156</u>	<u>6</u>	<u>449,318</u>	<u>5</u>
7000	Total non-operating income and expenses		<u>723,087</u>	<u>7</u>	<u>521,818</u>	<u>6</u>
7900	Profit before income tax		702,207	6	504,765	6
7950	Income tax expense	6(31)	(25,866)	(1)	(33,630)	(1)
8200	Profit for the period		<u>\$ 676,341</u>	<u>5</u>	<u>\$ 471,135</u>	<u>5</u>
	Other comprehensive income (loss) - net					
	Components of other comprehensive income(loss) that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(23)	\$ 889,102	8	(\$ 207,147)	(2)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(8)(23)	<u>41,714</u>	<u>-</u>	<u>(61,070)</u>	<u>(1)</u>
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>930,816</u>	<u>8</u>	<u>(268,217)</u>	<u>(3)</u>
	Components of other comprehensive income(loss) that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements	6(23)	(16,735)	-	48,735	1
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(8)(23)	<u>(6,683)</u>	<u>-</u>	<u>(169,528)</u>	<u>(2)</u>
8360	Components of other comprehensive loss that will be reclassified to profit or loss		<u>(23,418)</u>	<u>-</u>	<u>(120,793)</u>	<u>(1)</u>
8300	Other comprehensive income (loss) for the period		<u>\$ 907,398</u>	<u>8</u>	<u>(\$ 389,010)</u>	<u>(4)</u>
8500	Total comprehensive income for the period		<u>\$ 1,583,739</u>	<u>13</u>	<u>\$ 82,125</u>	<u>1</u>
	Profit (loss), attributable to:					
8610	Owners of parent		<u>\$ 676,333</u>	<u>5</u>	<u>\$ 502,246</u>	<u>5</u>
8620	Non-controlling interests		<u>\$ 8</u>	<u>-</u>	<u>(\$ 31,111)</u>	<u>-</u>
	Comprehensive income(loss) attributable to:					
8710	Owners of parent		<u>\$ 1,583,723</u>	<u>13</u>	<u>\$ 112,953</u>	<u>1</u>
8720	Non-controlling interests		<u>\$ 16</u>	<u>-</u>	<u>(\$ 30,828)</u>	<u>-</u>
9750	Basic earnings per share	6(32)	\$ 0.57		\$ 0.42	
9850	Diluted earnings per share	6(32)	\$ 0.56		\$ 0.42	

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

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

Notes	Equity attributable to owners of the parent										Non-controlling interests	Total equity
	Share capital- common shares	Capital surplus, additional paid-in capital	Retained earnings			Other equity interest						
			Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total			
Three months ended March 31, 2020												
Balance at January 1, 2020	\$ 10,772,829	\$ 23,400,002	\$ 1,167,412	\$ 12,265	\$ 3,818,704	(\$ 1,081,728)	\$ 1,753,427	(\$ 353,087)	\$ 39,489,824	\$ 64,922	\$ 39,554,746	
Profit (loss) for the period	-	-	-	-	502,246	-	-	-	502,246	(31,111)	471,135	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	-	283	(389,010)	
Total comprehensive income (loss)	-	-	-	-	502,246	(121,076)	(268,217)	-	(389,293)	(30,828)	82,125	
Distribution of 2019 earnings	-	-	-	-	-	(121,076)	(268,217)	-	112,953	-	-	
Cash dividends	-	-	-	-	(1,077,283)	-	-	-	(1,077,283)	-	(1,077,283)	
Change of associates accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	
6(21)(23)	-	-	-	-	(152)	-	152	-	44,854	-	44,854	
Increase in non-controlling interests	-	44,854	-	-	-	-	-	-	-	90,150	90,150	
6(33)	-	-	-	-	-	-	-	-	-	-	-	
6(23)	-	-	-	-	-	-	-	-	-	-	-	
Proceeds from disposal of investments accounted for using equity method	-	-	-	-	(108)	-	108	-	-	-	-	
6(20)(21)	-	-	-	-	-	-	-	-	-	-	-	
Disposal of company's share by subsidiaries recognised as treasury share transactions	-	66,183	-	-	-	-	-	89,054	155,237	-	155,237	
Cash dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(4,463)	(4,463)	
Balance at March 31, 2020	\$ 10,772,829	\$ 23,511,039	\$ 1,167,412	\$ 12,265	\$ 3,243,407	(\$ 1,202,804)	\$ 1,485,470	(\$ 264,033)	\$ 38,725,585	\$ 119,781	\$ 38,845,366	
Three months ended March 31, 2021												
Balance at January 1, 2021	\$ 12,065,568	\$ 23,582,411	\$ 1,451,388	-	\$ 4,110,220	(\$ 1,803,450)	\$ 3,546,733	(\$ 239,876)	\$ 42,712,994	\$ 48,501	\$ 42,761,495	
Profit (loss) for the period	-	-	-	-	676,333	-	-	-	676,333	8	676,341	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	
6(23)	-	-	-	-	-	(23,426)	930,816	-	907,390	8	907,398	
Total comprehensive income (loss)	-	-	-	-	676,333	(23,426)	930,816	-	1,583,723	16	1,583,739	
Distribution of 2020 earnings	-	-	-	-	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(1,206,557)	-	-	-	(1,206,557)	-	(1,206,557)	
Subsidiaries received cash dividends paid by the parent company	-	11,379	-	-	-	-	-	-	11,379	-	11,379	
6(21)	-	-	-	-	-	-	-	-	-	-	-	
Change of associates accounted for using equity method	-	(33,863)	-	-	4,247	-	(4,247)	-	(33,863)	-	(33,863)	
6(21)(23)	-	-	-	-	-	-	-	-	-	-	-	
Proceeds from disposal of investments accounted for using equity method	-	-	-	-	122	-	(122)	-	-	-	-	
6(23)	-	-	-	-	-	-	-	-	-	-	-	
Capital surplus - dividends unclaimed by the shareholders	-	378	-	-	-	-	-	-	378	-	378	
6(21)	-	-	-	-	-	-	-	-	-	-	-	
Balance at March 31, 2021	\$ 12,065,568	\$ 23,560,305	\$ 1,451,388	\$ -	\$ 3,584,365	(\$ 1,826,876)	\$ 4,473,180	(\$ 239,876)	\$ 43,068,054	\$ 48,517	\$ 43,116,571	

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

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

		Three months ended March 31	
	Notes	2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 702,207	\$ 504,765
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss	12(2)	530	383
Loss on inventory market value decline	6(6)	15,279	70,514
Depreciation	6(29)	230,353	223,356
Amortization	6(13)(29)	23,968	21,538
Interest income	6(25)	(9,299)	(12,824)
Interest expense	6(28)	6,669	20,896
Dividend income	6(26)	(27,921)	(28,302)
Gain (loss) of financial assets/liabilities at fair value through profit or loss	6(27)	(5,286)	5,518
Share of profit of associates and joint ventures accounted for using equity method	6(8)	(659,156)	(449,318)
Loss on disposal of investments	6(27)	4,102	386
Gain on disposal of property, plant and equipment	6(27)	(263)	(884)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		130	46,003
Accounts receivable		(1,413,569)	1,088,313
Other receivables		20,181	87,473
Inventories		(196,979)	294,553
Prepayments		(9,994)	(17,868)
Other current assets		(2,234)	5,936
Changes in operating liabilities			
Contract liabilities		81,684	(58,014)
Accounts payable		129,829	(250,121)
Other payables		(82,415)	(421,110)
Other current liabilities		(24,053)	8,494
Provisions for liabilities		(7,303)	7,523
Accrued pension liabilities		(3,343)	(8,014)
Other non-current liabilities		(208)	-
Cash (outflow) inflow generated from operations		(1,227,091)	1,139,196
Payment of interest		(5,281)	(20,855)
Receipt of interest		8,600	16,987
Cash dividend received		30,069	63,107
Payment of income tax		(46,073)	(57,788)
Net cash (outflow) inflow from operating activities		(1,239,776)	1,140,647

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MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

		Three months ended March 31	
	Notes	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through profit or loss		\$ -	\$ 78,088
(Increase) decrease in other financial assets		(313,920)	167
Acquisition of financial assets at fair value through other comprehensive income		(66,422)	(63,478)
Decrease in financial assets at amortised cost		-	473,750
Acquisition of investments accounted for using equity method	6(8)	-	(112,100)
Acquisition of property, plant and equipment	6(9)	(226,549)	(247,540)
Proceeds from disposal of property, plant and equipment		938	950
Increase in intangible assets	6(13)	(33,946)	(16,259)
Increase in investment property	6(12)	(185)	-
Decrease in refundable deposits		240	3,432
Increase in advance receipt	6(14)	567,585	-
Net cash (outflow) inflow from investing activities		(72,259)	117,010
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(35)	1,870,869	(621,003)
Decrease in guarantee deposits	6(35)	(1,584)	(782)
Repayment of principal portion of lease liabilities	6(35)	(10,291)	(15,003)
Investments increased by non-controlling interest	6(33)	-	90,150
Proceeds from disposal of treasury shares	6(20)	-	155,237
Capital surplus - expired unclaimed dividends		378	-
Net cash inflow (outflow) from financing activities		1,859,372	(391,401)
Effects of changes in exchange rates		(9,110)	(37,988)
Net increase in cash and cash equivalents		538,227	828,268
Cash and cash equivalents at beginning of period	6(1)	5,805,297	6,664,566
Cash and cash equivalents at end of period	6(1)	\$ 6,343,524	\$ 7,492,834

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

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2021 AND 2020

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

(Review, not audited)

1. HISTORY AND ORGANISATION

- (1) MiTAC Holdings Corporation (the “Company”) was established by MiTAC International Corp. (“MiTAC International”) through a share conversion on September 12, 2013, and on the same date, the competent authority has approved for the Company’s shares to be listed on the Taiwan Stock Exchange (TWSE). MiTAC International became the Company’s wholly-owned subsidiary after conversion. The main business of the Company and its subsidiaries (collectively referred herein as the “Group”) is to design, manufacture and sell products related to investments, computers and its peripherals and communications.
- (2) In order to promote specialization of work for transforming and improving overall competitiveness of the Group, the Board of Directors of its subsidiary, MiTAC International, has resolved to divest its cloud computing products group to the newly established company, MiTAC Computing Technology Corporation (collectively 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 (collectively 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 reported to the Board of Directors on May 14 , 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

None.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets and liabilities at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets and present value of defined benefit obligation.
- B. The preparation of financial statements in compliance with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

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

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main activities	Ownership (%)			Remarks
			March 31, 2021	December 31, 2020	March 31, 2020	
MiTAC Holdings Corp.	MiTAC International Corp.	Computer and its peripherals: design, manufacture and sell communications products	100%	100%	100%	Note 3
MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	Computer and its peripherals: design, manufacture and sell communications products	100%	100%	100%	Note 3
MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	Sales and service of electronic telecommunication, communication and software, etc	97.17%	97.17%	97.17%	Note 3
MiTAC International Corp.	Tsu Fung Investment Corp.	General investments	100%	100%	100%	
MiTAC International Corp.	Silver Star Developments Ltd.	General investments	100%	100%	100%	Note 3
MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd.	General investments	100%	100%	100%	Note 3
MiTAC Computing Technology Corp.	MiTAC Telematics Technology Corporation	Sales of self-produced products and related after-sale services	100%	100%	100%	
MiTAC Computing Technology Corp.	MiTAC Information Technology Czech s.r.o.	Assemble and sales of computer and peripheral equipment	.	-	100%	Note 2
MiTAC Computing Technology Corp.	Hyve Design Solutions Corporation	Assemble and sales of computer and peripheral equipment	-	-	50%	Note 1
MiTAC Digital Technology Corp.	Access Wisdom Holdings Ltd.	General investments	100%	100%	100%	
MiTAC Digital Technology Corp.	Mio International Ltd.	Sale of communication and related products	100%	100%	100%	
Tsu Fung Investment Corp.	MiTAC Digital Technology Corp.	Sales and service of electronic telecommunication, communication and software, etc	0.001%	0.001%	0.001%	Note 3
Silver Star Developments Ltd.	Pacific China Corp.	General investments	100%	100%	100%	Note 3
Pacific China Corp.	MiTAC Star Service Ltd.	General investments	100%	100%	100%	Note 3
Pacific China Corp.	Software Insights Ltd.	General investments	100%	100%	100%	
Pacific China Corp.	Start Well Technology Ltd.	General investments	100%	100%	100%	
Pacific China Corp.	Huge Extent Ltd.	General investments	100%	100%	100%	
Access Wisdom Holdings Ltd.	MiTAC Europe Ltd.	Sale of communication products and related after-sale services	100%	100%	100%	

Investor	Subsidiary	Main activities	Ownership (%)			Remarks
			March 31, 2021	December 31, 2020	March 31, 2020	
MiTAC Technology UK Ltd.	Tyan Computer Corp. (USA)	Sales of computer peripherals, hardware/ software and related products	100%	100%	100%	
MiTAC Technology UK Ltd.	MiTAC Logistics Corp.	Sale of computer peripherals, hardware/software and related products	-	-	100%	Note 2
MiTAC Technology UK Ltd.	MiTAC Information Systems Corp.	Assembling and sale of computer peripherals, hardware/software and related products	100%	100%	100%	Note 3
Hyve Design Solutions Corporation	Hype Design Solutions(Taiwan) Corporation	Assemble and sales of computer and peripheral equipment	-	-	100%	Note 1
MiTAC Europe Ltd.	MiTAC Digital Corp.	Sale of communication products and related after-sale services	100%	100%	100%	
MiTAC Europe Ltd.	MiTAC Australia Pty Ltd.	Sale of communication products and related after-sale services	100%	100%	100%	
Silver Star Developments Ltd.	MiTAC Japan Corp.	Sale of communication products, computer peripherals, hardware/software and related products and related after-sale services	100%	100%	100%	
Silver Star Developments Ltd.	MiTAC Benelux N.V.	Sale of communication products and related after-sale services	100%	100%	100%	
Silver Star Developments Ltd.	MiTAC Pacific (H.K.) Ltd.	Sale of computer peripherals, hardware/software and related products	100%	100%	100%	
Start Well Technology Ltd	MiTAC Investment Holding Ltd.	Investment holdings	100%	100%	100%	
MiTAC Investment Holding Ltd.	MiTAC Computer (Kunshan) Ltd.	Manufacture of computers, computer peripherals, hardware/software and related products and sale of own-produced products	100%	100%	100%	
MiTAC Investment Holding Ltd.	MiTAC Technology (Kunshan) Co., Ltd.	Testing, maintenance and display of computer components and related technical advisory services and after-sale services	100%	100%	100%	
MiTAC Investment Holding Ltd.	MiTAC Logistic Service (Kunshan) Ltd.	Agency of freight transport, export and import trading and warehousing services.	100%	100%	100%	

Investor	Subsidiary	Main activities	Ownership (%)			Remarks
			March 31, 2021	December 31, 2020	March 31, 2020	
MiTAC Investment Holding Ltd.	MiTAC Information Technology Ltd.	After-sale maintenance, testing and technical advisory services of computers, communication products and consumer electronic products; establishment of customer service centers; customer data processing, analysis and integrated services and business administration services	100%	100%	100%	
MiTAC Star Service Ltd.	MiTAC Computer (Shunde) Corp.	Manufacture of computer frame, motherboard, interface card, display, power supply, keyboard, related metal stamping parts and plastic parts and maintenance of motherboard	100%	100%	100%	Note 3
MiTAC Computer (Kunshan) Ltd	MiTAC Information Systems (Kunshan) Co., Ltd.	Sales and manufacturing of computer accessories, hardware, software and related services	100%	100%	100%	
Software Insights Ltd.	MiTAC Research (Shanghai) Ltd.	Research, development and manufacture of computer software, sale of own-produced products and related technical advisory services	100%	100%	100%	
Software Insights Ltd.	MiTAC Innovation (Kunshan) Ltd.	Research and development of calculator, server, mobile phone, PDA and GPS, and technical transfer, technical advisory and technical services of related R&D products	100%	100%	100%	
Mio International Ltd.	Mio Technology (Suzhou) Ltd.	Sale of communication products and related after-sale services	100%	100%	100%	

Note 1: On August 19, 2020, the group lost control over it as the Group has no current ability to direct its relevant activities, thus, it was removed as a consolidated entity.

Note 2: It completed the liquidation in 2020.

Note 3: The financial statements of the entity as of and for the three months ended March 31, 2021 and 2020 were reviewed by the independent auditors as the entity met the definition of a significant subsidiary.

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

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

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

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

(4) Employee benefits

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

(5) Income taxes

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

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

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

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Cash:			
Cash on hand and revolving funds	\$ 690	\$ 753	\$ 1,087
Checking accounts and demand deposits	4,033,812	4,145,332	4,296,711
Cash equivalents:			
Time deposits	2,309,022	1,659,212	3,175,036
Repurchased bonds	-	-	20,000
Total	<u>\$ 6,343,524</u>	<u>\$ 5,805,297</u>	<u>\$ 7,492,834</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	March 31, 2021	December 31, 2020	March 31, 2020
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Derivatives	\$ -	\$ -	\$ -
Valuation adjustment - Derivatives	16,986	6,107	12,353
Total	<u>\$ 16,986</u>	<u>\$ 6,107</u>	<u>\$ 12,353</u>

A. The Group recognised net gain of \$10,879 and net loss of (\$9,507) on financial assets at fair value through profit or loss for the three months ended March 31, 2021 and 2020, respectively.

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

		March 31, 2021			
Financial Instrument	Item	Notional Amount (in thousands)		Fair Market Value (in thousands)	
MiTAC Computing Technology Corp.					
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	12,000	NTD	8,729
Forward foreign exchange - Sell	Advance booking JPY to buy USD	JPY	200,000	NTD	718
Forward foreign exchange - Buy	Advance booking USD to sell CNY	USD	1,500	NTD	372
MiTAC Digital Technology Corp.					
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	3,000	NTD	2,123
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR	2,300	NTD	1,255
Forward foreign exchange - Sell	Advance booking AUD to buy USD	AUD	2,815	NTD	891
Silver Star Developments Ltd.					
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR	2,200	USD	96
		December 31, 2020			
Financial Instrument	Item	Notional Amount (in thousands)		Fair Market Value (in thousands)	
MiTAC Computing Technology Corp.					
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	20,500	NTD	4,014
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	13,000	NTD	1,376
MiTAC Digital Technology Corp.					
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	2,500	NTD	567
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	4,000	NTD	130
MiTAC Technology (KunShan) Co., Ltd.					
Forward foreign exchange - Sell	Advance booking USD to buy CNY	USD	300	CNY	5

	March 31, 2020				
Financial Instrument	Item	Notional Amount		Fair Market Value	
		(in thousands)		(in thousands)	
MiTAC Computing Technology Corp.					
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	28,000	NTD	6,363
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	6,000	NTD	171
Forward foreign exchange - Sell	Advance booking CNY to buy USD	CNY	4,637	NTD	315
MiTAC Digital Technology Corp.					
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	5,000	NTD	538
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	12,000	NTD	2,549
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR	411	NTD	60
Forward foreign exchange - Sell	Advance booking AUD to buy USD	AUD	1,300	NTD	2,357

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	March 31, 2021	December 31, 2020	March 31, 2020
Current items:			
Equity instruments			
Listed stocks	\$ 862,837	\$ 800,614	\$ 774,048
Valuation adjustment	609,950	432,229	72,581
Total	\$ 1,472,787	\$ 1,232,843	\$ 846,629
Non-current items:			
Equity instruments			
Listed stocks	\$ 1,225,051	\$ 1,225,051	\$ 1,225,051
Unlisted stocks	1,798,502	1,794,303	1,810,102
Subtotal	3,023,553	3,019,354	3,035,153
Valuation adjustment	3,757,776	3,046,395	1,542,637
Total	\$ 6,781,329	\$ 6,065,749	\$ 4,577,790

A. The Group recognised \$889,102 and (\$207,147) in other comprehensive income (loss) for fair value change for the three months ended March 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 March 31, 2021, December 31, 2020 and March 31, 2020, the fair value of investments were \$8,254,116, \$7,298,592 and \$5,424,419, respectively.

(4) Financial assets at amortised cost

Items	March 31, 2021	December 31, 2020	March 31, 2020
Current items:			
Structured deposits	\$ -	\$ -	\$ 17,020

A. As of March 31, 2021, December 31, 2020 and March 31, 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 \$0, \$0 and \$17,020, respectively.

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

(5) Accounts receivable

	March 31, 2021	December 31, 2020	March 31, 2020
Third parties	\$ 6,535,396	\$ 5,073,532	\$ 5,020,439
Less: Allowance for bad debts	(91,701)	(91,482)	(77,037)
	6,443,695	4,982,050	4,943,402
Related parties	171,382	215,960	473,308
	<u>\$ 6,615,077</u>	<u>\$ 5,198,010</u>	<u>\$ 5,416,710</u>

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

	March 31, 2021	December 31, 2020	March 31, 2020
Not past due	\$ 6,346,537	\$ 5,011,648	\$ 5,105,078
Up to 90 days	346,802	248,007	332,556
91 to 180 days	2,208	1,680	13,689
Over 181 days	11,231	28,157	42,424
	<u>\$ 6,706,778</u>	<u>\$ 5,289,492</u>	<u>\$ 5,493,747</u>

The above ageing analysis was based on past due date.

B. As of March 31, 2021, December 31, 2020 and March 31, 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 March 31, 2021, December 31, 2020 and March 31, 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 \$6,615,077, \$5,198,010 and \$5,416,710, respectively.

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

(6) Inventories

	March 31, 2021	December 31, 2020	March 31, 2020
	Book value	Book value	Book value
Raw materials	\$ 6,422,069	\$ 6,699,085	\$ 5,393,995
Work in process	1,655,584	643,449	853,917
Finished goods	1,216,230	1,780,470	1,175,320
Total	<u>\$ 9,293,883</u>	<u>\$ 9,123,004</u>	<u>\$ 7,423,232</u>

The cost of inventories recognised as expense for the period:

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Cost of goods sold	\$ 10,366,582	\$ 7,460,214
Loss on decline in market value	15,279	70,514
	<u>\$ 10,381,861</u>	<u>\$ 7,530,728</u>

(7) Other financial assets

	March 31, 2021	December 31, 2020	March 31, 2020
Current:			
Pledged deposits	\$ 322,691	\$ 8,754	\$ 8,659
Non-current:			
Pledged deposits	35,236	35,253	35,018
Total	<u>\$ 357,927</u>	<u>\$ 44,007</u>	<u>\$ 43,677</u>

A. Information relating to credit risk of other financial assets is provided in Note 12(2).

B. Information about other financial assets that were pledged to others as collateral are described in Note 8.

(8) Investments accounted for using equity method

A.

Investee company	March 31, 2021	December 31, 2020	March 31, 2020
Getac Technology Corp.	\$ 4,728,219	\$ 5,249,079	\$ 4,418,745
3 Probe Technology Co., Ltd.	13,106	13,962	10,924
Lian Jie Investment Co., Ltd.	196,443	168,258	81,748
Lian Jie II Investment Co., Ltd.	44,932	42,467	25,824
Shen-Tong Construction & Development Co., Ltd.	85,969	86,012	86,217
Mainpower International Ltd.	245,350	240,230	212,195
Concentrix Corp.	6,894,194	6,677,974	-
Synnex Corp.	6,230,467	5,977,703	11,937,124
Suzhou MiTAC Preclusion Technology Co., Ltd.	360,856	354,254	311,293
Loyal Fidelity Aerospace Corp.	121,891	123,406	126,171
Harbinger Ruyi Venture Ltd.	18,970	18,970	19,736
Harbinger Ruyi II Venture Ltd.	52,447	49,096	24,553
Infopower Technologies Ltd.	70,618	70,278	73,281
	<u>\$ 19,063,462</u>	<u>\$ 19,071,689</u>	<u>\$ 17,327,811</u>

B. The Group's recognised share of profit from associates accounted for using equity method for the three months ended March 31, 2021 and 2020 were \$659,156 and \$449,318, respectively, and recognised share of other comprehensive income (loss) from associates accounted for using equity method were \$35,031 and (\$230,598), 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
		March 31, 2021	December 31, 2020	March 31, 2020		
Getac Technology Corp.	Taiwan	32.16%	32.31%	32.60%	Owned over 20%	Equity method
Synnex Corp.	USA	10.22%	10.28%	10.28%	Significant influence	Equity method
Concentrix Corp.	USA	10.28%	10.28%	-	Significant influence	Equity method

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

Balance sheet

Getac Technology Corp.			
	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 20,729,727	\$ 19,825,742	\$ 18,472,279
Non-current assets	14,040,433	14,029,191	11,786,906
Current liabilities	(14,162,048)	(11,735,921)	(11,293,360)
Non-current liabilities	(4,171,159)	(4,125,717)	(3,754,305)
Non-controlling interest	(1,733,076)	(1,748,248)	(1,657,750)
Total net assets	<u>\$ 14,703,877</u>	<u>\$ 16,245,047</u>	<u>\$ 13,553,770</u>
Share in associate's net assets	<u>\$ 4,728,219</u>	<u>\$ 5,249,079</u>	<u>\$ 4,418,745</u>
Synnex Corp.			
	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 194,169,575	\$ 209,922,862	\$ 209,986,858
Non-current assets	26,489,583	27,111,310	144,156,384
Current liabilities	(113,235,669)	(132,336,507)	(127,765,669)
Non-current liabilities	(46,467,907)	(46,502,998)	(110,219,331)
Total net assets	<u>\$ 60,955,582</u>	<u>\$ 58,194,667</u>	<u>\$ 116,158,242</u>
Share in associate's net assets	<u>\$ 6,230,467</u>	<u>\$ 5,977,703</u>	<u>\$ 11,937,124</u>

	Concentrix Corp.		
	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 40,157,420	\$ 40,537,748	\$ -
Non-current assets	105,552,078	106,421,273	-
Current liabilities	(25,041,631)	(28,782,657)	-
Non-current liabilities	(52,957,679)	(53,166,720)	-
Total net assets	<u>\$ 67,710,188</u>	<u>\$ 65,009,644</u>	<u>\$ -</u>
Share in associate's net assets	<u>\$ 6,894,194</u>	<u>\$ 6,677,974</u>	<u>\$ -</u>

Statement of comprehensive income

	Getac Technology Corp.	
	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Revenue	\$ 7,243,028	\$ 5,598,659
Profit for the period from continuing operations	\$ 501,822	\$ 320,265
Other comprehensive loss - net of tax	(21,524)	(116,147)
Total comprehensive income	<u>\$ 480,298</u>	<u>\$ 204,118</u>

	Synnex Corp.	
	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Revenue	\$ 140,107,233	\$ 158,495,684
Profit for the period from continuing operations	\$ 2,484,591	\$ 3,508,873
Other comprehensive gain (loss) - net of tax	295,079	(1,428,545)
Total comprehensive income	<u>\$ 2,779,670</u>	<u>\$ 2,080,328</u>
Dividends received from associates	<u>\$ 30,069</u>	<u>\$ 63,107</u>

	Concentrix Corp.	
	For the	For the
	three months ended March 31, 2021	three months ended March 31, 2020
Revenue	\$ 38,389,046	\$ -
Profit for the period from continuing operations	\$ 2,402,695	\$ -
Other comprehensive loss - net of tax	(276,413)	-
Total comprehensive income	<u>\$ 2,126,282</u>	<u>\$ -</u>

Note: Concentrix Corp. was established on December 1, 2020. Thus, the information related to its statement of comprehensive income was not available for the three months ended March 31, 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 March 31, 2021, December 31, 2020 and March 31, 2020, the carrying amount of the Group's individually immaterial associates amounted to \$1,210,582, \$1,166,933 and \$971,942, respectively.

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Profit (loss) for the period from continuing operations	\$ 40,957	(\$ 15,856)
Other comprehensive gain (loss) - net of tax	62,269	(109,440)
Total comprehensive income (loss)	<u>\$ 103,226</u>	<u>(\$ 125,296)</u>

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

	March 31, 2021	December 31, 2020	March 31, 2020
Getac Technology Corp.	\$ 11,157,261	\$ 9,310,410	\$ 8,044,271
Synnex Corp.	17,367,819	12,292,833	11,687,933
Concentrix Corp.	22,642,894	14,898,117	-
	<u>\$ 51,167,974</u>	<u>\$ 36,501,360</u>	<u>\$ 19,732,204</u>

G. The Group increased its investment in Synnex Corp. amounting to \$112,100 in March 2020.

H. 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.

I. The Group holds 10.22% ownership in Synnex Corp. but has significant influence over Synnex Corp. as the Group is the major shareholder of Synnex Corp. and the Company's chairman Feng Chiang Miao serves as this company's honorary chairman.

- J. On December 1, 2020, Synnex Corp. completed the spin-off and established Concentrix Corp. The numbers of shares of Concentrix Corp. acquired by the shareholders of Synnex Corp. is equivalent to the numbers of shares in Synnex Corp. they held. Given that the Group is the major shareholder and one of the directors of Concentrix Corp., these indicate that the Group has significant influence over it.
- K. Synnex Corp., 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 February 28, 2021 as the basis for the preparation of first 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 March 31 as the basis for the preparation of annual consolidated financial statements; other associates' fiscal year all end on December 31.
- L. 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 March 31, 2021 and December 31, 2020, the carrying amounts of the associate were (\$41,341) and (\$22,604), shown as other non-current liabilities.
- M. 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.

(9) Property, plant and equipment

	Land	Buildings and structures	Machinery	Computer and communication equipment	Transportation equipment	Office equipment	Leasehold improvements	Molding equipment	Other equipment	Construction in progress and equipment under inspection	Total
<u>At January 1, 2021</u>											
Cost	\$ 1,085,382	\$ 6,450,874	\$ 2,825,267	\$ 179,594	\$ 78,039	\$ 187,613	\$ 156,264	\$ 160,589	\$ 1,187,180	\$ 1,127,805	\$ 13,438,607
Accumulated depreciation and impairment	- (2,784,681)	(1,713,572)	(133,697)	(52,861)	(60,903)	(722,414)	- (5,685,520)	- (7,753,087)	- (1,127,805)	- (5,685,520)	- (13,438,607)
	<u>\$ 1,085,382</u>	<u>\$ 3,666,193</u>	<u>\$ 1,111,695</u>	<u>\$ 45,897</u>	<u>\$ 25,178</u>	<u>\$ 30,548</u>	<u>\$ 95,937</u>	<u>\$ 99,686</u>	<u>\$ 464,766</u>	<u>\$ 1,127,805</u>	<u>\$ 7,753,087</u>
<u>2021</u>											
At January 1	\$ 1,085,382	\$ 3,666,193	\$ 1,111,695	\$ 45,897	\$ 25,178	\$ 30,548	\$ 95,937	\$ 99,686	\$ 464,766	\$ 1,127,805	\$ 7,753,087
Additions	-	2,533	4,904	1,349	471	5,516	1,988	12,382	9,894	187,512	226,549
Disposal	-	(1)	(327)	(66)	(254)	(27)	-	-	-	-	(675)
Reclassifications	-	1,231,127	15,696	2,569	(14)	(14)	875	-	5,095	(1,255,334)	-
Depreciation	-	(55,772)	(79,678)	(8,332)	(2,406)	(4,812)	(6,843)	(13,899)	(41,357)	-	(213,099)
Effects of foreign exchange	351	(16,744)	(6,457)	(130)	(45)	(158)	(191)	-	(2,185)	(171)	(25,730)
At March 31	<u>\$ 1,085,733</u>	<u>\$ 4,827,336</u>	<u>\$ 1,045,833</u>	<u>\$ 41,287</u>	<u>\$ 22,930</u>	<u>\$ 31,053</u>	<u>\$ 91,766</u>	<u>\$ 98,169</u>	<u>\$ 436,213</u>	<u>\$ 59,812</u>	<u>\$ 7,740,132</u>
<u>At March 31, 2021</u>											
Cost	\$ 1,085,733	\$ 7,653,316	\$ 2,807,812	\$ 178,476	\$ 74,986	\$ 190,741	\$ 157,866	\$ 171,388	\$ 1,193,414	\$ 59,812	\$ 13,573,544
Accumulated depreciation and impairment	- (2,825,980)	(1,761,979)	(137,189)	(52,056)	(73,219)	(757,201)	- (5,833,412)	- (7,740,132)	- (1,127,805)	- (5,685,520)	- (13,438,607)
	<u>\$ 1,085,733</u>	<u>\$ 4,827,336</u>	<u>\$ 1,045,833</u>	<u>\$ 41,287</u>	<u>\$ 22,930</u>	<u>\$ 31,053</u>	<u>\$ 91,766</u>	<u>\$ 98,169</u>	<u>\$ 436,213</u>	<u>\$ 59,812</u>	<u>\$ 7,740,132</u>

	Land	Buildings and structures	Machinery	Computer and communication equipment	Transportation equipment	Office equipment	Leasehold improvements	Molding equipment	Other equipment	Construction in progress and equipment under inspection	Total
<u>At January 1, 2020</u>											
Cost	\$ 1,094,943	\$ 6,425,643	\$ 2,547,343	\$ 201,072	\$ 72,293	\$ 192,175	\$ 132,544	\$ 122,834	\$ 1,083,777	\$ 937,087	\$ 12,809,711
Accumulated depreciation and impairment	-	(2,546,673)	(1,408,956)	(138,320)	(45,991)	(148,115)	(42,481)	(32,358)	(635,822)	-	(4,998,716)
<u>2020</u>	<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>
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	-	3,720	78,616	3,644	1,300	946	2,864	12,649	33,325	110,476	247,540
Disposal	-	-	(63)	(2)	-	(1)	-	-	-	-	(66)
Reclassifications	-	8,680	10,430	377	-	296	220	-	10,684	(30,687)	-
Depreciation	-	(56,245)	(77,497)	(8,726)	(2,559)	(5,074)	(6,259)	(8,105)	(40,036)	-	(204,501)
Effects of foreign exchange	1,561	(9,920)	(11,505)	(339)	(57)	(20)	(115)	-	(3,127)	(11,899)	(35,421)
<u>At March 31</u>	<u>\$ 1,096,504</u>	<u>\$ 3,825,205</u>	<u>\$ 1,138,368</u>	<u>\$ 57,706</u>	<u>\$ 24,986</u>	<u>\$ 40,207</u>	<u>\$ 86,773</u>	<u>\$ 95,020</u>	<u>\$ 448,801</u>	<u>\$ 1,004,977</u>	<u>\$ 7,818,547</u>
<u>At March 31, 2020</u>											
Cost	\$ 1,096,504	\$ 6,409,735	\$ 2,608,992	\$ 188,346	\$ 71,216	\$ 197,035	\$ 135,519	\$ 134,443	\$ 1,114,351	\$ 1,004,977	\$ 12,961,118
Accumulated depreciation and impairment	-	(2,584,530)	(1,470,624)	(130,640)	(46,230)	(156,828)	(48,746)	(39,423)	(665,550)	-	(5,142,571)
	<u>\$ 1,096,504</u>	<u>\$ 3,825,205</u>	<u>\$ 1,138,368</u>	<u>\$ 57,706</u>	<u>\$ 24,986</u>	<u>\$ 40,207</u>	<u>\$ 86,773</u>	<u>\$ 95,020</u>	<u>\$ 448,801</u>	<u>\$ 1,004,977</u>	<u>\$ 7,818,547</u>

(10) 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 is as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 234,427	\$ 238,179	\$ 298,259
Buildings and structures	108,267	118,168	65,110
Machinery	296	389	559
Transportation equipment	2,802	3,138	-
	<u>\$ 345,792</u>	<u>\$ 359,874</u>	<u>\$ 363,928</u>

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
	Depreciation charge	Depreciation charge
Land	\$ 2,804	\$ 3,610
Buildings and structures	9,107	10,331
Machinery	90	81
Transportation equipment	336	-
	<u>\$ 12,337</u>	<u>\$ 14,022</u>

- D. For the three months ended March 31, 2021 and 2020, the additions to right-of-use assets were \$286 and \$0, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the three months March 31, 2021	For the three months March 31, 2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 921	\$ 1,285
Expense on short-term lease contracts	4,940	8,252
Expense on leases of low-value assets	534	806

- F. For the three months ended March 31, 2021 and 2020, the Group's total cash outflow for leases were \$16,686 and \$25,346, respectively.

(11) Leasing arrangements — lessor

- A. The Group leases various assets including buildings and structures. Rental contracts are typically made for periods of 1 to 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. For the three months ended March 31, 2021 and 2020, the Group recognised rent income in the amounts of \$27,413 and \$24,644 respectively, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity analysis of the lease payments under the operating leases are as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Not later than one year	\$ 96,657	\$ 108,941	\$ 80,140
Later than one year but not later than five years	105,580	141,206	167,310
Over five years	5,308	6,211	8,553
	<u>\$ 207,545</u>	<u>\$ 256,358</u>	<u>\$ 256,003</u>

(12) Investment property

	Land	Buildings and structures	Total
At January 1, 2021			
Cost	\$ 954,835	\$ 609,265	\$ 1,564,100
Accumulated depreciation and impairment	-	(334,669)	(334,669)
	<u>\$ 954,835</u>	<u>\$ 274,596</u>	<u>\$ 1,229,431</u>
<u>2021</u>			
At January 1	\$ 954,835	\$ 274,596	\$ 1,229,431
Additions	-	185	185
Depreciation	-	(4,917)	(4,917)
Effects of foreign exchange	(670)	(4,708)	(5,378)
At March 31	<u>\$ 954,165</u>	<u>\$ 265,156</u>	<u>\$ 1,219,321</u>
At March 31, 2021			
Cost	\$ 954,165	\$ 600,703	\$ 1,554,868
Accumulated depreciation and impairment	-	(335,547)	(335,547)
	<u>\$ 954,165</u>	<u>\$ 265,156</u>	<u>\$ 1,219,321</u>

	Land	Buildings and structures	Total
At January 1, 2020			
Cost	\$ 954,213	\$ 598,434	\$ 1,552,647
Accumulated depreciation and impairment	-	(309,826)	(309,826)
	<u>\$ 954,213</u>	<u>\$ 288,608</u>	<u>\$ 1,242,821</u>
<u>2020</u>			
At January 1	\$ 954,213	\$ 288,608	\$ 1,242,821
Depreciation	-	(4,833)	(4,833)
Effects of foreign exchange	(152)	(2,215)	(2,367)
At March 31	<u>\$ 954,061</u>	<u>\$ 281,560</u>	<u>\$ 1,235,621</u>
At March 31, 2020			
Cost	\$ 954,061	\$ 593,662	\$ 1,547,723
Accumulated depreciation and impairment	-	(312,102)	(312,102)
	<u>\$ 954,061</u>	<u>\$ 281,560</u>	<u>\$ 1,235,621</u>

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

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Rental income from the lease of the investment property	<u>\$ 6,132</u>	<u>\$ 5,065</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 4,561</u>	<u>\$ 4,087</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ 3,769</u>	<u>\$ 3,347</u>

B. The fair value of the investment property held by the Group on March 31, 2021, December 31, 2020 and March 31, 2020 were \$3,494,690, \$3,502,285 and \$3,476,106, 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.

(13) Intangible assets

	Computer software	
	2021	2020
At January 1		
Cost	\$ 275,844	\$ 264,109
Accumulated amortization and impairment	(199,940)	(174,661)
	<u>\$ 75,904</u>	<u>\$ 89,448</u>
At January 1	\$ 75,904	\$ 89,448
Additions	33,946	16,259
Amortization	(23,968)	(21,538)
Effects of foreign exchange	(8)	3
At March 31	<u>\$ 85,874</u>	<u>\$ 84,172</u>
At March 31		
Cost	\$ 226,198	\$ 213,550
Accumulated amortization and impairment	(140,324)	(129,378)
	<u>\$ 85,874</u>	<u>\$ 84,172</u>

Details of amortization of intangible assets are as follows:

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Operating costs	\$ 331	\$ 326
Selling expenses	2,572	4,029
Administrative expenses	3,525	3,126
Research and development expenses	17,540	14,057
	<u>\$ 23,968</u>	<u>\$ 21,538</u>

(14) Non-current assets held for sale

A. To cooperate with the local government's urban development plan through 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, China through public auction by the Land Arrangement and Reserve Center of Shunde District, Foshan City ("Foshan-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 Foshan-Shunde Land Development Center. The disposal of the land-use-right and buildings meets the criteria of sales to be highly probable, therefore the Group reclassified related assets as non-current assets held for sale in December 2019. As at March 31, 2021, the Group has received \$167,734 in advance of certain transaction (shown as advance receipts).

B. To cooperate with the local government's need of upgrading and reconstructing rural-level industrial park through 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, China to Foshan-Shunde Land Development Center. The disposal of the land-use-right meets the criteria of sales to be highly probable, therefore the Group reclassified related assets from right-of-use assets as non-current assets held for sale. As at March 31, 2021, the Group has received \$399,851 in advance of certain transaction (shown as advance receipts).

Non-current assets held for the sale:

	March 31, 2021	December 31, 2020	March 31, 2020
Right-of-use assets	\$ 67,998	\$ 68,515	\$ 12,125
Investment property	21,455	21,618	21,016
	<u>\$ 89,453</u>	<u>\$ 90,133</u>	<u>\$ 33,141</u>

(15) Short-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
Unsecured bank borrowings	\$ 3,045,655	\$ 1,443,851	\$ 3,188,850
Secured bank borrowings	314,003	-	-
	<u>\$ 3,359,658</u>	<u>\$ 1,443,851</u>	<u>\$ 3,188,850</u>
Interest rates	<u>0.46%~1%</u>	<u>0.56~0.63%</u>	<u>0.78%~2.73%</u>

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

Items	March 31, 2021	December 31, 2020	March 31, 2020
Current items:			
Financial liabilities held for trading			
Valuation adjustment - Derivatives	<u>\$ 17,284</u>	<u>\$ 11,691</u>	<u>\$ 4,656</u>

A. The Group recognised net profit (loss) of (\$5,593) and \$3,989 for the three months ended March 31, 2021 and 2020, respectively.

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

March 31, 2021				
Financial Instrument	Item	Notional Amount (in thousands)		Fair Market Value (in thousands)
MiTAC Computing Technology Corp.				
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	14,000	(NTD 7,579)
Forward foreign exchange swap - Sell	Advance booking USD to buy NTD	USD	22,500	(NTD 7,131)
MiTAC Digital Technology Corp.				
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	4,000	(NTD 2,070)
Forward foreign exchange - Buy	Advance booking JPY to sell USD	JPY	64,000	(NTD 386)
Mitac Technology (Kunshan) Co., Ltd.				
Forward foreign exchange - Sell	Advance booking USD to buy CNY	USD	450	(CNY 27)
December 31, 2020				
Financial Instrument	Item	Notional Amount (in thousands)		Fair Market Value (in thousands)
MiTAC Computing Technology Corp.				
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	14,000	(NTD 1,085)
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	12,500	(NTD 1,562)
MiTAC Digital Technology Corp.				
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	6,000	(NTD 1,141)
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	3,500	(NTD 319)
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR	800	(NTD 722)
Forward foreign exchange - Sell	Advance booking AUD to buy USD	AUD	3,250	(NTD 4,471)
Silver Star Developments Ltd.				
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR	2,200	(USD 79)
Mitac Australia Pty Ltd.				
Forward foreign exchange - Buy	Advance booking USD to sell AUD	USD	100	(AUD 6)
March 31, 2020				
Financial Instrument	Item	Notional Amount (in thousands)		Fair Market Value (in thousands)
MiTAC Computing Technology Corp.				
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	27,000	(NTD 2,720)
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	2,000	(NTD 35)
Forward foreign exchange - Sell	Advance booking USD to buy JPY	USD	1,800	(NTD 579)
MiTAC Digital Technology Corp.				
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	9,000	(NTD 702)
Forward foreign exchange - Buy	Advance booking USD to sell NTD	USD	3,000	(NTD 53)
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR	787	(NTD 203)
Silver Star Developments Ltd.				
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR	2,300	(USD 12)

(17) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>March 31, 2021</u>
Long-term bank borrowings				
Taipei Fubon Bank	The borrowing period was from October 15, 2019 to October 15, 2024 and the interest was paid monthly. The grace period was 2 years, if the grace period was over, the borrowing should be repaid monthly in 37 installments.	0.49%	None	\$ 500,000
Bank of Taiwan	The borrowing period was from October 15, 2019 to October 15, 2026 and the interest was paid monthly. The grace period was 2 years, if the grace period was over, the borrowing should be repaid monthly in 60 installments.	0.50%	None	201,813
Taishin International Bank	The borrowing period was from October 15, 2019 to October 15, 2024 and the interest was paid monthly. After 3 years from the date of first drawing, the borrowing should be repaid monthly in 24 installments.	0.50%	None	50,248
E.SUN Commercial Bank	The borrowing period was from October 29, 2019 to October 15, 2026 and the interest was paid monthly. The grace period was 3 years, if the grace period was over, the borrowing should be repaid monthly in 48 installments.	0.50%	None	39,500

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>March 31, 2021</u>
Taipei Fubon Bank	The borrowing period was from August 28, 2020 to October 15, 2026 and the interest was paid monthly. The grace period was 3 years, if the grace period was over, the borrowing should be repaid monthly in 39 installments.	0.49%	None	72,000
				863,561
Less: Current portion (Note)				(97,899)
				<u>\$ 765,662</u>

Note: Shown as 'other current liabilities'

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2020</u>
Long-term bank borrowings				
Taipei Fubon Bank	The borrowing period was from October 15, 2019 to October 15, 2024 and the interest was paid monthly. The grace period was 2 years, if the grace period was over, the borrowing should be repaid monthly in 37 installments.	0.49%	None	\$ 500,000
Bank of Taiwan	The borrowing period was from October 15, 2019 to October 15, 2026 and the interest was paid monthly. The grace period was 2 years, if the grace period was over, the borrowing should be repaid monthly in 60 installments.	0.50%	None	201,813

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2020</u>
Taishin International Bank	The borrowing period was from October 15, 2019 to October 15, 2024 and the interest was paid monthly. After 3 years from the date of first drawing, the borrowing should be repaid monthly in 24 installments.	0.50%	None	50,248
E.SUN Commercial Bank	The borrowing period was from October 29, 2019 to October 15, 2026 and the interest was paid monthly. The grace period was 3 years, if the grace period was over, the borrowing should be repaid monthly in 48 installments.	0.50%	None	39,500
Taipei Fubon Bank	The borrowing period was from August 28, 2020 to October 15, 2026 and the interest was paid monthly. The grace period was 3 years, if the grace period was over, the borrowing should be repaid monthly in 39 installments.	0.49%	None	72,000
HSBC Bank USA	The borrowing period was from May 8, 2020 to May 7, 2022. After 6 months from the date of first drawing, the principal and interest should be repaid monthly in 18 installments. As the loan is during the moratorium period applied to the United States Government, the repayment of the principal and interest was not commenced as of December 31, 2020.	1.00%	None	47,073
				910,634
Less: Current portion (Note)				(47,268)
				<u>\$ 863,366</u>

Note: Shown as ‘other current liabilities’

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>March 31, 2020</u>
Long-term bank borrowings				
Taipei Fubon Bank	The borrowing period was from October 15, 2019 to October 15, 2024 and the interest was paid monthly. The grace period was 2 years, if the grace period was over, the borrowing should be repaid monthly in 37 installments.	0.70%	None	\$ 500,000
Bank of Taiwan	The borrowing period was from October 15, 2019 to October 15, 2026 and the interest was paid monthly. The grace period was 2 years, if the grace period was over, the borrowing should be repaid monthly in 60 installments.	0.70%	None	201,813
Taishin International Bank	The borrowing period was from October 15, 2019 to October 15, 2024 and the interest was paid monthly. After 3 years from the date of first drawing, the borrowing should be repaid monthly in 24 installments.	0.50%	None	50,248
E.SUN Commercial Bank	The borrowing period was from October 29, 2019 to October 15, 2026 and the interest was paid monthly. The grace period was 3 years, if the grace period was over, the borrowing should be repaid monthly in 48 installments.	0.50%	None	39,500
				791,561
Less: Current portion				-
				<u>\$ 791,561</u>

(18) 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) For the aforementioned pension plan, the Group recognised pension costs of \$2,055 and \$2,126 for the three months ended March 31, 2021 and 2020, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2022 amount to \$8,220.
- 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 three months ended March 31, 2021 and 2020 were \$51,151 and \$44,105, respectively.

(19) Provisions

Warranty

	2021	2020
At January 1	\$ 256,074	\$ 252,306
Additional provisions	20,064	30,372
Used during the period	(27,367)	(22,849)
Effects of foreign exchange	(390)	(540)
At March 31	<u>\$ 248,381</u>	<u>\$ 259,289</u>

Analysis of total provisions:

	March 31, 2021	December 31, 2020	March 31, 2020
Current	<u>\$ 123,164</u>	<u>\$ 132,169</u>	<u>\$ 140,003</u>
Non-current	<u>\$ 125,217</u>	<u>\$ 123,905</u>	<u>\$ 119,286</u>

(20) Share capital

- A. As of March 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	-	4,516
Outstanding shares as of March 31	<u>1,195,178</u>	<u>1,065,898</u>

B. Treasury shares

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

Name of company holding the shares	Reason for reacquisition	March 31, 2021	
		Number of shares (shares in thousands)	Carrying amount
Subsidiary - Tsu Fung Investment Corp.	Stock conversion	9,250	\$ 162,874
Subsidiary - SSDL	"	2,128	77,002
Name of company holding the shares	Reason for reacquisition	December 31, 2020	
		Number of shares (shares in thousands)	Carrying amount
Subsidiary - Tsu Fung Investment Corp.	Stock conversion	9,250	\$ 162,874
Subsidiary - SSDL	"	2,128	77,002

Name of company holding the shares	Reason for reacquisition	March 31, 2020	
		Number of shares (shares in thousands)	Carrying amount
Subsidiary - Tsu Fung Investment Corp.	Stock conversion	9,484	\$ 187,031
Subsidiary - SSDL	"	1,900	77,002

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury shares should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury stock should not be pledged as collateral and is not entitled to dividends.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within 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) In the first quarter of 2020, the subsidiary, Tsu Fung Investment Corp. disposed 4,516 thousand shares of the Company amounting to \$155,237.

(21) 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	-	-	(33,863)	-	-	-	(33,863)
Recognition of dividends unclaimed by the shareholders dividends transferred to capital surplus	-	-	-	-	-	378	378
At March 31, 2021	\$ 21,571,329	\$ 468,577	\$ 1,171,498	\$ 609	\$ 346,814	\$ 1,478	\$ 23,560,305

	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
Changes from associates and joint ventures accounted for using the equity method	-	-	44,854	-	-	-	44,854
Disposal of company's share by subsidiaries recognized as treasury share transactions	-	66,183	-	-	-	-	66,183
At March 31, 2020	<u>\$ 21,571,329</u>	<u>\$ 429,180</u>	<u>\$ 1,163,107</u>	<u>\$ 609</u>	<u>\$ 346,814</u>	<u>\$ -</u>	<u>\$ 23,511,039</u>

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

(22) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' accumulated deficit and then 10% of the remaining amount shall be set aside as legal reserve. Special reserve shall also be set aside or reversed pursuant to the regulations. Appropriation of the remainder along with prior year's accumulated unappropriated retained earnings shall be proposed by the Board of Directors, and shall be resolved by the stockholders when they are appropriated by issuing new shares. If the appropriation of retained earnings was appropriated in the form of cash, the appropriation should be in line with Article 240-5 of the Company Act, as resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and reported to the shareholders' meeting.
- B. Earnings appropriation ratio and cash dividends ratio are decided by the Board of Directors, taking into account the Company's financial structure, future capital requirements and profitability, and cash dividends shall account for at least 10% of the total dividends appropriated.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

In line with Article 241 of the Company Act, all or part of the legal reserve and capital reserve could be appropriated as cash dividends as resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and reported to the shareholders' meeting.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriation of 2020 earnings had been proposed at the Board of Directors' meeting on March 8, 2021, and the appropriation of 2019 earnings had been resolved at the shareholders' meeting on May 28, 2020. Details are summarized below:

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

As of the report issuance date, the appropriation of 2020 earnings will be resolved at the shareholder's meeting. And a report on the distribution of cash dividends will be reported at the shareholder's meeting accordingly.

(23) 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	-	4,102	4,102
Reclassified to retained earnings upon disposal			
- Group	(122)	-	(122)
- Associates	(4,247)	-	(4,247)
Revaluation			
- Group	889,102	-	889,102
- Associates	41,714	-	41,714
Currency translation differences:			
- Group	-	(20,845)	(20,845)
- Associates	-	(6,683)	(6,683)
At March 31	<u>\$ 4,473,180</u>	<u>(\$ 1,826,876)</u>	<u>\$ 2,646,304</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	-	386	386
Reclassified to retained earnings upon disposal			
- Group	108	-	108
- Associates	152	-	152
Revaluation			
- Group	(207,147)	- (207,147)	
- Associates	(61,070)	- (61,070)	
Currency translation differences:			
- Group	-	48,066	48,066
- Associates	-	(169,528)	(169,528)
At March 31	<u>\$ 1,485,470</u>	<u>(\$ 1,202,804)</u>	<u>\$ 282,666</u>

(24) Operating revenue

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Revenue from contracts with customers	<u>\$ 11,427,520</u>	<u>\$ 8,683,565</u>

A. Disaggregation of revenue from contracts with customers

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Cloud computing product	\$ 9,463,670	\$ 6,792,194
Automotive electronics and AIoT product	1,095,263	1,237,785
Others	868,587	653,586
	<u>\$ 11,427,520</u>	<u>\$ 8,683,565</u>

B. Contract liabilities

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

	March 31, 2021	December 31, 2020	March 31, 2020
Contract liabilities			
– sales of goods	\$ 207,003	\$ 122,771	\$ 213,133
Contract liabilities			
– others	2,547	5,095	3,822
	<u>\$ 209,550</u>	<u>\$ 127,866</u>	<u>\$ 216,955</u>

(25) Interest income

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Interest income from bank deposits	\$ 8,975	\$ 11,268
Interest income from financial assets measured at amortised cost	324	1,556
Total	<u>\$ 9,299</u>	<u>\$ 12,824</u>

(26) Other income

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Rent revenue	\$ 27,413	\$ 24,644
Dividend income	27,921	28,302
Other income	19,317	24,228
Total	<u>\$ 74,651</u>	<u>\$ 77,174</u>

(27) Other gains and losses

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Gains on disposals of property, plant and equipment	\$ 263	\$ 884
Losses on disposal of investments	(4,102)	(386)
Net currency exchange gains (losses)	(6,224)	16,861
Gains (losses) on financial assets/liabilities at fair value through profit or loss	5,286	(5,518)
Other losses	(8,573)	(8,443)
Total	<u>(\$ 13,350)</u>	<u>\$ 3,398</u>

(28) Financial costs

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Interest expense on bank borrowings	\$ 5,748	\$ 19,611
Interest expense on lease liabilities	921	1,285
	<u>\$ 6,669</u>	<u>\$ 20,896</u>

(29) Expense by nature

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Employee benefit expense	\$ 1,356,871	\$ 1,399,352
Depreciation charges on property, plant and equipment, investment property and right-of-use assets	230,353	223,356
Amortization charges	23,968	21,538
Total	<u>\$ 1,611,192</u>	<u>\$ 1,644,246</u>

(30) Employee benefit expenses

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Wages and salaries	\$ 1,188,833	\$ 1,224,569
Labor and health insurance fees	68,984	88,039
Pension costs	53,206	46,231
Other personnel expenses	45,848	40,513
	<u>\$ 1,356,871</u>	<u>\$ 1,399,352</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 three months ended March 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 three months ended March 31, 2021 and 2020, employees' compensation were accrued at \$695 and \$518, respectively; and directors' remuneration were accrued at \$1,248 and \$1,248, respectively. The aforementioned amounts were recognised in salary expenses. Employees' cash bonus and directors' remuneration of 2020 and 2019 as resolved at the Board of Directors of the Company were in agreement with those amounts recognised in the 2020 and 2019 consolidated financial statements.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at

the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

Components of income tax expense:

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Current tax:		
Current tax on profits for the period	\$ 29,958	\$ 35,266
Prior year income tax overestimation	(1)	-
Total current tax	<u>29,957</u>	<u>35,266</u>
Deferred tax:		
Origination and reversal of temporary differences	(4,091)	(1,636)
Total deferred tax	<u>(4,091)</u>	<u>(1,636)</u>
Income tax expense	<u>\$ 25,866</u>	<u>\$ 33,630</u>

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

(32) Earnings per share

	For the three months ended March 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>\$ 676,333</u>	1,195,178	<u>\$ 0.57</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 676,333		
Less: Effect of dilutive potential common stocks issued by investee companies	(8,634)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	95	
Net income attributable to common stockholders plus dilutive effect of common stock equivalents	<u>\$ 667,699</u>	<u>1,195,273</u>	<u>\$ 0.56</u>

	For the three months ended March 31, 2020		
	Amount	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>	<u>after tax</u>		
Profit attributable to ordinary shareholders of the parent	\$ 502,246	1,190,434	\$ 0.42
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 502,246		
Less: Effect of dilutive potential common stocks issued by investee companies	(3,482)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	74	
Net income attributable to common stockholders plus dilutive effect of common stock equivalents	\$ 498,764	1,190,508	\$ 0.42

- A. 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.
- B. For the three months ended March 31, 2020, the outstanding weighted average shares was retrospectively adjusted based on retained earnings capitalization ratio in 2020.

(33) Transactions with non-controlling interest

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.

(34) Supplemental cash flow information

Financing activities with partial cash payments :

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Declared cash dividends - the Company	\$ 1,206,557	\$ 1,077,283
Declared cash dividends - subsidiaries	-	4,463
Less: Recognition of cash dividends declared by the parent to subsidiaries (	11,379)	-
Dividends payable (	1,195,178)	1,081,746)
Cash paid during the period	<u>\$ -</u>	<u>\$ -</u>

(35) Changes in liabilities from financing activities

	Short-term borrowings	Guarantee deposit received	Lease liabilities	Long-term borrowings (including current portion)	Dividends payable	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	1,870,869	(1,584)	(11,212)	-	-	1,858,073
Impact of changes in foreign exchange rate (	1,948)	(91)	(628)	(187)	-	(2,854)
Changes in other non- cash items	46,886	-	1,207	(46,886)	1,195,178	1,196,385
At March 31, 2021	<u>\$ 3,359,658</u>	<u>\$ 21,530</u>	<u>\$ 220,575</u>	<u>\$ 863,561</u>	<u>\$ 1,195,178</u>	<u>\$ 5,660,502</u>

	Short-term borrowings	Guarantee deposit received	Lease liabilities	Long-term borrowings	Dividends payable	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	(621,003)	(782)	(16,288)	-	-	(638,073)
Impact of changes in foreign exchange rate	5,982	(1,148)	-	-	-	4,834
Changes in other non- cash items	-	-	1,285	-	1,081,746	1,083,031
At March 31, 2020	<u>\$ 3,188,850</u>	<u>\$ 21,715</u>	<u>\$ 174,225</u>	<u>\$ 791,561</u>	<u>\$ 1,081,746</u>	<u>\$ 5,258,097</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 Technology Corp. and subsidiaries	Associate
Synnex 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
ShenTong Information Co., Ltd. and subsidiaries	The Group's Chairman was this company's director
Hyve Design Solutions Corporation and subsidiaries	Associate (Note)
Note: It became an associate of the Group since August 19, 2020.	

(2) Significant related party transactions and balances

A. Operating revenue:

(a)

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Sales of goods:		
-Associates-Synnex Corp. and subsidiaries	\$ 237,635	\$ 557,266
-Associates-Others	16,811	11,764
-Other related parties	800	171
Subtotal	<u>255,246</u>	<u>569,201</u>
Sales of services:		
-Associates-Synnex Corp. and subsidiaries	\$ 149	\$ 89,485
-Associates-Others	2,506	701
Subtotal	<u>2,655</u>	<u>90,186</u>
Total	<u>\$ 257,901</u>	<u>\$ 659,387</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 three months ended March 31, 2021	For the three months ended March 31, 2020
Purchases of goods:		
-Associates	\$ 8,297	\$ 9,912
-Other related parties - Synnex Technology International Corp. and subsidiaries	48,636	281,267
Total	<u>\$ 56,933</u>	<u>\$ 291,179</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:

	March 31, 2021	December 31, 2020	March 31, 2020
Accounts receivable:			
-Associates-Synnex Corp. and subsidiaries	\$ 169,378	\$ 215,717	\$ 472,914
-Associates-Others	1,179	70	275
-Other related parties	825	173	\$ 119
Subtotal	<u>171,382</u>	<u>215,960</u>	<u>473,308</u>
Other receivables - others:			
-Associates-Getac Technology Corp. and subsidiaries	22,012	22,203	17,098
-Associates-Others	1,485	1,659	2,101
-Other related parties	2,158	6,723	2,445
Subtotal	<u>25,655</u>	<u>30,585</u>	<u>21,644</u>
Other receivables - dividends:			
-Associates-Getac Technology Corp.	710,892	-	554,139
-Other related parties	-	-	6,508
Subtotal	<u>710,892</u>	<u>-</u>	<u>560,647</u>
Total	<u>\$ 907,929</u>	<u>\$ 246,545</u>	<u>\$ 1,055,599</u>

D. Payables to related parties:

	March 31, 2021	December 31, 2020	March 31, 2020
Accounts payable:			
-Associates	\$ 4,312	\$ 6,483	\$ 4,674
-Other related parties - Synnex Technology International Corp. and subsidiaries	48,708	13,739	288,840
Subtotal	53,020	20,222	293,514
Other payables:			
-Associates	6,139	3,344	137,371
-Other related parties	2,672	3,603	1,461
Subtotal	8,811	6,947	138,832
Total	\$ 61,831	\$ 27,169	\$ 432,346

E. Property transactions:

Acquisition of property, plant and equipment:

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Associates	\$ 2,635	\$ -
Other related parties	-	123
Total	\$ 2,635	\$ 123

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:

	March 31, 2021	December 31, 2020	March 31, 2020
Associates	\$ 29,421	\$ 32,101	\$ 38,154

(ii) Interest expense

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Associates	\$ 446	\$ 600

G. Lease transactions — lessor

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Rent income		
Associates	\$ 10,385	\$ 7,871
Other related parties	362	340
Total	<u>\$ 10,747</u>	<u>\$ 8,211</u>

H. Expenses

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Associates	\$ 1,519	\$ 25,664
Other related parties	146	1,188
Total	<u>\$ 1,665</u>	<u>\$ 26,852</u>

(3) Key management compensation

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Salaries and other short-term employee benefits	\$ 24,264	\$ 26,133
Post-employment benefits	144	141
Total	<u>\$ 24,408</u>	<u>\$ 26,274</u>

8. PLEDGED ASSETS

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

Pledged asset	Book Value			Purpose
	March 31, 2021	December 31, 2020	March 31, 2020	
Time deposits (shown as "other non-current assets")	\$ 10,236	\$ 10,253	\$ 10,018	Guarantee deposit for lease
Time deposits (shown as "other current assets")	8,688	8,754	8,659	Customs guarantee
Time deposits (shown as "other non-current assets")	25,000	25,000	25,000	Guarantee deposit for letter of guarantee for customs duties
Time deposits (shown as "other current assets")	314,003	-	-	Guarantees deposit for borrowings
	<u>\$ 357,927</u>	<u>\$ 44,007</u>	<u>\$ 43,677</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted but not provided are as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Property, plant and equipment	\$ <u>-</u>	\$ <u>60,288</u>	\$ <u>97,671</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

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 16,986</u>	<u>\$ 6,107</u>	<u>\$ 12,353</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	<u>\$ 8,254,116</u>	<u>\$ 7,298,592</u>	<u>\$ 5,424,419</u>
<u>Financial assets at amortised cost/</u>			
Loans and receivables			
Cash and cash equivalents	\$ 6,343,524	\$ 5,805,297	\$ 7,492,834
Financial assets at amortised cost	-	-	17,020
Notes receivable	31,559	31,689	46,748
Accounts receivable	6,443,695	4,982,050	4,943,402
Accounts receivable - related parties	171,382	215,960	473,308
Other receivables	751,578	60,168	600,574
Guarantee deposits	23,360	23,600	14,051
Other financial assets	357,927	44,007	43,677
	<u>\$ 14,123,025</u>	<u>\$ 11,162,771</u>	<u>\$ 13,631,614</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	<u>\$ 17,284</u>	<u>\$ 11,691</u>	<u>\$ 4,656</u>
Financial liabilities at amortised cost			
Short-term borrowings	\$ 3,359,658	\$ 1,443,851	\$ 3,188,850
Accounts payable	6,757,322	6,662,560	5,321,092
Accounts payable - related parties	53,020	20,222	293,514
Other accounts payable	4,480,932	3,366,781	4,023,552
Guarantee deposits	21,530	23,205	21,715
Long-term borrowings (including current portion)	863,561	910,634	791,561
	<u>\$ 15,536,023</u>	<u>\$ 12,427,253</u>	<u>\$ 13,640,284</u>
Lease liabilities	<u>\$ 220,575</u>	<u>\$ 231,208</u>	<u>\$ 174,225</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

	March 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	\$ 487,534	28.535	\$ 13,911,777
USD:CNY	118,442	6.569	3,379,738
<u>Non-monetary items</u>			
CNY:USD	83,070	0.152	360,856
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	505,879	28.535	14,435,270
EUR:NTD	3,061	33.480	102,473
USD:CNY	142,532	6.569	4,067,139

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

March 31, 2020			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 428,954	30.225	\$ 12,965,145
JPY:NTD	447,585	0.279	124,787
USD:CNY	108,151	7.103	3,268,854
<u>Non-monetary items</u>			
CNY:USD	73,159	0.141	311,293
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	408,192	30.225	12,337,607
USD:CNY	186,702	7.103	5,643,069

- ii. Total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2021 and 2020, amounted to (\$6,224) and \$16,861, respectively.
- iii. When the exchange rates for USD, AUD, EUR and CNY to NTD and USD to CNY increased or decreased by 1%, with all other factors the same at March 31, 2021 and 2020, net loss before tax would increase or decrease by \$13,134 and \$16,219 for the three months

ended March 31, 2021 and 2020, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic or foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the three months ended March 31, 2021 and 2020. Other components of equity would have increased/decreased by \$82,541 and \$54,244, 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 three months ended March 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 three months ended March 31, 2021 and 2020 would have increased/decreased by \$98 and \$100, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b)Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial instruments settled based on the agreement.
- 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 delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience, the forecastability of the impact of global economic information to the future 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 March 31, 2021, December 31, 2020 and March 31, 2020, the loss rate methodology is as follows:

<u>March 31, 2021</u>	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
Expected loss rate	0% - 100%	0.012% - 0.7%	
Value	\$ 393,011	\$ 6,313,767	\$ 6,706,778
Allowance	87,663	4,038	91,701
<u>At December 31, 2020</u>	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
Expected loss rate	10% - 100%	0.012% - 0.7%	
Value	\$ 454,571	\$ 4,834,921	\$ 5,289,492
Allowance	85,151	6,331	91,482
<u>March 31, 2020</u>	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
Expected loss rate	10% - 100%	0.014% - 0.7%	
Value	\$ 383,612	\$ 5,110,135	\$ 5,493,747
Allowance	66,591	10,446	77,037

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
Provision for impairment	530
Write-offs	(15)
Effect of foreign exchange	(296)
At March 31	<u>\$ 91,701</u>
	2020
At January 1	\$ 77,034
Provision for impairment	383
Effect of foreign exchange	(380)
At March 31	<u>\$ 77,037</u>

(c)Liquidity risk

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

Non-derivative financial liabilities:

March 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Short-term borrowings	\$ 3,361,910	\$ -	\$ -	\$ -
Accounts payable	6,810,342	-	-	-
Other payables	4,480,932	-	-	-
Lease liabilities	42,574	38,593	33,279	126,812
Guarantee deposits	6,649	2,890	6,436	5,555
Long-term borrowings	102,675	222,507	254,434	296,181

December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
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

March 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Short-term borrowings	\$ 3,195,995	\$ -	\$ -	\$ -
Accounts payable	5,614,606	-	-	-
Other payables	4,023,552	-	-	-
Lease liabilities	38,335	26,434	19,171	113,373
Guarantee deposits	4,868	3,977	7,813	5,057
Long-term borrowings	5,361	103,122	224,070	478,717

Derivative financial liabilities

As March 31, 2021, December 31, 2020 and March 31, 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(12).

- 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:

March 31, 2021	Level 1	Level 2	Level 3	Total
<u>Recurring fair value measurements</u>				
Financial assets:				
Forward exchange contracts	\$ -	\$ 16,986	\$ -	\$ 16,986
Equity securities	4,437,385	387,694	3,429,037	8,254,116
Total	<u>\$ 4,437,385</u>	<u>\$ 404,680</u>	<u>\$ 3,429,037</u>	<u>\$ 8,271,102</u>

Recurring fair value measurements

Financial liabilities:

Forward exchange contracts	<u>\$ -</u>	<u>\$ 17,284</u>	<u>\$ -</u>	<u>\$ 17,284</u>
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December 31, 2020	Level 1	Level 2	Level 3	Total
<u>Recurring fair value measurements</u>				
Financial assets:				
Forward exchange contracts	\$ -	\$ 6,107	\$ -	\$ 6,107
Equity securities	3,892,858	283,970	3,121,764	7,298,592
Total	<u>\$ 3,892,858</u>	<u>\$ 290,077</u>	<u>\$ 3,121,764</u>	<u>\$ 7,304,699</u>

Recurring fair value measurements

Financial liabilities:

Forward exchange contracts	<u>\$ -</u>	<u>\$ 11,691</u>	<u>\$ -</u>	<u>\$ 11,691</u>
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March 31, 2020	Level 1	Level 2	Level 3	Total
<u>Recurring fair value measurements</u>				
Financial assets:				
Forward exchange contracts	\$ -	\$ 12,353	\$ -	\$ 12,353
Equity securities	2,669,763	221,489	2,533,167	5,424,419
Total	<u>\$ 2,669,763</u>	<u>\$ 233,842</u>	<u>\$ 2,533,167</u>	<u>\$ 5,436,772</u>

Recurring fair value measurements

Financial liabilities:

Forward exchange contracts	<u>\$ -</u>	<u>\$ 4,656</u>	<u>\$ -</u>	<u>\$ 4,656</u>
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(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	Open-end fund
Market quoted price	Closing price	Net worth

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty

quotes.

- iii. When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
 - v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - vi. The Group takes into account adjustments for credit risk to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the three months ended March 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 March 31, 2021 and 2020:

	Equity securities	
	2021	2020
January 1	\$ 3,121,764	\$ 2,485,297
Acquired in the period	4,199	7,588
Gains recognised in other comprehensive income	303,074	40,175
Effects of foreign exchange	-	107
March 31	<u>\$ 3,429,037</u>	<u>\$ 2,533,167</u>

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

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

Non-derivative equity instrument:	Fair value at March 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 3,429,037	Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value.

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

Non-derivative equity instrument:	Fair value at March 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 2,533,167	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:

March 31, 2021						
Financial assets	Input	Change	Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	Net asset value	±1%	\$ -	\$ -	\$ 34,290	\$ 34,290

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

March 31, 2020						
Financial assets	Input	Change	Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	Net asset value	±1%	\$ -	\$ -	\$ 25,332	\$ 25,332

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: None.
- 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: None.
- 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 4.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and (16).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 4 and table 8.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

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 three months ended March 31, 2021				
Item	Cloud computing business group	Automotive electronics and AIoT business group	Others	Total
Revenue	\$ 9,463,670	\$ 1,095,263	\$ 868,587	\$ 11,427,520
Segment gain (loss)	53,796	(10,104)	(64,572)	(20,880)

For the three months ended March 31, 2020				
Item	Cloud computing business group	Automotive electronics and AIoT business group	Others	Total
Revenue	\$ 6,792,194	\$ 1,237,785	\$ 653,586	\$ 8,683,565
Segment gain (loss)	5,454	51,141	(73,648)	(17,053)

(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 three months ended March 31, 2021 and 2020 is provided as follows:

Item	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Loss for reportable segments	(\$ 20,880)	(\$ 17,053)
Unallocated:		
Share of profits and losses from affiliates and joint ventures accounted for using the equity method	659,156	449,318
Dividend revenue	27,921	28,302
Interest revenue	9,299	12,824
Net currency exchange gain (loss)	(6,224)	16,861
Losses on disposal of investments	(4,102)	(386)
Other income	37,037	14,899
Income before tax from operations	<u>\$ 702,207</u>	<u>\$ 504,765</u>

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES

Loans to others
For the three months ended March 31, 2021

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended March 31, 2021	Balance at March 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reasons for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
0	MITAC Holdings Corp.	MITAC International Corp.	Other receivables-related parties	Y	\$ 2,000,000	\$ 2,000,000	\$ -	0	2	\$ -	Operations	\$ -	None	\$ -	4,271,299	\$ 8,542,599	
0	MITAC Holdings Corp.	MITAC Computing Technology Corp.	Other receivables-related parties	Y	3,000,000	3,000,000	607,796	0.22%-0.27%	2	-	Operations	-	None	-	4,271,299	8,542,599	
0	MITAC Holdings Corp.	MITAC Digital Technology Corp.	Other receivables-related parties	Y	1,000,000	1,000,000	10,558	0.26%	2	-	Operations	-	None	-	4,271,299	8,542,599	
1	MITAC International Corp.	MITAC Holdings Corp.	Other receivables-related parties	Y	1,000,000	1,000,000	60,000	0.6167%	2	-	Operations	-	None	-	3,910,063	7,820,125	
1	MITAC International Corp.	MITAC Computing Technology Corp.	Other receivables-related parties	Y	2,900,000	2,900,000	1,072,916	0.21%-0.27%	2	-	Operations	-	None	-	3,910,063	7,820,125	
1	MITAC International Corp.	MITAC Digital Technology Corp.	Other receivables-related parties	Y	2,000,000	1,000,000	285,350	0.22%-0.42%	2	-	Operations	-	None	-	3,910,063	7,820,125	
2	MITAC Computing Technology Corp.	MITAC Holdings Corp.	Other receivables-related parties	Y	1,120,000	1,120,000	1,120,000	0.6293%	2	-	Operations	-	None	-	1,494,336	1,494,336	
3	MITAC Digital Technology Corp.	MITAC Holdings Corp.	Other receivables-related parties	Y	600,000	600,000	600,000	0.5337%	2	-	Operations	-	None	-	676,261	676,261	
4	Silver Star Developments Ltd.	MITAC International Corp.	Other receivables-related parties	Y	2,064,440	1,655,030	1,569,680	0	2	-	Operations	-	None	-	8,851,753	8,851,753	
4	Silver Star Developments Ltd.	MITAC Holdings Corp.	Other receivables-related parties	Y	1,426,750	1,426,750	618,353	0	2	-	Operations	-	None	-	44,258,763	44,258,763	
4	Silver Star Developments Ltd.	Software Insights Ltd.	Other receivables-related parties	Y	28,390	-	-	0	2	-	Operations	-	None	-	44,258,763	44,258,763	
4	Silver Star Developments Ltd.	Start Well Technology Ltd.	Other receivables-related parties	Y	873,171	873,171	873,171	0	2	-	Operations	-	None	-	44,258,763	44,258,763	
4	Silver Star Developments Ltd.	MITAC Banellux N.V.	Other receivables-related parties	Y	79,051	77,004	73,656	0	2	-	Operations	-	None	-	44,258,763	44,258,763	
5	Tyan Computer Corp.(USA)	Mifac Information Systems Corp.	Other receivables-related parties	Y	214,013	214,013	214,013	2.83%	2	-	Operations	-	None	-	1,107,506	1,107,506	
6	MITAC Investment Holding Ltd.	MITAC Technology (KunShan) Co., Ltd.	Other receivables-related parties	Y	43,840	43,440	43,440	4.35%	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	382,272	382,272	0%-4.3%	2	-	Operations	-	None	-	6,164,885	6,164,885	

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended March 31, 2021	Balance at March 31, 2021	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral	Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
7	MITAC Research (ShangHai) Ltd.	MITAC Investment Holding Ltd.	Other receivables-related parties	Y	276,192	273,672	273,672	0	2	-	Operations	-	None	-	942,573	942,573
8	Access Wisdom Holdings Ltd.	MITAC Digital Technology Corp.	Other receivables-related parties	Y	31,389	31,389	31,389	0	2	-	Operations	-	None	-	40,798	40,798
9	Mio International Ltd.	MITAC Digital Technology Corp.	Other receivables-related parties	Y	19,975	19,975	19,975	0	2	-	Operations	-	None	-	20,672	20,672
9	Mio International Ltd.	Access Wisdom Holdings Ltd.	Other receivables-related parties	Y	19,975	19,975	19,975	0	2	-	Operations	-	None	-	103,362	103,362

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

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: The nature of loan are as follows:

(1) Ongoing business

(2) Short-term financing

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

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

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

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

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

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

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

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

(7) The borrowing amount and the total borrowing amount of Tian 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 200% 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.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Provision of endorsements and guarantees to others
For the three months ended March 31, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding guarantee amount as of March 31, 2021	Outstanding endorsement/ guarantee amount at March 31, 2021	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	MITAC Holdings Corp.	Tyan Computer Corp.(USA)	2	\$ 21,356,497	\$ 199,745	\$ 199,745	\$ 199,745	\$ -	0.47	\$ 21,356,497	Y	N	N	
0	MITAC Holdings Corp.	MITAC Computing Technology Corp.	2	21,356,497	664,866	664,866	664,866	-	1.56	21,356,497	Y	N	N	
0	MITAC Holdings Corp.	MITAC International Corp.	2	21,356,497	230	230	230	-	0.00	21,356,497	Y	N	N	
0	MITAC Holdings Corp.	MITAC Digital Technology Corp.	2	21,356,497	3,805	3,805	3,805	-	0.01	21,356,497	Y	N	N	
0	MITAC Holdings Corp.	MITAC Information Systems Corp.	2	21,356,497	513,630	513,630	-	-	1.20	21,356,497	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)
March 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 March 31, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
MITAC Holdings Corp.	stocks	Synnex Technology International Corp.	Financial assets at fair value through other comprehensive income-non current	3,103,717	\$ 169,152	0.19	\$ 169,152	
MITAC Holdings Corp.	stocks	Healthera Corporation	Financial assets at fair value through other comprehensive income-non current	90,140	3,616	0.35	3,616	
MITAC Holdings Corp.	stocks	JVP VILL L.P.	Financial assets at fair value through other comprehensive income-non current	1,350,000	47,614	1.16	47,614	
MITAC Holdings Corp.	stocks	WHETRON ELECTRONICS CO., LTD.	Financial assets at fair value through other comprehensive income-non current	6,550,000	233,560	9.05	233,560	
MITAC Holdings Corp.	stocks	Harbiner VIII Venture Capital Corp.	Financial assets at fair value through other comprehensive income-non current	7,500,000	73,623	11.57	73,623	
MITAC International Corp.	stocks	Lien Hwa Industrial Holdings Corporation	Financial assets at fair value through other comprehensive income-non current	35,750,667	1,692,794	2.79	1,692,794	
MITAC International Corp.	stocks	UPC Technology Corp.	Financial assets at fair value through other comprehensive income-non current	16,179,561	333,299	1.21	333,299	
MITAC International Corp.	stocks	COMPUCASE ENTERPRISE CO., LTD.	Financial assets at fair value through other comprehensive income-non current	10,000,000	483,500	8.83	483,500	
MITAC International Corp.	stocks	Synnex Technology International Corp.	Financial assets at fair value through other comprehensive income-non current	5,245,000	285,853	0.31	285,853	
MITAC International Corp.	stocks	MITAC INC.	Financial assets at fair value through other comprehensive income-non current	6,259,734	86,804	4.17	86,804	
MITAC International Corp.	stocks	MITAC Information Technology Corp.	Financial assets at fair value through other comprehensive income-non current	31,106,697	1,746,015	8.69	1,746,015	
MITAC International Corp.	stocks	Overseas Investment & Development Corp.	Financial assets at fair value through other comprehensive income-non current	1,000,000	11,192	1.11	11,192	
MITAC International Corp.	stocks	Harbiner Venture Capital Corp.	Financial assets at fair value through other comprehensive income-non current	27,828	247	14.05	247	
MITAC International Corp.	stocks	Harbiner VI Venture Capital Corp.	Financial assets at fair value through other comprehensive income-non current	3,745,020	48,283	13.28	48,283	
MITAC International Corp.	stocks	Harbiner VII Venture Capital Corp.	Financial assets at fair value through other comprehensive income-non current	10,000,000	151,643	9.39	151,643	
Tsu Fang Investment Corp.	stocks	MITAC Holdings Corp.	Financial assets at fair value through other comprehensive income-current	9,250,594	266,880	0.77	266,880	Note 1
Tsu Fang Investment Corp.	stocks	Genac Technology Corp.	Financial assets at fair value through other comprehensive income-current	7,783,741	456,127	1.32	456,127	
Tsu Fang Investment Corp.	stocks	UPC Technology Corp.	Financial assets at fair value through other comprehensive income-current	16,360,231	337,021	1.23	337,021	
Tsu Fang Investment Corp.	stocks	Synnex Technology International Corp.	Financial assets at fair value through other comprehensive income-current	8,217,974	447,880	0.49	447,880	
Tsu Fang Investment Corp.	stocks	Lien Hwa Industrial Holdings Corporation	Financial assets at fair value through other comprehensive income-current	4,302,166	203,708	0.34	203,708	
Tsu Fang Investment Corp.	stocks	National Aerospace Fasteners Corporation	Financial assets at fair value through other comprehensive income-current	2,609,479	28,051	2.96	28,051	
Tsu Fang Investment Corp.	stocks	PROMISE Technology Inc.	Financial assets at fair value through other comprehensive income-non current	4,594,672	63,714	3.06	63,714	
Tsu Fang Investment Corp.	stocks	MITAC INC.	Financial assets at fair value through other comprehensive income-non current	19,121,826	1,076,420	5.36	1,076,420	
Tsu Fang Investment Corp.	stocks	MITAC Information Technology Corp.	Financial assets at fair value through other comprehensive income-non current	4,848,125	137,647	19.99	137,647	Note 2
Tsu Fang Investment Corp.	stocks	Tung Da Investment Co., Ltd.	Financial assets at fair value through other comprehensive income-non current	862,922	15,472	19.99	15,472	
Tsu Fang Investment Corp.	stocks	Lien Yung Investment Corp.	Financial assets at fair value through other comprehensive income-non current	9,217,196	120,837	19.99	120,837	
Silver Star Developments Ltd. and its subsidiaries	stocks	MITAC Holdings Corp.	Financial assets at fair value through other comprehensive income-non current	2,127,954	61,391	0.18	61,391	Note 1
Silver Star Developments Ltd. and its subsidiaries	stocks	Budworth Investments Ltd.	Financial assets at fair value through other comprehensive income-non current	134,908	44	14.83	44	
Silver Star Developments Ltd. and its subsidiaries	stocks	Panasus Inc.	Financial assets at fair value through profit or loss-non current	13,913	-	0.04	-	

Note 1: The Company's shares held by Tsu Fang 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 Fang Investment Corp. and such disposal gain has not yet been realized.

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 three months ended March 31, 2021

Table 4

Expressed in thousands of NT\$
(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	Balance	Percentage of total notes/accounts receivable (payable)	
MITAC Computing Technology Corp.	MITAC Information Systems Corp.	Subsidiary	Sales	\$ 3,375,995	45.69%	Note 1	Note 3	\$ 6,360,353	77.65%	
MITAC Computing Technology Corp.	MITAC Computer (Shunde) Ltd.	Affiliate	Purchases	119,644	1.85%	Note 2	Note 3	(1,610,169)	28.89%	
MITAC Computing Technology Corp.	Synnex Corp. and its subsidiaries	Associate of affiliate	Sales	129,519	1.75%	Note 1	Note 3	90,964	1.11%	
MITAC Digital Technology Corp.	MITAC Computer (Kunshan) Ltd.	Affiliate	Purchases	283,015	41.73%	Note 2	Note 3	(834,824)	68.65%	
Silver Star Developments Ltd.(SSDL) and its subsidiaries	MITAC Computing Technology Corp.	Affiliate	Sales	148,989	4.62%	Note 1	Note 3	1,687,972	21.53%	
Silver Star Developments Ltd.(SSDL) and its subsidiaries	MITAC Digital Technology Corp.	Affiliate	Sales	286,526	8.89%	Note 1	Note 3	874,513	10.81%	
MITAC Technology UK Ltd. and its subsidiaries	MITAC Computing Technology Corp.	Parent Company	Purchases	3,469,249	63.38%	Note 2	Note 3	(6,360,353)	78.30%	
MITAC Technology UK Ltd. and its subsidiaries	Synnex Corp. and its subsidiaries	Associate of affiliate	Sales	108,116	1.94%	Note 1	Note 3	78,413	2.31%	

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.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
March 31, 2021

Table 5

Table 5										
Expressed in thousands of NT\$ (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 Holdings Corp.	MiTAC Computing Technology Corp.	Subsidiary	\$ -	\$ 177,217	-	\$ -	Not Applicable	\$ -	\$ -	
MITAC International Corporation	Getae Technology Corp.	Associate of affiliate	-	682,971	-	-	Not Applicable	682,971	-	
MITAC Computing Technology Corp.	MiTAC Information Systems Corp.	Subsidiary	6,360,353	1,371	2.50	331,873	Not Applicable	1,147,471	-	
MiTAC Computing Technology Corp.	MiTAC Japan Corp.	Affiliate	121,178	302	4.92	-	Not Applicable	55,473	-	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Affiliate	1,687,972	28,613	0.38	-	Not Applicable	921,681	-	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Digital Technology Corp.	Affiliate	847,513	2,770	1.35	-	Not Applicable	43,346	-	

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
For the three months ended March 31, 2021

Table 6

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)
0	MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	1	Other receivables	785,013	1.28%
0	MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	1	Other receivables	100,227	0.16%
1	MiTAC International Corp.	MiTAC Holdings Corp.	2	Other receivables	108,415	0.18%
1	MiTAC International Corp.	MiTAC Computing Technology Corp.	3	Other receivables	1,129,778	1.84%
1	MiTAC International Corp.	MiTAC Digital Technology Corp.	3	Other receivables	302,329	0.49%
2	MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	3	Sales	3,469,249	Note 4 30.36%
2	MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	3	Accounts receivable	6,360,353	Note 4 10.38%
2	MiTAC Computing Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Accounts receivable	121,178	Note 4 0.20%
2	MiTAC Computing Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Purchases	148,989	Note 5 1.30%
2	MiTAC Computing Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Accounts payable	1,687,972	Note 5 2.76%
3	Silver Star Developments Ltd. and its subsidiaries	MiTAC Holdings Corp.	2	Other receivables	618,353	1.01%
3	Silver Star Developments Ltd. and its subsidiaries	MiTAC International Corp.	3	Other receivables	1,373,385	2.24%
4	MiTAC Digital Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Purchases	286,526	Note 5 2.51%
4	MiTAC Digital Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Accounts payable	847,513	Note 5 1.38%
4	MiTAC Digital Technology Corp.	MiTAC Holdings Corp.	2	Other receivables	600,000	0.98%

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 three months ended March 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 7

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2021			Net profit (loss) of the investee for the three months ended March 31, 2021	Investment income (loss) recognised by the Company for the three months ended March 31, 2021	Footnote
				Balance as at March 31, 2021	Balance as at December 31, 2020	Number of shares (Note)	Ownership (%)	Book value			
MITAC Holdings Corp.	MITAC International Corp.	Taiwan	Development, design and manufacturing and sale of computers and its peripherals, telecommunication related products	\$ 24,739,187	\$ 24,739,187	2,222,013,187	100.00	\$ 40,191,229	\$ 686,220	\$ 674,841	Subsidiary
MITAC Holdings Corp.	MITAC Computing Technology Corp.	Taiwan	Development, design and manufacturing and sale of computers and its peripherals, telecommunication related products	3,419,621	3,419,621	232,757,102	100.00	3,756,071	12,070	12,250	Subsidiary
MITAC Holdings Corp.	MITAC Digital Technology Corp.	Taiwan	Sales and service of electronic telecommunication, communication and software, etc.	1,547,485	1,547,485	103,099,000	97.17	1,644,028	291	332	Subsidiary
MITAC Holdings Corp.	Infopower Technologies Ltd.	India	Manufacture and sale of electronic product	74,950	74,950	6,774,199	33.33	70,618	1,203	401	Associate
MITAC International Corp.	Getac Technology Corp.	Taiwan	Manufacturing and sale of notebook computers, military and industrial computer systems, etc.	1,391,549	1,391,549	190,396,939	32.16	4,728,219	504,249		Associate
MITAC International Corp.	Tsu Fung Investment Corp.	Taiwan	Investment	625,000	625,000	142,884,651	100.00	3,351,581	36,329		Subsidiary
MITAC International Corp.	3Probe Technologies Corp.	Taiwan	Information process service, sales of software and international trading.	16,839	16,839	1,086,000	23.25	13,106	(3,442)		Associate
MITAC International Corp.	Lian Jie Investment Co., Ltd.	Taiwan	Investment	113,057	113,057	11,305,650	49.98	196,443	17		Associate
MITAC International Corp.	Lian Jie II Investment Co., Ltd.	Taiwan	Investment	32,500	32,500	3,250,000	32.50	44,932	(520)		Associate
MITAC International Corp.	Silver Star Developments Ltd and its subsidiary	British Virgin Islands	Investment	5,030,701	5,030,701	176,299,302	100.00	22,534,869	499,760		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	85,969	(91)		Associate
MITAC International Corp.	LFE AEROSPACE INDUSTRY CORP.	Taiwan	Electronic components manufacturing, aircraft and its parts manufacturing and wholesale industry.	121,475	121,475	11,233,750	15.40	108,958	(8,722)		Associate
MITAC Computing Technology Corp.	MITAC Technology UK Ltd. and its subsidiaries	UK	Investment	1,456,964	1,456,964	55,146,138	100.00	1,369,925	12,949		Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2021			Net profit (loss) of the investee for the three months ended March 31, 2021	Investment income (loss) recognised by the Company for the three months ended March 31, 2021	Footnote
				Balance as at March 31, 2021	Balance as at December 31, 2020	Number of shares (Note)	Ownership (%)	Book value			
MITAC Computing Technology Corp.	Hyve Design Solutions Corporation	USA	Assemble and sales of computer and peripheral equipment.	142,675	142,675	1,000,000	50.00	(41,341)	(51,675)		Associate
MITAC Digital Technology Corp.	Mio International Ltd. and its subsidiaries	British Virgin Islands	Sale of communication products	64,994	64,994	1,275,001	100.00	78,234	234		Subsidiary
MITAC Digital Technology Corp.	Access Wisdom Holdings Limited. and its subsidiaries	British Virgin Islands	Investment	-	-	48,500,000	100.00	105,103	13,154		Subsidiary
Silver Star Developments Ltd. and its subsidiaries	Mainpower International Ltd.	British Virgin Islands	Investment	156,943	156,943	5,500,001	13.28	245,350	47,756		Associate
Silver Star Developments Ltd. and its subsidiaries	Synnex Corp.	USA	Information process services, sales of computer peripheral, system and network products	1,094,671	1,094,671	5,299,980	10.22	6,230,467	2,484,591		Associate
Silver Star Developments Ltd. and its subsidiaries	Concentrix Corp.	USA	Information process services, sales of computer peripheral, system and network products	6,690,870	6,690,870	5,299,980	10.18	6,894,194	2,402,695		Associate
Silver Star Developments Ltd. and its subsidiaries	Harbinger Ruyi Venture Ltd.	British Virgin Islands	Investment	28,535	28,535	1,000,000	28.57	18,970	(18)		Associate
Silver Star Developments Ltd. and its subsidiaries	Harbinger Ruyi II Venture Ltd.	British Virgin Islands	Investment	28,535	28,535	10,000	32.26	52,447	(774)		Associate
Tsu Fung Investment Corp.	LFE AEROSPACE INDUSTRY CORP.	Taiwan	Electronic components manufacturing, aircraft and its parts manufacturing and wholesale industry.	15,504	15,504	1,433,740	1.97	12,933	(8,722)		Associate
Tsu Fung Investment Corp.	MITAC Digital Technology Corp.	Taiwan	Sales and service of electronic telecommunication, communication and software, etc.	16	16	1,000	0.001	16	291		Subsidiary

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES

Information on investments in Mainland China

For the three months ended March 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 8

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 three months ended March 31, 2021	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2021	Net income of investee as of March 31, 2021 (direct or indirect)	Ownership held by the Company (Note 2)	Investment income (loss) recognised by the Company for the three months ended March 31, 2021 (Note 2)	Book value of investments in Mainland China as of March 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2021	Footnote
MITAC Computer (Shunde) Corp.	Manufacturing of computer cases and monitors. Etc.	\$ 1,810,169	2	\$ 1,138,568	\$ -	\$ 1,138,568	\$ 15,383	100.00	\$ 15,383	\$ 2,827,426	\$ -	-
MITAC Computer (Kunshan) Co., Ltd.	Sales and manufacturing of computer accessories, hardware, software and related services	2,217,633	2	1,672,151	-	1,672,151	6,080	100.00	6,080	2,827,829	-	-
MITAC Technology (Kunshan) Co., Ltd.	Testing, repair and display of computer components and related products, and related technical advisory services and after-sale services	35,955	2	28,535	-	28,535	(2,012)	100.00	(2,012)	25,332	-	-
MITAC Research (ShangHai) Ltd.	Research, development and production of computer software, sales of own-produced products and related technical advisory services	158,725	2	148,382	-	148,382	2,624	100.00	2,624	445,650	-	-
Shizhou MITAC Precision Technology Co., Ltd.	Design and manufacturing of computer chassis and its components, precision plastic injection mould, molding parts and molding equipment processing and maintenance and repair services.	1,533,335	2	385,223	-	385,223	57,223	27.44	15,702	606,470	-	-
Mio Technology (Suzhou) Ltd.	Sales of communication products and related after-sale services	8,157	2	28,392	-	28,392	234	100.00	234	33,688	-	-
MITAC Logistic Service (Kunshan) Ltd.	Agency of freight transport, export and import trading and warehousing services	29,629	2	28,535	-	28,535	(236)	100.00	(236)	38,932	-	-
MITAC Information Technology Ltd.	After-sales maintenance, testing, consulting services and related support technology services	8,899	2	8,561	-	8,561	109	100.00	109	19,340	-	-
MITAC Innovation (Kunshan) Ltd.	Research and development of computer, server, mobile phone, PDA, GNSS and GPS, and related technology transfer, technical services	28,543	2	28,535	-	28,535	894	100.00	894	76,057	-	-
MITAC Telematics Technology Corporation	Sales of self-produced products and related after-sale services	8,688	1	2,082	-	2,082	1,330	100.00	1,330	18,005	-	-
MITAC Investment Holding Ltd.	Investment Holdings	2,038,605	2	856,050	-	856,050	2,279	100.00	2,279	3,084,705	-	-
MITAC Information Systems (Kunshan) Co., Ltd.	Sales and manufacturing of computer accessories, hardware, software and related services	1,042,560	3	-	-	-	(2,040)	100.00	(2,040)	1,034,006	-	-

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

- (1) Directly invest in a company in Mainland China.
- (2) Invest in Mainland China through an existing company in the third area, Silver Star Developments Ltd., together with its subsidiaries.
- (3) Others: invest in Mainland China through investees in Mainland China.

Note 2: In the 'Investment income (loss)' recognised by the Company for the three months ended March 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 Shizhou 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.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 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.	\$ 3,832,316	\$ 4,652,697	\$ 24,311,700
MiTAC Computing Technology Corp.	2,082	2,082	(Note 4)
MiTAC Digital Technology Corp.	21,259	21,259	1,014,727

Note 4: In accordance with the "Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area", MiTAC Computing Technology Corp. has acquired the Business Operation Headquarter Certificate

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 three months ended March 31, 2021 amounted to \$5,366, for details of other significant transactions, please refer to table 1 and table 4.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES

Major shareholders information

March 31, 2021

Table 9

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	85,941,944	7.12%