

**Getac** Getac Holdings Corporation Stock No.3005  
(Original name: Getac Technology Corporation)



**2021**

**Annual Report**

<https://www.getacgroup.com>

Printed on March 29, 2022

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Deputy Spokesman : Irene Sun/ Director  
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## **II. Addresses and telephone numbers for HQ, branch offices and factories**

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Tel : +886-2-2785-7888

2.Branch : N/A

3.Factory : N/A

4.Nangang Office :

Address : No. 209, Sec. 1, Nangang Rd., Nangang Dist., Taipei City, Taiwan  
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5.Primary subsidiaries

(1). Getac Technology Corporation (Before name : Getac Corporation)

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## **III. Stock agency**

Name : China Trust Commercial Bank - Stock Agency Department

Address : 5F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City, Taiwan

Tel : 886-2-6636-5566

Website : <https://www.ctbcbank.com>

## **IV. Name of CPA, accountant**

CPA : Liu Chien-Yu , Cheng, Ya-Huei

Name of CPA firm : Pricewaterhouse Coopers

Address : 27F, No.333, Sec. 1, Keelung Rd., Xinyi Dist. Taipei City, Taiwan

Tel : 886-2-2729-6666

Website: <https://www.pwc.tw/>

## **V. Foreign securities listing: N/A**

## **VI. Company website: <https://www.getacgroup.com>**

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### **Notice to readers**

***This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.***

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## I. Letter to Shareholders

To all shareholders

The year 2021 was a very challenging year in business. Even as the emergence of Delta and Omicron variants derailed the lifting of city and border restrictions around the world, a global chip shortage created chaos in the supply chains of the electronic and automotive industries while China's "dual control" system for energy consumption and intensity resulted in rolling blackouts. These unexpected developments increased business costs and hampered growth. At the same time, the stay-at-home economy created by COVID-19 boosted demand for notebook computers. The Getac team responded to these different challenges through thorough and proactive inventory and production controls that kept shipments moving. In 2021, the consolidated revenues of Getac Holdings grew by a steady 8.1%. Non-operating income included the sale of PMD options in the second quarter of 2021 that netted 2.519 billion NTD, a new record for the company. The financial performance of Getac Holdings over the past year is outlined below:

### **Income and Profitability**

In 2021, Getac Holdings reported consolidated revenues of 30.084 billion NTD, an increase of 8.1% over the 27.838 billion NTD from last year; consolidated gross profits were 7.566 billion NTD, down 2.7% year-on-year; and consolidated operating profits were 2.612 billion NTD, down 16.2% year-on-year. Net profit attributable to the parent company in 2021 amounted to 4.274 billion NTD and was 65.8% higher than the previous year. Earnings per share (EPS) was 7.20 NTD and was 4.4 NTD higher than 2020. No financial forecast was published for 2021 by Getac so there is nothing to report on budget achievement.

### **Business Overview and Prospects**

**For rugged computer products**, demand for rugged computers in vertical markets is recovering now that COVID-19 vaccination rates are increasing. The rugged computing BU saw strong demand in the first half of 2021 but there was an acute shortage of electronic components. To overcome part shortages in the short and long term, Getac adopted proactive inventory management strategies that ensured the punctual delivery of products. The effort was well received by customers and resulted in double-digit revenue growth in the first half of the year. In the second half of the year, a combination of factors including the impact of the Delta and Omicron variants, weaker-than-expected employment numbers in the US job market, and delays in the passing of government budgets created a slowdown in growth so orders were either reduced or pushed back. Nevertheless, annual revenues still grew compared to the same period last year. For 2022, higher vaccination rates and the progressive lifting of

border restrictions by each country should bring about an economic recovery that stimulates demand for rugged computers from enterprise customers. The electronics industry supply chain should also recover somewhat in the first half of the year and this will have a positive effect on the revenue performance of the rugged computer BU.

**For general mechanical component products**, the stay-at-home economy created by COVID-19 in 2021 led to a surge in demand for gaming and educational notebooks. Orders at Getac's mechanical BU were unaffected by COVID-19 and blackouts in China. Products continued to be delivered on time thanks to our technical expertise, high-quality and flexible production and immediate delivery capabilities. Higher vaccinations in Q4 led to a slowdown in demand for educational notebooks so revenues were slightly lower than Q3 but double-digit growth was still maintained for annual revenue. Market research firm TrendForce estimated that total notebook shipments in 2022 will be down 3.3% for the year. Demand for educational notebooks will ease off but remains a key part of the portfolio for brand-name vendors. The lifting of national border restrictions and businesses returning to their offices are expected to generate a wave of upgrades for business models. Getac will continue to focus on maintaining our competitiveness in the market through the development and deployment of new materials and processes.

**For automotive mechanical components**, the global automotive industry began gradually shaking off the effects of COVID-19 in 2021. Some auto makers were, however, forced to suspend or cut back on production due to a shortage of automotive chips and this cut into global automotive sales. Getac's automotive BU failed to reach its annual revenue target as a result, though it maintained year-over-year growth. The global automotive market will slowly recover in 2022 and total automotive sales are expected to grow by 3.7% to reach 82.4 million vehicles compared to last year. Whether this will actually be achieved will depend on COVID-19 developments and chip supply. The growing international importance of green economic development has spurred leading auto makers to accelerate their development of smart vehicles. Getac is working actively to develop new customers and products with a particular focus on ADAS and new energy vehicle programs. Once the pandemic is under control, we will be ready to ship in large quantities and expand our business.

**For aerospace fastener products**, COVID-19 has continued to have a chilling effect on the global aviation industry so fastener products experienced a 16.30% fall in revenues in 2021 compared to last year. Despite the business impact from COVID-19, key aerospace customers including GEAE, SAFRAN Group, Rolls-Royce, Collins, and TRIUMPH still provided a number of development opportunities for new parts. Special dispensation was granted for conducting some product reviews over video conferencing instead of on-site reviews. Our successful certification as a supplier of aerospace forgings to Safran Aircraft Engines will help

NAFCO expand the scope of its services to Safran in the future, including production and manufacturing services for iron-, nickel-, and cobalt-based high-temperature super-alloy aerospace materials. For 2022, higher vaccination rates and the progressive lifting of border restrictions by each country should bring a resurgence in demand by the global airline industry that should put our business back into growth mode and allow us to continue focusing on our goal of becoming a key global supplier of aerospace components.

**Research and Development**

In research and development, Getac Technology invested 1.478 billion NTD towards research and development spending in 2021. This accounted for approximately 5% of consolidated revenue. R&D into rugged computer products upgraded key models to deliver cutting-edged computing power. A number of software utilities such as Getac Driving Safety Utility and Getac Device Monitoring System (GDMS) were also developed to provide a more complete solution for enhancing operational efficiency in different vertical markets and work sites. For mechanical products, Getac is continuing to develop new materials, process technologies and production automation technologies in line with the spirit of sustainability, energy efficiency, carbon reduction, and innovation. Green molding, material and assessments of 5G product casing materials and other projects will boost our competitiveness.

Finally, on behalf of everyone here at Getac Holdings, we present our heartfelt thanks and well-wishes. We also hope that our shareholders will continue to provide us with even more of your support and encouragement in the future. The management team will continue to work diligently to realize our business targets and create even more value for our shareholders.

We wish you Good health and fortune.

Chairman     Hwang, Ming-Hang

President     Hwang, Ming-Hang

## II. Company Profile

### 2.1 Date of Incorporation

Date of registration: October 5, 1989

### 2.2 Company History

The Company Chronicle

Time	Chronicle
1989.01	The Company was established at the 4th Floor, No.1, R&D 2nd Road, Science Based Industrial Park, Baoshan. It was founded as a joint-venture with GE Aerospace (50%-50%) and is engaged in research and development and production of military computer and radar communication electronic system.
1994.11	Expanded business reach to industrial computers, antenna communication electronic systems, and aerospace vehicles.
1996.05	Initiated a cash capital increase for NT\$30,000 thousand with a total capital amounted to NT\$198,000 thousand thereafter.
1997.09	The new factory groundbreaking ceremony was held for a plant area of 5,554 pings.
1998.03	Public offering arranged accordingly.
1998.04	Initiated a cash capital increase for NT\$1,102,000 thousand with a total capital amounted to NT\$1,300,000 thousand thereafter.
1998.09	Engaged in the production of business notebook computers.
1998.12	Received the 1998 Golden Peacock Award given by Ministry of Economic Affairs for 3rd fast growing exporting company.
1999.01	Initiated a cash capital increase for NT\$133,000 thousand with a total capital amounted to NT\$1,433,000 thousand thereafter.
1999.11	Initiated a cash capital increase for NT\$400,000 thousand with a total capital amounted to NT\$1,833,000 thousand thereafter.
1999.12	MiNote 6020 and MiNote 6166 received Taiwan Excellence Award.
2000.01	MiNote M722 and MPE-102 received the 9th Taiwan Excellence Award.
2000.12	Ranked 6th place as one of the best Taiwan enterprises that received greatest number of patent applications in the year of 2000.
2001.05	Ranked 69th largest of top 1000 Taiwan manufacturers in 2000, and ranked 7th fastest growing manufacturer in the last three years period, and ranked 9th largest system manufacturer in the survey compiled by Business Week and Commonwealth Magazine in the year of 2000.
2002.02	Launched IPO on Taiwan Stock Exchange.
2002.10	Launched the first LCD computer in Taiwan that combines audio and video functions and home appliance interface.
2002.10	Launched Instant Play embedded audio and video playback software, which allows the computer to operate without loading the Windows operating environment.
2005.04	Invested USD15 million on MiTAC Precision (Kushan) Co. Ltd. to enhance vertical integration and overall competitiveness.
2005.11	WiMAX CPE received Germany iF Design Award.
2006.04	Profit increased by 615% in 2003-2005, ranked 30th place of Taiwan High-Tech Fast 50 Award by Deloitte Taiwan.
2007.03	Invested USD4 million on MiTAC Precision (Kushan) Co. Ltd. to enhance vertical integration and overall competitiveness.
2007.08	Merged MiTAC Precision Technology Corporation to expand operation and increase competitiveness.



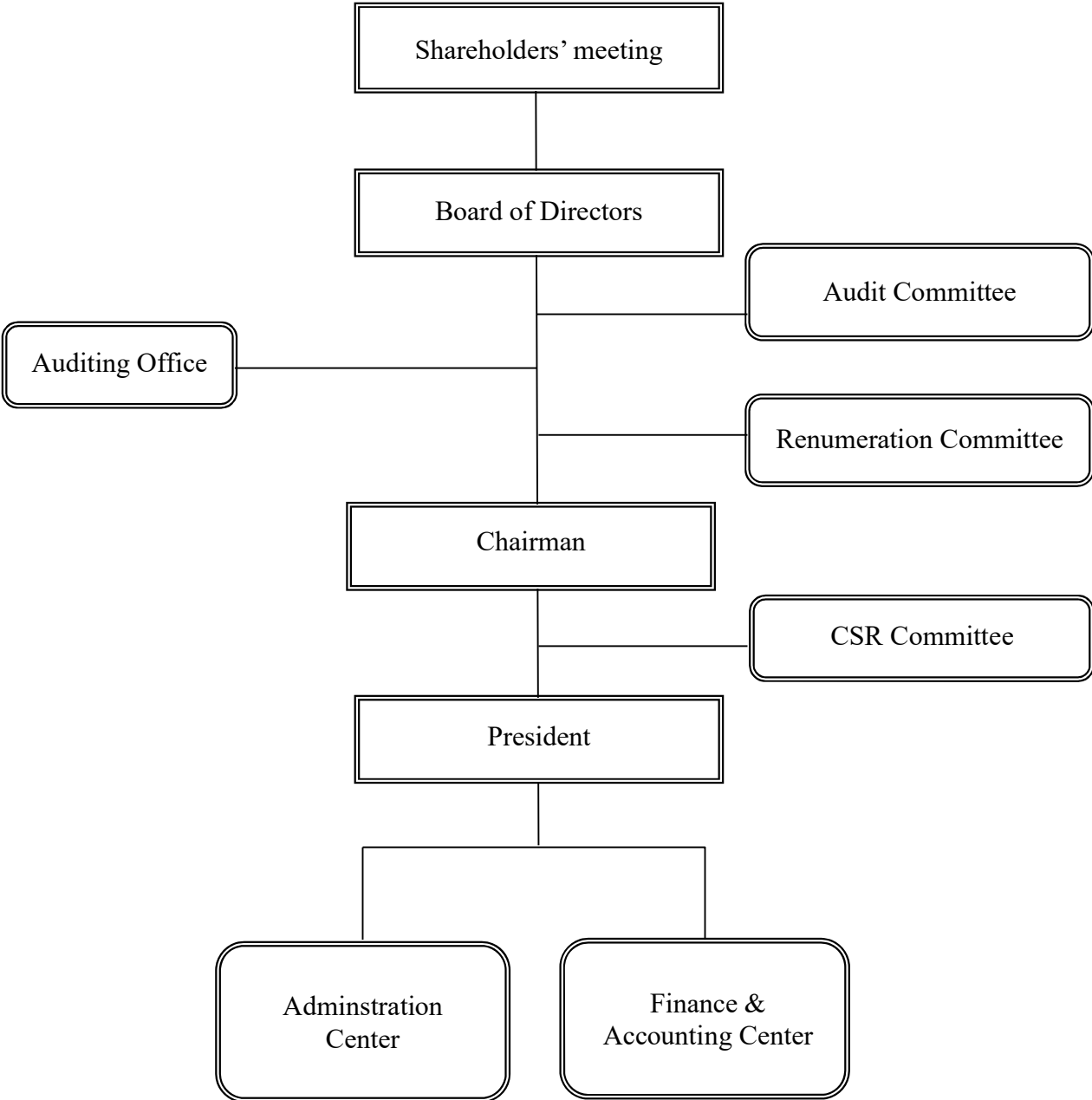
Time	Chronicle
2007.11	Established a factory in Nanchang, Jiangxi Province, China to expand operations and enhance the overall competitiveness.
2008.04	Established Kunshan Fengyang Logistics Co., Ltd. in Jiangsu Province, China to meet the needs of the Company's business operation.
2008.07	Established Suzhou Jeddah Telecommunications Co., Ltd. in Jiangsu Province, China to expand the domestic sales in China.
2009.03	Acquired shareholdings of Waffer Technology Corp., (Stock No. 6235) the world's third largest Mg-Al mechanical parts manufacturer.
2009.04	Acquired shareholdings of Waffer Precision Metallic Technologies (ChangShu) Co., Ltd. to strengthen the synergy of industrial cooperation.
2009.08	Renamed Company English name to "Getac Technology Corporation" for branding business.
2010.06	Getac PS236 and PS535 rugged handheld device received "Computex Taipei Design & Innovation Award".
2010.06	Getac V100 rugged convertible notebook and PS236 rugged handheld device received the "Best Choice Award" at the "2010 Computex Taipei".
2010.09	Expanded investment in National Aerospace Fasteners Corporation (Nafco) to exercise the synergy of industrial cooperation
2010.10	Getac Technology Corporation was awarded with National Industrial Innovation Award - Excellent Innovation Enterprise Award by the Ministry of Economic Affairs.
2011.09	Expanded investment in Waffer Technology Corp. to exercise the synergy of industrial cooperation.
2011.10	Awarded with the "Best Corporate Social Responsibility Award" of the "Taiwan M&A Award"
2012.10	X500 received Taiwan Excellence Gold Award.
2013.12	Selected as one of the counseling objects at the 2nd "Taiwan Mittelstand" by the Industrial Bureau of the Ministry of Economic Affairs.
2013.12	Getac V100-Ex2 Fully Rugged convertible notebook received the 22nd Taiwan Excellence Awards.
2014.05	Launched sub-brand-VERETOS mobile digital surveillance system.
2014.06	Established sales and marketing office in India for Getac rugged computing products.
2014.09	Established sales and marketing office in Russia for Getac rugged computing products.
2015.10	Invested WHP Workflow Solutions LLC to enhance HW and SW integration business strategy.
2016.02	Getac launched the wearable secret recorder device of sub-brand-VERETOS mobile digital surveillance system.
2016.04	Getac launched the sixth-generation B300 rugged notebook, the third-generation F110 rugged tablet, and V110 dual-purpose rotary notebook.
2016.05	Getac signed leading European computer distributor, Ingram Micro, to expand reach and reseller community across Western Europe
2016.05	Partner up with DHL to provide logistic and repairing service for Getac customers in the EMEA region
2016.11	Getac was ranked as one of the top 35 most valuable International Taiwanese brands in the Interbrand 2016 Taiwan Top Global Brand Valuation League Table
2017.04	Established sales and marketing office in France for Getac rugged computing products.
2018.02	Initiated a cash capital increase with new stock shares issued in exchange for the shares of WHP Workflow Solutions, Inc., USA, to promote the market development of Getac Video Solution.

Time	Chronicle
2018.06	Getac was awarded with the “Best Companies to Work for in Asia 2018 Taiwan” by the “HR ASIA,” (Asia’s Most Authoritative Publication for HR Professionals).
2018.10	“MX50 Rugged Tablet” received the Taiwan Golden Pin Design Mark.
2019.06	Getac received the prestigious HR Asia Award as the Best Companies to Work for in Asia 2019, Taiwan Edition.
2019.10	“S410 Semi-rugged Notebook” received the Japan Good Design Award.
2019.11	Getac received TCSA (Taiwan Corporate Sustainability Awards) for both “Corporate Comprehensive Performance” and “Corporate Sustainability Report”
12	Getac was accredited as a “Healthy Workplace” by Health Promotion Administration, Ministry of Health and Welfare.
2020.02	“S410 Semi-rugged Notebook” received the iF design award
04	Getac was ranked as the top 6-20% of listed companies by the Taiwan Stock Exchange in the 6th Corporate Governance Evaluation
10	James Hwang, chairman of Getac technology corporation, was selected by Harvard Business Review Chinese edition as one of the top 100 CEOs in Taiwan.
11	Getac received “The Exercise Enterprise Certification” by Sports Administration, Ministry of Education
12	Getac Xizhi Plant received ISO 50001 energy management system certification
2021.3	Getac Technology Corporation announced that it will transform into an investment holding company to carry out professional business division and enhance shareholder rights and interests
10	Getac Technology Corporation officially changed its name to Getac Holdings Corporation
10	James Hwang, Chairman of Getac Holdings Corporation won the first national prize in the "Outstanding Business Leader" category of the National Brand Yushan Award

# III. Corporate Governance Report

## 3.1 Organization system

### 3.1.1 Organizational Chart



3.1.2 Major Corporate Functions

Department	Functions
Auditing Office	Responsible for checking and assessing whether the internal control system of the organization is sound and effective, and provides analysis, evaluation, and recommendations to the organization. Promote quality assessments that achieve effective control and job improvement at a reasonable cost.
Adminstration Center	Assist the President to handle human resources management and development, contract and legal affairs, information security management and maintenance and promotion · responsible for the planning, management, and implementation of domestic and foreign investment opportunities evaluation and study, board of directors and shareholders' meetings.
Finance & Accounting Center	Responsible for the planning, management, and implementation of financial operations, capital planning, financial management and operation and accounting treatment related to various taxations of foreign subsidiaries.

**3.2 Information on the company's directors, general manager, assistant general managers, and deputy assistant general managers of all the company's divisions and branch units**  
**3.2.1 Directors**

March 29, 2022

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Republic of China	Hwang, Ming-Hang	Male 61~70 years old	2019.5.31	3	2000.06.09	4,508,363	0.78%	5,305,363	0.88%	0	0%	0	0%	M.S. of Electrical engineering, Utah State University, U.S.A. B.S. of Electrical engineering, National Taiwan University, VP, MITAC International Corp.	Director, Wafer Technology Corp.	None	None	None	Note 5
Vice Chairman	Republic of China	Tsai, Feng-Tzu	Male 71~80 years old	2019.5.31	3	1996.08.29 (Note2)	1,306,375	0.23%	782,375	0.13%	0	0%	0	0%	B.S of Computer/Control Engineering Department, Chiao-Tung University. VP, Lian Tong Electronics Ltd. VP of Sales, MITAC Inc. Vice Chairman, MITAC International Corp. Chairman and CEO, Getac Holdings Corp.	Chairman, Wafer Technology Corp. Chairman, National Aerospace Fasteners Corp. Independent Director/Remuneration Committee member / Audit Committee member, Winbond Electronics Corp.	None	None	None	None
	Republic of China	Mitac International Corp.	-	2019.5.31	3	1989.08.09 (Note2)	190,396,939	32.85%	190,396,939	31.73%	0	0%	0	0%	None	None	None	None	None	None
Director	US	Rep. : Miatu, Matthew Feng Chiang	Male 71~80 years old	2019.5.31	3	1989.08.09 (Note3)	0	0%	0	0%	0	0%	0	0%	Honorary Ph.D., National Chiao Tung University MBA, Santa Clara University BSEE, University of California, Berkeley Laureate of Industrial Technology Research Institute (ITRI) President, UPC Technology Corp. President, Linde Lienhwa Industrial Gases Co., Ltd. Chairman, SYNEX Corporation Independent Director, Galileo International, Inc. Independent Director, The BOC Group Plc. Independent Director, Linde AG Delegate, APEC Business Advisory Council (ABAC) Convener, Civil Advisory Committee of National Information & Communications Initiatives (NICI)	Chairman, Lien Hwa Industrial Holdings Corp. Chairman, UPC Technology Corp. Chairman, Synnex Technology International Corp. Chairman, MITAC Holdings Corp. Chairman, MITAC Inc. Independent Director, Cathay Financial Holding Co. Director, SYNEX Corp. Director, CTCI Foundation	Director	Miatu, Scott- Matthew	Child	None

Title	Nationality/ Place of Incorporation	Name	Gender/Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Shares	%	Title	
Director	Republic of China	Rep. : Lin, Chuan Cheng	Male 61-70 years old	2019.5.31	3	2013.06.20	456,684	0.08%	856,684	0.14%	0	0%	0	0%	Ph.D. of Mechanical Engineering , National Cheng Kung University Senior Specialist, National Chung-Shan Institute of Science & Technology AVT of RD and Sales, Tsam kuen Enterprise co., Ltd. R&D Project Manager, Altek Corp.	None	None	None	None	None
	Republic of China	Lien Hwa Industrial Holdings Corp.	-	2019.5.31	3	2010.06.18	7,210,000	1.24%	7,210,000	1.20%	0	0%	0	0%	None	None	None	None	None	None
Director	Republic of China	Rep. : Chou, Teh-Chien	Male 61-70 years old	2019.5.31	3	2000.06.09 (Note4)	0	0%	0	0%	0	0%	0	0%	Ph.D of Rutgers University, USA Investment Special Assistant to the Chairman, MITAC International Corp.	Director, SYNEX Technology International Corp. Director, Waffer Technology Corp. Director ,National Aerospace Fasteners Corp. Director ,MITAC Information Technology Corp. GM, Harbinger Venture Management Co., Ltd.	None	None	None	None
	Republic of China	Rep. : Miau, Scott-Matt hew	Male 51-60 years old	2019.5.31	3	2019.02.15	0	0%	0	0%	0	0%	0	0%	Ph.D in Department of Management Information Systems, National Chengchi University NCCU, College of Commerce - Executive MBA (EMBA) Vice President, Miac Incorporated Special Assistant to Chairman, Miac-SYNEX Group	Chairman, Miac Hikari Corp. Chairman, Sino International Technology Corp. Vice Chairman, Lienhwa United LPG Co., Ltd. Director, Getac Holdings Corp. Vice President, IoT Business Group - Miac Information Technology Corporation Issuer, Miac-SYNEX X Group	Director	Miau, Matthew Feng Chiang	Father	None
Independent Director	Republic of China	Lin, Kuan-Ming	Male 61-70 years old	2019.5.31	3	2016.06.23	0	0%	0	0%	0	0%	0	0%	BS of Electrical Engineering , National Taiwan University Chairman , Taiwan Venture Capital Association Chairman , Taiwan Private Equity Association CEO, SINOCON Industrial Standards Foundation Chairman, System General Corp.	Chairman ,Premier Capital Management Corp. Chairman , Premier Venture Capital Corp. Chairman , Chief Investment Corp. Chairman , Ruby Tech Corp. Director , DEVELOPMENT CONSULTANTS CO.,LTD. Director , Hui Yu Investment Corp.	None	None	None	None

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	Lin, Long Song	Male 61-70 years old	2019.5.31	3	2019.5.31	0	0%	0	0%	0	0%	0	0%	Ph.D in Electrical and Computer Engineering, Purdue University, U.S.A. Chairman, Taiwan Network Information Center (TWNIC) CEO, Gemtek Technology Co., Ltd. Corporate Vice President, Global Consumer Product Group, Dell, USA General Manager, Intel Subsidiary in Asia, Intel Corporation, U.S.A.	None	None	None	None	
	Republic of China	Chang, Chia-Hsin	Male 61-70 years old	2019.5.31	3	2019.5.31	0	0%	0	0%	0	0%	0	0%	M.S. in Business Administration, Soochow University Partner, KPMG in Taiwan	None	None	None	None	

Note 1 : Please refer to Table 1 below for information on the main shareholders of corporate shareholders.

Note 2 : 1997.06.21~1998.03.15 interrupt.

Note 3 : 1997.06.21~1997.07.10 interrupt.

Note 4 : 2001.10.11~2009.07.19 interrupt.

Note 5 : Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness,

necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed:

The Company's chairperson and president aims to improve operational efficiency and the execution of decisions. To strengthen the Board's independence, the Company is actively training suitable candidates. Furthermore, the chairperson fully communicates the Company's recent condition, plans, and policies with directors to implement corporate governance. In the future, the Company also plans to enhance the Board's capabilities and supervisory function by increasing the number of independent director seats. The Company currently has the following measures:

a. The three independent directors have expertise in finance, accounting, and technology industry, thus ensure efficient supervision.

b. The Company arranges directors to attend professional directors' courses of external institutions and holds regular communication meetings with departments every year to improve the operating efficiency of the board of directors.

c. Independent directors can fully discuss and provide recommendations in functional committees to the Board of Directors in implementing corporate governance.

d. Over half of the directors in the Board of Directors do not concurrently serve as an employee or executive officer.

**Table 1 : Major shareholders of the institutional shareholders**

March 29, 2022

Name of Institutional Shareholders (Note 1)	Major Shareholders (Note 2)	Percentage of shareholding(%)
MiTAC International Corp.	MiTAC Holdings Corp.	100.00%
Lien Hwa Industrial Corp. (Note 4)	UPC Technology Corp.	9.68%
	Yi Yuan Investment Co., Ltd.	9.14%
	Yi Feng Investment Co., Ltd.	4.86%
	Jason Chow	3.32%
	Miao, Matthew Feng Chiang	3.19%
	Miao, Feng-Sheng	3.02%
	Miao, Feng-Chuan	3.01%
	Y.S. Education Foundation	3.00%
	Lien Hwa Industrial Holdings Corp. Employee Welfare Committee	2.82%
	MiTAC International Corp.	2.79%

Note 1 : If Directors and Supervisors serve as representatives of institutional shareholders, then the names of institutional shareholders must be provided.

Note 2 : Name the major shareholders (the top 10 owners) of institutional shareholders and their shareholding percentage. Table 2 below is applicable if any of the major shareholders is an institutional entity.

Note 3 : If a corporate shareholder is not a company, the name of the shareholder and the shareholding ratio to be disclosed as previously mentioned shall be the name of the contributor or donor and the contribution or contribution ratio.

Note 4 : Information as of April 30, 2021.



**Table 2 : Major shareholders of the Company's major institutional shareholders**

March 29, 2022

Name of Institutional Shareholders ( Note 1 )	Major Shareholders ( Note 2 )	Percentage of shareholding(%)
MiTAC Holdings Corp.	MiTAC Inc.	8.66%
	UPC Technology Corp.	8.27%
	Lien Hwa Industrial holdings Corp.	7.95%
	Mei An Investment Corp.	2.44%
	JPMorgan Chase Bank N.A. Taipei Branch entrusted for custody to Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	1.04%
	JPMorgan Chase Bank entrusted for custody to Vanguard Total International Stock Index Fund	1.03%
	Miau, Matthew Feng Chiang	1.01%
	Yi Feng Investment Co., Ltd.	0.89%
	Getac Holdings Corp.	0.85%
	Tsu Fung Investment Corp.	0.77%
	UPC Technology Corp.	Lien Hwa Industrial Holdings Corp.
Synnex Technology International Corp.		5.11%
Yi Yuan Investment		1.59%
Liberty Stationery Corp.		1.53%
Mei An Investment Co., Ltd.		1.35%
Tsu Fung Investment Corp.		1.29%
MiTAC international Corp.		1.20%
Pornchai Engineering and Trading Corp.		1.11%
Tong Da Investment Corp.		1.07%
Yi Feng Investment Co., Ltd.		0.97%
Yi Yuan Investment ( Note 4 )	Overcome Holdings Ltd.(British Virgin Islands)	100.00%
Yi Feng Investment Co., Ltd ( Note 4 )	Rich Cycle Ltd. (British Virgin Islands)	100.00%
Y.S Education Foundation ( Note 4 and Note5 )	MiTAC international Corp.	10.00%
	Getac Holdings Corp.	6.00%
	MiTAC Precision Technology Corp.	4.00%
	Synnex Technology International Corp.	20.00%
	Lien Hwa Industrial Holdings Corp.	20.00%
	UPC Technology Corp.	20.00%
Mix System Holdings Ltd.	20.00%	
Lien Hwa Industrial Holdings Corp. Employee Welfare Committee (Note 4)	Non-corporate entity (N/A)	—

Note 1 : If any of the major shareholders listed in Table 1 is an institution, then the name of the institution must be provided.

Note 2 : Name the major shareholders (the top 10 owners) of corporate shareholders and their shareholding percentage.

Note 3 : If a corporate shareholder is not a company, the name of the shareholder and the shareholding ratio to be disclosed as previously mentioned shall be the name of the contributor or donor and the contribution or contribution ratio.

Note 4 : Information as of April 30, 2021.

Note 5 : The shareholding ratio is the donation ratio.

### 3.2.2 Directors

#### 1. Disclosure of information as professional qualifications and independent status of directors and independent directors

Name \ Qualification	Professional qualifications and experience	Independent status (Note 1)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Hwang, Ming-Hang	Possesses five or more years of work experience required for the Company's business and Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company ;had once worked as MiTAC International Corp.'s VP;currently serving as chairman and president of the Company	Independence Criteria (5)(6)(9)(10)(11)(12)	None
Tsai, Feng-Tzu	Possesses five or more years of work experience required for the Company's business and Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company ;had once worked as the Company's chairman and CEO ;currently serving as chairman of Waffer Technology Corp. and National Aerospace Fasteners Corp.	Independence Criteria (1)(4)(5)(6)(7)(8)(9)(10)(11)(12)	1
Mitic International Corp. Rep.:Miau, Matthew Feng Chiang	Possesses five or more years of work experience required for the Company's business and Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company. Contribute IT distribution and manufacturing knowledge, international business experience, and expertise in venture capital with long-term investor perspective to the company.	Independence Criteria (1)(2)(3)(6)(7)(9)(11)	2 (Note 2)
Mitic International Corp. Rep.:Lin, Chuan Cheng	Possesses five or more years of work experience required for the Company's business and Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company ;had once worked as Tsann kuen Enterprise co., Ltd.'s AVP of RD and Sales ;currently serving as chairman of Chairman of the Subsidiary.	Independence Criteria (3)(6)(7)(8)(9)(10)(11)	None
Lien Hwa Industrial Holdings Corp. Rep. : Chou, Teh-Chien	Possesses five or more years of work experience required for the Company's business and Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company ;had once worked as MiTAC International Corp.'s nvestment Special Assistant to the Chairman;currently serving as Director of SYNEX Technology International Corp. · Waffer Technology Corp. · ,National Aerospace Fasteners Corp. and MiTAC Information Technology Corp.	Independence Criteria (1)(3)(4)(6)(7)(8)(9)(10)(11)	None

Qualification Name	Professional qualifications and experience	Independent status (Note 1)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lien Hwa Industrial Holdings Corp. Rep. : Miau, Scott-Matthew	Possesses five or more years of work experience required for the Company's business and Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company ;had once worked as Mitac Incorporated's Vice President,;currently serving as Chairman of Mitac Hikari Corp and Sino International Technology Corp.	Independence Criteria (1)(3)(6)(7)(8)(9)(11)	None
Lin, Kuan-Ming	Possesses five or more years of work experience required for the Company's business and Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company ;had once worked as Taiwan Venture Capital Association 's Chairman ;currently serving as Chairman of ,Premier Capital Management Corp.and Ruby Tech Corp.	Independence Criteria (1)(2)(3)(4)(5)(6)(7)(8) (9)(10)(11)(12)	None
Lin, Long Song	Possesses five or more years of work experience required for the Company's business and Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company ;had once worked as Taiwan Network Information Center's Chairman.	Independence Criteria (1)(2)(3)(4)(5)(6)(7)(8) (9)(10)(11)(12)	None
Chang, Chia-Hsin	Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company Possesses five or more years of work experience required for the Company's business and Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company ;had once worked as Partner, KPMG in Taiwan 's Partner and possess accounting or finance expertise	Independence Criteria (1)(2)(3)(4)(5)(6)(7)(8) (9)(10)(11)(12)	None

Note: According to the Rules Governing Review of Securities Listings as well as the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Company has obtained the statement of independence for each independent director and confirms that all of them meet the independence requirements stipulated by laws and regulations.

Note1 : If the director meets any of the following criteria in the two years before being elected or during the term of office, please check "V" the corresponding boxes.

1. Not an employee of the company or any of its affiliates.
2. Not a director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.
9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
11. Not been a person of any conditions defined in Article 30 of the Company Law.
12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

Note2 : No independent director of a public company may concurrently serve as an independent director of more than three other public companies.

Where an independent director of a financial holding company or of a TWSE listed or TPEX listed investment holding company concurrently serves as an independent director of more than one wholly owned subsidiary of that company, the number of such subsidiaries beyond one shall be included in the calculation of the number of subsidiaries at which the independent director concurrently serves under paragraph 1.

## 2. Diversity and independence of the Board of Directors:

### (1) Diversity of the Board of Directors:

Based on the policy of diversification and strengthening of corporate governance in order to promote the sound development of the Company's board composition and structure, the nomination of candidates for directors of the Company shall be adopted the candidate nomination system in accordance with the provisions of the Company's Articles of Incorporation. Each candidate's academic qualifications, work experience, professional background, integrity or relevant professional qualifications, and others are evaluated and considered. After the Board of Directors passed the resolution, the proposed nominees will be submitted to the Shareholders Meeting for election. With regard to the board composition, it is advisable that the number of the directors who concurrently serve as the managers of the Company should not exceed one-third of the board seats. In addition, the Company has, based on its own operations, operational patterns and developmental needs, formulated appropriate diversification policies including but not limited to the following: ①Basic conditions and value: gender, age, nationality and culture.②Professional knowledge and skills: operational judgment capability, accounting and financial analysis capability, business management capability, risk management capability, industry knowledge, international market outlook, leadership capability, and decision-making capability.

The current Board of Directors of the Company consists of nine directors. The specific management objectives of the board diversity policy and their achievement status are as follows:

Diversity management objectives	Diversity management objectives
The number of independent directors exceeds one third of the board seats (33% of the Independent Director)	V
It is advisable that the number of the directors who concurrently serve as the managers of the Company should not exceed one-third of the board seats.( 22% of the directors with employee status)	V
The independent directors shall not hold office for more than 3 terms.	V
Adequate and diverse professional knowledge and skills	V
Increase of at least one of the number of female independent directors in the future planning	V

(2)The diversification of the board of directors of the Company is as follows:

Title	Name	Sex	Age	Nationality	Directors Who are Also Employees	Independent Director years of service			Operation Judgment	Accounting and financial analysis capacity	Corporate management capacity	Crisis management capacity	Industry Knowledge		International Market insight	Leadership capacity	Decision-making capacity
						Less than 3 years	3-9 years	More than 9 years					Technology	Venture Capital			
Chairman	Hwang, Ming-Hang	Male	61~70 years old	Republic of China	✓				✓		✓	✓	✓		✓	✓	✓
Vice Chairman	Tsai, Feng-Tzu	Male	71~80 years old	Republic of China					✓		✓	✓	✓		✓	✓	✓
Director	Miau, Matthew Feng Chiang	Male	71~80 years old	US					✓		✓	✓	✓		✓	✓	✓
Director	Lin, Chuan Cheng	Male	61~70 years old	Republic of China	✓				✓		✓	✓	✓		✓	✓	✓
Director	Chou, Teh-Chien	Male	61~70 years old	Republic of China					✓	✓	✓	✓	✓	✓	✓	✓	✓
Director	Miau, Scott Matthew	Male	51~60 years old	Republic of China					✓		✓	✓	✓		✓	✓	✓
Independent Director	Lin, Kuan-Ming	Male	61~70 years old	Republic of China		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
	Lin, Long Song	Male	61~70 years old	Republic of China		✓			✓		✓	✓	✓		✓	✓	✓
	Chang, Chia-Hsin	Male	61~70 years old	Republic of China		✓			✓	✓	✓	✓			✓	✓	✓

(3)The diversification of the board of directors of the Company is as follows:

Independence of the Board of Directors: The Board of Directors of the Company consists of nine directors, of which three are independent directors and two directors as employee(33% and 22% of all directors). As of 2021.12.31, all of directors comply with the regulations of the Securities and Futures Bureau and none of the circumstances prescribed in paragraph 3 and paragraph 4, Article 26-3 of the Securities Exchange Act exist .

### 3.2.2 Information on Presidents, Vice Presidents, Assistant Presidents, and managers of each department and division

March 29, 2022

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		Remarks	
					Shares	%	Shares	%	Shares	%			Title	Name		Relation
President	Republic of China	Hwang, Ming-Hang	Male	2000.4.6	5,305,363	0.88%	0	0%	0	0%	M.S. of Electrical engineering, Utah State University, U.S.A. B.S. in Electrical engineering, National Taiwan University VP, MITAC International Corp. President & Supervisor of Administration Center, Getac Holdings Corp.	Director, Waffler Technology Corp.	None	None	None	Note
Vice President & CFO	Republic of China	Hsieh, Sue-Chuan	Female	2019.9.12	639,188	0.11%	0	0%	0	0%	M.S. in Finance, University of Wisconsin B.S. in Accounting, National Chung Hsing University Financial Associate, MITAC International Corp. Vice President & CFO, Finance & Accounting Center, Getac Holdings Corp.	None	None	None	None	None
Chief Corporate Governance Officer	Republic of China	Sun, Wei-Hsing	Female	2021.5.12	0	0%	0	0%	0	0%	Master of Business Administration, Lancaster University, UK. Bachelor, College of Communication of Boston University, US Director of Corporate Relations Department and Corporate governance officer, Getac Holdings Corporation	None	None	None	None	None

Note : Where the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed :

The Company's chairperson and president aims to improve operational efficiency and the execution of decisions. To strengthen the Board's independence, the Company is actively training suitable candidates. Furthermore, the chairperson fully communicates the Company's recent condition, plans, and policies with directors to implement corporate governance. In the future, the Company also plans to enhance the Board's capabilities and supervisory function by increasing the number of independent director seats. The Company currently has the following measures :

- The three independent directors have expertise in finance, accounting, and technology industry, thus ensure efficient supervision.
- The Company arranges directors to attend professional directors' courses of external institutions and holds regular communication meetings with departments every year to improve the operating efficiency of the board of directors.
- Independent directors can fully discuss and provide recommendations in functional committees to the Board of Directors in implementing corporate governance.
- Over half of the directors in the Board of Directors do not concurrently serve as an employee or executive officer.

### 3.3 Remuneration paid to directors, the general manager, and assistant general managers

#### Remuneration of Directors

2021  
Unit: In thousands of New Taiwan Dollars

Title	Name	Remuneration						Relevant Remuneration Received by Directors Who are Also Employees			Amount and Ratio of Total		Remuneration received from invested companies other than subsidiaries or the parent company (H)		
		Base Compensation (A)	Severance Pay (B) (NOTE 1)	Directors Compensation (C) (NOTE 2)	Allowances (D)	Amount and Ratio of Total Remuneration (A+B+C+D) and proportion of Net Income (%)		Salary, Bonuses, and Allowances (E)		Severance Pay (F) (NOTE 1)	Employee Compensation (G) (NOTE 2)			Compensation (A+B+C+D+E+F+G) and proportion of Net Income (%)	
						The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements		Cash	Stock			The company
President	Hwang, Ming-Hang														
	Tsai, Feng-Tzu														
Director	MIC Rep. : Miao, Matthew Feng Chiang	0	0	4,800	1,356	5,820 0.14%	23,347	122	122	680	0	29,969 0.70%	47,191 1.10%	7,579	
	MIC Rep. : Lin, Chuan Cheng														
	LHHC Rep. : Chou, Teh-Chien														
	LHHC Rep. : Miao, Scott-Matthew														
	Lin, Kuan-Ming	0	0	2,400	1,564	3,964 0.09%	0	0	0	0	0	3,964 0.09%	3,964 0.09%	0	
Independent Director	Lin, Long Song Chang, Chia-Hsin														

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:

For the remuneration of the directors and supervisors, it is for an amount no more than 1% of the earnings in accordance with Article 23 of the Articles of Association, compensations should be paid by considering the company's operating results and their contribution to the company's performance. The procedures for determining the remuneration are based on the "Regulations Governing Performance Evaluation of the Board of Directors" of the Company as a basis for evaluation. In addition to the company's overall operational performance, industry future business risks, development trends, and personal performance achievement rates and contribution to corporate performance are taken into account for determining a reasonable amount of compensation; also, review the remuneration system in a timely manner, depending on the actual operating conditions and relevant law and regulations, in order to balance the company's sustainable operation with risk control.

2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements and reinvestment companies in the most recent year to compensate directors for their services, such as being independent contractors: None.



Range of Remuneration	Name of Directors				
	Total of (A+B+C+D)		All companies in the consolidated financial statements	Total of (A+B+C+D+E+F+G)+(H)	
	The company	Miaou, Matthew Feng Chiang/ Lin, Chuan Cheng/ Miaou, Scott-Matthew/Chou, Teh-Chien		The company	Parent company and All investees
Under NT\$ 1,000,000	Miaou, Matthew Feng Chiang/ Lin, Chuan Cheng/ Miaou, Scott-Matthew/Chou, Teh-Chien / MITAC International Corp.	MITAC International Corp./Miaou, Feng Chiang/ Lin, Chuan Cheng/ Miaou, Scott-Matthew/Chou, Teh-Chien	MITAC International Corp./Miaou, Matthew Feng Chiang/ Miaou, Scott-Matthew/Chou, Teh-Chien	MITAC International Corp./Miaou, Matthew Feng Chiang/ Miaou, Scott-Matthew/Chou, Teh-Chien	
NT\$1,000,000 (inclusive) to NT\$2,000,000(exclusive)	Hwang, Ming-Hang/ Tsai, Feng-Tzu/ / Lin, Kuan-Ming /Lin, Long Song/Chang, Chia-Hsin Lien Hwa Industrial Holdings Corp.	Hwang, Ming-Hang/ Tsai, Feng-Tzu/Lin, Kuan-Ming /Lin, Long Song/Chang, Chia-Hsin/Lien Hwa Industrial Holdings Corp.	Tsai, Feng-Tzu/Lin, Kuan-Ming /Lin, Long Song/Chang, Chia-Hsin /Lien Hwa Industrial Holdings Corp.	Lin, Kuan-Ming /Lin, Long Song/Chang, Chia-Hsin/ Lien Hwa Industrial Holdings Corp.	
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)					
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)			Lin, Chuan Cheng		
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)				Tsai, Feng-Tzu	
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)				Lin, Chuan Cheng	
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)			Hwang, Ming-Hang	Hwang, Ming-Hang	
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)					
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)					
Over NT\$100,000,000					
Total	11	11	11	11	

Note 1 : Retirement pensions are all amount of appropriation.

Note 2 : It is the amount that has been resolved for distribution by the board of directors in the most recent year and will be reported in the shareholders' meeting.

Note 3 : The content of the remuneration disclosed in this form is different from the income concept of the Income Tax Act. Therefore, the purpose of this form is for information disclosure and not for tax purposes.

## Remuneration of the President and Vice Presidents

2021

Unit: In thousands of New Taiwan Dollars

Title	Name	Salary(A)		Severance Pay (B) (Note1)		Bonuses and Allowances (C)		Employee Compensation(D) (Note2)			Amount and Ratio of total compensation (A+B+C+D) and proportion of net income (%)		Remuneration received from invested companies other than subsidiaries or the parent company (E)
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	Cash	Stock	The company	
President	Hwang, Ming-Hang												
Senior Vice President	Hwang, Chen-The (Note)												
Senior Vice President	Chang, Chou-Long (Note)	17,627	17,627	315	315	47,136	57,136	640	0	640	0	65,718 1.54%	75,718 1.77%
Vice President	Lee, Mei-lung (Note)												
Vice President & CFO	Hsieh, Sue-Chuan												
													348

Note: The company has transformed into an investment holding company on 2021/10/1 and will transfer the relevant business (including assets, liabilities and operations) to two 100%-owned subsidiaries by spin-off Rugged Solutions Business Group and Mechatronic & Energy Solutions Business Group, the manager will be transferred to the subsidiary on 10/1/2021

Range of Remuneration	Name of President and Vice Presidents	
	The company	Parent company and All investees
Under NT\$ 1,000,000		
NT\$1,000,000 (inclusive) to NT\$2,000,000(exclusive)		
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)		
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Hsieh, Sue-Chuan/ Lee, Mei-Jung/ Chang, Chou-Long	Hsieh, Sue-Chuan/ Lee, Mei-Jung
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)		Chang, Chou-Long
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	Hwang, Chen-Teh /Hwang, Ming-Hang	Hwang, Chen-Teh /Hwang, Ming-Hang
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)		
Over NT\$100,000,000		
Total	5	5

Note 1 : Retirement pensions are all amount of appropriation.

Note 2 : It is the amount that has been resolved for distribution by the board of directors in the most recent year and will be reported in the shareholders' meeting.

Note 3 : The content of the remuneration disclosed in this form is different from the income concept of the Income Tax Act. Therefore, the purpose of this form is for information disclosure and not for tax purposes.

**Names of management entitled to employee remuneration and amount entitled**

2021  
Unit: In thousands of New Taiwan Dollars

	Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	President	Hwang, Ming-Hang				
	Vice President &CFO	Hsieh, Sue-Chuan				
	Chief Corporate Governance Officer	Sun, Wei-Hsing	0	770	770	0.02%

Note : It is the amount that has been resolved for distribution by the board of directors in the most recent year and will be reported in the shareholders' meeting.

Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents

1. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, president and vice presidents of the Company, to the net income.

Item  Title	Total remuneration, as a percentage of net income stated in the parent company only financial reports				Increase (Decrease) %
	2021		2020		
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	
Directors	0.23%	0.23%	0.27%	0.31%	(14.81%)/(28.13%)
President and vice presidents	1.54%	1.77%	2.75%	3.14%	(44.00%)/(52.93%)

Note : Established an audit committee to replace supervisors, dismissed on May 31, 2019.

2. The Company's policies, standards, and portfolios for the remuneration of the Directors procedures for determining remuneration, and correlation with business performance and future risks
  - (1) In accordance with Article 14 of the Articles of Association : The Boards shall be authorized to determine the remuneration for directors according to the recommendations from the remuneration committee of the Company and the general level of payment for within the industry.
  - (2) In accordance with Article 23 of the Articles of Association : If the Company sustains profit for the year (i.e., the profit before employee and director remunerations are deducted from profit before tax), not less than 1% of the profit shall be prorated; provided, not more than 10% of the profit shall be set aside as employee remunerations and not more than 1% of the profit as director remunerations. The remuneration distribution shall be resolved by the Board of Directors.
3. The Company's policies, standards, and portfolios for the remuneration of the President and Vice President, procedures for determining remuneration, and correlation with business performance and future risks :
  - (1) Based on individual performance and contribution to the company's overall operations, and taking into account the company's future operational risks and industrial standards, the Remuneration Committee will make recommendations to the Board of Directors for discussion and approval.
  - (2) In accordance with Article 23 of the Articles of Association : If the Company sustains profit for the year (i.e., the profit before employee and director remunerations are deducted from profit before tax), not less than 1% of the profit shall be prorated; provided, not more than 10% of the profit shall be set aside as employee remunerations and not more than 1% of the profit as director remunerations. The remuneration distribution shall be resolved by the Board of Directors.

### 3.4 The state of the company's implementation of corporate governance

#### 3.4.1 Board of Directors

The Board convened for 9 instances (Three pre-election and three post-election meetings)  
(A) In 2021. The attendance of the directors to the meetings is shown below:

Title	Name	Attendance in Person (B)	Attendance by proxy	Percentage of actual attendance (%) 【 B/A 】	Remarks
Chairman	Hwang, Ming-Hang	9	0	100%	
Vice Chairman	Tsai, Feng-Tzu	9	0	100%	
Director	MIC Rep. : Miau, Matthew Feng Chiang	9	0	100%	
Director	MIC Rep. : Lin, Chuan Cheng	7	2	78%	
Director	LHIHC Rep. : Chou, Teh-Chien	9	0	100%	
Director	LHIHC Rep. : Miau, Scott Matthew	8	1	89%	
Independent director	Lin, Kuan-Ming	8	1	89%	
	Lin, Long Song	9	0	100%	
	Chang, Chia-Hsin	9	0	100%	

Other mentionable items:

- I. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:  
( I ) Matters referred to in Article 14-3 of the Securities and Exchange Act.

Board of Directors' meeting			Opinions of the Independent Directors	The Company's response towards independent director's opinions
Date	Term	Subject Matter		
2021.01.22	2021 1 st session	The proposal of the Company's 2020 performance evaluation and remuneration distribution for the management (except for the President) and the employees who are also the Directors	No objection	None
		The proposal of the Company's 2020 performance evaluation and remuneration distribution for the President	No objection	None
2021.02.25	2021 2 st session	The proposal of change of Accountant.	No objection	None
		The proposal of the Company's 2021 performance evaluation and remuneration distribution for the management (except for the President) and the employees who are also the Directors.	No objection	None
		The proposal of the Company's 2021 performance evaluation and remuneration distribution for the President.	No objection	None

Board of Directors' meeting			Opinions of the Independent Directors	The Company's response towards independent director's opinions
Date	Term	Subject Matter		
2021.03.23	2021 3 <sup>st</sup> session	Proposal for the Company to be transformed into an investment holding corporation in facilitation of the overall planning, and to change company name. Please resolve the decision as appropriate.	No objection	None
		Proposal of the division of the business (incl. all assets, liabilities, and operations) of the Rugged Solutions Business Group (incl. Rugged and Video solutions) to facilitate the planning operations for the transformation into an investment holding corporation.	No objection	None
		Proposal of the division of the business (incl. all assets, liabilities, and operations) of the Mechatronic & Energy Solutions Business Group (incl. Mechatronic and energy solutions and Power Solutions) to facilitate the planning operations for the transformation into an investment holding corporation.	No objection	None
		Proposal for amendments to the "Procedures for Loaning Funds to Others"、"Procedures for Endorsements and Guarantees"、"Procedures for Acquisition and Disposal of Assets" and "Procedures for Derivatives Trading"	No objection	None
2021.06.11	2021 5 <sup>st</sup> session	GTC 100% owned subsidiary HLT sell 100% equity of PMD and its 100% owned mainland company MPTS	No objection	None
2021.9.23	2021 7 <sup>st</sup> session	Proposal for the Getac Holdings Corporation's cash capital increase to Getac Corp.	No objection	None
		Proposed amendments to the Internal Control to conform to the Company Name to be transformed into an investment holding corporation	No objection	None
		Proposed amendments to the Regulations to conform to the Company Name to be transformed into an investment holding corporation.	No objection	None

(II) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors. : None.

II.If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Board of Directors's meeting Date and Term	Avoid the conflict of interest Name of director	Subject Matter	Reasons for the avoidance of the conflict of interest	Participating in dliberation
2021.1.22	Lin, Chuan Cheng	The proposal of the Company's 2020 performance evaluation and remuneration distribution for the management (except for the President) and the employees who are also the Directors	Concurrently serving as employee	Passed unanimously as proposed by all attending directors entitled to vote.
	Hwang, Ming-Hang	The proposal of the Company's 2020 performance evaluation and remuneration distribution for the President	Concurrently serving as President	The Vice Chairman, Francis Tsai, of the board of directors was acting as the chairman of the board. The proposal was passed unanimously after consulting other directors who had no objection raised.

Board of Directors's meeting Date and Term	Avoid the conflict of interest Name of director	Subject Matter	Reasons for the avoidance of the conflict of interest	Participating in deliberation
2021.2.25	Lin, Chuan Cheng	The proposal of the Company's 2020 performance evaluation and remuneration distribution for the management (except for the President) and the employees who are also the Directors	Concurrently serving as employee	Passed unanimously as proposed by all attending directors entitled to vote.
	Hwang, Ming-Hang	The proposal of the Company's 2020 performance evaluation and remuneration distribution for the President	Concurrently serving as President	The Vice Chairman, Francis Tsai, of the board of directors was acting as the chairman of the board. The proposal was passed unanimously after consulting other directors who had no objection raised.
2021.3.23	Hwang, Ming-Hang	Proposal of the division of the business (incl. all assets, liabilities, and operations) of the Rugged Solutions Business Group (incl. Rugged and Video solutions) to facilitate the planning operations for the transformation into an investment holding corporation.	Concurrently serving as chairman	The Vice Chairman, Francis Tsai, of the board of directors was acting as the chairman of the board. The proposal was passed unanimously after consulting other directors who had no objection raised.
	Hwang, Ming-Hang	Proposal of the division of the business (incl. all assets, liabilities, and operations) of the Mechatronic & Energy Solutions Business Group (incl. Mechatronic and energy solutions and Power Solutions) to facilitate the planning operations for the transformation into an investment holding corporation.	Concurrently serving as chairman	The Vice Chairman, Francis Tsai, of the board of directors was acting as the chairman of the board. The proposal was passed unanimously after consulting other directors who had no objection raised.
2021.9.23	Hwang, Ming-Hang	Proposal for the Getac Holdings Corporation's cash capital increase to Getac Corp.	Concurrently serving as chairman	The Vice Chairman, Francis Tsai, of the board of directors was acting as the chairman of the board. The proposal was passed unanimously after consulting other directors who had no objection raised.

III. Information on the Board's self (or peer) evaluation cycles, evaluation periods, scope, method and content of evaluation:

Status of Board evaluation:

Cycle	Period	Scope	Method	Content
Once a year	Jan. 1, 2021 ~ Dec.31, 2021	1.Board of Directors 2.Individual Board members 3.Compensation Committee 4.Audit Committee	1.Board self-evaluation 2.Board member self-evaluation 3.Functional Committee member self-evaluation	I .The performance assessment of the board of directors 1.The degree of participation in the company's operations. 2.Improvement in the quality of decision making by the board of directors. 3.The composition and structure of the board of directors. 4.The election of the directors and their continuing professional education. 5.Internal controls.

Cycle	Period	Scope	Method	Content
				II.The performance assessments of board members 1.Their grasp of the company's goals and missions. 2.Their recognition of director's duties. 3.Their degree of participation in the company's operations. 4.Their management of internal relationships and communication. 5.Their professionalism and continuing professional education. 6.Internal controls.
				III .The performance assessments of a functional committee 1.Their degree of participation in the company's operations. 2.Their recognition of the duties of the functional committee. 3.Improvement in the quality of decision making by the functional committee. 4.The composition of the functional committee, and election and appointment of committee members. 5.Internal control.

IV.Enhancements to the functionality of board of directors in the current and the most recent year (e.g., establishment of an Audit Committee, improvement of information transparency, etc), and the progress of such enhancements :

- ( I ) In order to establish a good corporate governance system of the board of directors, improve supervision functions and strengthen management functions. The Company has established a 『 Board of Directors Meeting Procedure 』 and implemented accordingly.
- ( II ) The Company has immediately disclosed the attendance and training of the Board Directors to the investors on the Market Observation Post System, and has voluntarily disclosed important resolutions of the Board on the company's website to effectively enhance information transparency.
- ( III ) The Company has established an “Regulations for the Evaluation of the Performance of the Board” and the board of directors performs at least one times performance evaluation at each year.
- ( IV ) The company will fortify the functions of the Board of Directors in responding to applicable legal rules and the requirements of corporate governance.



### 3.4.2 Audit Committee

1. Three Independent Directors shall be elected on the General Shareholders' Meeting, and the three Independent Directors shall form the Audit Committee. The Committee shall convene meetings at least 4 times per year, and are responsible for the fair presentation of the Company's financial statements, the selection (release) of CPAs and their independence and evaluation, the effective implementation of internal control, the Company's compliance with relevant laws and regulations, and the management control of the Company's existing or potential risks. Main duties are as follows:

- (1) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
- (4) Matters in which a director is an interested party.
- (5) Asset transactions or derivatives trading of a material nature.
- (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
- (7) The offering, issuance, or private placement of equity-type securities.
- (8) The hiring or dismissal of a certified public accountant, or their compensation.
- (9) The appointment or discharge of a financial, accounting, or internal audit officer.
- (10) The annual financial report signed or sealed by the chairman of the board of directors, the manager and the accounting officer
- (11) Other material matters as may be required by this Corporation or by the competent authority.

2. Performance of Audit Committee :

The Audit Committee convened for 8 meetings (A) in 2021. The attendance of the independent directors to the meetings is shown below:

Title	Name	Attendance in Person (B)	Attendance by proxy	Percentage of actual attendance (%) 【 B/A 】	Remarks
Convener and Independent Directors	Chang, Chia-Hsin	8	0	100%	
Independent Directors	Lin, Kuan-Ming	7	1	88%	
Independent Directors	Lin, Long Song	8	0	100%	

Other matters that require reporting:

I. If any of the following circumstances occur, the dates of meetings, Terms, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

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

Audit Committees' meeting			Independent director's opinions or objections	Resolution of the Audit Committee	The Company's response to the opinion of the Audit Committee
Date	Term	Subject Matter			
2021.1.22	2021 1 st session	Appoint independent experts	None	Approved by all Committee members present in the meeting.	None
2021.2.25	2021 2 st session	The proposal of change of Accountant and evaluation of the Independence of the Company's CPA			
		Completed preparation of the Company's 2020 business report and financial statements			
		Issue the company's "Declaration of Internal Control"			
2021.3.23	2021 3 st session	Proposal for the Company to be transformed into an investment holding corporation in facilitation of the overall planning, and to change company name. Please resolve the decision as appropriate.			
		Proposal of the division of the business (incl. all assets, liabilities, and operations) of the Rugged Solutions Business Group (incl. Rugged and Video solutions) to facilitate the planning operations for the transformation into an investment holding corporation.			
		Proposal of the division of the business (incl. all assets, liabilities, and operations) of the Mechatronic & Energy Solutions Business Group (incl. Mechatronic and energy solutions and Power Solutions) to facilitate the planning operations for the transformation into an investment holding corporation.			
		Proposal for amendments to the "Procedures for Loaning Funds to Others" 、"Procedures for Endorsements and Guarantees 、" Procedures for Acquisition and Disposal of Assets" and "Procedures for Derivatives Trading"			
2021.6.11	2021 5 st session	GTC 100% owned subsidiary HLT sell 100% equity of PMD and its 100% owned mainland company MPTS			

Audit Committees' meeting			Independent director's opinions or objections	Resolution of the Audit Committee	The Company's response to the opinion of the Audit Committee
Date	Term	Subject Matter			
2021.9.22	2021 7 <sup>st</sup> session	Proposal for the Getac Holdings Corporation's cash capital increase to Getac Corp.	None	Approved by all Committee members present in the meeting.	None
		Proposed amendments to the Internal Control to conform to the Company Name to be transformed into an investment holding corporation			
		Proposed amendments to the Regulations to conform to the Company Name to be transformed into an investment holding corporation.			

II .For the status of independent directors' recusal with respect to relationship of interest, the names, agenda items, reasons to enter recusal, and status of voting shall be stated: None.

III .Communication between independent directors and the chief internal auditor and CPAs (must include material matters of communication, methods, results relating to the Company's financial reports and business conditions):

Date	Material	Matters of communication	Suggestions and implementation
2021.2.25	Audit ommittee	I.audit activities : 1.Self-assessment of internal control-2020 Annual Summary Report 2.Audit Execution Plan-2021Q1 II.CPA's audit report : After CPA's audit report and communication with governance units	None
2021.5.12	Audit ommittee	I.audit activities : 1.Results of the audit program - 2021Q1 2.Audit Execution Plan-2021Q2	None
2021.8.13	Audit ommittee	CPA's audit report : After CPA's review report in the second quarter of 2021 and communication with governance units	None
2021.11.10	Communication Meeting	CPA's audit report : After CPA's review report in the third quarter of 2021 and communication with governance units	None

### 3.4.3 Corporate governance implementation status and deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed

#### Companies and reasons:

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
1.Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V	The Company has established the “Corporate Governance Best-Practice Principles” according to the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and has it disclosed on the company’s website and Market Observation Post System.	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
2.Shareholding structure & shareholders’ rights (1)Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (2)Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V	The Company has a spokesperson and acting spokesperson system to properly handle shareholder suggestions, doubts, and disputes.  The Company can handle the major shareholders who actually control the Company and can obtain a list of the controlling major shareholders; in accordance with the statutory requirements, the actual shareholdings and the changes in the shareholdings of the directors and major shareholders should be reported before the 15th day of each month.	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
(3)Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V	The Company has established procedures for related party transaction and rules governing the operations of subsidiaries in the internal control system in accordance with relevant law and regulations. In addition to the self-inspection operations, the audit unit performs annual audits based on the annual audit plan The Board of Directors and the management also regularly and occasionally review the results of the self-inspection of each department and the audit report of the auditing unit, implement the internal control system of the company, and establish a sound financial, business, and accounting management system in line with the relevant provisions of the public offering company, and strengthen the management of the associates and implement the necessary control mechanisms to reduce operational risk. The transactions with related companies are based on the principle of fairness and reasonableness, and the operating procedures for the financial transactions conducted with the related party are also stipulated accordingly.	

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”, and Reasons
	Yes	No	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V	The Company has established the “Procedures for Handling Material Inside Information” and “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” to regulate the confidentiality obligations of insiders on important information, and may not use such confidential information to obtain abnormal benefits for themselves or anyone, and to advocate such information confidentiality to the Board of Directors, Managers, and other persons who have been informed of important information within the company due to their identity, position, or control relationship in order to substantiate the system and to provide relevant law and regulations to the parties for compliance when they take office.	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed” Companies.”
3. Composition and Responsibilities of the Board of Directors (1) Does the Board established a diversity policy, specific management goals and implemented it accordingly	V	(I) The board of directors of the Company approved the amendment to the Corporate Governance Best Practice Principles on October 1, 2021. A diversified approach is stipulated in Chapter 3 Strengthening the Powers of the Board of Directors. A candidate nomination system has been adopted for the nomination and selection of board directors pursuant to the provisions set forth in the Articles of Incorporation of this company. In addition to an assessment of the educational and career background and qualifications of each candidate, the Company also abides by the Procedures for Election of Directors and Corporate Governance Best Practice Principles to ensure diversity and independence of the board. (II) The diversification of board members is stipulated in Article 20 of the Company’s “Corporate Governance Best-Practice Principles for Companies” and disclosed on the company’s website. The diversification of the board of directors of the Company please ref. P.13-14.	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed” Companies.”
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V	The company has set up a Remuneration Committee and a audit committee. The Company will also set up other types of functional committees according to the actual needs of the company.	

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	V	<p>The Board of Directors of the Company has established the “Regulations Governing Performance Evaluation of the Board of Directors,” and the Board of Directors shall perform at least one internal performance evaluation at the end of each year. The results of the board performance evaluation have been reported to the Board of Directors on February 25, 2022, which are disclosed in the “Corporate Governance” section of the company’s website for reference. For the remuneration of the directors and supervisors, it is for an amount no more than 1% of the earnings in accordance with Article 23 of the Articles of Association, compensations should be paid by considering the company’s operating results and their contribution to the company’s performance. The procedures for determining the remuneration are based on the “Regulations Governing Performance Evaluation of the Board of Directors” of the Company as a basis for evaluation. In addition to the company’s overall operational performance, industry future business risks, development trends, and personal performance achievement rates and contribution to corporate performance are taken into account for determining a reasonable amount of compensation and nomination of individual directors; also, review the remuneration system in a timely manner, depending on the actual operating conditions and relevant law and regulations, in order to balance the company’s sustainable operation with risk control.</p> <p>Please refer to the description of the the company’s implementation of Board of Directors in Chapter III of the annual report.</p>	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
(4) Does the company regularly evaluate the independence of CPAs?	V	<p>The Company regularly evaluates the independence of the independent auditors and submits it to the Board of Directors. The Company has evaluated the auditors, CPA Liu, Chien-Yu and CPA Cheng Ya-Huei, of PwC Taiwan, and confirmed that there is no conflict of interest against the company (not taking up the position of the company); also, assessed whether there is any need to replace the auditors (for seven consecutive years without replacement or with disciplinary act or detrimental to their independence occurred), they are confirmed all in line with the company’s independence evaluation criteria, so they are capable of serving as the company’s independent auditors. The result was reported to the Board of Directors on February 25, 2022.</p>	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform	V	<p>( I ) In order to implement corporate governance and promote the effective function of the Board, the Company has approved the appointment of Irene Sun as Chief Corporate Governance Officer of the Company on May 12, 2021 by the Board. The Chief Corporate Governance Officer is the highest executive in charge of corporate governance related matters. The corporate governance personnel responsible for the corporate governance business of each relevant unit are responsible for various matters of corporate governance.</p>	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”, and Reasons
	Yes	No	
their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?		(II) Implementation of major duties : 1.Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law; 2.Preparation of minutes of the board of directors meetings and shareholders meetings; 3.Assistance in onboarding and continuing education of the directors; 4.Provision of information required for performance of duties by the directors; 5.Assistance in the directors' compliance of law 6.Other matters described or established in the articles of incorporation or under contract.	
5.Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V	The Company sets up the communication channel of the “Stakeholders” section on the company website with the responsible person designated to handle and respond to the issues, and place the CSR on the company website for the interested parties to download for reference. “Stakeholders” section : <a href="https://tw.getacgroup.com/sustainability/index.php?index_id=46">https://tw.getacgroup.com/sustainability/index.php?index_id=46</a> TEL: 02-2785-7888 ; E-mail: <a href="mailto:Getac.csr@getac.com.tw">Getac.csr@getac.com.tw</a>	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
6.Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V	The shareholders’ meeting of the Company has appointed the professional stock agency of CTBC Bank Co., Ltd. to handle the affairs of the shareholders’ meeting.	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
7.Information Disclosure (1)Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V	The Company has a website <a href="https://www.getacgroup.com">https://www.getacgroup.com</a> setup with the relevant information, such as, financial information, press releases, corporate governance rules, and incorporated person briefings disclosed in the “Investor Relations” section.	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V	The Company also has an English website that is handled by the designated personnel who are responsible for the collection and disclosure of company information. Apart from designating a spokesperson, the Company also has an acting spokesperson system to disclose relevant information in accordance with the law. The relevant incorporated person briefing process is also immediately announced to the investors in the “Market Observation Post System” for their information and inquiry.	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V	The Company submitted its financial statement for 2021 on February 25, 2022. It also submitted and made public its financial statements for the 1st, 2nd, and 3rd quarters and operating status reports for each month prior to the prescribed deadlines.	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V	(I) Employee rights Please refer to the description of the labor relations in Chapter V of the annual report. (II) Employee wellness Please refer to the description of the labor relations in Chapter V of the annual report. (III) Investor Relations The Company adheres to the principle of fairness and information disclosure, and strives to be transparent in corporate governance. The Company also regularly publishes relevant operational and financial related information of the company to shareholders and stakeholders, and sets up a system of spokespersons and acting spokespersons as a communication bridge between the company and shareholders in order to fulfill the company’s responsibility and obligation in information disclosure. There are also dedicated investor relations staffs and email addresses available to handle suggestions and questions from investors.	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”



Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”, and Reasons																																														
	Yes	No																																															
		<p>Abstract Illustration</p> <p>(IV) Supplier relations  1. The Company’s relationship with suppliers is stable and good. With years of complete and rich industry experience, we have developed a long-term good and stable cooperation with suppliers to ensure that the supply of key components is sufficient.  2. Establish first-hand technical communication and R&amp;D with suppliers, lead the industry to introduce cutting-edge high-performance products; exchange ideas of technologies with the markets occasionally, and act as a pioneer and leader in new technology development continuously; when new key components are marketed or changed in version, cooperate with suppliers to develop and test early in order to ensure the resilience of the product launch.</p> <p>(V) Rights of stakeholders  The Company handles matters, such as, shareholders, corresponding banks and creditors, employees, consumers, etc., and can provide services and protect their equities through the stock affair agents, dedicated investor relations personnel and e-mail, employee relations officers, and other pipelines.</p> <p>(VI) Directors’ training records  The advanced study of the Directors has been immediately disclosed at the “Market Observation Post System” and is readily available to shareholders and investors for reference as follows:</p> <table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Organization</th> <th>Course name</th> <th>Study hours</th> </tr> </thead> <tbody> <tr> <td>Director</td> <td>Hwang, Ming-Hang</td> <td>Taiwan Corporate Governance Association</td> <td>Hostile Takeover and Defensive Measures</td> <td>3</td> </tr> <tr> <td>Director</td> <td>Tsai, Feng-Tzu</td> <td>Computer Audit Association</td> <td>Enhance corporate information security governance capabilities and demonstrate corporate social responsibility</td> <td>3</td> </tr> <tr> <td rowspan="2">Representative of Institutional directors</td> <td rowspan="2">Miao, Maifeng Chiang</td> <td>Financial Supervisory Commission R.O.C(Taiwan)</td> <td>The 13th Taipei Corporate Governance Forum</td> <td>6</td> </tr> <tr> <td>Taiwan Corporate Governance Association</td> <td>Machine Learning-Hardware Design; Biden's New Deal and the Impact of Soaring U.S. Bond Rates</td> <td>3</td> </tr> <tr> <td rowspan="2">Representative of Institutional directors</td> <td rowspan="2">Chou, Tseh-Chien</td> <td>Taiwan Corporate Governance Association</td> <td>Hostile Takeover and Defensive Measures</td> <td>3</td> </tr> <tr> <td>Financial Supervisory Commission R.O.C(Taiwan)</td> <td>110th Annual Legal Compliance Briefing on Insider Stock Transactions</td> <td>3</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Enhance corporate information security governance capabilities and demonstrate corporate social responsibility</td> <td>3</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Hostile Takeover and Defensive Measures</td> <td>3</td> </tr> <tr> <td></td> <td></td> <td></td> <td>The 13th Taipei Corporate Governance Forum</td> <td>6</td> </tr> </tbody> </table>	Title	Name	Organization	Course name	Study hours	Director	Hwang, Ming-Hang	Taiwan Corporate Governance Association	Hostile Takeover and Defensive Measures	3	Director	Tsai, Feng-Tzu	Computer Audit Association	Enhance corporate information security governance capabilities and demonstrate corporate social responsibility	3	Representative of Institutional directors	Miao, Maifeng Chiang	Financial Supervisory Commission R.O.C(Taiwan)	The 13th Taipei Corporate Governance Forum	6	Taiwan Corporate Governance Association	Machine Learning-Hardware Design; Biden's New Deal and the Impact of Soaring U.S. Bond Rates	3	Representative of Institutional directors	Chou, Tseh-Chien	Taiwan Corporate Governance Association	Hostile Takeover and Defensive Measures	3	Financial Supervisory Commission R.O.C(Taiwan)	110th Annual Legal Compliance Briefing on Insider Stock Transactions	3				Enhance corporate information security governance capabilities and demonstrate corporate social responsibility	3				Hostile Takeover and Defensive Measures	3				The 13th Taipei Corporate Governance Forum	6	
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Evaluation Item	Implementation Status		Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies", and Reasons												
	Yes	No													
		<p>(IX) Insurance against directors' liabilities</p> <p>In accordance with Article 14 of the Articles of Association of the Company, the Company has acquired liability insurance for directors, and announced it in the MOPS for reference by shareholders and investors as follows:</p> <table border="1" data-bbox="480 499 705 1485"> <thead> <tr> <th>The insurer</th> <th>The insured</th> <th>The amount insured</th> <th>Term of policy (starting and ending)</th> </tr> </thead> <tbody> <tr> <td>Fubon Insurance Co., Ltd.</td> <td>All Directors</td> <td>NT\$ 144,100 thousand</td> <td>November 15, 2020 to November 15, 2021</td> </tr> <tr> <td></td> <td>All Directors</td> <td>NT\$ 139,175 thousand</td> <td>November 15, 2021 to November 15, 2022</td> </tr> </tbody> </table>	The insurer	The insured	The amount insured	Term of policy (starting and ending)	Fubon Insurance Co., Ltd.	All Directors	NT\$ 144,100 thousand	November 15, 2020 to November 15, 2021		All Directors	NT\$ 139,175 thousand	November 15, 2021 to November 15, 2022	
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Fubon Insurance Co., Ltd.	All Directors	NT\$ 144,100 thousand	November 15, 2020 to November 15, 2021												
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<p>9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.</p> <p>(1) Response to the Corporate Governance Evaluation Result: :</p>															
8th Evaluation Indicators															
1.11	Did the company provide the English annual report 7 days before the day of the AGM? 【If the English version of the annual report is uploaded 16 days before the ordinary, one additional point will be added to the total score】		Priority improvement plan and measures  The company has provided the English annual report 16 days before the day of the AGM.												
2..9	Has the company adopted succession planning for board members and key executives, and disclosed the operational status of such planning on its website and in its annual report?		The company has adopted succession planning for board members and key executives, and disclosed the operational status of such planning on its website and in its annual report.												
2.21	Has the company appointed a company secretary and disclosed on the company's website and in its annual report the scope of the company secretary's authority, the key tasks carried out by the company secretary that fiscal year, and the status of the company secretary's continuing education? 【If the post of company secretary is filled by a person not serving in any other position in the company, one additional point will be added to the total score.】		The company has appointed a company secretary who is filled by a person not serving in any other position in the company and disclosed on the company's website and in its annual report the scope of the company secretary's authority, the key tasks carried out by the company secretary that fiscal year, and the status of the company secretary's continuing education.												

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”, and Reasons
	Yes	No	
	Abstract Illustration		
<b>8th Evaluation Indicators</b>			
3.5	Was the annual financial report in English filed to the MOPS by 7 days before the AGM? 【If the company voluntarily prepared and filed an English version of the financial report, one additional point will be added to the total score.】		Priority improvement plan and measures  The company has provided the English annual financial report 16 days before the day of the AGM.
3.20	Did the company attend or voluntarily hold investor conferences at least two times in the year being evaluated, and were the first and last investor conferences in the year held at least 3 months apart? 【If the company held at least one investor conference each quarter or held investor conferences to address the operating results of each quarter, one additional point will be added to the total score.】		The company held at least one investor conference each quarter and were the first and last investor conferences in the year held at least 3 months apart.
(2)Matters required further improvements as stated in the Corporate Governance Evaluation Result and the measures to be taken :			
The Company handles the self-evaluation of corporate governance according to the regulations of the competent authority. It has proposed priority improvement measures according to the current situation of the company for the various indicators that have not been reached, and gradually improved the corporate governance situation in order to improve the corporate governance image.			

3.4.4 Disclosure of the organization, functions, and operation of the remuneration committee, if applicable

1. The Company established a Compensation Committee comprised of 3 outside experts who satisfied criteria of professionalism and independence. The committee holds meetings at least twice a year and exercises the following authorities in a professional and objective manner; its suggestions are raised for discussion in board meetings:

- (1) Review and revise the committee charter on a regular basis, and make necessary suggestions.
- (2) Stipulate and regularly review the performance of the Company's Directors and managers; as well as the annual and long-term performance goal, compensation policies, systems, standards and structure.
- (3) Regularly evaluate the achievement of the Company's Directors and managers' performance goals, and determine the content and amount of their individual remuneration based on the evaluation results obtained from the performance evaluation.

2. Profiles of the Remuneration Committee members

Title	Conditions Name	Professional qualifications and experience	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Convener and Independent Directors	Lin, Kuan-Ming	Please refer to Disclosure of information on professional qualifications of directors and independence of independent directors on page 12 for the relevant content.	<ol style="list-style-type: none"> <li>1. Not an employee of the Company or any of its affiliates.</li> <li>2. Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</li> <li>3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.</li> <li>4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3).</li> <li>5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or of the Company's outstanding shares, is a top five shareholder, or appointed a representative as the Company's director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</li> <li>6. Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</li> </ol>	0
Independent Directors	Lin, Long Song			0
Independent Directors	Chang, Chia-Hsin			0

			<p>7. Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>8. Shareholders (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).</p> <p>9. Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the company or to any affiliate of the company, or a spouse thereof, This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.</p> <p>10. Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.</p>	
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### 3. Attendance of Members at Remuneration Committee Meetings

- (1) There are 3 members in the Company's Remuneration Committee.
- (2) The term of office of the current members: From May 31, 2019 to May 30, 2022, there were 3 (A) Remuneration Committee meetings held in the most recent year (2021). The qualification and attendance of the members are as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B/A 】	Remarks
Convener	Lin, Kuan-Ming	3	0	100%	
Committee Member	Lin, Long Song	2	1	67%	
Committee Member	Chang, Chia-Hsin	3	0	100%	

#### Other mentionable items:

- If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
- Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, sessions, content of the motion, all members' opinions and the response to members' opinion should be specified: None.
- The date and term of the Remuneration Committee's meetings held in the preceding year, the motions presented, the Committee's resolutions thereof, and the Company's corresponding actions.

The Remuneration Committees' meeting Date and term	Subject Matter	Resolution result	The Company's response to the remuneration committee's opinion
2021.1.8 2021 1st remuneration committee session	Amendments to "Remuneration Committee Charter"	Unanimously approved by all the members in attendance and Submitted to the Board of Directors for approval by all the directors in attendance	None
	Amendments to "Self-Evaluation or Peer Evaluation of the Board of Directors"		
	2020 Board of Directors' Performance Assessments Indicators		
	The proposal of the Company's 2020 performance evaluation and remuneration distribution for the management (except for the President) and the employees who are also the Directors		
2021.02.23 2021 2st remuneration committee session	The proposal of the Company's 2020 performance evaluation and remuneration distribution for the President	Unanimously approved by all the members in attendance and Submitted to the Board of Directors for approval by all the directors in attendance	None
	Status of 2020 directors, compensation distribution.		
	The proposal of the Company's 2021 performance evaluation and remuneration plan for the management (except for the President) and the employees who are also the Directors		
2021.05.12 2021 3st remuneration committee session	The proposal of the Company's 2021 performance evaluation and remuneration plan for the President	Unanimously approved by all the members in attendance and Submitted to the Board of Directors for approval by all the directors in attendance	None
	Appointment of new Governance Officer		

4. The company disclose the connection between director and managerial officer performance assessment and remuneration in its annual report :

- (1) Performance evaluation indicators for directors : Mastery of goals and tasks 、 Responsibility of perception 、 Degree of participation in operations 、 Internal relationship management and communication 、 Professional and continuous training 、 Internal Control
- (2) Performance evaluation indicators for managerial officers : Financial indicators (revenue, profit target) 、 Nonfinancial indicators (key performance indicators responsible for functions)

3.4.5 Fulfillment of CSR and Deviations from the " Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons " and Reasons "

Evaluation Item	Implementation Status		Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
<p>1.Does the Company establish a governance structure to promote sustainable development, established a dedicated (part-time) unit to promote sustainable development; and did the Board of Directors authorize senior management to handle it and report the supervisory status to the Board of Directors?</p>	V	<p>To drive the matters in relation to sustainability, Getac established the Sustainability Committee in September 2017. The committee serves as the primary decision-maker and implementor of Getac's corporate social responsibility and sustainable operation. Our President chairs the Committee and determines to increase or decrease the number of committee members, depending on the circumstances and to the assistance in sustainability issues. A taskforce for execution and promotion is set up under the committee, to drive and follow up with decisions from the committee. Meanwhile, the Chairman appoints senior managers from business units to act as standing committee members. There are six functional groups and each group is led by a level 1 supervisor in the company, based on functions, responsibilities and authorities, to drive sustainability issues in the economy, the environment or society. In accordance with the committee's policy, these groups urge functions in administration, environmental safety &amp; health, manufacturing, factory affairs, labor safety, R&amp;D, sales, marketing &amp; public relations, legal counsel, finance &amp; accounting, human resources and procurement, to integrate sustainability into routines in order to fulfill the Company's sustainability policy.</p> <p>Getac's Sustainability Committee convenes meetings on a quarterly basis, to keep abreast of sustainability issues in the international society and across the supply chain. The committee chair ensures relevant units to report to the Board of Directors regarding annual planning, implementation and achievements in sustainability. Three presentations were made to the Board of Directors during the year.</p>	<p>Compliant with the rationale and practices of "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies".</p>



Evaluation Item	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No		Abstract Illustration
2.Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		In 2021, the Company’s Risk Management Committee conducted risk scope assessments on Getac Holdings Corporation and its eight subsidiaries by covering over 90% of the Company’s revenues. The Probability and Impact Matrix was produced on the basis of assessment results. Operational Risk Factor® is defined as a product of likelihood (L) and impact (I). For 2021, a total of 18 risk types were assessed and 59 risk items were mapped out (consisting of 8 high risk items, 38 medium risk items and 13 risk items). This is disclosed in Section 2.4 Corporate Risk Management in our Sustainability Report.	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.
3.Environmental issues (1)Does the Company establish an appropriate environmental management system according to its industrial characteristics?	V		The Company and the subsidiaries have obtained the certifications in environmental management systems relevant to our industry characteristics. This includes the ISO50001 energy management system, the ISO 14001 environment management system or equivalent, the ISO 14064 greenhouse gas (GHG) validation and verification and the IECQ/QC080000 hazardous substance process management (HSPM). We strive for environmental protection. Please refer to Chapter 5 of this annual report for the list of the international standards we have been certified to (valid as of the publication date of the annual report) and the scopes of these standards. Getac Holdings Corporation and its eight subsidiaries expect to introduce the TCFD (Task Force on Climate-Related Financial Disclosures) framework in the second half of 2022, in order to enhance the identification of climate change risks and responses, in order to formulate environmental action plans going forward in a macro perspective.	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.

Evaluation Item	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(2) Does the Company establish an appropriate environmental management system according to its industrial characteristics?	V	To tackle the increasingly daunting energy challenge and to minimize the impact to the ecosystem, Getac seeks to cherish resources and our energy strategy is centered on carbon reduction and energy efficiency with improvement in manufacturing processes. With better energy utilization efficiency, we target an annual and gradual reduction in energy intensity and greenhouse gas emissions. Meanwhile, we also adopt measures in relation to the circular economy. In addition to cooperation with other industries to integrate energy resources by recycling and reusing waste steam, we also engage in the R&D of notebook chassis recycling and have been increasing the use of recycled materials year over year. Currently, recycled plastic resins accounts for approximately 21% of all the plastic pellets.	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V	In the event of potential disasters caused by climate risks, the Company has formulated emergency response and management procedures. Adaptation measures are planned to enhance post-disaster recovery. This allows the Company to develop a competitive advantage with better resilience against climate change. Our long-term action plan for cloud and remote backup is in adherence to the Regulations for Inspecting and Reporting Buildings Public Security. Meanwhile, the Company plans to introduce the TCFD (Task Force on Climate-Related Financial Disclosures) methodology in 2022, in order to better assess the potential risks and opportunities of climate change for now and the future.	
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	V	To implement our philosophy in environmental protection and fulfill social responsibility, we promote energy efficiency, carbon reduction and water resource conservation. Starting in the power-hungry manufacturing process, we invest in equipment with lower electricity consumption. With advanced wastewater treatment and recycling facilities, we play our part as a corporate citizen and in the protection of the earth. Please refer to Chapter 5 Environmental Protection for detailed explanations and environment data.	

Evaluation Item	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
<p>4.Social issues</p> <p>(1)Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	V		<p>We advocate the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the Code of Conduct from the Responsible Business Alliance (RBA), and the Declaration of Fundamental Principles and Rights at Work from the International Labour Organization (ILO) and we formulate our human rights policy accordingly to protect the legal rights of employees. We have put in place the work rules for employees in accordance with the labor related laws and regulations. Our responsible personnel adopt timely amendments in order to stay up to date. All our colleagues can access various real-time information via our intranet, to ensure that their rights are protected. We incorporate human rights education in our orientation sessions for new hires. Meanwhile, we organize training and education programs on human rights each year. In 2021, the completion rate for human right related training and education was 100%. Our production sites are primarily located in Taiwan, Vietnam and China. The labor laws in these jurisdictions all specify the protection of labor rights and these countries do not have high labor rights related risks.</p>

Evaluation Item	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V	<p>Cetac provides better-than-market employee salaries and benefits. The Remuneration Committee is involved in the periodic industry surveys in order to evaluate the scope for salary increases by relating our employee salaries and benefits with the market. Salary hikes and promotions are given to top performers, in order to attract, retain and incentivize talents. Based on operating performance, we assess and allocate employee bonuses each year. This is distributed after the resolution from the shareholders' meeting. We are one of the constituents of the TWSE RAFI® Taiwan High Compensation 100 Index.</p> <p>Our entry-level personnel in Taiwan, China and Vietnam receive wages higher than or equivalent to the local statutory rates. Male and female workers are given the same level of wages, with minimum differences. Wages vary slightly due to service tenures, levels and nature of jobs. However, there is no differentiation in treatment on the ground of sex, ethnicity, religion, political stance, marital status or union factors. In 2021, the ratio of wages paid to our direct employees and managers was not significantly different between males and females. However, there were some differences among male and female indirect employees (excluding managers) due to different work nature. Please refer to Chapter 5 Labor relations for details about our employee benefits.</p>	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”

Evaluation Item	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V	<p>It is our responsibility to all colleagues and their families to provide a safe and sound workplace. The headquarters offices in Taiwan organize for new hires the training and education in fire prevention every six months, by inviting fire brigade personnel in the area to give lectures on how to escape and find shelter in the event of fires and earthquakes. We also host well-being workshops regularly for all our employees, to enhance awareness and knowledge in mental/physical health and hygiene. In addition, we arrange government-certified hospitals to conduct health inspections on our employees in Taiwan once every two years by covering more than statutorily required. Consultation is provided regarding the health inspections. To prevent occupational hazards with systematic management, the headquarters in Taiwan has formulated the Occupational Safety and Health Policy and corresponding standardized operating procedures for regular inspections and tests on hazardous equipment at workplaces. Operational conditions such as air, water, noise and lighting are periodically checked and managed in the work environment. The Labor Safety and Health Committee has been established according to law. The committee has one chair and a total of 15 members, including five labor representatives (33.33%), reaching the statutory requirement for one third.</p> <p>*The Safety and Production Management Committee was established in Kunshan according to law. The chair is served by President or General Manager. The committee has a total of 89 members, including 73 labor representatives (82.02%).</p> <p>The Company's occupational safety and health management complies with the legal requirements of the jurisdictions where our operations are located. We have also obtained the ISO45001 certification. Please visit our official website for details on the verification at individual sites.</p> <p>In 2021, a total of our 15 employees (about 0.15% of our workforce) reported injuries and accidents. The primary cause of disabling injuries is the lack of adherence to the standardized operating procedures. The job training for new recruits and the instructions on safety and operational requirements have been enhanced. Production units are asked to properly implement the system.</p>	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(4) Does the company provide its employees with career development and training Terms?	V	<p>We advocate the core competences in 5C1L: creativity, critical thinking, complex problem solving, communication, and collaboration and leadership. This serves as the guiding principle for self-development and realization of our colleagues. We develop talents with comprehensive training programs. We have put in place the operational requirements for training and education. In addition to internal curriculums from time to time, we subsidize external training for different functions. Orientation classes are offered to all new hires. Different departments receive professional training based on requirements in R&amp;D design, law, marketing, finance and accounting. Management also regularly receives training related to management. In 2021, the average training and education hours per employee was 60.73. This number was 60.59 for direct employees, 62.91 for indirect employees and 48.60 for managers.</p>	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(5) Does the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		<p>1. The Company's marketing and promotional activities around the world comply with all government legislations and intellectual property regulations. We also follow voluntary standards such as EPEAT and ENERGY STAR.</p> <p>2. Our brand website (<a href="https://www.getac.com">https://www.getac.com</a>) provides explanations of after-sale warranty years in Customer Support section. There are also online inquiries from customers, FAQ information and other after-sale services to protect the rights of consumers.</p> <p>3. To identify and prevent hazardous substances from the product lifecycles, Getac introduced the IECQ/QC080000 quality assessment system for electronic components and products regarding hazardous substance processing and workflow management. We also comply with international environmental protection directives such as the Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS), Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and Substance of Very High Concern (SVHC) in the European Union. We review the components and raw materials from suppliers and we immediately ask for returns when any disqualified supplies are identified. This protects the health and safety of users and mitigates our operational risks.</p> <p>4. The legal department keeps an eye on applicable regulatory changes in all countries in order to update the measures for protection of customer privacy and data on a timely basis. Our product design is incorporated with the highest level of information security protection specifications in the industry. We also work with internationally renowned vendors in encryption to ensure compatibility in software and hardware. Our internal maintenance center and authorized third-party service providers must observe relevant local laws in personal data protection. The access of customer data for improper storage is prohibited during the repair and maintenance of machines. Customers are reminded of removing hard-disks before sending for repair, in order to avoid the leakage risks of personal data during machine maintenance and transportation. In addition, to boost the confidence of customers in our information security, the headquarters in Taiwan has introduced the ISO27001 information security management system. We have strengthened our capabilities against hackers and obtained certifications from third parties.</p>

Evaluation Item	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.?	V	<p>(I) In adherence to the RBA Code of Conduct version 7.0, we have put in place the Code of Conduct for Getac Group's Suppliers by requiring our suppliers to ensure sustainability in the economy, the environment and the society. This includes the following:</p> <ol style="list-style-type: none"> <li>1.No use of environmentally hazardous substances and compliance with environmental control regulations and laws</li> <li>2.No use of conflict minerals</li> <li>3.No child labor and no forced labor</li> <li>4.Respect for freedom of association and collective bargaining rights</li> <li>5.No discrimination</li> <li>6.Protection of intellectual properties, without infringing other's trademarks, copyrights, patents or trade secrets</li> <li>7.No giving or receiving of bribery, kickbacks, improper gifts or entertainment</li> <li>8.Protection of employees' occupational health and safety</li> <li>9.Treatment of pollution emissions and wastes according to environmental protection regulations and the ISO14001 certification</li> </ol> <p>(II) Our Company has established a green product system (GPA) with suppliers. Surveys are conducted before dealing with specific suppliers. This encompasses green product management, environment-related banned substances, and environmental training and education. Suppliers must provide data and only the qualified suppliers can transact with the Company.</p> <p>(III) Getac designs and conducts sustainability surveys on suppliers on the basis of the RBA Code of Conduct for suppliers. This survey has been issued once per year since 2019, in order to understand the sustainability performance and the legal compliance of our partners across the supply chain. In 2021, this sustainability survey was integrated with the existing electronic platform for suppliers, in order to systematize the process. In addition, the uploading function was added for certificates and relevant data. Suppliers are encouraged to provide more management system certificates such as ISO9001, ISO14001, ISO45001 as well as water quality test reports, corporate social responsibility reports and carbon emission statistics. The advocacy and support is aimed to gradually enhance the supply chain quality year over year.</p>	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”



Evaluation Item	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
		<p>In 2022, Getac Holdings Corporation and its subsidiaries conducted the 2021 sustainability survey on 751 manufacturers. Among these, 91% took part in the ESG self-assessments and 96% signed the letter of commitment in corporate social responsibility. The survey results indicate that 93% of these suppliers have been audited by third party institutions to verify corporate social responsibility issues and have passed these validations and 93% of these manufacturers ensured the collective corporate social responsibility across the supply chain via self-assessments, internal or onsite audits. There was no reporting of major material breaches or penalties with these manufacturers in 2021.</p>	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?	V	<p>The Company has produced the 2021 Sustainability Report and authorized the international verification company SGS to conduct inspections and issuance an assurance report, to confirm that this report meets the core option of the GRI Standards and AA1000 Type 1 moderate assurance requirements. The greenhouse gas emissions disclosed by this report was based on the ISO14064 greenhouse gas (GHG) validation and verification method. In addition, respective operation sites were validated by the locally qualified SGS or BSI (British Standards Institution) service providers.</p>	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies:: The Company has not established “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.			

Evaluation Item	Implementation Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
<p>7. Other useful information for explaining the status of corporate social responsibility practices:</p> <p>(1) Environmental protection : Please refer to III. “The description of Environmental Issues”</p> <p>(2) Consumer Rights : Please refer to IV. “Social issues”</p> <p>(3) Human Rights : Please refer to Chapter V of the Annual Report - Labor Relations.</p> <p>(4) Occupational Safety and Health : Please refer to Chapter V of the Annual Report - Labor Relations.</p> <p>(5) Community participation, social contribution, social services and, and social welfare :</p> <p>i. The Company intends to make a fixed amount of donations each year during the existence of the “Getac Social Charity Fund.” Getac Social Charity Fund also accepts non-scheduled donation from the employees, institutions, and community. Donations related matters will be entrusted to the trust industry or banks for handling in accordance with the Trust Law and financial regulations.</p> <p>ii. Through the “Yu-Sure Foundation” established by the Group, the Company is engaged in the promotion and development of digital knowledge and applied it to industrial upgrading in order to enhance the development of the information society.</p> <p>iii. Provide care and academic counseling for under privileged school children, so they can have opportunities to lead a better life, such as, donations for tuition, books, computer equipment of under privileged students.</p> <p>iv. Provide internship opportunities for outstanding students and share industry experience with them.</p> <p>v. Take care of the under privileged individuals and hire a visually impaired masseur to provide a free massage service for the staff to decompress. There are four visually impaired masseurs serving the company, twice a week, and had performed service for 720 hours in 2021.</p> <p>(6) Social Responsibility Education and Training : The total employee education trainings in 2021 was 574,534 hours, and the average number of training hours per person was 60.73 hours. Of which, the education and training on anti-corruption and human rights is particularly targeted with 100% of the employees trained.</p> <p>(7) The Company regularly releases the latest version of CSR before June 30 every year. For further information, please visit the “Sustainability Report” section of the Company’s official website to download the latest annual CSR.</p>			

3.4.6 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons

Evaluation Item	Implementation Status		Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?</p>	V	<p>The Company has established the "Ethical Corporate Management Best Practice Principles" that was approved by the Board of Directors and announced it at the "Market Observation Post System (<a href="https://mops.twse.com.tw">https://mops.twse.com.tw</a>)."</p> <p>The Board of Directors and the management have implemented relevant operations in accordance with the Principles and organized educational training and publicity every year to prevent relevant personnel from violating the Principles.</p>	<p>Compliant with the rationale and practices of "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies."</p>
<p>(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p>	V	<p>The Company has established management measures, such as, preventing bribery and taking bribe, prohibiting the provision of illegal political contributions, and prohibiting improper charitable donations or sponsorships for business activities with high risk of dishonesty in the business scope.</p> <p>The company in ethical management policy to clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct, including employee code of conduct and reporting on corruption and dereliction of duty.</p>	
<p>(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?</p>	V	<p>The Company has stipulated and implemented precautionary measures, such as, employee code of conduct and reporting on corruption and dereliction of duty, that specify operating procedures, behavioral guidelines, disciplinary act, and grievance systems for violations.</p>	

Evaluation Item	Implementation Status		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts? (2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V	The “Long-Term Procurement Contract” executed by the Company in connection with important suppliers has covered the “Integrity Clauses”.	Compliant with the rationale and practices of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.”
	V	The Company has designated a responsible unit for the formulation, supervision, and implementation of the integrity management policies and prevention programs. The board of directors of the Company shall exercise good faith to supervise and prevent unethical behaviors, and review the implementation effectiveness and continuous improvement at any time to ensure the implementation of the ethical corporate management policy.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V	The Company develops policies to prevent conflicts of interest and provides appropriate channels for directors, supervisors, and managers to proactively explain whether they have potential conflicts of interest with the company.	
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V	The Company establishes and follows an effective accounting system and internal control system. It must not have an extraordinary account or keep a secret account, and review it at any time to ensure that the design and implementation of the system continues to be effective. The internal auditing unit of the company draws up the relevant audit plan based on the results of the assessment of the risk of dishonesty, and checks the compliance of the prevention plan, and may appoint an accountant to perform the audit, and if necessary, may invite professionals to assist. The auditing results in the preceding paragraph shall be reported to the senior management and the unit responsible for integrity management, and an audit report shall be prepared and submitted to the board of directors.	

Evaluation Item	Implementation Status		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”, and Reasons
	Yes	No	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V	The Company occasionally holds educational training and promotion related to ethical corporate management to avoid violations of honest behavior committed by relevant personnel. The audit unit will check the actual situation of educational training and publicity according to the annual audit plan.	
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V	The Company has established a method for reporting corruption and dereliction of duty, stipulated a reporting and reward mechanism, and authorize the auditing unit to accept the report and conduct an investigation.	Compliant with the rationale and practices of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.”
(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V	The Company has set up the investigation standard operating procedures for handling a case reported, established a special investigation committee to investigate and deliver a disciplinary act, and formed a confidentiality mechanism for reporting in order to ensure the confidentiality of the investigation and the reservation of the audit documents.	
(3) Does the company provide proper whistleblower protection?	V	The Company establishes and follows a confidentiality mechanism to protect the security of the whistleblower.	
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V	The Company has established the “Ethical Corporate Management Best Practice Principles” and announced it on the company’s official website and the “Market Observation Post System (MOPS)” ( <a href="https://mops.twse.com.tw">https://mops.twse.com.tw</a> ), and disclosed relevant information on the implementation of the Principles in the annual report.	Compliant with the rationale and practices of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.”

Evaluation Item	Implementation Status		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies”, and Reasons
	Yes	No	
<p>5.If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation :</p> <p>The company has established the”Ethical Corporate Management Best Practice Principles”, which conform to the rationale and practices of “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”</p>		Abstract Illustration	
<p>6.Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies) :</p> <p>By complying with external regulations and establishing internal systems, the Company regulates all members of Getac to conduct business in accordance with the highest ethical standards. No corruption incident has been detected inside and outside the country in 2021. It also implemented integrity education and strengthened the international anti-corruption propaganda. In 2021, anti-corruption education was listed as compulsory training for employees, with a total of 10,559 person-times (100%) trained.</p>			

#### 3.4.7 Corporate Governance Guidelines and Regulations :

For more information on corporate governance, please visit the “Corporate Governance” section on Getac’s website, or visit the “Corporate Governance ” (<https://mops.twse.com.tw>)

#### 3.4.8 Other Important Information Regarding Corporate Governance : None.

### 3.4.9 Implementation of the Internal Control System

#### 1. Statement of Declaration of Internal Control

##### Getac Holdings Corporation

##### Statement of Declaration of Internal Control

Date: February 25, 2022

The result of the internal audit of the internal control system of the Company in 2021 with the following declaration:

- I. The Company understands that the establishment, implementation and maintenance of internal control system are the responsibility of the Board of Directors and managers of the Company. The Company already established such system. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.
- II. Internal control system has its limits. No matter how perfect the system is, an effective internal control system can only provide reasonable assurance for the achievement of the three aforementioned goals; in addition, the effectiveness of internal control system may change along with the changing environment and circumstances. However, a self-monitor mechanism is installed in the internal control system of the Company. The Company will make corrections once the deficiencies are identified.
- III. The Company judges the effectiveness of the design and implementation of internal control based on the criteria for the effectiveness of internal control system provided in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Regulations"). The criteria for the effectiveness of internal control adopted by the Regulations divide internal control system into five elements based on the process of management control: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communications, 5. Monitoring activities. Each of the elements in turn contains certain audit items, Please refer to the Regulations for aforementioned items.
- IV. The Company has adopted the aforementioned judgment items to evaluate the effectiveness of the design and implementation of internal control system.
- V. Basing on the aforementioned audit findings, the company holds that has reasonably preserved the achievement of the aforementioned goals within the aforementioned period ended on December 31, 2021 of internal control (including the monitoring over the subsidiaries), including the effectiveness and efficiency in operation, reliability in financial reporting and compliance with relevant legal rules, and that the design and enforcement of internal control are effective.
- VI. This Statement of Declaration will be the major content of the annual report and prospectus of the Company and to be publicly disclosed. If the aforementioned disclosed content contains misrepresentation or nondisclosure, the Company is subject to the liability of Article 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. The statement has been approved by the Board of Directors in the meeting held on February 25, 2022, with none of the nine attending directors expressing dissenting opinions, and the remainder all affirming the content of this statement.

Getac Holdings Corporation

Chairman : Hwang, Ming-Hang

President : Hwang, Ming-Hang

2. Audit report by certified public accountants on internal control : None.

3.4.10 If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement : None.

3.4.11 Important resolutions by the Shareholders' Meeting and the Board of Directors in the most recent fiscal; year and as of the publish date of the annual report.

#### Shareholder's Meeting

Date of meeting	Major resolutions	Resolutions	Status of implementation
2021.7.14	1.Ratification of the Business Report and Financial Statements of 2020.	Voted and approved as proposed	Act in accordance with the resolution
	2.Ratification of the proposal for distribution of earnings in 2020 Shareholder Bonus : Cash dividend NT\$3.6 per share.	Voted and approved as proposed	The dividend day was set on April 6, 2021 with cash dividend paid on April 28, 2021.
	3. Proposal to transform into an investment holding corporation and change Company's name	Voted and approved as proposed	The registration was approved by the Ministry of Economic Affairs on October 12, 2021.
	4. Proposal to Spin-off the Rugged Solutions Business Group	Voted and approved as proposed	The registration was approved by the Ministry of Economic Affairs on October 28, 2021.
	5. Proposal to Spin-off the Mechatronic & Energy Solutions Business Group	Voted and approved as proposed	The registration was approved by the Ministry of Economic Affairs on October 20, 2021.
	6.Proposal for amendments to the "Articles of Incorporation"	Voted and approved as proposed	The implementation of the "Articles of Incorporation"after amendment.
	7.Proposal for amendments to the "Rules of Procedure for Shareholders Meetings" and "Regulations Governing Election of Directors"	Voted and approved as proposed	The implementation of the "Rules of Procedure for Shareholders Meetings" and "Regulations Governing Election of Directors"after amendment.
	8. Proposal for amendments to the "Procedures for Loaning Funds to Others"、"Procedures for Endorsements and Guarantees、" Procedures for Acquisition and Disposal of Assets" and "Procedures for Derivatives Trading"	Voted and approved as proposed	The implementation of the "Procedures for Loaning Funds to Others"、"Procedures for Endorsements and Guarantees、" Procedures for Acquisition and Disposal of Assets" and "Procedures for Derivatives Trading"after amendment.
	9.Discussion on Release of Directors from Non-competition Restrictions	Voted and approved as proposed	Act in accordance with the resolution



## Board of Directors

Date of meeting	Important resolutions
2021.1.22	<ol style="list-style-type: none"> <li>Resolved to issue new shares against the exercise of employee stock options: Established January 22, 2021 as the record date for issuance of new shares; stock option holder has requested to subscribe 3,021,000 ordinary shares.</li> <li>Amendments to “Remuneration Committee Charter ”and “Self-Evaluation or Peer Evaluation of the Board of Directors ”.</li> </ol>
2021.2.25	<ol style="list-style-type: none"> <li>Resolved Employee and Director Compensation for 2021 : Remuneration of employees: NT\$ 156,756,000 cash. Remuneration to directors and supervisors: NT\$6,200,000.</li> <li>Formulated 2020 Earnings Distribution: Dividends to Shareholders: Cash dividend per share NT\$3.6.</li> <li>Proposal for amendments to the “Rules of Procedure for Shareholders Meetings” and “Regulations Governing Election of Directors”</li> <li>Release of Directors from Non-competition Restrictions.</li> <li>Established the date of 2021 shareholders' meeting, purpose of the meeting and period of shareholder motion proposal.</li> </ol>
2021.3.23	<ol style="list-style-type: none"> <li>Proposal to transform into an investment holding corporation and change Company’s name</li> <li>Proposal to Spin-off the Rugged Solutions Business Group</li> <li>Proposal to Spin-off the Mechatronic &amp; Energy Solutions Business Group</li> <li>Proposal for amendments to the “Articles of Incorporation”</li> <li>Proposal for amendments to the “Rules of Procedure for Shareholders Meetings” and “Regulations Governing Election of Directors”</li> <li>Proposal for amendments to the ”Procedures for Loaning Funds to Others” 、”Procedures for Endorsements and Guarantees 、” Procedures for Acquisition and Disposal of Assets” and ”Procedures for Derivatives Trading”</li> <li>Revised the date of 2021 shareholders' purpose of the meeting.</li> </ol>
2021.5.12	<ol style="list-style-type: none"> <li>Resolved to issue new shares against the exercise of employee stock options: Established May 12, 2021 as the record date for issuance of new shares; stock option holder has requested to subscribe 2,851,000 ordinary shares.</li> <li>Appointment of new corporate Governance Officer.</li> </ol>
2021.6.12	<ol style="list-style-type: none"> <li>Proposed the date and place of the 2021 Annual Shareholders' Meeting</li> <li>The company 100% owned subsidiary HLT sell 100% equity of PMD and its 100% owned mainland company MPTS.</li> </ol>
2021.8.13	Resolved to issue new shares against the exercise of employee stock options: Established August 13, 2021 as the record date for issuance of new shares; stock option holder has requested to subscribe 1,193,000 ordinary shares.
2021.9.23	Proposal for the Company cash capital increase to Getac Corp.
2021.10.1	Proposal to matters related to the change in the Company’s name and full exchange of the securities certificates.
2021.11.10	<ol style="list-style-type: none"> <li>Report on the implementation of the intellectual property management plan</li> <li>Report on the operation of risk management</li> <li>Report on the Operation of ethical corporate management</li> <li>Resolved to issue new shares against the exercise of employee stock options: Established November 11, 2021 as the record date for issuance of new shares; stock option holder has requested to subscribe 2,170,000 ordinary shares.</li> </ol>
2022.1.21	<ol style="list-style-type: none"> <li>Report on Directors' and Executive Managers’ Liability Insurance Coverage</li> <li>Communication with stakeholders</li> <li>Evaluation of the Independence and Competence of Certified Public Accountants</li> </ol>

Date of meeting	Important resolutions
	4.Resolved to issue new shares against the exercise of employee stock options: Established January 21, 2022 as the record date for issuance of new shares; stock option holder has requested to subscribe 2,237,000 ordinary shares..
2022.2.25	<p>1.Resolved Employee and Director Compensation for 2022 :</p> <p>Remuneration of employees: NT\$ 53,600,000 cash. Remuneration to directors and supervisors: NT\$7,200,000.</p> <p>2.Formulated 2021 Earnings Distribution: Dividends to Shareholders: Cash dividend per share NT\$3.6.</p> <p>3.Proposal for amendments to the “Articles of Incorporation”.</p> <p>4.Proposal for amendments to the” Procedures for Acquisition and Disposal of Assets” 、”Procedures for Derivatives Trading” and ”Procedures for Loaning Funds to Others”</p> <p>5.Election of Directors</p> <p>6.Release of Directors from Non-competition Restrictions.</p> <p>7.Established the date of 2022 shareholders' meeting, 、purpose of the meeting 、period of shareholder motion proposal and a list of the candidates for directors (including independent directors).</p>

3.4.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors : None.

3.4.13 A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer :

TITLE	NAME	DATE OF ASSUMING OFFICE	DATE OF RESIGNATION OR REMOVAL FROM OFFICE	REASON FOR RESIGNATION OR REMOVAL FROM OFFICE
Chief corporate governance officer	Sun,Wei-Hsing	2021.05.12	—	—

### 3.5 Information on CPA professional fees

#### 3.5.1 Audit Fee

Unit : NT\$ thousand

Name of CPA Firm	Name of CPA	CPA Audit Period	Audit Fee	Non-audit fee (Note 3)	Total	Remark
Pricewaterhouse Coopers Taiwan	Liu, Chien-Yu	2021.1.1~110.12.31	3,885	1,100	4,985	
	Cheng, Ya-Huei					

3.5.2 The non-audit fee is NT\$1,100 thousand, which are transform into a holding company audit service、amendments to the Articles of Association and Change of directors of Subsidiaries and service for inspection of inventory scrap.

3.5.3 When the Company changes its accounting firm and the amount of fees paid for auditing services during the year in which the change is made are lower than for the previous year, the amount by which the fees decreased, the proportional decrease, and the reasons therefor shall be disclosed : None.

3.5.4 When the amount of fees paid for auditing services is lower than for the previous year by ten percent or more, the amount by which the fees decreased, the proportional decrease, and the reasons therefor shall be disclosed : None.

3.6 Information on replacement of certified public accountant :

3.6.1 Ex-CPA

Date of change	February 25, 2021		
Reason and description for the change	To cope with the internal transfer within the accounting firm, starting 2021 Q1, the CPAs of PwC Taiwan would be changed from Cheng, Ya-Huei and Wen, Fang-Yu to Liu, Chien-Yu and Cheng, Ya-Huei.		
Description is that the appointer or CPA terminates or refuse appointment	Circumstance	Participants	Appointer
	Voluntarily terminate appointment	CPA	CPA
	Appointment is no longer accepted (continued)	N/A	N/A
If issued any audit report with other than an unqualified opinion during the preceding two years, the opinion and the reason	None		
Have different opinions With the issuer	Have		Accounting principle or practice
			Disclosure of financial report
			Audit scope or steps
			others
	None	V	
Description	None		
Other disclosures (Matters that shall be disclosed provided from Item 1 4 to 1 7, paragraph 6, Article 10 of these Guidelines)	None		

3.6.2 About the successor CPA

Name of CPA firm	Pricewaterhouse Coopers
Name of CPA	Liu, Chien-Yu and Cheng, Ya-Huei
Date of appointment	February 25, 2021
Inquired with such accountant about the accounting treatment method of a specific transaction or the applicable accounting principle and his/her possible opinion on the financial report before appointment	None
Written opinion of the successor certified public accountant in connection with any discrepancy of opinion between him/her and the former CPA	None

3.6.3 Reply letter from former CPA on matters provided in item 1 and matter No. 3 in item 2, paragraph 6, Article 10 of these Guidelines: None.

3.7 Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm : None.

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

3.8.1 Transfer of equity by a director, manager or major shareholder

Unit: Shares

Title	Name	2021		As of March 29, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman and President	Hwang, Ming-Hang	497,000	0	0	0
Vice Chairman	Tsai, Feng-Tzu	(340,000)	0	0	0
Director and 10% major shareholder	MiTAC International Corp.	0	0	0	0
	Rep. : Miao, Matthew Feng Chiang	0	0	0	0
	Rep. : Lin, Chuan Cheng	400,000	0	0	0
Director	Lien Hwa Industrial Holdings Corp.	0	0	0	0
	Rep. : Chou, Teh-Chien	0	0	0	0
	Rep. : Miao, Scott Matthew	0	0	0	0
Independent director	Lin, Kuan-Ming	0	0	0	0
Independent director	Lin, Long Song	0	0	0	0
Independent director	Chang, Chia-Hsin	0	0	0	0
Vice Presiden & CFO	Hsieh, Sue-Chuan	25,000	0	0	0
Chief Corporate Governance Officer	Sun, Wei-Hsing	(25,000)	0	0	0

Note : The counterparties of shareholding transfers and shareholding pledges are not related parties.

3.8.2 Shares Trading with Related Parties : Not applicable.

3.8.3 Shares Pledge with Related Parties : Not applicable.

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

March 29, 2022

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
MiTAC International Corp. Rep. : Miao, Matthew Feng Chiang	190,396,939	31.73%	—	—	—	—	Tsu Fung Investment Corp.	Subsidiary of the company	
							Mei An Investment Co., Ltd.	Spouse of the company's chairman	
							Lien Hwa Industrial Holdings Corp.	Common chairman	
Cathay Life Insurance Co., Ltd. Rep. : HUANG DIAO GUI	14,669,000	2.44%	—	—	—	—	—	—	
Mei An Investment Co., Ltd. Rep. : Hsu, Ih-Chen	14,131,548	2.36%	—	—	—	—	MiTAC International Corp.	Spouse of the company's chairman	
							Lien Hwa Industrial Holdings Corp.	Spouse of the company's chairman	
JPMorgan Chase Bank N.A. Taipei Branch in custody for Schroder International Selection Fund Emerging Asia	13,702,000	2.28%							
Government of Singapore	13,209,000	2.20%							
JPMorgan Chase Bank N.A. Taipei Branch in custody for Schroder International Selection Fund Asian Equity Yield	11,055,000	1.84%	—	—	—	—	—	—	
Tus Fung Investment Corp. Rep. : Ho, Jhi-Wu	7,783,741	1.30%	—	—	—	—	MiTAC International Corp.	The parent company of company	
Lien Hwa Industrial Holdings Corp. Rep. : Miao, Matthew Feng Chiang	7,210,000	1.20%	—	—	—	—	Mei An Investment Co., Ltd.	Spouse of the company's chairman	
Norges Bank	6,714,000	1.12%	—	—	—	—	—	—	
Farglory Life Insurance Inc. Rep. : MENG JIA REN	6,381,000	1.06%	—	—	—	—	—	—	

3.10 The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the company

March 29, 2022 ; Unit: shares/ %

Affiliated Enterprises ( Note )	Ownership by the Company		Direct or Indirect Ownership by Directors /Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
National Aerospace Fasteners Corp.	20,578,174	39.09%	92	0.00%	20,578,266	39.09%
Waffer Technology corp.	40,522,289	23.39%	21,090,000	12.17%	61,612,289	35.56%
Lian Jie Investment Ltd.	11,305,650	49.98%	11,305,650	49.98%	22,611,300	99.96%
Getac Technology Corp.	41,100,000	100.00%	0	0%	1,100,000	100.00%
Atemitech Corporation	10,000	100.00%	0	0%	10,000	100.00%
Feng Guang Investment Ltd.	20,050,000	100.00%	0	0%	20,050,000	100.00%
Pacific Royale Ltd.	54,220,869	100.00%	0	0%	54,220,869	100.00%
Hot Link Technology Ltd.	110,776,211	100.00%	0	0%	110,776,211	100.00%
Advanced Medical Design Co., Ltd.	2,185,000	48.56%	0	0%	2,185,000	48.56%
Lian Jie Investment Co., Ltd II	4,875,000	48.75%	3,250,000	32.50%	8,125,000	81.25%
WHP Workflow Solutions,Inc.	314,600	80.30%	77,179	19.70%	391,779	100.00%

Note : Investee accounted for under the equity method.

## IV. Information on capital raising activities

### 4.1 Capital and Shares

#### 4.1.1 Source of Capital

##### 1. Issued Shares

March 29, 2022

Unit: thousand shares ; In thousands of New Taiwan Dollars

Date	Issuance price (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Effective (approval) date and reference number of capita
2019.02	10	850,000	8,500,000	579,165	5,791,652	employee stock option warrant subscription of 2,290	None	February 14, 2019 Ching-Shou-Shang-Tzi No. 1080003619
2019.05	10	850,000	8,500,000	579,475	5,794,752	employee stock option warrant subscription of 3,100	None	May 22, 2019 Ching-Shou-Shang-Tzi No. 1080014202
2019.08	10	850,000	8,500,000	579,520	5,795,202	employee stock option warrant subscription of 450	None	August 22, 2019 Ching-Shou-Shang-Tzi No. 1080024254
2019.11	10	850,000	8,500,000	582,178	5,821,782	employee stock option warrant subscription of 26,580	None	November 27, 2019 Ching-Shou-Shang-Tzi No. 1080034047
2020.01	10	850,000	8,500,000	583,002	5,830,022	employee stock option warrant subscription of 8,240	None	January 22, 2020 Ching-Shou-Shang-Tzi No. 1090002658
2020.04	10	850,000	8,500,000	584,011	5,840,112	employee stock option warrant subscription of 10,090	None	April 29, 2020 Ching-Shou-Shang-Tzi No. 1090011711
2020.08	10	850,000	8,500,000	584,396	5,843,962	employee stock option warrant subscription of 3,850	None	August 25, 2020 Ching-Shou-Shang-Tzi No. 1090024279
2020.11	10	850,000	8,500,000	586,227	5,862,267	employee stock option warrant subscription of 18,305	None	November 26, 2020 Ching-Shou-Shang-Tzi No. 1090033368
2021.02	10	850,000	8,500,000	589,248	5,892,477	employee stock option warrant subscription of 30,210	None	February 9, 2021 Ching-Shou-Shang-Tzi No. 1100004086
2021.05	10	850,000	8,500,000	592,099	5,920,989	employee stock option warrant subscription of 28,512	None	May 31, 2021 Ching-Shou-Shang-Tzi No. 1100015214
2021.08	10	850,000	8,500,000	593,292	5,932,919	employee stock option warrant subscription of 11,930	None	August 24, 2021 Ching-Shou-Shang-Tzi No. 1100024145
2021.12	10	850,000	8,500,000	595,462	5,954,614	employee stock option warrant subscription of 21,695	None	December 02, 2021 Ching-Shou-Shang-Tzi No. 11001218240
2022.02	10	850,000	8,500,000	597,699	5,976,984	employee stock option warrant subscription of 22,370	None	February 22, 2021 Ching-Shou-Shang-Tzi No. 11101019170
2022.03	10	850,000	8,500,000	600,056	6,000,554	employee stock option warrant subscription of 23,570	None	Change registration has not been done

Note : Only information for the last year and up until the publication date of this annual report is shown.



March 29, 2022 ; Unit: shares

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common shares	600,055,400	249,944,600	850,000,000	None.

2.Information relevant to the aggregate reporting policy : None.

#### 4.1.2 Status of Shareholders

March 29, 2022

Qty	The composition of Shareholders					
	Government Agencies	Financial Institutions	Other institutions	Natural persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	17	252	30,655	216	31,140
Shareholding (shares)	0	49,365,000	280,327,225	110,973,397	159,389,778	600,055,400
Percentage(%)	0.00%	8.23%	46.72%	18.49%	26.56%	100.00%

#### 4.1.3 Shareholding Distribution Status

##### 1.Common Shares

March 29, 2022

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	13,723	591,676	0.10%
1,000 ~ 5,000	13,962	28,348,714	4.72%
5,001 ~ 10,000	1,738	14,223,341	2.37%
10,001 ~ 15,000	441	5,754,099	0.96%
15,001 ~ 20,000	355	6,658,176	1.11%
20,001 ~ 30,000	234	6,106,120	1.02%
30,001 ~ 40,000	132	4,756,906	0.79%
40,001 ~ 50,000	90	4,177,013	0.70%
50,001 ~ 100,000	193	14,327,178	2.39%
100,001 ~ 200,000	91	13,024,182	2.17%
200,001 ~ 400,000	54	14,297,062	2.38%
400,001 ~ 600,000	23	11,135,702	1.86%
600,001 ~ 800,000	15	10,427,286	1.74%
800,001 ~ 1,000,000	15	13,676,848	2.28%
1,000,001 or over	74	452,551,097	75.41%
Total	31,140	600,055,400	100.00%

2.Preferred Shares : None.

#### 4.1.4 List of Major Shareholders

March 29, 2022

Shareholder's Name	Shareholding	
	Shares	Percentage
MiTAC International Corp.	190,396,939	31.73%

Note : Total one shareholder of the Company respectively holding more than 5% of the outstanding shares.

#### 4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: In thousands of New Taiwan Dollars

Item	Year	2020		2021		2022 to March 29 (Note 5)	
		Before adjustment	After adjustment	Before adjustment	After adjustment		
Market Price per Share	Highest	53.4	50.60	66.8	63.21	66.8	
	Lowest	38.35	35.55 (Note 6)	45.6	42.01 (Note 6)	47.3	
	Average ( Note 1 )	46.19		55.64		—	
Net Worth per Share	Before Distribution	27.57		30.49		—	
	After Distribution	23.97		26.89		—	
Earnings per Share	Weighted Average Shares (thousand shares)	585,029	585,029	593,259	593,259	—	
	EPS	4.40	4.40	7.20	7.20	—	
Dividends per Share	Cash Dividends	3.60	3.58708898	3.60	3.58979344	—	
	Shares obtained as bonus shares dividend	Shares obtained from retained earnings	—		—		—
		Shares obtained from capitalization of surplus	—		—		—
	Accumulated Undistributed Dividends	—		—		—	
Return on Investment	Price / Earnings Ratio (Note 2)	10.47		7.46		—	
	Price / Dividend Ratio (Note 3)	12.79		14.92		—	
	Cash Dividend Yield Rate (Note 4)	7.82%		6.70%		—	

Note 1 : The annual average market price is calculated according to the trade value and volume of each year.

Note 2 : Price / Earnings Ratio = Average Market Price / Earnings per Share.

Note 3 : Price / Dividend Ratio = Average Market Price / Cash Dividends per Share.

Note 4 : Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price.

Note 5 : Audited financial information on net value per share, earnings per share of the most recent quarter to the date this report was printed to be filled in. Other information to the day this report was printed shall be filled in other fields.

Note 6 : It is the ex-dividend market price per share without the need of making adjustment.

#### 4.1.6 Dividend Policy and Implementation Status

##### 1. Dividend Policy

The Company may, in accordance with the provision of Paragraph 5 of Article 240 of the Company Act, by a resolution adopted by a majority vote of a meeting of the board of directors attended by two-thirds or more of the total number of the directors, distribute dividends and bonuses in form of cash, and submit a report to a shareholders meeting.

At least 10% of dividends proposed must in the form of cash dividend. However, the actual percentage of cash dividends may be adjusted and resolved during board of directors meetings depending on the Company's financial structure, future fund needs, and profitability.

2. The Company will maintain a stable dividend policy with a dividend amount of not less than 50% of the current year's earnings appropriated and distributed to shareholders.

3. The proposal of dividend distribution in this Shareholders' Meeting :

(1) Pursuant to Paragraph 5 Article 240 of the Company Act and Paragraph 3 Article 23 of the Articles of Incorporation, in circumstances where dividends are distributed in cash, the Board is authorized to determine the distribution and shall report it to the Shareholders' Meeting.

(2) The Board has approved the appropriation of cash dividends of NTD 2,154,074,940 at NTD 3.6 per share (As number of shares qualifies for the allocation changed due to the exercise of the employee stock option, the cash dividend payout ratio is adjusted to NT\$3.58979344 per share accordingly) on 25th February 2022. The Cash dividend has been distributed on April 27th, 2022.

4. Anticipated material changes in dividend policy : The Company anticipates that there will be no material change in dividend policy.

#### 4.1.7 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at this shareholders' meeting.

The Company's 2021 earnings distribution proposal is without stock dividend, so it is not applicable.

#### 4.1.8 Compensation of Employees and Directors

1. The percentages or ranges with respect to employee bonuses and directors compensation, as set in the Articles of Incorporation

If the Company sustains profit for the year (i.e., the profit before employee and director remunerations are deducted from profit before tax), not less than 1% of the profit shall be prorated; provided, not more than 10% of the profit shall be set aside as employee remunerations and not more than 1% of the profit as director remunerations. The remuneration distribution shall be resolved by the Board of Directors. However, an amount shall be set aside first to compensate cumulative losses, if any.

Recipients of employee compensation in form of stocks or cash as stipulated in the preceding paragraph shall include employees of parents or subsidiaries of the Company meeting certain specific requirements. These specific requirements shall be defined by the Chairman.

2. The basis for estimating the amount of employee bonuses and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period :

(1) The basis for the estimation of remunerations to employees and Directors in current period : The Company shall appropriate 1~10% of the EBT before deduction of employees' compensation and directors' remuneration as employees' compensation in 2021 ; The estimation of the remuneration to Directors shall be based on the expected amount of payment.

(2) The basis for calculating the number of shares to be distributed as employee bonuses : The company did not propose the distribution of stock dividends for fiscal year 2021, This rule is not applicable.

(3) The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure : The difference between the actual distribution amount and the estimated amount is included in the profit and loss of the following year.

3. Board of Directors passed remuneration distribution :

(1) The amount of employee bonuses and director compensation distributed in cash or shares. If there is a difference between the estimated amount and the actual amount of expense, disclose the value, the reason for the difference and response :

The Board resolved to appropriate NT\$53,600 thousand as remuneration to employees and NT\$7,200 thousand as remuneration to Directors. On February 25, 2022, the Board of Directors of the Company resolved employees' compensation in the amount of \$53,600 thousand and directors' remuneration in the amount of \$7,200 thousand for the year ended December 31, 2021. For directors' remuneration, the difference of \$1,000 thousand between the amount resolved by the Board of Directors and the amount recognised in the 2021 financial statements will adjust in the profit or loss of 2022.

(2) The amount of stock dividend paid to employees in proportion to the sum of the net income as stated in the separate financial statements and the total remunerations to employees : not applicable, as the Company did not pay out any stocks as remunerations to employees in 2021.

4. Information of 2020 Distribution of employee bonuses and director compensation (with an indication of the number of shares, dollar amount, and stock price, of the

shares distributed) and, if there is any discrepancy between the actual distribution and the recognized employee bonuses and director compensation, additionally the discrepancy, cause, and how it is treated.

Assignment Item	The actual distribution of amount in cash (A)	Amount recognized(B)	Discrepancy amount (A)- (B)	Discrepancy, cause, and how it is treated.
Employee bonuses(cash)	\$ 156,756,000	\$ 156,756,000	-	will adjust in the profit or loss of 2021.
Directors' Compensation	6,200,000	5,300,000	\$900,000	

4.1.9 Buyback of Treasury Stock : None.

4.2 Issuance of corporate Bond : None.

4.3 The section on preferred shares shall : None.

4.4 The section on global depository receipts : None.

## 4.5 The section on employee share subscription warrants

4.5.1 Unexpired employee stock option warrants issued by the Company in existence as of the date of printing of the annual report, and the effect of such warrants upon shareholders' equity :

March 29, 2022

Type of Employee Stock Option Warrants	The 7 <sup>th</sup> issue of employee stock option warrant	The 8 <sup>th</sup> issue of employee stock option warrant																
The effective date of declaration	December 16, 2016	May 2, 2018																
Issuance date	July 26, 2017	October 11, 2018																
Quantity of units issued	20,000 units (Note 1)	20,000 units (Note 1)																
Quantity of shares for subscription in proportion to total quantity of outstanding shares	3.35%	3.35%																
Valid duration	6 years	6 years																
performance	Issue new stock shares	Issue new stock shares																
Restricted exercise period and percentage	<p>Employees holding stock options for more than two years can exercise their options until ten days before the expiration date , except when transfer of stock is suspended by law.</p> <table> <thead> <tr> <th><u>Duration</u></th> <th><u>Exercise Percentage</u></th> </tr> </thead> <tbody> <tr> <td>More than 2 years</td> <td>50%</td> </tr> <tr> <td>More than 3 years</td> <td>75%</td> </tr> <tr> <td>More than 4 years</td> <td>100%</td> </tr> </tbody> </table>	<u>Duration</u>	<u>Exercise Percentage</u>	More than 2 years	50%	More than 3 years	75%	More than 4 years	100%	<p>Employees holding stock options for more than two years can exercise their options until ten days before the expiration date , except when transfer of stock is suspended by law.</p> <table> <thead> <tr> <th><u>Duration</u></th> <th><u>Exercise Percentage</u></th> </tr> </thead> <tbody> <tr> <td>More than 2 years</td> <td>50%</td> </tr> <tr> <td>More than 3 years</td> <td>75%</td> </tr> <tr> <td>More than 4 years</td> <td>100%</td> </tr> </tbody> </table>	<u>Duration</u>	<u>Exercise Percentage</u>	More than 2 years	50%	More than 3 years	75%	More than 4 years	100%
<u>Duration</u>	<u>Exercise Percentage</u>																	
More than 2 years	50%																	
More than 3 years	75%																	
More than 4 years	100%																	
<u>Duration</u>	<u>Exercise Percentage</u>																	
More than 2 years	50%																	
More than 3 years	75%																	
More than 4 years	100%																	
Stock shares exercised	13,267,750 shares	7,022,500 shares																
Stock value exercised	NT\$432,911,600	NT\$214,019,500																
Unexercised underlying shares for the options ( Note 2 )	5,074,750 shares	10,882,500 shares																
Stock option price of outstanding stock option	NT\$28.90	NT\$27.70																
Percentage of unexercised shares relative to total outstanding shares	0.85%	1.82%																
Impact on shareholder's equity	<p>Holders of our Company's options cannot exercise the options according to these regulations until two years after the options are granted. As a result, said options do not create significant impact on shareholders' equity.</p>	<p>Holders of our Company's options cannot exercise the options according to these regulations until two years after the options are granted. As a result, said options do not create significant impact on shareholders' equity.</p>																

Note 1 : Each stock warrant is entitled to a subscription of 1,000 common stock shares of the Company.

Note 2 : It is net of the forfeited or expired stock shares.

4.5.2 The names of ten-level company executives holding employee stock option warrants and the cumulative number of such warrants exercised by said executives as of the date of printing of the annual report  
1.Manager

March 29, 2022

In thousands of New Taiwan Dollars/ shares

Type	Title	Name	Shares of obtained stock options	Percentage of obtained stocks to outstanding shares	Exercised				Unexercised			
					Quantity	Exercise price (NT\$)	Subscription amount	Percentage of exercised shares relative to total outstanding shares	Quantity	Exercise price (NT\$)	Subscription amount	Percentage of exercised shares relative to total outstanding shares
Managers	President	Hwang, Ming-Hang	3,110,000	0.52%	847,000	34.6	26,810	0.14%	2,263,000	28.9	63,553	0.38%
	Vice President & CFO	Hsieh, Sue-Chuan			32.7			27.7				
	Chief Corporate Governance Officer	Sun, Wei-Hsing			30.8							

## 2. Employees

March 29, 2022  
In thousands of New Taiwan Dollars/ shares

Type	Title	Name	Shares of obtained stock options	Percentage of obtained stocks to outstanding shares	Exercised				Unexercised					
					Quantity	Exercise price (NT\$)	Subscription amount	Percentage of exercised shares relative to total outstanding shares	Quantity	Exercise price (NT\$)	Subscription amount	Percentage of exercised shares relative to total outstanding shares		
Employees	Chairman of subsidiary	Lin, Chuan-Cheng	6,585,000	1.10%	2,947,500	34.6	92,936	0.49%	3,637,500	28.9	102,439	0.61%		
	President of subsidiary	Hwang, Chen-Teh			32.7									
	President of subsidiary	Han, Lien-Pi			31.3									
	President of subsidiary	Lin, Chih-Chung			30.8									
	President of subsidiary	Lin, Chih-Chung			29.5									
	Chief Operating Officer of subsidiary	Chang, Chou-Long												
	Vice President of subsidiary	Wang, Qiao-Hong												
	Vice President of subsidiary	Lee, Mei-Jung												
	Vice President of subsidiary	Lin, Fa-Chih												
	Senior Director of subsidiary	Chung, Kuo-Jung												
Senior Director of subsidiary	Lu, Hsin-Jung													

4.6 The section on new restricted employee shares : None.

4.7 The section on issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies : None.

4.8 The section on implementation of the company's capital allocation plans : None.



## V. Overview of operations

### 5.1 Description of the business

#### 5.1.1 Business contents

1. Main business contents: The Company's consolidated revenue is generated from four product lines, which are:

(1) Electronic Products: Rugged computing solutions sold under the "Getac" brand. The products are applicable to vertical markets, such as, defense, public safety, industrial manufacturing, automobile repair and maintenance, field service, and transportation and logistics.

(2) Combo Mechanical Products: Production of various types of plastic injection parts, and metal stamping parts; products are mainly used in electronic 3C industry, automotive, medical, and home appliance industry.

(3) Automotive Parts: Professional production and sales of aluminum alloy and magnesium alloy automotive die-cast parts.

(4) Aerospace Fasteners: Production of fasteners for aerospace and high-end industrial applications. Such product line is operated by National Aerospace Fasteners Corporation (hereinafter referred to as "NAFCO;" stock code: 3004), a subsidiary of Getac Technology Corporation. Please refer to Chapter Five "Operational overview" of the 2021 Annual Report of NAFCO.

#### 2. Business ratios

Unit: In thousands of New Taiwan Dollars

Item \ Year	2020		2021	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Electronic Products	12,811,509	46.02%	13,527,185	44.97%
Mechanical parts and modules (Combo Mechanical & Automotive Parts)	13,322,203	47.86%	15,130,736	50.29%
Aerospace fasteners	1,704,031	6.12%	1,426,205	4.74%
Total	27,837,743	100.00%	30,084,126	100.00%

#### 3. The Company's current products and services

##### (1) Electronic Products

- Various types of rugged computer equipment (laptop and tablet) and the peripheral equipment, hardware, and software
- Software and hardware integration and cloud platform services for video evidence collection system equipment
- Various sizes of industrial-grade touch display
- Power products (AC/DC power supply, battery charger, car charger, smart phone wireless charger, mobile power supply, and power battery products)
- Open frame (Inverter/Converter, Battery Module)

##### (2) Combo Mechanical Products

Plastic and composite material components, including chassis for laptop, tablet, All-in-one PC, and mechanical components for game console, small home appliance, automotive and medical products.

### (3)Automotive Parts

Al-alloyed and Mg-alloyed die-cast automotive parts, including seat belt spindles and spools, throttle body, air bag container, armature, base plate, and ADAS (Advanced Driver Assistance System) related mechanical parts, including ECU (electronic control unit) housing, camera housing, generator housing, rechargeable battery housing, heat sink and others.

### (4)Aerospace fasteners

Fasteners for aerospace applications, including bolts, nuts, and CNC parts. In addition, industrial-grade fasteners are also available, such as, rivet nuts, copper nuts, riveted bolts, turning parts, high temperature resistant nuts, etc.

## 4. New products planned to be developed

### (1)Electronic products

Future product development for rugged laptops, tablets, on-board computers, and handheld devices will be developed in the following directions to meet the needs of different vertical markets:

- Target user scenarios in different vertical markets and user groups, such as, defense, automotive, electricity, water, gas, public safety and emergency, firefighting and rescue, transportation and logistic, and green energy; launch a universal platform that is added with a variety of different dedicated modules for different user groups, application software, and its peripheral equipment or accessories.
- Enhance edge computing and integrate various wireless communication and sensing technology, artificial intelligence technology on edge devices.
- Integrate 5G, carrier aggregation technology, new generation WiFi 6E, high-precision global positioning system, and low-power long-distance transmission into the product.
- Strengthen the information security mechanism of terminal equipment, integrate the hardware and software of Authentication, fingerprint recognition, TPM, OPAL, FIPS, and other technologies into the products.
- Provide a variety of different functional modules, including 1D2D barcode reader, active RFID (radio frequency) solution, UHF RFID application development, and pureLiFi wireless transmissionsolution.
- Continuously develop adaptive satellite positioning applications to support multiple system coexistence applications and develop more precise positioning technology at meters and below.
- Continue to develop high-resolution cameras for applications in different vertical markets
- Develop high-speed storage and other interfaces to accommodate different sectors requirements, such as NVMe 、 new generation USB interface and Thunderbolt 4.
- For emergency rescue application, incorporates emergency communication channel feature to the product, such as FirstNet 、 Private core and ESN for frontline respondent.

## (2) Combo Mechanical Products

- Development of high temperature RHCM technology on compression molding
- Research on mucell injection technology
- Studies on laser processing technology
- Development and applications of thin and lightweight CFRTP chassis
- Seamless combination technology on highly fiber reinforced plastics for insert molding parts
- Research on integration of automation and forming processing technologies
- Studies on uni-body processing of composite materials
- Studies on production of ruggedized plastic chassis
- Studies on weight-reduced IT products
- Studies on micro conjunction of metals and plastics
- Development of molding technology for forming glass-like products from transparent materials
- Evaluation of the materials for the housings of 5G-related products
- Study on the recycling technology of CFRTP laminates and the follow-up applications
- Study on the formulation design and processing technology of the high recycled PC content resins
- Development of high biomass content TPU forming technology
- Study on the CNCs forming technology of aluminum sheets
- Development of the cosmetic processing technologies on aluminum stamping parts
- Development of the cosmetic processing technologies on magnesium alloy stamping parts
- Zero draft and thread injection technology

## (3) Automotive Parts

- ADAS related mechanical products, including housing and bracket for ECU, camera module, PCB substrate, and others.
- New energy vehicle related mechanical products, including generator housing, rechargeable battery housing, and heat sink.

## (4) Aerospace fasteners

- Please refer to Chapter Five “Operational overview” of the 2021 Annual Report of NAFCO.

### 5.1.2 Industry Overview:

#### 1. Electronic Products

##### (1) Industry status and development

The mobile rugged computing industry can be mainly divided into large form factor and small form factor, and the large form factor included laptop, tablet, fixed on-board computers, and computers for forklift applications. Applications can be divided into government agencies (defense and public safety), industrial

manufacturing, transportation, utilities, medical and retail industries. According to VDC (Venture Development Corporation) market research data, the global market for rugged (including semi-rugged) laptop computers and tablets is over 1.64 million units, and the hardware output value is about US\$2 billion. Major manufacturers are Panasonic, Dell, and Getac.

(2) Correlation of upstream, midstream, and downstream industry

The Company is an upstream manufacturers (ODM) and own branding and manufacturing (OBM) in the rugged computer and tablet computer industry, while the midstream are mainly manufacturers’ direct sales teams, distributors, value-added resellers, and systems integration providers. The midstream suppliers will provide added value for system integration solutions, technical support, and repair and maintenance services of the downstream industries.

(3) Various development trends and competition situations of products

- The concept of the Internet of Things has driven the boom in data collection technology and increased the demand for rugged tablet computers. According to VDC (Venture Development Corporation), the output value of rugged tablet computer will reach US\$1.42 billion in 2022.
- Windows 10 and X86 architecture processors will continue to be the mainstream operating systems in the rugged computer market, but the Android system market is expanding significantly.
- With the advent of 5G communication and high-speed wireless transmission standard 802.11ax (WiFi 6E), the visibility of mobile devices equipped with 5G and WiFi 6E will gradually increase in the second half of 2022.

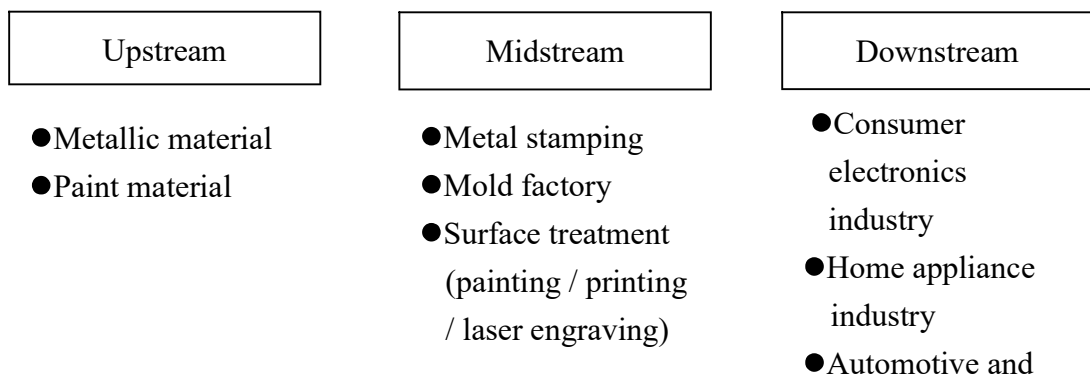
2.Combo Mechanical Products

(1) Industry status and development

The COVID-19 pandemic has hit the world, driving demand for Chromebooks. In the second half of 2021, although the global Chromebook shipments have dropped sharply, the annual sales is still driven by quarterly sales hitting consecutive high in the first half of 2021, breaking a new record of nearly 38 million units, an annual increase of 19%.

(2) Correlation of upstream, midstream, and downstream industry

The domestic information and electronics industry market is booming, computer peripheral equipment business is activated under the circumstance, and the computer case is cosmetic; therefore, the derivative demand drives the industry to grow steadily. Description of the correlation of upstream, midstream, and downstream industry is as follows:



(3) Various development trends and competition situations of products

After two years of COVID-19 anti-epidemic experience, the world has begun to learn a new way of life that coexists with the virus. Individuals or enterprises must cultivate to cope with the challenges of the epidemic and maintain normal life and work, regardless of space and time. In the future, the design of laptops will be towards a hybrid type that can be used both for public and private use, to meet private use and office needs. Such related functional elements will be prioritized to create more consumer demand..

3. Automotive Parts

(1) Industry status and development

According to statistics from various national automobile associations, the global car sales in 2021 was only 71 million units, an increase of only 3.8% compared with the low point in 2020, which is affected by the severe shortage of chips. In contrast, the global electric vehicle sales annual growth rate exceeds 100%, The top three markets are China, Europe and the United States, which together account for more than 90% of the global market.

(2) Correlation of upstream, midstream, and downstream industry

The automotive component industry chain is divided into raw materials or supplies in the upstream, components or modules in the midstream, and systems in the downstream.

(3) Various development trends and competition situations of products

IHS Markit expects global light-vehicle production to rise 9 percent to 82.3 million units in 2022. IHS pointed out that the global light vehicle production outlook will be constrained by the availability of automotive chips until at least 2023.

4. Aerospace fasteners

Please refer to Chapter Five “Operational overview” of the 2021 Annual Report of NAFCO.

5.1.3 Technology and R&D overview

1. The research and development expenses of the Group in 2021 and the first quarter of 2022 were NT\$1,478,214 thousand and NT\$ 325,656 thousand, respectively.

2. Successfully developed technologies or products: The technologies developed during 2021 and the first quarter of 2022 are described separately as follows:

(1) Electronic Products

- Launched ZX10, a rugged tablet PC with Android 11 operating system, equipped with Android Enterprise OEMConfig application, to help information managers improve the efficiency of device management.
- SW product: GDMS software is upgraded to version 1.2, and KeyWidge is also upgraded to version 2.0. (With functional enhancement such as multiple barcode identification improve)
- In response to the international emphasis on sustainable environment, chassis for some models of Getac computing products have begun to adopt glass fiber reinforced materials containing 35% PCR (Post-consumer recycled) material to reduce material waste and carbon emissions.

## (2) Combo Mechanical Products

- Development of waterborne processing and applications
- Special 3D texture surface treatment on plastics
- Development of weight-reduced CFRTP chassis and applications
- Development of insert molding process and application on CFRTP blankets
- Seamless combination technology for insert molding parts (bi-injection technology)
- High strength uni-body chassis development and applications
- Application of double injection process on bioplastics
- Automatic production technology for insert molding processing
- Development of plastic forming technology with fine-grained texture for paint-free solutions
- LSR double injection forming technology
- Study on the formulation design and processing technology of the high recycled PC content resins
- Study on the stamping forming technology of magnesium alloy sheets

## (3) Automotive Parts

Successfully introduced the island-based 4-unit and 6-unit connected automatic die-casting process to effectively shortening the production time of the product, and extending the automated production line from the seat belt shaft to the electronic component housing of the ADAS application.

## (4) Aerospace fasteners

Please refer to Chapter Five “Operational overview” of the 2021 Annual Report of NAFCO.

#### 5.1.4 Long-term and short-term business development plans

##### 1. Electronic Products

- Short-term development locks on the key vertical market, and enhance brand awareness and reliability with the success achieved with the leading customers; also, continue to increase the number of new customers and expand market share.
- The long-term development goal is to introduce more high-value-added software and hardware integration solutions and manage Getac to become a solution provider in the vertical market.

##### 2. Combo Mechanical Products

- Continuously optimize process efficiency in the short term, increase the penetration rate of automated production processes, and improve competitiveness. In addition, bring in new technologies and new customers via integrated design service business model, and generate more business opportunities for mass production in the latter stage.
- The long-term development strategy is centered on innovation. With the application of new materials and the development of new processes, we will strive for customer orders with differentiated technologies and expand into new markets to increase operating income, such as, medical and automotive.

##### 3. Automotive Parts

- The short-term development strategy is to increase the prevailing rate of automated production processes and improve the Company's product quality and price competitiveness.
- The long-term development strategy is to lock on products related to ADAS and new energy vehicles, and expand operating income and increase profitability.

##### 4. Aerospace Fasteners

Please refer to Chapter Five "Operational overview" of the 2021 Annual Report of NAFCO.

## 5.2 Analysis of the market as well as the production and marketing situation

### 5.2.1 Market analysis

#### 1. Sales Regions of Main Products

Unit: In thousands of New Taiwan Dollars

Region \ Year	2020		2021	
	Amount	Ratio	Amount	Ratio
Asia	10,214,451	36.69%	13,424,482	44.62%
America	7,983,578	28.68%	8,403,146	27.93%
Europe	3,825,255	13.74%	3,390,760	11.27%
Others	5,814,459	20.89%	4,865,738	16.18%
Total	27,837,743	100.00%	30,084,126	100.00%

#### 2. Market share

##### (1) Electronic Products :

According to the VDC research report, the total output value of rugged notebooks and tablet PCs is estimated to be about 1. billion US dollars. Major manufacturers are mainly Panasonic, Dell, and Getac.

##### (2) Combo Mechanical Products:

The Company's business is mainly for laptop computer mechanical components, instead of a complete computer, so it is difficult to estimate the market share.

##### (3) Automotive parts:

The Company's automotive parts are mainly exported, and the export ratio in 2021 was 100%. The annual production of automotive seat belt spindles is approximately 140 million pieces, which is a relatively high market share in global new car market.

##### (4) Aerospace fasteners:

Please refer to Chapter Five "Operational overview" of the 2021 Annual Report of NAFCO.

#### 3. Market supply and demand situation and growth in the future

##### (1) Electronic Products

With the rise of high-speed network communication technology and AI deep learning, mobile devices equipped with new generation network technology and the application of artificial neural networks quickly penetrate various application fields are expecting to drive a new wave of hardware replacement.

##### (2) Combo Mechanical Products

According to a survey by TrendForce, the overall notebook shipments in the fourth quarter of 2021 reached a record high of 64 million units. However, due to the convergence of market demand, notebook shipments in 2022 will decrease by 3.3% year-on-year to 237.9 million units. Looking forward, TrendForce concluded that in the first half of 2022, due to the inventory adjustment of brand companies, it will be unfavorable for panel shipments and price trends; in the second half of the year, it is expected that the sales performance of brand manufacturers in the peak season is looking positive.

##### (3) Automotive Parts

The global auto market was gradually recovering in 2021. It was estimated that the sales volume of complete vehicles will rise from 77 million units last year to 84 million units. At the same time, under the development of automation,



intelligence and electrification, the consumption of various semiconductor components increased significantly. However, due to the weak demand in the auto market, the stocking volume of automakers was low, and the phenomenon of long and short materials has seriously affected the utilization rate of automakers and the shipment of finished vehicles.

(4) Aerospace Fastener

Please refer to Chapter Five “Operational overview” of the 2021 Annual Report of NAFCO.

4. Competition Advantages

- The Company is one of the few companies in this industry with both R&D talents in electronics and mechanicals. It is with a high degree of vertical integration capability and can provide customers with one-stop professional consultation and services, starting from design and manufacturing, prototype, mock-up, tooling to mass production in the latter stage that can all be done in-house to provide fast, flexible, and high quality service.
- As one of the leading manufacturers of advanced process technology, the Company possess strong capabilities in mold design, technology development and research and development and continues to invest in the purchase of precision equipment and experimental molds, capable of more complex and thin product mold design and production.
- From operational management to manufacturing, the Company continues to invest in automated processes and smart production. A dedicated automation team is set up internally to be responsible for all plant automation design and introduction, with the effort of building an unmanned production plant as the ultimate goal, and continuously promoting the factory automation prevailing rate and automated optical inspection capability.
- The Company is one of the few companies in the industry to set up a professional material research and development team, equipped with a research-grade laboratory, specializing in the development of various advanced materials application and process technology, and cooperation with international first-class brands.
- The Company maintains a stable and good relationship with suppliers. In order to ensure the sufficient supply of key components, at least two suppliers are maintained to facilitate flexible operation.

5. Advantages, disadvantages, and countermeasures of the development prospects

(1) Advantages

- Smart Internet of Things combines with artificial intelligence and deep learning to drive industrial innovation to create smart cities, smart factories, smart buildings, self-driving and other emerging needs, bringing many potential business opportunities for global business economic activities.

(2) Disadvantages and countermeasures:

- Trade barriers, COVID-19, inflation, high transportation costs due to sea port congestion, and the impact of the Ukraine-Russia war will impact the operating performance in 2022.

- Response measures include:
  - Strengthen the improvement of internal operation management and develop more value-added product lines to differentiate from competitors.
  - The US-China trade war and the COVID-19 epidemic have speeded up a rethinking of the manufacturing industry on the global supply chain that they will moderately allocate production capacity at the production base or even build new production capacity in other regions.
  - Build smart factories and increase automation prevalence to reduce costs and improve quality and competitiveness.

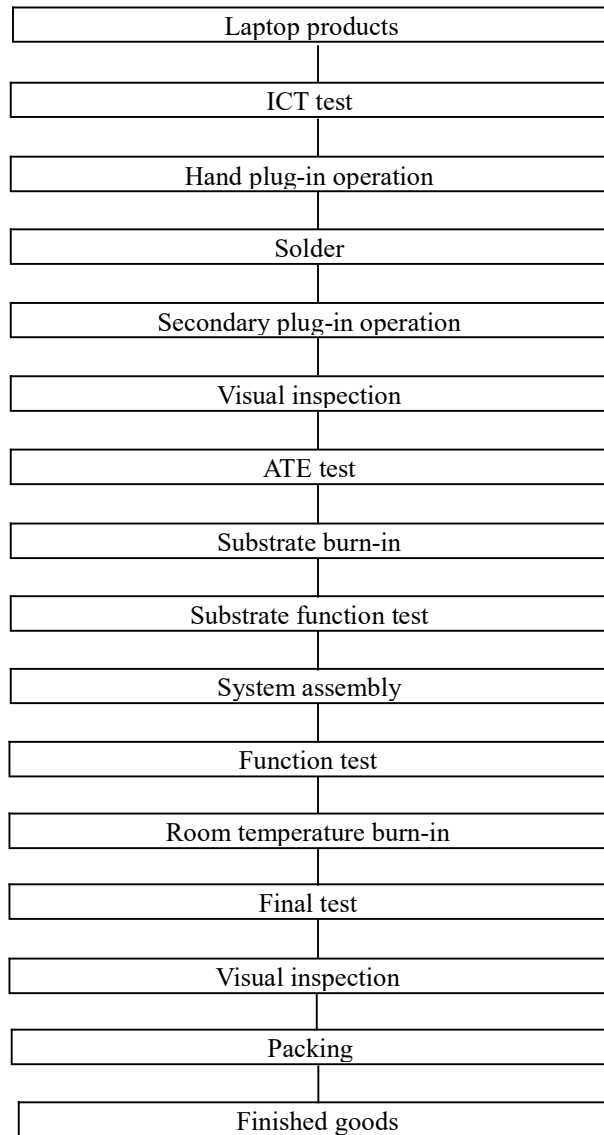
### 5.2.2 Important intended use of the main products and production process

#### 1. Functions of major products

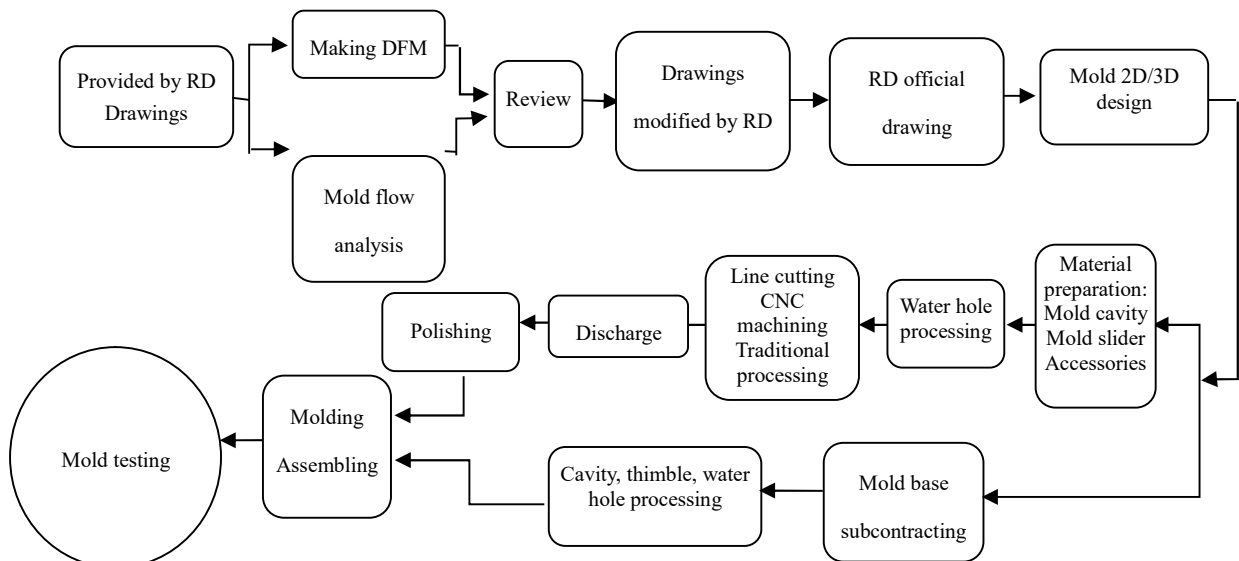
Product type		Major purpose and functions
Electronic Products	Rugged laptop, rugged tablet	Rugged mobile laptop and tablet designed for military or industrial sectors, applicable to extreme environment.
Combo Mechanical Products	Plastic injection mechanical components	Chassis and mechanical parts for laptop ,tablet, game console, All-in-one PC 、cars, printers, and vacuum cleaner.etc
	Tooling	Plastic injection molding process
Automotive Parts	Die-casting automotive mechanical parts	Die-casting automotive parts for seat belt spindles and spools, automotive lighting, engine and brake system, generator, and rechargeable battery.
Aerospace Fasteners	Please refer to Chapter Five “Operational overview” of the 2021 Annual Report of NAFCO.	

## 2. Production process

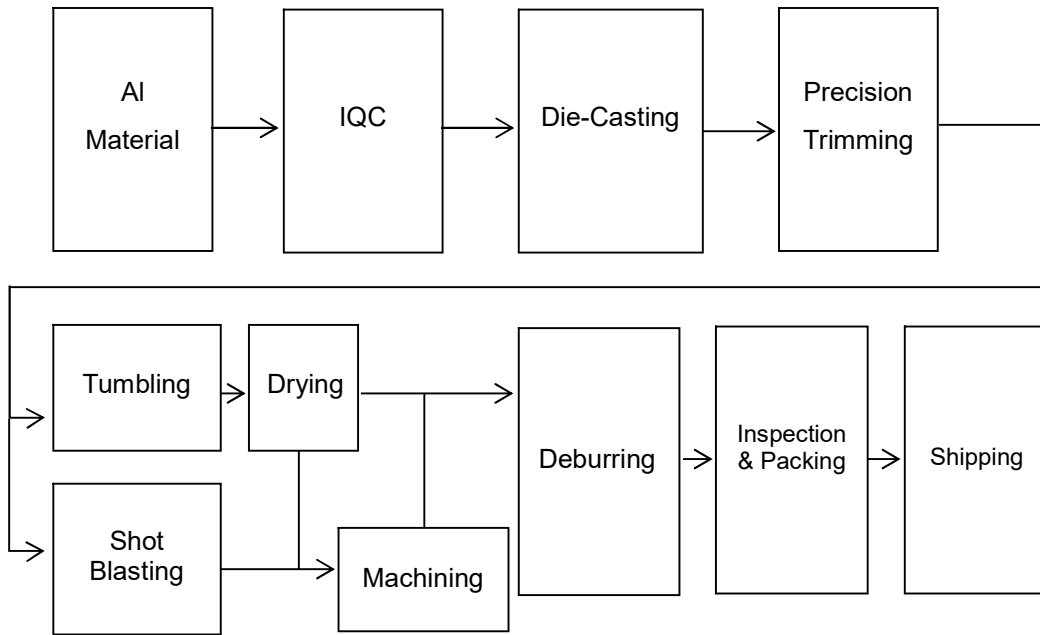
### (1) Electronic Products



### (2) Combo Mechanical Products



(3)Automotive Parts



(4) Aerospace fasteners : Aerospace Fasteners : Please refer to Chapter Five “Operational overview” of the 2021 Annual Report of NAFCO.

5.2.3 Key Raw Material Supply Status

Product	Component	Source	Supply
Electronic Products	CPU	USA/Malaysia/ China	Stable
	IntelChipset	USA/Malaysia/ China	Stable
	DRAM/ Memory	Taiwan/Korea/China	Stable
	PCB	Taiwan/China	Stable
	LCD	Taiwan/China/Japan	Stable
	Substrate (Electronic Component)	Taiwan/US/Korea/Japan/ Europe	Stable
	CPU	Taiwan / China	Stable
Combo Mechanical Products	Plastic Resins	China/Japan	Stable
	Carbon fiber sheet	Taiwan / Thailand /China	Stable
	Paint	China	Stable
Automotive Parts	Al Alloy	Malaysia/China / United Arab Emirate/Saudi Arabia	Stable
Aerospace fasteners	Please refer to Chapter Five “Operational overview” of the 2021 Annual Report of NAFCO.		

## 5.2.4 Major customers and suppliers in the last two years

1. The name of the supplier that accounted for more than 10% of the total purchase in any of the last two year , and the proportion of the purchase amount, the reason for the changes :

Unit : In thousands of New Taiwan Dollars

Item	2020				2021			
	Name	Amount	Proportion to net purchase of the year [ % ]	Relation to the issuer	Name	Amount	Proportion to net purchase of the year [ % ]	Relation to the issuer
1	Supplier S	1,479,919	11%	None	Supplier S	2,502,519	15%	None
2	Others	12,116,647	89%	—	Others	14,597,974	85%	—
	Net purchase	13,596,566	100%	—	Net purchase	17,100,493	100%	—

Note : All variations had taken into consideration production/sales policies, raw material demands, suppliers' prices, actual delivery and quality of the respective years.

2. The name of the customer that accounted for more than 10% of the total sale in any of the last two year , and the proportion of the sale amount, the reason for the changes :

Unit : In thousands of New Taiwan Dollars

Item	2020				2021			
	Name	Amount	Proportion to net sale of the year [ % ]	Relation to the issuer	Name	Amount	Proportion to net sale of the year [ % ]	Relation to the issuer
1	Customer O	4,189,615	15%	None	Customer O	4,874,778	16%	None
2	Customer L	3,785,712	14%	None	Customer M	3,808,714	13%	None
3	Customer M	2,582,026	9%	None	Customer L	3,805,461	13%	None
4	Others	17,280,390	62%	—	Others	17,595,173	58%	—
	Net sales	27,837,743	100%		Net sales	30,084,126	100%	

Note : The changes are the responses to market trend, product needs, prospect of the industry, R&D technology, sale profit, and the contracts with customers.

### 5.2.5 Production volume and value in the latest two years

Unit : In thousands of New Taiwan Dollars

Production volume and value	Year	2020			2021		
		Capacity	Volume	Value	Capacity	Volume	Value
Main items							
Electronic Products (unit)		171,600	148,363	7,624,517	177,840	148,273	8,668,364
Mechanical parts and modules (thousands of Unit)		739,748	461,366	11,736,220	1,187,124	606,474	15,259,047
Aerospace fasteners (thousands of Unit)		433,000	150,017	1,366,404	433,000	239,777	1,273,646
Total				20,727,141			25,201,057

### 5.2.6 Sales volume and value in the last two years

Unit : In thousands of New Taiwan Dollars

Sales volume value	Year	2020				2021			
		Domestic		Export		Domestic		Export	
		Capacity	Value	Capacity	Value	Capacity	Value	Capacity	Value
Main items									
Electronic Products (unit)		4,881	406,466	143,791	12,405,043	965	280,478	147,466	13,246,707
Mechanical parts and modules (thousands of Unit)		—	—	591,986	13,322,203	—	—	642,810	15,130,736
Aerospace fasteners (thousands of Unit)		5,034	15,098	124,129	1,688,933	30,520	51,068	158,261	1,375,137
Total			421,564		27,416,179		331,546		29,752,580

### 5.3 Employees information

Year		2019	2021	Year-to-date March 29,2022
Employee Count	Direct Labor	6,875	6,482	6,324
	Indirect Labor	3,614	3,857	3,833
	Total	10,489	10,339	10,157
Average age		34.04	36.87	39.46
Average Years of service		4.84	5.31	4.69
Academic Qualification Distribution (%)	Ph.D.	0.11	0.12	0.12
	Master's degree	3.32	3.42	3.48
	College	25.26	34.13	34.28
	Senior High School	45.81	39.24	42.24
	Schools at the Senior Secondary Level and Below	25.50	23.09	19.89

## 5.4 Disbursements for environmental protection

Disbursements for environmental protection: any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

5.4.1 In the year of 2021, there were no major violations against environmental regulations committed in the Company's domestic and international factories. For information on the relevant environmental expenditures of NAFCO, a subsidiary of the Company, please refer to Chapter Five "Disbursements for environmental protection" of the 2021 Annual Report of NAFCO.

5.4.2 In addition to complying with environmental protection law and regulations and the environmental protection requirements of the competent authorities, the Company continues to enhance employees' environmental awareness and concepts. The relevant environmental protection measures of the Company are as follows:

### 1. Green supply chain management

In response to the trend of international environmental protection, such as the requirements of product greening, toxic free, hazard free and environmentally friendly design, the Company has developed "Regulations for Getac Environmental Load Control" and "Getac Green Product Operating Procedures" and other related operating procedures and regulations, to actively promote overall product greening internally, and require all Getac suppliers to cooperate with the requirements of Getac environmental control regulations, not only to meet the requirements specified in the domestic and international environmental protection laws and regulations, so that the products can be successfully marketed globally, but also with stricter demand of self-expectation to meet the requirements of customers, while fulfilling the corporate responsibility and emphasizing the importance of environmental protection.

(1)The Company's system products has complied with the following international environmental directives and specifications, including:

- EU WEEE (Waste Electrical and Electronic Equipment Directives)
- EU RoHS Environmental Directive (Restriction of Hazardous Substances)
- Halogen-free (specific products) and PAHs (polycyclic aromatic hydrocarbons) regulations
- EuP (Ecological Design Directive)
- Bronze Medal of EPEAT (Electronic Product Environmental Assessment Tool) set by the US Environmental Protection Agency.

(2)The products of plastic injection molding factory and metal die-casting molding factory have also complied with national environmental protection regulations and EU RoHS (Restriction of Hazardous Substances Directive) environmental protection directive standards.

### 2. Quality certification system

Based on industry nature and product attributes, the company and its subsidiaries have received the certification of international standard management systems,



including ISO 9001 quality management system, ISO 14001 environmental management system, ISO14064 greenhouse gas, ISO50001 energy management system, ISO45001 occupational health and safety management system, QC080000 Hazardous Substance Management System, IATF 16949 International Automotive Task force quality management system, AS9100 Aerospace quality management system and other quality system certifications. Please refer to the following list for details.

	GTH	GTC	ATC	GTK	MPTK	MPTZ	MPTV	GCS	GVL
Financial Report	V	V	V	V	V	V	V	V	V
ISO9001 Quality management systems	V	V	V	V	V	V	V		
ISO13485 Medical devices Quality management systems standards				V	V				
IATF 16949 International automotive Task force						V	V	V	V
QC08000 Hazardous Substance Process Management System Requirements				V	V	V			
ISO17025 General requirements for the competence of testing and calibration laboratories					V				
ISO14001 Environmental management systems	V	V	V	V	V	V	V	V	V
ISO14064-1:2018 Greenhouse gases	V	V	V	V	V	V	V	V	V
ISO50001 Energy management systems		V							
ISO45001 Occupational health and safety management systems				V	V	V	V		V
ISO27001 Information security management systems		V							
TISAX Trusted Information Security Assessment Exchange		V					V		

3. Exhaust gas, wastewater discharge and waste management shall be implemented in accordance with the relevant laws and regulations and discharge standards of the country where the factory is located, and a qualified waste treatment operator is commissioned to deal with the waste in the factory.

4. In order to implement the concept of environmental protection and fulfill social responsibilities, the company promotes measures such as energy conservation, carbon reduction and water conservation, starting from energy conservation in processes with high power consumption, and investing in process equipment with low power consumption and advanced wastewater treatment. equipment and water recycling equipment, fulfill corporate citizenship responsibilities, and jointly protect the earth. The environmental performance of the Company in the past three years is described as follows:

	Item	Unit	2019	2020	2021
Energy	Total Energy Consumption	GJ	833,530	862,224	794,606.5
	Energy Intensity	GJ per US\$1,000	1.054	0.975	0.7398
Greenhouse gas Emissions	Total greenhouse gas emission (Scope 1+2)	Metric tons of Co <sub>2e</sub>	114,664	124,315	135,609.43
	Scope 1	Metric tons of Co <sub>2e</sub>	12,039.82	10,881.30	10387.45
	Scope 2	Metric tons of Co <sub>2e</sub>	102,623.75	113,433.26	125,221.98
	Greenhouse gas emission intensity (Scope1+2)	Metric tons of Co <sub>2e</sub> per US\$1,000	0.145	0.141	0.126
	Other indirect greenhouse gas emissions (Scope 3)	Metric tons of Co <sub>2e</sub>	N.A	N,A	763,218.56
Water Resource	Water Withdraw	megaliters	640.33	734.38	866.44
	Water Discharge	megaliters	423.74	465.58	456.99
	Water Consumption	megaliters	216.59	268.80	409.44
	Water Intensity	megaliters/US\$1M	0.81	0.78	0.81
Waste	Total Waste	Metric Tons	5,452.52	5,915.97	5,881.14
	General Industrial Waste	Metric Tons	4,345.28	4,583.96	4250.46
	Hazardous Waste	Metric Tons	1,107.23	1,332.02	1,629.68

## 5.5 Labor relations

As a member of the hi-tech industry, Getac upholds the core concept of people-oriented while pursuing excellence, A brief description of the Company's labor relation is as follows:

### 5.5.1 Employee welfare policy

1. Employee Salary and Bonus: We provide competitive salary standards and adjust employees' salaries according to the overall business conditions and their personal performance. In addition, we also include mid-year bonuses, year-end bonuses, and generous patent incentive systems in order to inspire self-realization among outstanding.
2. Employee Welfare System: Getac provides a welfare system that is superior to laws and regulations. In addition to social, medical insurance and vacation systems, as well as basic measures such as allowances based on duties, in recent years, an 0.15% of annual turnover is allocated as welfare benefits, which is the maximum limit as set by the law. These benefits include birthday and festive gifts, funding for club, employee travel subsidies, health check subsidies, and English course subsidies. We also regularly arrange movie days and family day activities.
3. Leave System : Getac strictly prohibit forced labor. Each operation site follows local government regulations, stipulates attendance management methods, regulates the working hours of each class, and employees have clear policy of working and rest hours.
4. Employee Advanced Study and Training: The Company has developed regulations for education and training operations, in addition to provide internal training courses from time to time; the Company also subsidizes the external training expenses of all units to achieve the purpose of talent cultivation. The Personnel Unit of the Company's Taiwan Headquarters organizes New Employees Training Camp to allow new employees to quickly understand the Company's organizational functions; it also plans to manage new knowledge, job function training and various lectures open to employees' participation. All units shall also learn the latest market information and professional knowledge depending on their requirement from professional organizations.
5. Retirement system: The Company establishes a complete and lawful retirement system in accordance with the Labor Pension Act and the Labor Standards Act. For the employees who applying the Labor Pension Act (new system), the Company will appropriate an amount equivalent to 6% of the employees' monthly salary to the employee account with the Bureau of Labor Insurance. For employees who applying the Labor Standards Act (old system), the representatives of the employers and employees form the supervision committee jointly supervise the operation of the Bank of Taiwan employee pension accounts; and base on the actuarial employee pension reserve rate calculated by a third party to deposit the appropriated pension to the personal account with the Bank of Taiwan on a monthly basis, which is operated normally.

### 5.5.2 Employee benefit maintenance measures

#### 1. Labor agreement

The Company is based on the belief of caring for employees and sharing the benefits to coordinate with employees adequately and set up various communication channels within the Company, including holding the Labor and Management Meetings, expecting to

maintain a good relationship between labor and management. In the future, the Company will continue to uphold the principle of open and reasonable humane management and establish a multiple communication channels system. In addition to maintain the existing harmony between labor and management, it is expected that the relationship between labor and management can be further improved.

## 2. Various employee benefits maintenance measures

### (1) Employee personal safety and working environment protection measures

In order to ensure the working environment and personal safety of employees, the Company has an “Occupational Safety and Health Policy” formulated to prevent occupational disasters, so that employees can be protected from occupational injuries, death, or resistance, and create a good working environment :

- Continue to create a safe and healthy working environment
- Continue to promote the business philosophy of safety and health
- The management objective is to maintain zero safety and health accident
- All employees must comply with safety and health regulations and systems

All factories have adopted the OHSAS 18001 Occupational Safety Management and Health System or the same level of management policies, and have established safety and health management plans. Include:

- Working environment risk assessment
- Regular inspection of machinery equipment
- Hazard Communication on Dangerous and Harmful Materials
- Request environmental testing organization to monitor the working environment of the factory area. Any nonconformity identified should be corrected immediately.
- Sign safety and health management agreements with contractors and conduct safety and health management training every year
- Safety and health education and training for new recruits and in-service labors. For the work involving the use and disposal of hazardous materials, the hazard marking and general education training should be provided additionally. Arrange annual trainings for labor safety and health supervisors, organic chemical substance operation supervisors, or other on-job training for operators required by regulations.
- Regularly implement workplace safety and health inspections.
- Implement general health checkups and special health checkups for new recruits and in-service employees; also, arrange health-related lectures or activities occasionally.
- Set up contingency plans for plant accidents and set up task assignment with regular disaster prevention drills arranged.

### (2) Employee Human rights

Getac Technology is fully committed to safeguarding basic human rights and fully complies with all requirements set forth in the RBA Code of Conduct (Responsible Business Alliance). The company advocates the UNGP Human Rights Convention (United Nations Guiding Principles on Business and Human Rights) and eradicates any form of conduct in violation of human rights. The ultimate goal is to raise the human rights awareness of all employees and stakeholders. All operating bases of the company strictly abide by local labor laws and regulations. Cooperating suppliers are also required to comply with the spirit and basic principles of universal human

rights. Getac human rights policies and initiatives include the following :

- Compliance with local labor rights and regulations and acceptance of inspections and monitoring by competent authorities
- Provision of a safe and friendly work environment for all staff members and prohibition of unequal treatment, discrimination, sexual harassment, and bullying at the workplace
- Prohibition of child labor
- Prohibition of forced labor and working hour management and employee compensation meeting or exceeding legal standards
- Assistance in the maintenance of physical health and work-life balance
- Freedom of association in accordance with relevant laws

(3) Employee communication and grievance channels

As a member of the science and technology industry, employees are Getac's largest assets. The Company values employees' opinions, sets up dedicated personnel within the Company to be responsible for employee relations, encourages employees to provide opinions and reflect issues, so that employees can have an objective channel to reflect and appeal. At the same time, the Company also set up an internal e-mail address - "Getac Speak Out" to provide another communication channel to exchange with the Company. The entire process is absolutely confidential and deeply trusted by employees with the effect of allowing employees to talk the talk and walk the walk.

5.5.3 List any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

In the most recent year and as of the annual report printing date, there was no labor dispute and no loss incurred, and the current labor-management relationship is harmonious. It is estimated that the possibility of loss due to labor disputes in the future is extremely low.

## 5.6 Cybersecurity management

5.6.1 State clearly the cybersecurity risk management structure, cybersecurity policy, specific management plan, and resources invested in the management of cybersecurity:

(1) Structure of cyber security risk management

To ensure the information asset security of the Company and of relevant stakeholders, the Company established the Information Security Committee in 2019. Meetings are convened on a quarterly basis. Key strategies in information security are formulated for the implementation by the Information Center. Our Audit Office conducts annual audits on information security. Meanwhile, we also promote the ISO27001 information security management and drive the information security planning and execution within the subsidiaries and business units with the PDCA (plan-do-check-act) cycle. We have also obtained relevant information security certificates.

(2) Cyber security policy

The Company formulates information security policies and relevant information management guidelines in accordance with the ISO 27001 requirements. We keep up to date with relevant government legislations and international regulations in information security by amending our information security policies and management guidelines at any time. Information security management review meetings are held each year as required, to adjust the direction of overall information security policies to ensure the effectiveness of information security management measures in place.

(3) Management measures and resources invested in cyber security management

Pursuant to the information security policies and relevant management guidelines in place, we have established multi-level defense in depth and an information security protection network. A set of stringent control measures are implemented:

- Deployment of multi-layer internal and external next-generation firewalls
- Server endpoint protection system
- Management center for network invasion messages
- Rapid backup and recovery system
- Prohibition of personal USB drives or storage devices
- Prohibition of personal computers
- Periodical reviews of accounts and authorizations
- IP isolations
- Regular training and education on information security
- Regular vulnerability scans and repairs
- Multifactor authentication for logins

(4) Resources invested in cyber security management

The Company continues to invest in cyber security management. In 2021, the total expenses were NT\$42.15 million in relation to information security of our Company, subsidiaries and business units.

5.6.2 State clearly any losses, possible impacts, and countermeasures caused by significant cybersecurity incidents in the year prior to the annual report publication date; if they cannot be reasonably estimated, an explanation must be made as to the fact that they cannot be reasonably estimated: None

## 5.7 Important contracts :

Contract nature	Participants	Counterparty	Contact start / end date	Main contents	Restrictions
Long-term Loan Agreement	National Aerospace Fasteners Corp.	Land Bank of Taiwan Co., Ltd.	December 29, 2016 to December 29, 2036	Long-term loan obtained from Land Bank of Taiwan Co., Ltd. to fulfill operational needs and acquisition of land and manufacturing facility.	As per agreement.
Long-term Loan Agreement	National Aerospace Fasteners Corp.	Taiwan Cooperative Bank, Ltd.	September 11, 2013 to September 11, 2033	Long-term loan obtained from Taiwan Cooperative Bank, Ltd. to fulfill operational needs and manufacturing facility construction.	As per agreement.
Strategic Distribution Agreement	Getac Inc.	Customer L	February 27, 2012 to February 26, 2013, automatically renews upon expiration	Appointment of Customer L as a distributor of the Participant's products.	None
Strategic Distribution Agreement	Getac Video Solutions, Inc.	Customer L	January 19, 2018 to January 18, 2019, automatically renews upon expiration	Appointment of Customer L as a distributor of the Participant's products.	None
Master Purchase Agreement	Mitac Precision Developments Limited	Customer M	June 1, 2014 to May 31, 2017, automatically renews upon expiration	Supply of Participant's products to Customer M	None
OEM Agreement	MiTAC Precision Technology (Kunshan) Co., Ltd.	Supplier S	January 1, 2016 to December 31, 2020, automatically renews upon expiration	Appointment of Supplier S as an outsourcer for partial product processing services	None
Master Purchase Agreement	Getac Holdings Corporation	Supplier S	June 10, 2020 to June 9, 2023, automatically renews upon expiration	Appointment of Supplier S as an vendor for products and/or services	None
Real Estate Purchase Agreement	Getac Technology Corporation	Company T	Effective April 24, 2020	Acquisition of land and plant from Company T	None
Spin-off Proposal	Getac Holdings Corporation	Getac Technology Corporation (Previous name: Getac Corporation)	Effective March 23, 2021	Spin-off and transfer the business of the Rugged Solutions Business Group to wholly owned subsidiary	None
Spin-off Proposal	Getac Holdings Corporation	Atemitech Corporation (Previous name: GTC Solution Corporation)	Effective March 23, 2021	spin-off and transfer the business of the Mechatronic & Energy Solutions Business Group to wholly owned subsidiary	None
Equity Purchase Agreement	Hot Link Technology Ltd.	Allied Profit Global Limited	Effective June 11, 2021	Sale of wholly owned subsidiary	None

## VI. Overview of the company's financial status

### 6.1 Condensed balance sheets and statements of comprehensive income for the past 5 fiscal years:

#### 6.1.1 Condensed balance sheets – IFRSs(consolidated)

Unit: In thousands of New Taiwan Dollars

Year Item		Financial information covering the last 5 years (Note)				
		December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Current assets		15,862,621	16,956,255	18,561,740	19,825,742	21,642,016
Property, Plant and Equipment		6,816,304	7,346,793	7,251,930	8,593,044	8,849,503
Intangible assets		122,031	726,794	737,021	686,960	652,860
Other assets		2,982,099	3,133,848	4,056,904	4,749,187	4,700,007
Total assets		25,783,055	28,163,690	30,607,595	33,854,933	35,844,386
Current liabilities	Before distribution	8,682,418	9,034,525	10,341,481	11,735,921	11,597,730
	After distribution	10,128,083	10,772,110	11,974,360	13,859,832	13,751,805
Non-current liabilities		2,075,909	2,807,124	3,593,374	4,125,717	4,283,267
Total liabilities	Before distribution	10,758,327	11,841,649	13,934,855	15,861,638	15,880,997
	After distribution	12,203,992	13,579,234	15,567,734	17,985,549	18,035,072
Equity attributable to shareholders of the parent		13,583,525	14,753,176	14,976,730	16,245,047	18,222,471
Capital stock		5,715,502	5,791,652	5,830,022	5,892,477	5,976,984
Capital surplus		2,575,181	2,938,630	3,083,657	3,264,236	3,457,936
Retained earnings	Before distribution	5,686,117	6,416,230	6,804,675	7,770,565	9,949,974
	After distribution	4,240,452	4,678,645	5,171,796	5,646,654	7,795,899
Other equity interest		(298,373)	(393,336)	(741,624)	(682,231)	(1,162,423)
Treasury stock		(94,902)	—	—	—	—
Non-controlling interest		1,441,203	1,568,865	1,696,010	1,748,248	1,740,918
Total equity	Before distribution	15,024,728	16,322,041	16,672,740	17,993,295	19,963,389
	After distribution	13,579,063	14,584,456	15,039,861	15,869,384	17,809,314

Note : Financial statements were audited by accountants.



## 6.1.2 Condensed balance sheets- IFRS (Parent company)

Unit: In thousands of New Taiwan Dollars

Year Item		Financial information covering the last 5 years (Note)				
		December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Current assets		5,865,248	5,421,998	5,705,186	5,422,684	261,378
Property, Plant and Equipment		189,592	197,227	222,542	1,244,606	22,428
Intangible assets		9,761	8,413	13,361	9,619	2,937
Other assets		13,006,342	14,446,287	15,232,100	16,833,928	19,489,203
Total assets		19,070,943	20,073,925	21,173,189	23,510,837	19,775,946
Current liabilities	Before distribution	5,056,425	4,745,504	5,353,703	6,327,954	873,158
	After distribution	6,502,090	6,483,089	6,986,582	8,451,865	3,027,233
Non-current liabilities		430,993	575,245	842,756	937,836	680,317
Total liabilities	Before distribution	5,487,418	5,320,749	6,196,459	7,265,790	1,553,475
	After distribution	6,933,083	7,058,334	7,829,338	9,389,701	3,707,550
Share capital		5,715,502	5,791,652	5,830,022	5,892,477	5,976,984
Capital surplus		2,575,181	2,938,630	3,083,657	3,264,236	3,457,936
Retained earnings	Before distribution	5,686,117	6,416,230	6,804,675	7,770,565	9,949,974
	After distribution	4,240,452	4,678,645	5,171,796	5,646,654	7,795,899
Other equity interest		(298,373)	(393,336)	(741,624)	(682,231)	(1,162,423)
Treasury stock		(94,902)	—	—	—	—
Non-controlling interest		—	—	—	—	—
Total equity	Before distribution	13,583,525	14,753,176	14,976,730	16,245,047	18,222,471
	After distribution	12,137,860	13,015,591	13,343,851	14,121,136	16,068,396

Note : Financial statements were audited by accountants.

### 6.1.3 Condensed statements of comprehensive income – IFRS (consolidated)

Unit: In thousands of New Taiwan Dollars  
(Except earnings per share)

Item \ Year	Financial information covering the last 5 years (Note)				
	2017	2018	2019	2020	2021
Operating revenues	22,197,033	24,693,836	26,952,910	27,837,743	30,084,126
Gross profit	6,011,145	6,947,403	7,641,085	7,776,828	7,566,408
Operating profit	2,512,800	2,652,222	2,975,816	3,115,781	2,612,242
Non-operating income and expenses	113,053	374,650	(28,441)	125,159	2,837,766
Profit before income tax	2,625,853	3,026,872	2,947,375	3,240,940	5,450,008
Continuing department Net Income - current	2,046,213	2,418,377	2,369,928	2,668,793	4,263,192
Loss from the discontinued department	—	—	—	—	—
Net income (loss)	2,046,213	2,418,377	2,369,928	2,668,793	4,263,192
Other comprehensive income (loss) (net after tax)	(455,295)	(120,032)	(385,738)	95,120	(454,511)
Total comprehensive income	1,590,918	2,298,345	1,984,190	2,763,913	3,808,681
Profit attributable to Owners of the parent	1,910,136	2,212,459	2,129,188	2,577,039	4,273,793
Profit attributable to non-controlling interest	136,077	205,918	240,740	91,754	(10,601)
Total comprehensive income attributable to Owners of the parent	1,469,772	2,106,545	1,777,895	2,658,162	3,823,128
Total comprehensive income attributable to non-controlling interest	121,146	191,800	206,295	105,751	(14,447)
Earnings per share	3.38	3.83	3.67	4.40	7.20

Note : Financial statements were audited by accountants.

#### 6.1.4 Condensed statements of comprehensive income – IFRSs (Parent company)

Unit : In thousands of New Taiwan Dollars  
(Except earnings per share)

Item \ Year	Financial information covering the last 5 years (Note)				
	2017	2018	2019	2020	2021
Operating Revenues	9,313,322	11,225,796	11,593,292	11,562,278	10,050,675
Gross profit	2,700,167	3,480,804	3,845,698	3,928,121	3,754,112
Operating income	1,093,113	1,510,540	1,449,178	1,671,965	1,860,350
Non-operating income and expenses	1,046,318	973,381	962,277	1,306,393	3,272,674
Profit before income tax	2,139,431	2,483,921	2,411,455	2,978,358	5,133,024
Continuing department Net Income - current	1,910,136	2,212,459	2,129,188	2,577,039	4,273,793
Loss from the discontinued department	—	—	—	—	—
Net income (loss)	1,910,136	2,212,459	2,129,188	2,577,039	4,273,793
Other current comprehensive income (loss) (net of tax)	(440,364)	(105,914)	(351,293)	81,123	(450,665)
Total current comprehensive income or loss	1,469,772	2,106,545	1,777,895	2,658,162	3,823,128
Earnings per share	3.38	3.83	3.67	4.40	7.20

Note : Financial statements were audited by accountants.

#### 6.1.5 Names of auditing CPAs and audit opinions for the past five fiscal years

Year	Name of CPA firm	Name of CPA	Auditing opinions
2017	PriceWaterhouse Coopers	Wen, Fang-Yu 、 Cheng Ya-Huei	Unqualified opinion
2018	PriceWaterhouse Coopers	Wen, Fang-Yu 、 Cheng Ya-Huei	Unqualified opinion
2019	PriceWaterhouse Coopers	Wen, Fang-Yu 、 Cheng Ya-Huei	Unqualified opinion
2020	PriceWaterhouse Coopers	Cheng Ya-Huei 、 Wen, Fang-Yu	Unqualified opinion
2021	PriceWaterhouse Coopers	Liu Chien-Yu 、 Cheng Ya-Huei	Unqualified opinion

## 6.2 Financial analyses for the past 5 fiscal years :

### 6.2.1 Financial analysis – IFRSs (consolidated)

Analysis items		Year	Financial information covering the last 5 years (Note)				
		2017	2018	2019	2020	2021	
Financial structure (%)	Debt to asset ratio	41.73	42.05	45.53	46.85	44.31	
	The ratio of long-term capital to property, plant and equipment	254.89	260.37	279.46	257.41	273.99	
Debt servicing capability (%)	Current ratio	183.93	187.68	179.49	168.93	186.61	
	Quick ratio	129.87	130.48	125.12	118.71	115.91	
	Interest coverage ratio	91.12	86.41	63.59	67.36	127.18	
Operating capacity	Receivables turnover (times)	4.04	4.51	4.60	4.00	4.01	
	Average days of collection	90	81	79	91	91	
	Inventory turnover (times)	3.43	3.26	3.22	3.12	2.87	
	Payables turnover (times)	4.22	4.43	4.45	3.86	3.69	
	Average days in sales	106	112	113	117	127	
	Property, plant and equipment turnover (times)	3.28	3.49	3.69	3.51	3.45	
	Total assets turnover (times)	0.86	0.92	0.92	0.86	0.86	
Profitability	Return on assets (%)	8.02	9.05	8.18	8.40	12.33	
	Return on equity (%)	13.58	15.43	14.37	15.40	22.46	
	Pre-tax income to paid-up capital (%)	45.94	52.26	50.56	55.00	91.18	
	Net profit margin (%)	9.22	9.79	8.79	9.59	14.17	
	Earnings per share (NT\$)	3.38	3.83	3.67	4.40	7.20	
Cash flow	Cash flow ratio (%)	19.36	41.85	33.69	35.72	9.58	
	Cash flow adequacy ratio (%)	91.84	84.97	84.34	82.49	68.67	
	Cash flow reinvestment ratio (%)	—	9.27	7.16	9.49	(3.38)	
Degree of leverage	Degree of operating leverage	4.04	3.89	4.10	3.90	4.19	
	Degree of financial leverage	1.01	1.01	1.01	1.02	1.02	
Analysis of financial ratio differences for the last two years : (Not required if the difference does not exceed 20%)							
1.The rise of the Interest coverage ratio (%) : This is mainly because of an increase pre-tax interests due to gain on disposal of subsidiary companies in the current year.							
2.The rise of the Profitability (%) : This is mainly because of an increase pre-tax interests due to gain on disposal of subsidiary companies in the current year.							
3.The decline of the Cash flow ratio and Cash flow reinvestment ratio (%) : This is mainly because of a decrease in cash inflow generated from operations compared with previous year due to the increase in inventory of the Group's strategic purchases in the current year.							

Note : Financial statements were audited by accountants.

## 6.2.2 Financial analysis – IFRSs (Parent company)

Analysis items		Year	Financial information covering the last 5 years (Note)				
			2017	2018	2019	2020	2021
Financial structure (%)	Debt to asset ratio		28.77	26.51	29.27	30.90	7.86
	The ratio of long-term capital to property, plant and equipment		7,391.94	7,771.97	7,108.54	1,380.59	84,282.09
Debt servicing capability (%)	Current ratio		116.00	114.26	106.57	85.69	29.93
	Quick ratio		81.70	71.38	69.18	54.35	27.77
	Interest coverage ratio		707.08	472.78	393.68	245.37	415.15
Operating capacity	Receivables turnover (times)		5.12	6.74	8.27	9.05	16.44
	Average days of collection		71	54	44	40	22
	Inventory turnover (times)		3.46	3.33	3.09	2.97	4.78
	Payables turnover (times)		2.57	2.54	2.56	2.34	3.59
	Average days in sales		106	110	118	123	76
	Property, plant and equipment turnover (times)		56.91	58.04	55.24	15.76	15.86
	Total assets turnover (times)		0.50	0.57	0.56	0.52	0.46
Profitability	Return on assets (%)		10.26	11.33	10.35	11.58	19.79
	Return on equity (%)		13.99	15.62	14.32	16.51	24.8
	Pre-tax income to paid-in capital (%)		37.43	42.89	41.36	50.55	85.88
	Net profit margin (%)		20.51	19.71	18.37	22.29	42.52
	Earnings per share (NT\$)		3.38	3.83	3.67	4.40	7.20
Cash flow	Cash flow ratio (%)		34.43	42.73	37.59	51.45	65.83
	Cash flow adequacy ratio (%)		84.78	95.03	101.4	100.29	86.86
	Cash flow reinvestment ratio (%)		0.31	3.70	1.77	9.50	(8.18)
Degree of leverage	Degree of operating leverage		3.45	3.06	3.50	2.88	2.43
	Degree of financial leverage		1.00	1.00	1.00	1.01	1.01

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

1. The Financial structure (%) : This is mainly because the related business (including assets, liabilities and business) of the strong business group and the electromechanical and energy business group were separately transferred to Getac Technology Co., Ltd. and Atemitech Corporation, which are 100% owned by the company, resulting in the change of financial structure.
2. The decline of the Current ratio and Quick ratio : This is mainly because of an increase in current assets, quick assets and current liabilities compared with previous year, but current liabilities decreased significantly resulting in a decrease in current ratio and quick ratio.
3. The rise of the Interest coverage ratio : This is mainly because of an increase in pre-tax income compared with previous year.
4. The Operating capacity : This is mainly because the related business (including assets, liabilities and business) of the strong business group and the electromechanical and energy business group were separately transferred to Getac Technology Co., Ltd. and Atemitech Corporation, which are 100% owned by the company, resulting in the change of operating capacity.
5. The rise of the Profit ability (%) : This is mainly because of an increase in share of profit and losses of associates and joint ventures accounted for under the equity method compared with previous year.
6. The rise of the Cash flow ratio (%) : This is mainly because of a decrease in current liabilities compared with previous year.
7. The decline of the Cash flow reinvestment ratio (%) : This is mainly because of a decrease in cash inflow generated from operations compared with previous year.

Note : Financial statements were audited by accountants.

Calculation formula as below:

1. Financial structure
  - (1) Debt to asset ratio = total liabilities / total assets
  - (2) The ratio of long-term capital to property, plant and equipment = (total equities + non-current liabilities) / net amount of property, plant and equipment.
2. Debt servicing capability
  - (1) Current ratio = current assets / current liabilities
  - (2) Quick ratio = (current assets - inventory-prepayments) / current liabilities
  - (3) Interest coverage ratio = net profit before interest and tax / interest expenses for the current period
3. Operating capacity
  - (1) Receivables turnover (including accounts receivable and notes receivable from business activities) = net sales / average receivables balance (including accounts receivable and notes receivable from business activities).
  - (2) Average days of collection = 365 / Receivables turnover
  - (3) Inventory turnover = Cost of goods sold / Average inventory amount
  - (4) Payables turnover (including accounts payable and notes payable for business activities) = cost of sales / average payables balance (including accounts payable and notes payable for business activities).
  - (5) Average days in sales = 365 / Inventory turnover
  - (6) Property, plant and equipment turnover = net sales / average net property, plant and equipment balance.
  - (7) Total assets turnover = Net sales / Average total assets
4. Profitability
  - (1) Return on assets = [Net Income or Loss + Interest expense × (1 - tax rate)] / Average total assets
  - (2) Return on equity = after tax net profit / average total equity
  - (3) Net profit margin = after tax net profit / net sales
  - (4) Earnings per share = (attributable to the shareholder's profit and loss of the parent company) - Preferred dividends) / Weighted average number of shares issued
5. Cash flow
  - (1) Cash flow ratio = Cash flow from operating activities / current liabilities
  - (2) Cash flow adequacy ratio = net cash flow from operating activities in the latest five years / (capital expenditure inventory + increase + cash dividends) in the latest five years.
  - (3) Cash flow reinvestment ratio = (Cash flow from operating activities - Cash dividends) / (Property, Plant and Equipment + long term investments + Other non-current assets + working capital)
6. Degree of leverage
  - (1) Degree of operating leverage = (net operating revenues - variable operating costs and expenses) / operating income.
  - (2) Degree of financial leverage = operating income / (operating income - interest expense).

**6.3 Audit committee's review report for the most recent year's financial statement :** Refer to P.126 for further information.

**6.4 Financial statement for the most recent fiscal year :** Refer to P.127-251 for further.

**6.5 Parent company only financial statement for the most recent fiscal year, certified by a CPA :** Refer to P.252-358 for further.

**6.6 If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation :** None.

## VII. Rreview and analysis of the company's financial position and financial performance, and a listing of risk

### 7.1 Financial position

Unit: In thousands of New Taiwan Dollars

Item	Year	December 31, 2020	December 31, 2021	Difference	
				Amount	%
Current Assets		19,825,742	21,642,016	1,816,274	9.16
Investments accounted for under equity method		1,009,557	1,152,264	142,707	14.14
Property, Plant and Equipment		8,593,044	8,849,503	256,459	2.98
Intangible assets		686,960	652,860	(34,100)	(4.96)
Other Assets		3,739,630	3,547,743	(191,887)	(5.13)
Total Assets		33,854,933	35,844,386	1,989,453	5.88
Current Liabilities		11,735,921	11,597,730	(138,191)	(1.18)
Non- Current Liabilities		4,125,717	4,283,267	157,550	3.82
Total Liabilities		15,861,638	15,880,997	19,359	0.12
Share capital		5,892,477	5,976,984	84,507	1.43
Capital surplus		3,264,236	3,457,936	193,700	5.93
Retained Earnings		7,770,565	9,949,974	2,179,409	28.05
Other equity		(682,231)	(1,162,423)	(480,192)	70.39
Non-Controlling Interest		1,748,248	1,740,918	(7,330)	(0.42)
Total Stockholders' Equity		17,993,295	19,963,389	1,970,094	10.95
<p>(I) The main reasons for any material change in the Company's assets, liabilities, or equity during the past two fiscal years:</p> <ol style="list-style-type: none"> <li>1.The rise of the Retained Earnings : This is mainly because of an increase profit due to gain on disposal of subsidiary companies in the current year.</li> <li>2.The decline of the Other equity : This is mainly because of an increase in exchange losses in the conversion of financial statements of foreign operating agencies from last year.</li> </ol> <p>(II) The aforesaid changes shall not pose material impact on the Company or its subsidiaries.</p>					

## 7.2 Financial performance

Unit: In thousands of New Taiwan Dollars

Item	Year	2020	2021	Difference	
				Amount	%
Operating Revenues		27,837,743	30,084,126	2,246,383	8.07
Operating Costs		(20,060,915)	(22,517,718)	(2,456,803)	12.25
Gross Profit		7,776,828	7,566,408	(210,420)	(2.71)
Operating Expenses		(4,715,171)	(4,984,664)	(269,493)	5.72
Other income and expenses - net		54,124	30,498	(23,626)	(43.65)
Operating Profit		3,115,781	2,612,242	(503,539)	(16.16)
Non-Operating Income and Expenses		125,159	2,837,766	2,712,607	2,167.33
Profit before income tax		3,240,940	5,450,008	2,209,068	68.16
Income tax expense		(572,147)	(1,186,816)	(614,669)	107.43
Profit for the year		2,668,793	4,263,192	1,594,399	59.74
Other comprehensive loss for the year, net of tax		95,120	(454,511)	(549,631)	(577.83)
Profit attributable to Owners of the parent		2,577,039	4,273,793	1,696,754	65.84
Total comprehensive income attributable to Owners of the parent		2,658,162	3,823,128	1,164,966	43.83

(I) The main reason for the change in the last 2 years::

1. The decline of Other income and expenses - net: This is mainly because of a decrease rental income from investment property due to disposal of subsidiary companies.
2. The increase of the Non-Operating Income and Expenses : This is mainly because of gain on disposal of subsidiary companies in the current year.
3. The increase of the Profit before income tax : This is mainly because of an increase Non-Operating Income and Expenses.
4. The increase of the Income tax expense : This is mainly because of the estimation of income tax for the future medium and long-term repatriation of overseas surplus of subsidiaries, resulting in an increase of income tax expenses.
5. The increase of the Profit for the year : Mainly due to the influence of the above factors, the Profit for the year increased.
6. The increase of the Other comprehensive income (loss) for the year, net of tax: Mainly due to the increase in exchange losses in the conversion of financial statements of foreign operating agencies from last year.
7. The increase of profit attribute to Owners of the parent: Mainly due to the influence of the above factors, the profit attribute to Owners of the parent increased.
8. The increase of total comprehensive income attribute to Owners of the parent: Mainly due to the influence of the above factors, the total comprehensive income attribute to Owners of the parent increased.

(II) Expected sales volume and basis of estimate: The Company does not prepare financial forecasts, hence it is not applicable.

(III) The possible effect upon the Company's financial operations as well as measures to be taken in response: No material effect.



### 7.3 Cash Flow

Unit: In thousands of New Taiwan Dollars

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Cash Outflow	Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
5,706,030	1,111,191	(4,709,354)	2,107,867	-	-

#### 7.3.1 Analysis of cash flow changes during this fiscal year :

1. Operating activities : The net cash inflow in the current period was mainly due to the increase in working capital from continued operating profit in current year compared to previous year.
2. Annual cash outflow : Cash outflow of this year was mainly due to the acquisition of property, plant and equipment, repayment of bank loans and the payment of dividends.

#### 7.3.2 Improvement plans for cash deficits : Not applicable.

#### 7.3.3 Cash liquidity analysis for the next fiscal year :

Unit: In thousands of New Taiwan Dollars

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Cash Outflow	Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plans	Investment Plans
5,785,111	3,321,272	(3,545,130)	5,561,253	-	-

#### 1. Analysis of cash flow changes during this fiscal year :

- (1) Operating activities : It is expected that the cash inflow will be caused by the continued profit.
- (2) Annual cash outflow : The expected cash outflow is mainly due to the expansion of the plant and production equipment and the payment of cash dividends.

#### 7.4 The effect upon financial operations of any major capital expenditures during the most recent fiscal year : None.

#### 7.5 The Company's reinvestment policy for the most recent fiscal year :

##### 7.5.1 The reinvestment policy for the most recent fiscal year :

The reinvestments of the Group are long-term strategic planning for future business demands, hoping to increase revenues and profits.

##### 7.5.2 The main reasons for the profits/losses generated from reinvestments and the plan for improving re-investment profitability :

Profits were mainly caused by the stable growth of business and proper control of costs. The loss was mainly caused by the reason that it is still on the stage of developing new products or the sales of products fell short of expectation. In addition, the Group will hold review meeting regularly to improve management performance.

##### 7.5.3 Investment plans for the coming year :

The Company will follow the operating strategy to execute the global investment plans.

## 7.6 The section on risks

7.6.1 The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future :

1. The influence of the changes in interest rate and exchange rate, and inflation in 2020 on the profits (loss) of the Company :

Item	Unit : In thousands of New Taiwan Dollars 2021	
	Amount	As a percentage of revenues %
Interest income (expense)	(9,807)	0.03
Exchange gains (losses)	30,154	0.10
Gains/losses on valuation of financial instruments	(46,000)	0.15

Note : The influence of inflation on the profits(loss) of the Company is insignificant.

2 The response measures taken by the Company for interest and exchange rate fluctuations and changes in the inflation rate :

- (1) Accounts receivable and accounts payable are mostly denominated and charged in USD in order to reduce the impact of exchange rate fluctuations on overall profits.
- (2) All derivative transactions the Company has currently undertaken are intended to hedge against foreign currency assets and liabilities shown on the balance sheet. As required by "Procedures for Derivatives Trading," Regularly assess the profit and loss to reduce the impact of the exchange rate on the overall profits. The forward foreign exchange and foreign SWAP transactions signed by the Company are mainly to avoid the exchange rate risk of import and export prices, but no hedge accounting is applied.
- (3) The Company gathers regular information on exchange rate, interest rate, and the financial market. In the occurrence of extreme market events, the executive management will be notified immediately for proper actions.
- (4) The Company maintains close interactions with banks and conducts regular assessments to secure the best borrowing rates, and therefore reduces impact of interest rate variations on income.
- (5) There is no obvious inflation occurred in 2021 and as of the annual report printing date.

7.6.2 The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future :

1. The Company does not engage in high-risk and highly leveraged investments.
2. Loan to others was undertaken in accordance with the "Procedure for Loaning Funds to others". As of the December 31, 2021 and February 28, 2022, the Company and subsidiaries had balance of loans to third parties amounting to NT\$8,370,388 thousand and NT\$8,473,797 thousand, respectively. ; However, from the perspective of consolidated, there were no funds and loans at the end of 2021 and on February 28, 2022.
3. Endorsement/guarantees in favor of third parties were undertaken in accordance with the "Procedures for Endorsements and Guarantees". As of the December 31, 2021 and February 28, 2022, the Company and subsidiaries had balance of endorsements/ guarantees

undertaken in favor of third parties amounting to NT\$539,224 thousand and NT\$567,568 thousand, respectively.

4. Derivatives transactions are conducted in accordance with “Procedures for Derivatives Trading.”

7.6.3 Research and development work to be carried out in the future, and further expenditures expected for research and development work :

1. Research and development work to be carried out in the future

In future, Getac will continue to invest in new technology powered by AI, enhancing company value and user experience by offering more integrated hardware and software solutions for different vertical sectors.

2. In this year (2022), the Company planned to appropriate NT\$1,810,374 thousand in R&D.

7.6.4 Effect on the Company’s financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response : None.

7.6.5 Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response : The rapid development of information security means increasing risks in information security. To ensure the Company’s financials and business remain intact, financial information is encrypted for transmission and leakage management is implemented on account data. This is to ensure the security and confidentiality of our financials.

7.6.6 Effect on the Company’s crisis management of changes in the Company’s corporate image, and measures to be taken in response : None.

7.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken : None.

7.6.8 Expected benefits and possible risks associated with any plant expansion and mitigation measures being or to be taken : The Company acquired land and buildings located on Dazhi Road on April 2020 and plans to rebuild factory on this newly acquired site in order to meet the future demand growth. The construction is not yet started by the annual report publish date and therefore no profit or loss is occurred nor does significant risk.

7.6.9 Risks associated with any consolidation of purchasing or sales operations, and mitigation measures being or to be taken :

Purchasing : Main raw material procurement policy is based on the principle of maintaining two suppliers or more and distribution of purchasing and establishing safe stock with major suppliers and instantly updating changes in demand to maintain a long-term and close collaboration relationship and to ensure the sources of all materials.

Sales : The company strong R&D and manufacturing capability has enabled it to maintain long-term relationship with existing customers while at the same time explore new customers to diversify revenue sources. There should not be any concentration in sales that would impact the Company’s growth.

7.6.10 Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company

has been transferred or has otherwise changed hands, and mitigation measures being or to be taken : There is no instances in which a major quantity of shares belonging to directors, supervisors, or shareholders holding greater than a 10 percent stake in the Company is transferred or otherwise changes hands.

7.6.11 Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken : None.

7.6.12 Litigation and non-contentious matters :

1. On June 5, 2019, Panasonic Corporation sued Getac Technology Corporation and Getac Inc., subsidiaries of the Company (Collectively, “Getac”) in the United States District Court for the Central District of California, accusing Getac K120 rugged tablet of infringing Panasonic’s four U.S. Design Patents; Panasonic Corporation has amended the claim on October 23, 2019 and March 24, 2020 to, respectively, drop its infringement allegation involving one of the patents, and add Getac UX10 rugged tablet as an infringing product. Getac have engaged King & Spalding LLP to handle the case on behalf of Getac.
2. For information on the relevant of NAFCO, a subsidiary of the Company, please refer to Chapter Seven “Litigation and non-contentious matters” of the 2021 Annual Report of NAFCO.

7.6.13 Other important risks, and mitigation measures being or to be taken : None.

**7.7 Other important matters** : None.



## 2. Basic information of each affiliate :

Unit : In thousands of Dollars

Enterprise name	Date of incorporation	Address	Paid-in capital	Principal business or running items
Pacific Royale Ltd.	Jul. 03, 1998	Visira Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$37,221	Investment holdings
Getac Inc.	Dec. 23, 1994	15495 SAND CANYON AVENUE, SUITE 350, IRVINE, CA 92618	US\$1,600	Selling, providing technical service, repair and maintenance of computers and related products for military and industrial use.
Integration Technology Ltd.	Jan. 12, 2000	Visira Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$2,000	Investment holdings
Getac Technology Corporation	May. 19, 2003	7F, No.209, Nanyang St., Xizhi Dist., New Taipei City, Taiwan	NT\$1,234,340	Data Processing Services, Wholesale and retail of computer software, electronic communication products
Victory Star Developments Ltd.	Dec. 03, 2003	Visira Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$9,900	Investment holdings
Getac Technology (Kunshan) Co., Ltd.	Feb. 10, 2004	No.269, Avenue 2, Kunshan Comprehensive Free Trade Zone, Jiangsu Province, China	RMB\$81,939	Manufacture and sale of notebooks and related products.
Talent View Ltd.	Aug. 16, 2006	Visira Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$1,000	Investment holdings
Hot Link Technology Ltd.	May. 10, 2000	Visira Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$110,776	Investment holdings
Master China Ltd.	Nov. 28, 2001	Visira Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$23,450	Investment holdings
MPT Solution (Kunshan) Co., LTD.	Jan. 28, 2002	No.269, Avenue 2, Kunshan Comprehensive Free Trade Zone, Jiangsu Province, China	RMB\$198,126	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts and molding equipment processing, sales and maintenance and repair services of own products.
ACE Continental Industries Ltd.	Feb. 28, 2002	Visira Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$20,000	Investment holdings and trading
Mainpower International Ltd.	Oct. 13, 2004	Visira Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$41,413	Investment holdings
MPT Solution (Suzhou) Co., LTD.	Mar. 10, 2005	NO.66 Xiongying Road, Precision Machinery Industrial Park Development Zone, Kunshan, Jiangsu Province, China	RMB\$352,978	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts and molding equipment processing, sales and maintenance and repair services of own products.
MPT Solution (Vietnam) Company Limited	Sep. 13, 2005	Lot G1-3-4-6-8, Que Vo Industrial Zone, Van Duong Ward, Bac Ninh City, Bac Ninh Province, Vietnam	US\$19,902	Manufacture of printer and its components, DVD, cell phone, digital camera and PCB.
Fon Yang Logistic (Kunshan) Ltd.	Mar. 14, 2008	No.269, Avenue 2, Kunshan Comprehensive Free Trade Zone, Jiangsu Province, China	RMB\$6,896	Agency of domestic/foreign freight transport and import/export declaration and import/export trade.
Getac (Suzhou) Mobile Ltd.	Jul. 16, 2008	No. 66, Xiongying Road, Kunshan development Zone, Kunshan, Jiangsu Province, China	RMB\$6,793	Design and manufacture of computers and its peripherals, commercial portable global positioning system, electronic parts, mold production equipment, whole sales of office equipment and spare parts, commission agent, import/export trade and maintenance and repair services of the products.
Running Power Ltd.	Aug. 08, 2008	Visira Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$0	Investment holdings
Getac (UK) Ltd.	Nov. 21, 2000	Getac House, Stafford Park 12, Telford, Shropshire, United Kingdom, TF3 3BJ	GBP\$350	Sales and repair of computer, software and relevant products.

Unit : In thousands of Dollars

Enterprise name	Date of incorporation	Address	Paid-in capital	Principal business or running items
Getac Precision (HK) Limited	May. 29, 2008	Room 2811, 28/F., Trend Centre, 29-31 Cheung Lee Street, Chai Wan, Hong Kong	US\$22,173	Investment holdings
Getac Precision Technology (ChangShu) Co., Ltd.	July. 26, 2006	No. 15, Dianchang Road, Bixi Street, Changshu, Jiangsu Province, China	RMB\$145,193	Manufacture of Magnesium alloy thixomolding
Bellingham Investments Ltd.	Apr. 05, 2000	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$0	Investment holdings
Mitac Technology Kyoto Corporation	Sep. 01, 2009	499-2, Zaimokuchō, Shimogyō-ku, Kyoto-shi, Kyoto-fu, Japan	JPY\$90,000	Import/export electronic product, provide technical consulting, maintenance and repair services.
MPT Solution Technology (Hanoi) Company Limited	Dec. 02, 2009	Lot G1-3-4-6-8, Que Vo Industrial Zone, Van Duong Ward, Bac Ninh City, Bac Ninh Province, Vietnam	US\$500	Manufacture of printer and related products.
Mitac Precision Developments Ltd.	Nov. 13, 2009	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$20,000	Investment holdings and trading.
Atemitech Corporation	Feb. 08, 2010	No.202, Wenhua 2 <sup>nd</sup> Rd., Wenhua Vil., Guishan Dist., Taoyuan City, Taiwan	NT\$71,910	Wholesale and retail of electric equipment and mold.
Getac Technology GmbH	Sep. 21, 2010	Kanzlerstrasse 4, 40472 Dusseldorf, Germany	EUR\$25	Sales of computer, software and relevant products.
Mass Bridge Ltd.	Aug. 16, 2007	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$5,500	Investment holdings
Getac Precision Technology Vietnam Co., Ltd.	Mar. 25, 2008	Lot L1-2-3-5-6-7, Que Vo Industrial Zone, Van Duong Ward, Bac Ninh City, Bac Ninh Province, Vietnam	US\$5,500	Manufacture of personal computers, communication equipment, automobile electronic devices, precision punching dies, casting/forging raw parts for automobiles and motorcycles, and magnesium alloy castings.
Fong Guan Investments Ltd.	Sep. 08, 2010	8F., No. 77, Sec. 3, Minsheng E. Rd., Zhongshan Dist., Taipei City, Taiwan	NT\$200,500	Investment holdings
National Aerospace Fasteners Corporation	Oct. 14, 1997	No. 5, Taiping E. Rd., Pingzhen Dist., Taoyuan City, Taiwan	NT\$26,472	Manufacture, processing, agency, and sales of source control bolts and structural parts for aircraft and ship.
Nafco Group Ltd.	Aug.15,2011	Intershore Chambers, P.O. Box 4342 Road Town, Tortola British Virgin Islands	US\$13,000	Investment holdings
Nafco Holdings Ltd.	Aug.17,2011	Intershore Chambers, P.O. Box 4342 Road Town, Tortola British Virgin Islands	US\$13,000	Investment holdings
Suzhou Nafco Precision Ltd.	Dec.13,2011	No.269, Avenue 2, Kunshan Comprehensive Free Trade Zone, Jiangsu Province, China	US\$13,000	Production of components for airplane and engine use.
Getac Video Solutions Inc.	Aug. 20, 2018	3800 AMERICAN BLVD. W. STE.500 BLOOMINGTON MN 55431	US\$1,000	Sales of Mobile Video System Solutions (including device hardware, software, cloud technologies and consulting services) in Europe and United States region.
WHP Workflow Solutions, Inc.	Aug. 15, 2007	6543A Fain Street, N. Charleston, SC.29406	US\$3,451	Software design and development.
MPT Solution (HK) Limited	Apr. 06, 2020	Room 2811, 28/F., Trend Centre, 29-31 Cheung Lee Street, Chai Wan, Hong Kong	US\$10,020	Investment holdings and trading.
MPT Solution (Xiangcheng) Co., LTD.	Feb. 05, 2021	Area F, floor 1, building 5, No. 2555, Taidong Road, Huangdai Town, Xiangcheng District, Suzhou, Jiangsu Province, China	RMB\$1,500	Manufacture and sale of Forgings.
Atemitech (Suzhou) Co., Ltd.	Nov. 02, 2021	Room 4, NO.67 Xiongying Road, Precision Machinery Industrial Park, Development Zone, Kunshan, , Jiangsu Province, China	US\$1,000	Design and manufacture of computers and its peripherals, commercial portable global positioning system, electronic parts, mold production equipment, whole sales of office equipment and spare parts, commission agent, import/export trade and maintenance and repair services of the products.

3. Information of the same shareholders assumed to have control or affiliation relationship: None.

4. Businesses covered by the operation of affiliates and the connections among these businesses :

Industry	Name of affiliates	Connection with other affiliates in business operation
Investment and Holding Companies	Pacific Royale Ltd.	Investment in overseas subsidiaries for the manufacturing.
	Integration Technology Ltd.	Investment in overseas subsidiaries for the manufacturing.
	Victory Star Developments Ltd.	Investment in overseas subsidiaries for the manufacturing.
	Talent View Ltd.	Investment in overseas subsidiaries for the manufacturing.
	Hot Link Technology Ltd.	Investment in overseas subsidiaries for the manufacturing.
	Master China Ltd.	Investment in overseas subsidiaries for the manufacturing.
	Mainpower International Ltd.	Investment in overseas subsidiaries for the manufacturing.
	Running Power Ltd.	Investment in overseas subsidiaries for the manufacturing.
	Bellingham Investments Ltd.	Investment in overseas subsidiaries for the manufacturing.
	Getac Precision (HK) Limited	Investment in overseas subsidiaries for the manufacturing.
	Mass Bridge Ltd.	Investment in overseas subsidiaries for the manufacturing.
	Nafco Group Ltd.	Investment in overseas subsidiaries for the manufacturing.
	Nafco Holdings Ltd.	Investment in overseas subsidiaries for the manufacturing.
	Fong Guan Investments Ltd.	General Investment.
Trading	Getac Inc.	Manufacture and sale of notebooks and related products, maintenance and repair services.
	Getac Video Solutions Inc.	Sales of Getac Video Solution (Digital Mobile Surveillance System) in Europe and United States region.
	Getac Technology Corporation	Sales of electronic related products.
	ACE Continental Industries Ltd.	Investment in overseas subsidiaries for the manufacturing and Sales of mold tooling and mechanical products.
	Getac (SuZhou) Mobile Ltd.	Manufacture and sale of notebooks and related products, maintenance and repair services.
	Getac (UK) Ltd.	Manufacture and sale of notebooks and related products, maintenance and repair services.
	Mitac Technology Kyoto Corporation	Sales of mold tooling and mechanical products and related products, maintenance and repair services.
	Mitac Precision Developments Ltd.	Investment in overseas subsidiaries for the manufacturing and Sales of mold tooling and mechanical products.
	Getac Technology GmbH	Sales of electronic related products.
	Atemitech Corporation	Sales of mold tooling and mechanical products.
	MPT Solution (HK) Limited	Investment holdings and trading.
	Atemitech (Suzhou) Co., Ltd.	Purchasing and selling electronic products



Industry	Name of affiliates	Connection with other affiliates in business operation
Sales and manufacturing of computer products	Getac Technology (Kunshan) Co., Ltd.	Sales and Manufacture of Getac products.
Sales and manufacturing of mold tooling and mechanical products	MPT Solution (Kunshan) Co., LTD.	Sales and Manufacture of mold tooling and mechanical products.
	MPT Solution (Suzhou) Co., LTD.	Sales and Manufacture of mold tooling and mechanical products.
	MPT Solution (Vietnam) Company Limited	Sales and Manufacture of mold tooling and mechanical products.
	Getac Precision Technology (ChangShu) Co., Ltd.	Sales and Manufacture of mold tooling and mechanical products.
	MPT Solution (Hanoi) Company Limited.	Sales and Manufacture of mold tooling and mechanical products.
	Getac Precision Technology Vietnam Co., Ltd.	Sales and Manufacture of mold tooling and mechanical products.
	MPT Solution (Xiang Cheng) Co.,Ltd	Sales and Manufacture of mold tooling and mechanical products.
Logistics industry	Fon Yang Logistic (Kunshan) Ltd.	Agency of Getac transport and import/export declaration and Warehousing.
Aerospace fasteners industry	National Aerospace Fasteners Corporation	Manufacture, processing, agency, and sales of source control bolts and structural parts for aircraft and ship.
	Suzhou Nafco Precision Ltd.	Production of components for airplane and engine use.
Software Design & Development	WHP Workflow Solutions, Inc.	Software design and development.

## 5. Information of directors, supervisors, and presidents of affiliates

Unit : Share : %

Enterprise name	Title	Name or representative	Shareholding	
			Shares held	Shareholding percentage
Pacific Royale Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
Getac Inc.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hwang, Chen-Teh	0	0.00%
	Director	Lee, Mei-Jung	0	0.00%
Integration Technology Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
Getac Technology Corporation	Chairman	Getac Holdings Corporation / Rep: Hwang, Ming-Hang	123,434,000	100.00%
	Director	Getac Holdings Corporation / Rep: Hsieh, Sue-Chuan	123,434,000	100.00%
	Director	Getac Holdings Corporation / Rep: Chu, Wen-Hui	123,434,000	100.00%
	President	Hwang, Chen-Teh	0	0.00%
Victory Star Developments Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
Getac Technology (Kunshan) Co., Ltd.	Chairman	Victory Star Developments Ltd. / Rep: Tsai, Lien-Ching	N/A	100.00%
	Director	Victory Star Developments Ltd. / Rep: Chang, Chou-Long	N/A	100.00%
	Director/President	Victory Star Developments Ltd. / Rep: Lin, Chih-Chung	N/A	100.00%
	Supervisor	Wang, Chien-Fu	N/A	0.00%
Talent View Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
Hot Link Technology Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
Master China Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
MPT Solution (Kunshan) Co., LTD.	Chairman/President	Master China Ltd. / Rep: Lin, Chuan-Cheng	N/A	100.00%
	Director	Master China Ltd. / Rep: Hwang, Ming-Hang	N/A	100.00%
	Director	Master China Ltd. / Rep: Tsai, Lien-Ching	N/A	100.00%
	Supervisor	Chu, Wen-Hui	N/A	0.00%
ACE Continental Industries Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
Mainpower International Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
MPT Solution (Suzhou) Co., LTD.	Chairman/President	Mainpower International Ltd. / Rep: Lin, Chuan-Cheng	N/A	83.67%
	Director	Mainpower International Ltd. / Rep: Hwang, Ming-Hang	N/A	83.67%
	Director	Huge Extent Ltd. / Rep: Ho, Jhi-Wu	N/A	16.33%
	Supervisor	Chu, Wen-Hui	N/A	0.00%
MPT Solution (Vietnam) Company Limited	Chairman	Hwang, Ming-Hang	N/A	0.00%
	Vice Chairman	Lin, Chuan-Cheng	N/A	0.00%
	Director	Hsieh, Sue-Chuan	N/A	0.00%
	President	Lin, Chuan-Cheng	N/A	0.00%

Unit : Share : %

Enterprise name	Title	Name or representative	Shareholding	
			Shares held	Shareholding percentage
Fon Yang Logistic (Kunshan) Ltd.	Chairman	Integration Technology Ltd. / Rep: Hwang, Ming-Hang	N/A	100.00%
	Director	Integration Technology Ltd. / Rep: Tsai, Lien-Ching	N/A	100.00%
	Director/President	Integration Technology Ltd. / Rep: Lin, Chih-Chung	N/A	100.00%
	Supervisor	Chu, Wen-Hui	N/A	0.00%
Getac (Suzhou) Mobile Ltd.	Chairman	Getac Technology Corporation / Rep: Hwang, Chen-Teh	N/A	100.00%
	Director	Getac Technology Corporation / Rep: Hwang, Ming-Hang	N/A	100.00%
	Director	Getac Technology Corporation / Rep: Lee, Mei-Jung	N/A	100.00%
	Supervisor	Chu, Wen-Hui	N/A	0.00%
	President	Liang, Shih-Hsi	N/A	0.00%
Running Power Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
Getac (UK) Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hwang, Chen-Teh	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
Getac Precision (HK) Limited	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
Getac Precision Technology (Changshu) Co., Ltd.	Chairman/President	Getac Precision (HK) Limited / Rep: Lin, Chuan-Cheng	N/A	100.00%
	Director	Getac Precision (HK) Limited / Rep: Hwang, Ming-Hang	N/A	100.00%
	Director	Getac Precision (HK) Limited / Rep: Hsieh, Sue-Chuan	N/A	100.00%
	Supervisor	Wang, Chien-Fu	N/A	0.00%
Bellingham Investments Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
Mitac Technology Kyoto Corporation	Chairman	Hwang, Ming-Hang	0	0.00%
	Vice Chairman	Lin, Chuan-Cheng	0	0.00%
	Director	Jen, Kuei-Ming	0	0.00%
	Supervisor	Hsieh, Sue-Chuan	0	0.00%
MPT Solution (Hanoi) Company Limited	Chairman	Hwang, Ming-Hang	N/A	0.00%
	Vice Chairman	Lin, Chuan-Cheng	N/A	0.00%
	Director	Hsieh, Sue-Chuan	N/A	0.00%
	President	Lin, Chuan-Cheng	N/A	0.00%
Mitac Precision Developments Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
Atemitech Corporation	Chairman	Getac Holdings Corporation / Rep: Hwang, Ming-Hang	7,191,000	100.00%
	Director	Getac Holdings Corporation / Rep: Hsieh, Sue-Chuan	7,191,000	100.00%
	Director	Getac Holdings Corporation / Rep: Chu, Wen-Hui	7,191,000	100.00%
	President	Hwang, Ming-Hang	0	0.00%
Getac Technology GmbH	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hwang, Chen-Teh	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
Mass Bridge Ltd.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
Getac Precision Technology Vietnam Co., Ltd.	Chairman	Hwang, Ming-Hang	N/A	0.00%
	Director	Lin, Chuan-Cheng	N/A	0.00%
	Director	Hsieh, Sue-Chuan	N/A	0.00%
	President	Han, Lien-Pi	N/A	0.00%
Fong Guan Investments Ltd.	Chairman	Getac Holdings Corporation / Rep: Hwang, Ming-Hang	20,050,000	100.00%
	Director	Getac Holdings Corporation / Rep: Hsieh, Sue-Chuan	20,050,000	100.00%
	Director	Getac Holdings Corporation / Rep: Chu, Wen-Hui	20,050,000	100.00%

Unit : Share : %

Enterprise name	Title	Name or representative	Shareholding	
			Shares held	Shareholding percentage
National Aerospace Fasteners Corporation	Chairman	Getac Holdings Corporation / Rep: Tsai, Feng-Tzu	20,578,174	39.09%
	Director	Getac Holdings Corporation / Rep: Miao, Scott-Matthew	20,578,174	39.09%
	Director	National Development Fund, Executive Yuan / Rep: Chu, Sung-Chu	3,773,188	7.17%
	Director	Getac Technology Corporation / Rep: Lin, Wei-Tsun	92	0.00%
	Director	Lian Jie Investment Co., Ltd. / Rep: Hsieh, Feng-Jen	425,684	0.81%
	Director	Chou, Teh-Chien	0	0.00%
	Independent Director	Chao, Hsin-Cheh	0	0.00%
	Independent Director	Li, li-hang	0	0.00%
	Independent Director	Wen, Wun-Sho	0	0.00%
Nafco Group Ltd.	Director	Tsai, Feng-Tzu	0	0.00%
	Director	Lin, Wei-Tsun	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
Nafco Holdings Ltd.	Director	Tsai, Feng-Tzu	0	0.00%
	Director	Lin, Wei-Tsun	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
Suzhou Nafco Precision Limited	Chairman	Nafco Holdings Ltd. / Rep: Tsai, Feng-Tzu	N/A	100.00%
	Director	Nafco Holdings Ltd. / Rep: Lin, Wei-Tsun	N/A	100.00%
	Director	Nafco Holdings Ltd. / Rep: Chu, Wen-Hui	N/A	100.00%
	Supervisor	Nafco Holdings Ltd. / Rep: Li, Wen-Cheng	N/A	100.00%
	President	Lin, Wei-Tsun	N/A	0.00%
Getac Video Solutions Inc.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Thomas Guzik	0	0.00%
	Director	Hwang, Chen-Teh	0	0.00%
WHP Workflow Solutions, Inc.	Director	Hwang, Ming-Hang	0	0.00%
	Director	Thomas Guzik	0	0.00%
	Director	Hwang, Chen-Teh	0	0.00%
MPT Solution (HK) Limited	Director	Hwang, Ming-Hang	0	0.00%
	Director	Chu, Wen-Hui	0	0.00%
	Director	Hsieh, Sue-Chuan	0	0.00%
MPT Solution (Xiangcheng) Co., LTD.	Chairman/President	MPT Solution (Kunshan) Co., LTD./ Rep: Lin, Chuan-Cheng	N/A	100.00%
	Director	MPT Solution (Kunshan) Co., LTD./ Rep: Hwang, Ming-Hang	N/A	100.00%
	Director	MPT Solution (Kunshan) Co., LTD./ Rep: Tsai, Lien-Ching	N/A	100.00%
	Supervisor	MPT Solution (Kunshan) Co., LTD./ Rep: Chu, Wen-Hui	N/A	100.00%
Atemitech (Suzhou) Co., Ltd.	Chairman/President	Talent View Ltd. / Rep: Lin, Chih-Chung	N/A	100.00%
	Director	Talent View Ltd. / Rep: Lin, Chuan-Cheng	N/A	100.00%
	Director	Talent View Ltd. / Rep: Chang, Chou-Long	N/A	100.00%
	Supervisor	Talent View Ltd. / Rep: Wang, Chien-Fu	N/A	100.00%

6. Operation summary of affiliates :

Unit: In thousands of New Taiwan Dollars

Enterprise name	Capital	Total assets	Total liabilities	Net worth	Revenue	Operating income (loss)	Net income (loss) (after tax)	EPS(NT\$) (after-tax)
Getac Holdings Corporation	5,976,984	19,775,946	1,553,475	18,222,471	10,050,675	1,860,350	4,273,793	7.20
Pacific Royale Ltd.	1,030,274	2,851,361	0	2,851,361	0	(537)	116,701	3.14
Getac Inc.	44,288	1,798,962	1,330,313	468,649	6,035,887	100,577	144,891	90.56
Integration Technology Ltd.	55,360	66,146	0	66,146	0	0	(1,223)	(0.61)
Getac Technology Corporation	1,234,340	7,846,685	6,062,370	1,784,315	2,268,286	324,433	279,055	4.44
Victory Star Developments Ltd.	274,032	1,632,960	0	1,632,960	0	0	117,084	11.83
Getac Technology (Kunshan) Co., Ltd.	327,580	4,596,501	2,963,675	1,632,826	7,133,357	72,176	117,084	NA
Talent View Ltd.	0	19	0	19	0	0	1	890.93
Hot Link Technology Ltd.	3,066,286	12,389,954	161,524	12,228,430	0	(1,003)	3,429,817	30.96
Master China Ltd.	274,032	3,760,429	0	3,760,429	0	0	505,534	51.06
MPT Solution (Kunshan) Co., LTD.	784,629	7,665,135	3,905,487	3,759,648	8,804,951	612,538	505,534	NA
ACE Continental Industries Ltd.	553,600	903,152	0	903,152	0	0	220,995	11.05
Mainpower International Ltd.	1,146,308	1,948,428	1,943	1,946,485	0	0	147,317	3.56
MPT Solution (Suzhou) Co., LTD.	1,589,287	4,179,491	1,851,295	2,328,196	4,741,406	232,238	176,069	NA
MPT Solution (Vietnam) Company Limited	550,896	1,637,811	892,076	745,735	1,564,868	268,466	220,973	NA
Fon Yang Logistic (Kunshan) Ltd.	31,255	31,601	1,632	29,969	2,132	(992)	(1,236)	(0.18)
Getac (SuZhou) Mobile Ltd.	32,140	143,580	110,048	33,532	440,335	3,459	2,453	NA
Running Power Ltd.	27,680	0	0	0	0	0	0	0.00
Getac (UK) Ltd.	13,055	205,865	173,948	31,917	528,509	8,127	3,536	10.10
Getac Precision (HK) Limited	613,746	2,377,148	866,112	1,511,036	1,668,906	(3,410)	(11,881)	(0.54)
Getac Precision Technology (ChangShu) Co., Ltd.	623,154	2,111,224	857,349	1,253,875	1,318,855	(130,211)	(104,275)	NA
Bellingham Investments Ltd.	0	2,161	0	2,161	0	0	62	61,660.35
Mitac Technology Kyoto Corporation	21,645	77,236	51,080	26,156	729,555	6,866	5,323	2.96
MPT Solution (Hanoi) Company Limited.	11,691	4,797	0	4,797	0	(210)	(176)	NA
Mitac Precision Developments Ltd.	553,600	1,194,117	418,175	775,942	542,401	237	43,361	2.17
Atemitech Corporation	71,910	2,153,505	1,980,195	173,310	1,050,105	116,276	93,504	51.80
Getac Technology GmbH	783	130,092	72,882	57,210	669,360	13,397	9,314	372.57
Mass Bridge Ltd.	152,240	2,64,496	0	2,64,496	0	0	99,789	18.14
Getac Precision Technology Vietnam Co., Ltd.	152,240	1,638,078	1,374,818	263,260	1,419,934	125,707	99,788	NA
Fong Guan Investments Ltd.	200,500	205,571	52,303	153,268	0	(42)	19,549	0.98
National Aerospace Fasteners Corporation	526,472	4,247,126	2,472,927	1,774,199	1,298,303	(48,552)	(96,729)	(1.84)
Nafco Group Ltd.	405,897	331,788	0	331,788	0	0	(65,088)	(5.01)
Nafco Holdings Ltd.	405,897	330,024	0	330,024	0	0	(65,088)	(5.01)
Suzhou Nafco Precision Ltd.	405,897	546,467	216,443	330,024	279,835	(41,573)	(65,088)	NA
Getac Video Solutions Inc.	27,680	555,132	942,489	(387,357)	612,406	(204,206)	(141,359)	(141.36)
WHP Workflow Solutions, Inc.	95,511	66,744	24,169	42,575	127,922	6,318	4,848	12.37
MPT Solution(HK) Limited	277,354	4,511,327	4,228,826	282,501	6,207,371	(899)	5,169	0.52
MPT Solution (Xiang Cheng) Co.,Ltd	6,438	6,515	0	6,515	0	(4)	2	NA

## 8.1.2 Consolidated financial statements of affiliates

### **Representation Letter**

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

Very truly yours,  
GETAC HOLDINGS CORP.  
By

Hwang, Ming-Hang, Chairman  
February 25, 2022

8.1.3 Affiliation report : None.

**8.2 The status of private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report : None .**

**8.3 Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report : None.**

**8.4 Other matters that require additional description : None.**

**8.5 Any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one : None.**

# **Getac Holdings Corporation**

## **Audit Committee's Review Report**

2021 Financial statements (January 1, 2021 to December 31, 2021) of Getac Holdings Corp. are prepared by the board of directors and audited by Liu Chien-Yu and Cheng, Ya-Huei, CPAs, PricewaterhouseCoopers (PwC), Taiwan. These financial statements, along with 2021 business reports and earnings distribution plan, have been reviewed by Audit Committee ourselves and these reports and statements are indeed compliant with the related laws and regulations. Per Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we Audit Committee submit this review report for your consideration.

Submit to

2022 Annual Meeting of Shareholders, Getac Holdings Corporation

Getac Holdings Corporation

Audit Committee convener : CHANG, CHIA-HSIN

February 25, 2022



To the Board of Directors and Stockholders of Getac Holdings Corp.

***Opinion***

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

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

***Basis for opinion***

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China for the years ended December 31, 2021 and 2020. Our responsibilities under those standards are further described in the *Auditors’ responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## ***Key audit matters***

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

The key audit matters in relation to the consolidated financial statements for the year ended December 31, 2021 are outlined as follows:

### **Evaluation of inventories**

#### Description

Refer to Note 4(13) for the accounting policies on evaluation of inventories, Note 5(2) for the critical accounting estimates and assumptions on evaluation of inventories and Note 6(6) for the details of inventories.

The Group is engaged in the research, development, manufacture and sales of notebook computers, handheld equipment for military and industrial computer system, structure parts for electronic, automotive and home appliance industries, and aerospace fasteners. Due to the rapid technological innovations and market competition, there is a higher risk of inventory losses due to slow-moving inventory and obsolescence. As inventories are stated at the lower of cost and net realisable value, the determination of net realisable value of inventories is subject to subjective judgment and uncertainties. Thus, we considered the evaluation of inventories as a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter: Sampled and validated inventory line items from the inventory aging report and agreed quantities and amounts to inventory sub-ledger and examined the appropriateness of categorization within the inventory aging report; verified the classification of obsolete inventories; and sampled and validated the net realisable value of slow-moving and obsolete inventories against respective historical information for diminution in inventory value in order to ensure the reasonableness of provision for inventory loss.

## **Recognition of sales revenue**

### Description

Refer to Note 4(31) for the accounting policies on recognition of sales revenue, and Note 6(26) for the details of operating revenue. Sales revenue is the main operating activity and relevant to the Group's financial performance. The Group sells different kinds of products with various transaction terms, which require judgment in determining the timing of the transfer of control of goods. Thus, we considered recognition of sales revenue as a key audit matter.

### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter: Obtained an understanding of and evaluated internal controls over the recognition of sales revenue, and tested the operating effectiveness of related control activities; sampled and validated transaction terms, performance obligations, prices, orders, shipping documents and assessed appropriateness of amount and timing of revenue recognition; sampled transactions from a specific period of time prior to and after the balance sheet date; and validated respective transaction terms and shipping documents in order to ensure sales revenue are recognised in the proper period.

### ***Other matter – Reference to audits of other auditors***

We did not audit the financial statements of certain investments accounted for under the equity method for the years ended December 31, 2021 and 2020 which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these investees, is based solely on the reports of other auditors. The balances of related investments accounted for under the equity method was NT\$653,725 thousand and NT\$628,896 thousand, constituting 2% and 2% of the total consolidated assets as of December 31, 2021 and 2020, respectively, and comprehensive income (loss) from these investments accounted for under the equity method amounted to NT\$57,155 thousand and (NT\$26,801) thousand, constituting 2% and (1%) of the total consolidated comprehensive income for the years then ended, respectively.

### ***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Getac Holdings Corp. as at and for the years ended December 31, 2021 and 2020.

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

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

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

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

### ***Auditors’ responsibilities for the audit of the consolidated financial statements***

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk

of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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Chien -Yu Liu

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Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan

February 25, 2022

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
<b>Current Assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 5,785,111	16	\$ 5,706,030	17
1110	Financial assets at fair value through profit or loss - current	6(2)	13,642	-	63,883	-
1136	Current financial assets at amortised cost, net	6(4)	12,827	-	547,275	2
1150	Notes receivable - net	6(5)	11,569	-	13,793	-
1170	Accounts receivable - net	6(5)	7,402,690	21	7,498,176	22
1180	Accounts receivable - related parties	6(5) and 7	52,510	-	15,446	-
1200	Other receivables	7	165,036	-	87,588	-
130X	Inventories - net	6(6)	7,593,566	21	5,443,201	16
1410	Prepayments		605,065	2	450,350	2
11XX	<b>Total current assets</b>		<u>21,642,016</u>	<u>60</u>	<u>19,825,742</u>	<u>59</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non- current	6(3)	870,122	2	741,617	2
1550	Investments accounted for under the equity method	6(7)	1,152,264	3	1,009,557	3
1600	Property, plant and equipment - net	6(8), 7 and 8	8,849,503	25	8,593,044	25
1755	Right-of-use assets	6(9) and 7	812,647	2	997,111	3
1760	Investment property - net	6(11)	211,316	1	477,088	1
1780	Intangible assets	6(12)(13)	652,860	2	686,960	2
1840	Deferred income tax assets	6(34)	712,179	2	553,255	2
1900	Other non-current assets	6(14)	941,479	3	970,559	3
15XX	<b>Total non-current assets</b>		<u>14,202,370</u>	<u>40</u>	<u>14,029,191</u>	<u>41</u>
1XXX	<b>TOTAL ASSETS</b>		<u>\$ 35,844,386</u>	<u>100</u>	<u>\$ 33,854,933</u>	<u>100</u>

(Continued)

**GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(15)	\$ 13,840	-	\$ 406,768	1
2120	Financial liabilities at fair value through profit or loss - current	6(16)	3,009	-	6,930	-
2130	Contract liabilities - current	6(26) and 7	596,083	2	524,360	2
2150	Notes payable		-	-	70	-
2170	Accounts payable		6,273,748	18	5,875,209	17
2180	Accounts payable - related parties	7	19,702	-	47,292	-
2200	Other payables	6(17) and 7	2,998,207	8	3,158,133	9
2230	Current income tax liabilities		620,757	2	604,618	2
2250	Provisions for liabilities - current	6(21)	290,000	1	189,244	1
2280	Lease liabilities - current		148,372	-	134,279	-
2320	Long-term borrowings, current portion	6(18)	286,299	1	180,318	1
2365	Refund liabilities - current		314,837	1	492,750	2
2399	Other current liabilities, others		32,876	-	115,950	-
21XX	<b>Total current liabilities</b>		<u>11,597,730</u>	<u>33</u>	<u>11,735,921</u>	<u>35</u>
<b>Non-current liabilities</b>						
2527	Contract liabilities - non-current	6(26)	832,773	2	744,519	2
2540	Long-term borrowings	6(18)	1,812,813	5	1,931,865	6
2550	Provisions for liabilities - non-current	6(21) and 7	374,687	1	490,761	1
2560	Current tax liabilities - non-current	6(34)	25,278	-	75,834	-
2570	Deferred income tax liabilities	6(34)	850,345	2	187,460	1
2580	Lease liabilities - non-current	7	345,153	1	476,082	1
2600	Other non-current liabilities	6(19)	42,218	-	219,196	1
25XX	<b>Total non-current liabilities</b>		<u>4,283,267</u>	<u>11</u>	<u>4,125,717</u>	<u>12</u>
2XXX	<b>Total liabilities</b>		<u>15,880,997</u>	<u>44</u>	<u>15,861,638</u>	<u>47</u>
Equity attributable to owners of the parent						
Share capital						
3110	Common stock	6(22)	5,976,984	17	5,892,477	18
Capital surplus						
3200	Capital surplus	6(23)	3,457,936	9	3,264,236	9
Retained earnings						
3310	Legal reserve	6(24)	2,212,079	6	1,952,202	6
3320	Special reserve		682,230	2	741,623	2
3350	Unappropriated retained earnings		7,055,665	20	5,076,740	15
Other equity						
3400	Other equity interest	6(25)	(1,162,423)	(3)	(682,231)	(2)
31XX	<b>Total equity attributable to owners of the parent</b>		<u>18,222,471</u>	<u>51</u>	<u>16,245,047</u>	<u>48</u>
36XX	Non-controlling interest		<u>1,740,918</u>	<u>5</u>	<u>1,748,248</u>	<u>5</u>
3XXX	<b>Total equity</b>		<u>19,963,389</u>	<u>56</u>	<u>17,993,295</u>	<u>53</u>
Significant Contingent Liabilities and Unrecognised Contract Commitments						
3X2X	<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 35,844,386</u>	<u>100</u>	<u>\$ 33,854,933</u>	<u>100</u>

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



GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating Revenues	6(26) and 7	\$ 30,084,126	100	\$ 27,837,743	100
5000	Operating Costs	6(6)(32)(33)	( 22,517,718)	( 75)	( 20,060,915)	( 72)
5900	Gross Profit		<u>7,566,408</u>	<u>25</u>	<u>7,776,828</u>	<u>28</u>
	Operating Expenses	6(32)(33)				
6100	Selling expenses		( 1,823,440)	( 6)	( 1,882,897)	( 7)
6200	Administrative expenses		( 1,683,010)	( 5)	( 1,538,631)	( 5)
6300	Research and development expenses		( 1,478,214)	( 5)	( 1,293,643)	( 5)
6000	Total operating expenses		( 4,984,664)	( 16)	( 4,715,171)	( 17)
6500	Other income and expenses - net	6(27)	<u>30,498</u>	<u>-</u>	<u>54,124</u>	<u>-</u>
6900	Operating profit		<u>2,612,242</u>	<u>9</u>	<u>3,115,781</u>	<u>11</u>
	Non-operating income and expenses					
7100	Interest income	6(28)	33,384	-	54,272	-
7010	Other income	6(29)	267,251	1	165,632	1
7020	Other gains and losses	6(30)	2,509,804	8	( 23,365)	-
7050	Finance costs	6(31)	( 43,191)	-	( 47,212)	-
7060	Share of profit and losses of associates and joint ventures accounted for under the equity method	6(7)	<u>70,518</u>	<u>-</u>	<u>( 24,168)</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>2,837,766</u>	<u>9</u>	<u>125,159</u>	<u>1</u>
7900	<b>Profit before income tax</b>		<u>5,450,008</u>	<u>18</u>	<u>3,240,940</u>	<u>12</u>
7950	Income tax expense	6(34)	( 1,186,816)	( 4)	( 572,147)	( 2)
8200	<b>Profit for the year</b>		<u>\$ 4,263,192</u>	<u>14</u>	<u>\$ 2,668,793</u>	<u>10</u>

(Continued)

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
<b>Other comprehensive income (net)</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
8311		(\$ 1,384)	-	(\$ 2,594)	-
8316	6(3)	100,658	-	87,613	-
8320	6(7)	131,218	1	116,074	1
8349		277	-	711	-
8310		230,769	1	201,804	1
<b>Items that may be reclassified subsequently to profit or loss</b>					
8361	6(25)	(680,365)	(2)	(101,222)	(1)
8370	6(7)	(4,915)	-	(5,462)	-
8360		(685,280)	(2)	(106,684)	(1)
8300		(\$ 454,511)	(1)	\$ 95,120	-
8500		\$ 3,808,681	13	\$ 2,763,913	10
Profit (loss) attributable to:					
8610		\$ 4,273,793	14	\$ 2,577,039	10
8620		(\$ 10,601)	-	\$ 91,754	-
Total comprehensive income (loss) attributable to:					
8710		\$ 3,823,128	13	\$ 2,658,162	10
8720		(\$ 14,447)	-	\$ 105,751	-
Basic earnings per share 6(35)					
9750		\$	7.20	\$	4.40
Diluted earnings per share 6(35)					
9850		\$	7.06	\$	4.31

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

**GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

	Equity attributable to owners of the parent																			
	Notes	Retained Earnings					Other equity interest													
		Common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Currency translation differences	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity									
<b>Year ended December 31, 2020</b>																				
Balance at January 1, 2020		\$ 5,830,022	\$ 3,083,657	\$ 1,739,599	\$ 412,996	\$ 4,652,080	(\$ 615,273)	(\$ 126,351)	\$ 14,976,730	\$ 1,696,010	\$ 16,672,740									
Net income for the year		-	-	-	-	2,577,039	-	-	2,577,039	91,754	2,668,793									
Other comprehensive (loss) income for the year	6(25)	-	-	-	-	(2,299)	(120,096)	203,518	81,123	13,997	95,120									
Total comprehensive income (loss)		-	-	-	-	2,574,740	(120,096)	203,518	2,658,162	105,751	2,763,913									
Appropriations of 2019 earnings	6(24)	-	-	-	-	-	-	-	-	-	-									
Legal reserve		-	-	212,603	-	(212,603)	-	-	-	-	-									
Special reserve		-	-	-	328,627	(328,627)	-	-	-	-	-									
Cash dividends		-	-	-	-	(1,632,879)	-	-	(1,632,879)	-	(1,632,879)									
Change in associates and joint ventures accounted for under the equity method	6(23)	-	-	-	-	24,029	-	(24,029)	1,637	-	1,637									
Exercise of employee stock options	6(20)(22)	62,455	140,617	-	-	-	-	-	203,072	-	203,072									
Compensation cost of share-based payment	6(20)	-	38,325	-	-	-	-	-	38,325	-	38,325									
Cash dividends paid to non-controlling interest		-	-	-	-	-	-	-	-	(85,620)	(85,620)									
Balance at December 31, 2020		\$ 5,892,477	\$ 3,264,236	\$ 1,952,202	\$ 741,623	\$ 5,076,740	(\$ 735,369)	\$ 53,138	\$ 16,245,047	\$ 1,748,248	\$ 17,993,295									
<b>Year ended December 31, 2021</b>																				
Balance at January 1, 2021		\$ 5,892,477	\$ 3,264,236	\$ 1,952,202	\$ 741,623	\$ 5,076,740	(\$ 735,369)	\$ 53,138	\$ 16,245,047	\$ 1,748,248	\$ 17,993,295									
Net income (loss) for the year		-	-	-	-	4,273,793	-	-	4,273,793	(10,601)	4,263,192									
Other comprehensive (loss) income for the year	6(25)	-	-	-	-	(1,117)	(681,434)	231,886	(450,665)	(3,846)	(454,511)									
Total comprehensive income (loss)		-	-	-	-	4,272,676	(681,434)	231,886	3,823,128	(14,447)	3,808,681									
Appropriations of 2020 earnings	6(24)	-	-	-	-	-	-	-	-	-	-									
Legal reserve		-	-	259,877	-	(259,877)	-	-	-	-	-									
Cash dividends		-	-	-	-	(2,123,911)	-	-	(2,123,911)	-	(2,123,911)									
Reversal of special reserve		-	-	-	(59,393)	59,393	-	-	-	-	-									
Change in associates and joint ventures accounted for under the equity method	6(23)	-	3,874	-	-	30,644	-	(30,644)	3,874	-	3,874									
Exercise of employee stock options	6(20)(22)	84,507	176,203	-	-	-	-	-	260,710	-	260,710									
Compensation cost of share-based payment	6(20)	-	13,623	-	-	-	-	-	13,623	-	13,623									
Cash dividends paid to non-controlling interest		-	-	-	-	-	-	-	-	(16,034)	(16,034)									
Balance at December 31, 2021		\$ 5,976,984	\$ 3,457,936	\$ 2,212,079	\$ 682,230	\$ 7,055,665	(\$ 1,416,803)	\$ 254,380	\$ 18,222,471	\$ 1,740,918	\$ 19,963,389									

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

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 5,450,008	\$ 3,240,940
Adjustments			
Adjustments to reconcile profit (loss)			
Reversal of expected credit loss		( 171 )	( 2,036 )
Depreciation	6(8)(9)(11)(32)	1,179,580	1,118,259
Amortization on intangible assets	6(12)(32)	35,549	38,414
Loss (gain) on valuation of financial assets and liabilities at fair value through profit and loss	6(2)(16)(30)	46,000	( 58,273 )
Interest expense	6(31)	43,191	47,212
Interest income	6(28)	( 33,384 )	( 54,272 )
Dividend income	6(29)	( 13,846 )	( 13,601 )
Compensation cost of share-based payment	6(20)	36,774	70,432
Share of (profit) and loss of associates and joint ventures accounted for under the equity method	6(7)	( 70,518 )	24,168
Gain on disposal of property, plant and equipment	6(8)(30)	( 16,131 )	( 19,374 )
Gain on disposal of investments	6(29)	( 2,518,624 )	-
Gain on modification of lease contract		( 7 )	( 333 )
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable - net		2,224	( 9,277 )
Accounts receivable		93,301	( 1,234,674 )
Accounts receivable - related parties		( 37,065 )	78,604
Other receivables		( 81,024 )	( 31,539 )
Inventories		( 2,150,365 )	( 302,561 )
Prepayments		( 184,530 )	84,324
Other non-current assets		( 7,767 )	( 5,289 )
Changes in operating liabilities			
Contract liabilities		159,976	237,042
Notes payable		( 70 )	( 2,644 )
Accounts payable		398,539	1,463,722
Accounts payable - related parties		( 27,589 )	789
Other payables		( 132,288 )	36,123
Provisions for liabilities		( 15,319 )	48,457
Refund liabilities		( 177,913 )	( 311,775 )
Other current liabilities		( 83,072 )	87,501
Other non-current liabilities		( 161,306 )	6,603
Cash inflow generated from operations		1,734,153	4,535,364
Interest received		36,721	56,991
Dividends received		70,094	25,745
Interest paid		( 43,580 )	( 52,568 )
Income tax paid		( 686,197 )	( 373,773 )
Net cash flows from operating activities		1,111,191	4,191,759

(Continued)

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 55,439 )	(\$ 17,087 )
Proceeds from capital reduction of financial assets measured at fair value through other comprehensive income - non-current		21,932	4,216
Proceeds from disposal of financial assets measured at amortized cost-current		534,448	476,717
Decrease (increase) in financial assets measured at amortized cost-non-current		9,968	( 9,968 )
Proceeds from disposal of subsidiaries	6(36)	2,798,489	-
Cash decrease due to disposal of subsidiaries	6(36)	( 538,219 )	-
Acquisition of property, plant and equipment	6(36) and 7	( 1,320,552 )	( 1,914,142 )
Proceeds from disposal of property, plant and equipment		25,899	48,155
Decrease (increase) in refundable deposits	6(14)	8,643	( 1,348 )
Acquisition of intangible assets	6(12)	( 17,031 )	( 12,717 )
Decrease (increase) in other financial assets - non-current		21,892	( 737,586 )
Net cash flows from (used in) investing activities		<u>1,490,030</u>	<u>( 2,163,760 )</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(37)	( 392,928 )	( 151,638 )
Increase in long-term borrowings	6(37)	91,381	502,295
Repayment of long-term borrowings	6(37)	( 104,452 )	( 463,001 )
(Decrease) increase in deposits received	6(37)	( 4,724 )	10,607
Repayment of lease liabilities	6(9)	( 140,788 )	( 152,387 )
Cash dividends paid	6(24)	( 2,123,911 )	( 1,632,879 )
Employee share options exercised		260,710	203,072
Cash dividends paid to non-controlling interest		( 16,034 )	( 85,620 )
Net cash flows used in financing activities		<u>( 2,430,746 )</u>	<u>( 1,769,551 )</u>
Effects of changes in foreign exchange rates		( 91,394 )	( 44,593 )
Net increase in cash and cash equivalents		79,081	213,855
Cash and cash equivalents at beginning of year	6(1)	<u>5,706,030</u>	<u>5,492,175</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 5,785,111</u>	<u>\$ 5,706,030</u>

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

GETAC HOLDINGS CORP.  
(FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

Getac Holdings Corporation (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the research, development, manufacture and sales of notebook computers, hardware, software for military and industrial computer system, structure parts or mold, and aerospace fasteners.

To enhance market competitiveness and overall operating performance, the Company intended to transform its organizational structure. The Company split and transferred related operations (including assets, liabilities and operating) of the Company’s Rugged Solutions Business Group and Mechatronic & Energy Solutions Business Group to the Company’s wholly-owned subsidiaries, Getac Technology Corporation and Atemitech Corporation as approved by the shareholders on July 14, 2021, and the effective date for the spin-off was set on October 1, 2021. The Company, formerly named Getac Technology Corporation, was renamed as Getac Holdings Corporation as a result of its transformation as a holding company. The Company is primarily engaged in general investment.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on February 25, 2022.

### 3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or noncurrent'	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'	January 1, 2023

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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.

(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 at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity 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:

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

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
Getac Holdings Corp.	Pacific Royale Ltd.	Investment holdings	100	100	
Getac Holdings Corp.	Getac Technology Corporation (Formerly Getac Corporation)	Data management, info software, e-communication product wholesale and retail	100	100	Note 2
Getac Holdings Corp.	Hot Link Technology Ltd.	Investment holdings	100	100	
Getac Holdings Corp.	Atemitech Corporation (Formerly Mitac Precision Technology Corporation)	Electronic equipment and mold related wholesale and retail	100	100	Note 5
Getac Holdings Corp.	Fong Guan Investment Ltd.	Investment holdings	100	100	
Getac Holdings Corp.	National Aerospace Fasteners Corporation	Manufacturing, processing, agency and sale of aerospace fasteners and structure parts for airplane and ship use	39.09	39.09	Note 1
Getac Holdings Corp.	WHP Workflow Solutions, Inc.	Software design and development	0	80.30	Note 11

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
Pacific Royale Ltd.	Integration Technology Ltd.	Investment holdings	100	100	
Pacific Royale Ltd.	Victory Star Developments Ltd.	Investment holdings	100	100	
Pacific Royale Ltd.	Talent View Ltd.	Investment holdings	100	100	
Pacific Royale Ltd.	Running Power Ltd.	Investment holdings	0	100	Note 6
Pacific Royale Ltd.	WHP Workflow Solutions, Inc.	Software design and development	19.7	19.7	
Victory Star Developments Ltd.	Getac Technology (Kunshan) Co., Ltd.	Manufacture and sales of notebooks and related products	100	100	
Integration Technology Ltd.	Fon Yang Logistic (Kunshan) Ltd.	Agency of domestic/foreign freight transport and import/export declaration and import/export trade	100	100	
Getac Technology Corporation (Formerly Getac Corporation)	Getac Inc.	Selling, providing technical service, repair and maintenance of computers and related products for military and industrial use	100	100	Note 2 、 3
Getac Technology Corporation (Formerly Getac Corporation)	Getac (UK) Ltd.	Sales and repair of computers and related products	100	100	Note 2 、 3
Getac Technology Corporation (Formerly Getac Corporation)	Getac Technology GmbH	Sales of computers and related products	100	100	Note 2 、 3

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
Getac Technology Corporation (Formerly Getac Corporation)	Getac (SuZhou) Mobile Ltd.	Sales and repair of computers and its peripherals, commercial portable global positioning system, electronic parts, mold production equipment and office equipment, commission agent and import/export trade	100	100	Note 2 、 3
Getac Technology Corporation (Formerly Getac Corporation)	Getac Video Solutions Inc.	Sales of smart mobile surveillance solution (including device hardware, software, cloud technologies and consulting services)	100	100	Note 2 、 3
Getac Technology Corporation (Formerly Getac Corporation)	WHP Workflow Solutions, Inc.	Software design and development	80.3	0	Note 11
Hot Link Technology Ltd.	Master China Ltd.	Investment holdings	100	100	
Hot Link Technology Ltd.	Pacific Metal Developments Ltd.	Investment holdings and trading	0	100	Note 10
Hot Link Technology Ltd.	Mainpower International Ltd.	Investment holdings	86.72	86.72	Combined ownership
Hot Link Technology Ltd.	ACE Continental Industries Ltd.	Investment holdings and trading	100	100	
Hot Link Technology Ltd.	Bellingham Investments Ltd.	Investment holdings	100	100	
Hot Link Technology Ltd.	Getac Precision (HK) Limited (Formerly Getac Precision Technologies (Hong Kong) Limited)	Investment holdings and trading	100	100	Note 12

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
Hot Link Technology Ltd.	Mitac Technology Kyoto Corporation	Import/export electronic products, provide technical consulting maintenance, and repair services	100	100	
Hot Link Technology Ltd.	Mitac Precision Developments Ltd.	Investment holdings and trading	100	100	
Hot Link Technology Ltd.	Running Power Ltd.	Investment holdings	100	0	Note 6
Hot Link Technology Ltd.	MPT Solution(HK) Limited (Formerly Mitac Precision Development(HK) Ltd.)	Investment holdings and trading	100	100	Newly established in 2020 ( Note 9)
Hot Link Technology Ltd.	Mitac Precision Technology (Shunde) Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts, stamping parts and molding equipment processing, design and repair services and steel plate cutting, etc	0	100	Note 10

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
Master China Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts and molding equipment processing sales, and maintenance and repair services of	100	100	
Mainpower International Ltd.	SuZhou Mitac Precision Technology Co., Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts, stamping parts, molding equipment processing, design and repair services, and steel plate	72.56	72.56	Combined ownership
ACE Continental Industries Ltd.	MPT Solution (Vietnam) Company Limited (Formerly Mitac Precision Technology Vietnam Co., Ltd.)	Manufacturing of printer and its components, DVD, cell phone, digital camera, PCB etc.	100	100	Note 7
Getac Precision (HK) Limited (Formerly Getac Precision Technologies (Hong Kong) Limited)	Getac Precision Technology (Changshu) Co., Ltd.	Manufacturing of magnesium alloy	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
Getac Precision (HK) Limited (Formerly Getac Precision Technologies (Hong Kong) Limited)	Mass Bridge Ltd.	Investment holdings	100	100	Note 4
MPT Solution (Vietnam) Company Limited	MPT Solution (Hanoi) Company Limited (Formerly Mitac Precision Technology (HANOI) Co., Ltd.)	Manufacturing of printer and related products	100	100	Note 8
Mass Bridge Ltd.	Getac Precision Technology Vietnam Co., Ltd.	Manufacturing of personal computers, communication equipment, automobile electronic devices, precision punching dies, casting/forging raw parts for automobiles and motorcycles, and magnesium alloy castings	100	100	
Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution (Xiangcheng) Co., Ltd.	Forging manufacturing and sales	100	0	Newly established in the third quarter of 2021.
National Aerospace Fasteners	Nafco Group Ltd.	Investment holdings	100	100	
Nafco Group Ltd.	Nafco Holdings Ltd.	Investment holdings	100	100	
Nafco Holdings Ltd.	Suzhou Nafco Precision Ltd.	Production of components for airplane and engine use	100	100	

Note 1: National Aerospace Fasteners Corporation was included in the consolidated financial statements as the Group has substantial control over it.

Note 2: In October 2021, Getac Corporation was renamed as Getac Technology Corporation.

Note 3: After the reorganization in the third quarter of 2020, Getac Corporation held 100% shares

of Getac Inc., Getac (UK) Ltd., and Getac Technology GmbH which were originally held by Pacific Royale Ltd. ; of Getac (SuZhou) Mobile Ltd. which was originally held by Integration Technology Ltd ; and of Getac Video Solutions Inc. which was originally held by Running Power Ltd.

Note 4: After the reorganization in the second quarter of 2020, Getac Precision Technologies (Hong Kong) Limited held 100% shares of Mass Bridge Ltd. which was originally held by Hot Link Technology Ltd.

Note 5: Mitac Precision Technology Corporation was renamed to Atemitech Corporation in the first quarter of 2021.

Note 6: After the reorganization in the first quarter of 2021, Hot Link Technology Ltd. held 100% shares of Running Power Ltd. which was originally held by Pacific Royale Ltd.

Note 7: Mitac Precision Technology Vietnam Co., Ltd. was renamed to MPT Solution (Vietnam) Company Limited in the second quarter of 2021.

Note 8: Mitac Precision Technology (HA NOI) Co., Ltd. was renamed to MPT Solution (Hanoi) Company Limited in the second quarter of 2021.

Note 9: Mitac Precision Developments (HK) Limited was renamed to MPT Solution (HK) Limited in the second quarter of 2021.

Note 10: Hot Link Technology Ltd. disposed its held 100% equity interests of Pacific Metal Developments Ltd. and Mitac Computer (Shunde) Ltd. in the second quarter of 2021.

Note 11: Getac Holdings Corporation split and transferred the equity interest of WHP Workflow Solutions, Inc. to Getac Technology Corporation on October 1, 2021.

Note 12: In January 2022, Getac Precision Technologies (Hong Kong) Limited was renamed as Getac Precision (HK) Limited.

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

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

E. Restricted ability to transfer funds from subsidiaries to parent company: None.



F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2021 and 2020, the non-controlling interest amounted to \$1,740,918 and \$1,748,248, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2021		December 31, 2020	
		Amount	Ownership (%)	Amount	Ownership (%)
Mainpower International Ltd.	British Virgin Islands	\$ 258,494	13.28%	\$ 240,214	13.28%
SuZhou Mitac Precision Technology Co., Ltd.	China	380,194	16.33%	353,343	16.33% (Note)
National Aerospace Fasteners Corporation	Taiwan	1,102,230	60.91%	1,154,691	60.91%

Note: Mainpower International Ltd. owned shares of SuZhou Mitac Precision Technology Co., Ltd. as of December 31, 2021 and 2020, with a shareholding ratio of 83.67% for both years. The remaining of shares were non-controlling interests.

Summarized financial information of the subsidiaries:

Balance sheets

	Mainpower International Ltd.	
	December 31, 2021	December 31, 2020
Current assets	\$ 408	\$ 420
Non-current assets	1,948,020	1,810,422
Current liabilities	-	-
Non-current liabilities	( 1,944)	( 2,000)
Total net assets	\$ 1,946,484	\$ 1,808,842
	SuZhou Mitac Precision Technology Co., Ltd.	
	December 31, 2021	December 31, 2020
Current assets	\$ 2,630,305	\$ 2,811,995
Non-current assets	1,549,186	1,324,275
Current liabilities	( 1,780,559)	( 1,928,048)
Non-current liabilities	( 70,736)	( 44,456)
Total net assets	\$ 2,328,196	\$ 2,163,766

Balance sheets

	<u>National Aerospace Fasteners Corporation</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 1,103,929	\$ 974,814
Non-current assets	3,201,798	3,415,476
Current liabilities	( 675,277)	( 528,662)
Non-current liabilities	( 1,856,251)	( 1,988,479)
Total net assets	<u>\$ 1,774,199</u>	<u>\$ 1,873,149</u>

Statements of comprehensive income

	<u>Mainpower International Ltd.</u>	
	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue	\$ -	\$ -
Profit before income tax	147,317	168,645
Income tax expense	-	-
Profit for the year from continuing operations	147,317	168,645
Loss from discontinued operations	-	-
Profit for the year	147,317	168,645
Other comprehensive (loss) income, net of tax	( 9,675)	29,490
Total comprehensive income for the year	<u>\$ 137,642</u>	<u>\$ 198,135</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 18,279</u>	<u>\$ 26,312</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

SuZhou Mitac Precision Technology Co., Ltd.

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue	\$ 4,741,406	\$ 3,952,008
Profit before income tax	215,886	239,325
Income tax expense	( 39,816)	( 37,766)
Profit for the year from continuing operations	176,070	201,559
Loss from discontinued operations	-	-
Profit for the year	176,070	201,559
Other comprehensive (loss) income , net of tax	( 11,639)	35,146
Total comprehensive income for the year	<u>\$ 164,431</u>	<u>\$ 236,705</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 26,852</u>	<u>\$ 38,654</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Statements of comprehensive income

	National Aerospace Fasteners Corporation	
	Years ended December 31,	
	2021	2020
Revenue	\$ 1,426,205	\$ 1,704,031
(Loss) profit before income tax	( 105,369)	51,066
Income tax benefit	8,640	8,766
(Loss) profit for the year from continuing operations	( 96,729)	59,832
Loss from discontinued operations	-	-
(Loss) profit for the year	( 96,729)	59,832
Other comprehensive (loss) income , net of tax	( 1,155)	7,127
Total comprehensive (loss) income for the year	(\$ 97,884)	\$ 66,959
Comprehensive (loss) income attributable to non-controlling interest	(\$ 59,621)	\$ 40,768
Dividends paid to non-controlling interest	(\$ 16,034)	(\$ 85,620)

Statements of cash flows

	Mainpower International Ltd.	
	Years ended December 31,	
	2021	2020
Net cash used in operating activities	(\$ 56)	(\$ 105)
Net cash used in investing activities	( 2,008)	-
Effect of exchange rates on cash and cash equivalents	2,052	83
Decrease in cash and cash equivalents	( 12)	( 22)
Cash and cash equivalents, beginning of year	418	440
Cash and cash equivalents, end of year	\$ 406	\$ 418

SuZhou Mitac Precision Technology Co., Ltd.  
Years ended December 31,

	2021	2020
Net cash provided by operating activities	\$ 32,125	\$ 236,688
Net cash used in investing activities	( 218,740)	( 159,845)
Net cash provided by (used in) financing activities	282,932	( 492)
Effect of exchange rates on cash and cash equivalents	( 5,060)	15,688
Increase in cash and cash equivalents	91,257	92,039
Cash and cash equivalents, beginning of year	280,512	188,473
Cash and cash equivalents, end of year	\$ 371,769	\$ 280,512

## Statements of cash flows

	<u>National Aerospace Fasteners Corporation</u>	
	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Net cash provided by operating activities	\$ 73,546	\$ 526,410
Net cash used in investing activities	( 62,386)	( 174,907)
Net cash used in financing activities	( 36,746)	( 340,654)
Effect of exchange rates on cash and cash equivalents	188	301
(Decrease) increase in cash and cash equivalents	( 25,398)	11,150
Cash and cash equivalents, beginning of year	135,509	124,359
Cash and cash equivalents, end of year	<u>\$ 110,111</u>	<u>\$ 135,509</u>

### (4) Foreign currency translation

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

#### A. Foreign currency transactions and balances

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

#### B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

(5) Classification of current and non-current items

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

The Group classifies all liabilities that do not meet the above criteria as non-current liabilities.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents. Time deposits with maturity period over three months not meeting the definition of cash equivalents are classified as financial assets at amortized cost.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

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

from equity to profit or loss.

(9)Financial assets at amortized cost

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

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10)Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11)Impairment of financial assets

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

(12)Derecognition of financial assets

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

(13)Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14)Investments accounted for using the equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or

indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership. The capital surplus was transferred proportionally to profit or loss when the associates are subsequently disposed.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the



construction period are capitalized.

- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3 years ~ 55 years
Machinery and equipment	3 years ~ 12 years
Office equipment	3 years ~ 10 years
Other equipment	3 years ~ 10 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

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

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

- C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

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

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 10 ~ 50 years.

(18) Intangible assets

A. Computer software

Computer software expenditures are stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 5 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Special technology

Separately acquired special technology is stated at historical cost. Special technology acquired in a business combination are recognised at fair value at the acquisition date and amortized using the straight-line method over their estimated useful lives of 7 years.

D. Patents

Patents are amortized on a straight-line basis over its estimated useful life of 3 to 5 years.

(19) Impairment of non-financial assets

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

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the

goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

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

(21) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

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

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Derecognition of financial liabilities

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

(24) Offsetting financial instruments

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

(25) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(26) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

Employees' bonus and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognised based on the accounting for changes in estimates.

(27) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that

are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(28) Income tax

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

(29) Share capital

Ordinary shares are classified as equity. The classification of preferred shares is determined according to the special rights attached to preferred shares based on the substance of the contract and the definition of financial liabilities and equity instruments. Preferred shares are classified as liabilities when they have the basic characteristics of financial liabilities; otherwise, they are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(30) Dividends

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

(31) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells notebook computers, hardware, and software for military and industrial computer systems, molds and aerospace fasteners products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Revenue from sales is recognised based on the price specified in the contract, net of the estimated sales returns as well as sales discounts and allowances. A refund liability is recognised for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 5 months. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(c) The Group's obligation to provide maintenance for faulty products under the standard warranty terms is recognised as a provision.

(d) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

The Group provides cloud storage and software computing as well as warranty extension service.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised on a straight-line basis during the service period. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(32) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(33) Reorganization

Under regulations of competent authority of the R.O.C, the reorganization within the Group is recorded at the carrying value.

(34) Operating segments

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

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The information is addressed below:

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2021, the carrying amount of inventories was \$7,593,566.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand	\$ 1,837	\$ 980
Checking accounts and demand deposits	5,113,383	4,420,971
Time deposits	<u>669,891</u>	<u>1,284,079</u>
Total	<u>\$ 5,785,111</u>	<u>\$ 5,706,030</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 as collateral.

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging derivatives	<u>\$ -</u>	<u>\$ -</u>
	-	-
Valuation adjustment	<u>13,642</u>	<u>63,883</u>
Total	<u>\$ 13,642</u>	<u>\$ 63,883</u>

A. The Group recognised net (loss) gain of \$(43,840) and \$53,675 on financial assets mandatorily measured at fair value through profit or loss for the years ended December 31, 2021 and 2020, respectively.



B. The non-hedging derivative instruments transaction and contract information are as follows:

Item	December 31, 2021			
	Notional Amount (in thousands)		Contract Terms	
			Strike Rate	Settlement Date
Sales of forward foreign exchange	USD	41,000	6.4123~6.4568 (Note 1)	2022.01.07~ 2022.04.07
Purchases of forward foreign exchange	CNY	121,947	6.4124~6.433 (Note 2)	2022.01.19~ 2022.03.28
Sales of forward foreign exchange	EUR	3,700	31.337~31.428 (Note 3)	2022.01.14~ 2022.02.14
Sales of forward foreign exchange	EUR	3,701	1.1324~1.135 (Note 4)	2022.01.14~ 2022.03.25
Sales of forward foreign exchange	USD	17,000	27.695~28.018 (Note 5)	2022.01.20~ 2022.03.31

Note 1: Advance booking USD to buy CNY.

Note 2: Advance booking CNY to sell USD.

Note 3: Advance booking EUR to buy TWD.

Note 4: Advance booking EUR to buy USD.

Note 5: Advance booking USD to buy TWD.

Item	December 31, 2020			
	Notional Amount (in thousands)		Contract Terms	
			Strike Rate	Settlement Date
Sales of forward foreign exchange	USD	22,000	28.237~28.69 (Note 1)	2021.01.15~ 2021.03.22
Sales of forward foreign exchange	USD	37,000	6.5310~6.7332 (Note 2)	2021.01.07~ 2021.03.09
Purchases of forward foreign exchange	CNY	198,358	6.6515~6.9035 (Note 3)	2021.01.08~ 2021.02.26

Note 1: Advance booking USD to buy TWD.

Note 2: Advance booking USD to buy CNY.

Note 3: Advance booking CNY to sell USD.

The Group entered into forward foreign exchange contracts to hedge exchange rate risk of import and export proceeds and exchange of NTD and foreign currencies. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

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

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

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 461,955	\$ 467,615
Unlisted stocks	318,899	286,335
Subtotal	780,854	753,950
Valuation adjustments	89,268	(12,333)
Total	<u>\$ 870,122</u>	<u>\$ 741,617</u>

A. Above equity instruments were held for medium and long-term investments, therefore they were classified as financial assets at fair value through other comprehensive income.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 100,658</u>	<u>\$ 87,613</u>

C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortized cost

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items:		
Time deposits-over 3 months	<u>\$ 12,827</u>	<u>\$ 547,275</u>

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

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

(5) Notes and accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	<u>\$ 11,569</u>	<u>\$ 13,793</u>
Accounts receivable	\$ 7,415,479	\$ 7,511,136
Accounts receivable-related parties	52,510	15,446
Less: Allowance for uncollectible accounts	(12,789)	(12,960)
	<u>\$ 7,455,200</u>	<u>\$ 7,513,622</u>

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

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 7,226,061	\$ 11,569	\$ 7,297,179	\$ 13,793
1 to 90 days	231,674	-	227,951	-
91 to 180 days	9,909	-	1,334	-
Over 180 days	345	-	118	-
	<u>\$ 7,467,989</u>	<u>\$ 11,569</u>	<u>\$ 7,526,582</u>	<u>\$ 13,793</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2021 and 2020, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2020, the balance of receivables from contracts with customers amounted to \$6,375,028.

C. The Group does not hold any collateral as security.

D. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$11,569 and \$13,793, and accounts receivable were \$7,467,989 and \$7,526,582, respectively.

E. Information relating to credit risk is provided in Note 12(2).

(6) Inventories

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Raw materials	\$ 4,081,924	\$ 3,430,234
Work in process	379,737	400,045
Finished goods	2,878,716	1,403,669
In-transit inventories	253,189	209,253
Total	<u>\$ 7,593,566</u>	<u>\$ 5,443,201</u>

The cost of inventories recognised as expense for the year:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Cost of goods sold	\$ 22,235,124	\$ 19,926,037
Loss on decline in market price and obsolete and slow-moving inventories	260,923	106,465
Others	21,671	28,413
	<u>\$ 22,517,718</u>	<u>\$ 20,060,915</u>

(7) Investments accounted for under the equity method

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Waffer Technology Corp.	\$ 653,725	\$ 628,896
Lian Jie Investment Co., Ltd.	248,023	168,252
Advanced Medical Design	64,922	55,592
Lian Jie Investment Co., Ltd II.	59,834	64,317
Harbinger Ruyi II	107,375	73,647
Harbinger Ruyi	18,385	18,853
	<u>\$ 1,152,264</u>	<u>\$ 1,009,557</u>

A. Associates:

(a) The basic information of the associates that are material to the Group is as follows:

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u>		<u>Method of measurement</u>
		<u>December 31, 2021</u>	<u>December 31, 2020</u>	
Waffer Technology Corp.	Taiwan	35.00%	35.74%	Equity method
Lian Jie Investment Co., Ltd.	Taiwan	49.98%	49.98%	Equity method

(b) The summarized financial information of the associates that are material to the Group is shown below:

Balance sheets

	<u>Waffer Technology Corp.</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 2,525,136	\$ 2,392,265
Non-current assets	2,601,481	2,067,587
Current liabilities	( 2,553,473)	( 1,969,383)
Non-current liabilities	( 102,788)	( 112,868)
Total net assets	<u>\$ 2,470,356</u>	<u>\$ 2,377,601</u>
Share in associate's net assets	\$ 866,204	\$ 850,388
Unrealised gain from Waffer Technology Corp. selling land to the Company	( 245,526)	( 254,539)
Goodwill	<u>33,047</u>	<u>33,047</u>
Carrying amount of the associate	<u>\$ 653,725</u>	<u>\$ 628,896</u>

	<u>Lian Jie Investment Co., Ltd.</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 135,613	\$ 8,988
Non-current assets	368,440	327,721
Current liabilities	( 7,818)	( 80)
Non-current liabilities	-	-
Total net assets	<u>\$ 496,235</u>	<u>\$ 336,629</u>
Share in associate's net assets	<u>\$ 248,023</u>	<u>\$ 168,252</u>
Carrying amount of the associate	<u>\$ 248,023</u>	<u>\$ 168,252</u>

Statements of comprehensive income

	<u>Waffer Technology Corp.</u>	
	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue	\$ 2,824,307	\$ 1,997,427
Profit for the year from continuing operations	\$ 164,735	\$ 649,834
Other comprehensive loss, net of tax	( 19,457)	( 14,768)
Total comprehensive income	<u>\$ 145,278</u>	<u>\$ 635,066</u>
Dividends received from associates	<u>\$ 36,201</u>	<u>\$ -</u>

	<u>Lian Jie Investment Co., Ltd.</u>	
	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue	\$ 5,709	\$ 5,702
Profit for the year from continuing operations	\$ 6,042	\$ 5,565
Other comprehensive income , net of tax	24,988	115,984
Total comprehensive income	<u>\$ 31,030</u>	<u>\$ 121,549</u>
Dividends received from associates	<u>\$ 7,665</u>	<u>\$ 1,913</u>

(c) The Group's share of the operating results are summarized below:

As of December 31, 2021 and 2020, the carrying amount of the Group's individually immaterial associates amounted to \$250,516 and \$212,409, respectively.

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Profit (loss) for the year from continuing operations	\$ 8,414	(\$ 11,724)
Other comprehensive income , net of tax	10,013	104,949
Total comprehensive income	<u>\$ 18,427</u>	<u>\$ 93,225</u>

- (d) The Group's material associate, Waffer Technology Corp. has quoted market prices. As of December 31, 2021 and 2020, the fair value was \$2,348,459 and \$1,153,045, respectively.
  - (e) The Group is the single largest shareholder of Waffer Technology Corp. with a 35% equity interest. The Group has no current ability to direct the management decisions and operation strategy of Waffer Technology Corp., including strategical decision (such as financing, acquisition, personnel policies and dividend policy), only with the shares which were held by the Company and subsidiaries can not reach the statutory attendance rate of the shareholders' meeting, which indicates that the Group has no current ability to direct the relevant activities of Waffer Technology Corp., the Group has no control force, but only has significant influence, over the investee.
- B. The share of gain (loss) of associates and joint ventures accounted for under the equity method were \$70,518 and (\$24,168), respectively, and other comprehensive gain \$126,303 and \$110,612 were recognised for the years ended December 31, 2021 and 2020, respectively.

(8) Property, plant and equipment

2021

	2021					Construction in progress and equipment under acceptance		Total
	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment			
<u>At January 1</u>								
Cost	\$ 2,266,704	\$ 4,416,692	\$ 5,468,513	\$ 234,323	\$ 3,546,809	\$ 206,453	\$ 16,139,494	
Accumulated depreciation and impairment	( 60,803)	( 1,336,263)	( 3,669,283)	( 165,740)	( 2,314,361)	-	( 7,546,450)	
	<u>\$ 2,205,901</u>	<u>\$ 3,080,429</u>	<u>\$ 1,799,230</u>	<u>\$ 68,583</u>	<u>\$ 1,232,448</u>	<u>\$ 206,453</u>	<u>\$ 8,593,044</u>	
Opening net book amount as at January 1	\$ 2,205,901	\$ 3,080,429	\$ 1,799,230	\$ 68,583	\$ 1,232,448	\$ 206,453	\$ 8,593,044	
Additions	-	23,339	349,251	34,984	377,959	507,908	1,293,441	
Disposals	-	-	-	( 2,005)	( 7,523)	( 240)	( 9,768)	
Transfers	-	1,473	27,823	539	141,237	( 171,072)	-	
Depreciation charge	-	( 156,849)	( 343,546)	( 30,374)	( 445,094)	-	( 975,863)	
Net exchange differences	-	( 21,794)	( 12,992)	( 1,700)	( 9,287)	( 5,578)	( 51,351)	
Closing net book amount as at December 31	<u>\$ 2,205,901</u>	<u>\$ 2,926,598</u>	<u>\$ 1,819,766</u>	<u>\$ 70,027</u>	<u>\$ 1,289,740</u>	<u>\$ 537,471</u>	<u>\$ 8,849,503</u>	
<u>At December 31</u>								
Cost	\$ 2,266,704	\$ 4,406,229	\$ 5,630,904	\$ 245,716	\$ 3,866,760	\$ 537,471	\$ 16,953,784	
Accumulated depreciation	( 60,803)	( 1,479,631)	( 3,811,138)	( 175,689)	( 2,577,020)	-	( 8,104,281)	
	<u>\$ 2,205,901</u>	<u>\$ 2,926,598</u>	<u>\$ 1,819,766</u>	<u>\$ 70,027</u>	<u>\$ 1,289,740</u>	<u>\$ 537,471</u>	<u>\$ 8,849,503</u>	

2020

	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Construction in progress and equipment under acceptance	Total
<u>At January 1</u>							
Cost	\$ 1,263,704	\$ 3,848,070	\$ 5,177,509	\$ 206,014	\$ 3,148,092	\$ 547,279	\$ 14,190,668
Accumulated depreciation and impairment	( 60,803)	( 1,201,406)	( 3,508,684)	( 144,135)	( 2,023,710)	-	( 6,938,738)
	<u>\$ 1,202,901</u>	<u>\$ 2,646,664</u>	<u>\$ 1,668,825</u>	<u>\$ 61,879</u>	<u>\$ 1,124,382</u>	<u>\$ 547,279</u>	<u>\$ 7,251,930</u>
Opening net book amount as at January 1	\$ 1,202,901	\$ 2,646,664	\$ 1,668,825	\$ 61,879	\$ 1,124,382	\$ 547,279	\$ 7,251,930
Additions	900,000	49,327	217,405	28,087	367,679	552,741	2,115,239
Disposals	-	-	( 6,999)	( 82)	( 21,700)	-	( 28,781)
Transfers	103,000	543,732	267,929	4,742	155,680	892,513	182,570
Depreciation charge	-	( 143,844)	( 348,057)	( 25,349)	( 400,710)	-	( 917,960)
Net exchange differences	-	( 15,450)	127	( 694)	7,117	( 1,054)	( 9,954)
Closing net book amount as at December 31	<u>\$ 2,205,901</u>	<u>\$ 3,080,429</u>	<u>\$ 1,799,230</u>	<u>\$ 68,583</u>	<u>\$ 1,232,448</u>	<u>\$ 206,453</u>	<u>\$ 8,593,044</u>
<u>At December 31</u>							
Cost	\$ 2,266,704	\$ 4,416,692	\$ 5,468,513	\$ 234,323	\$ 3,546,809	\$ 206,453	\$ 16,139,494
Accumulated depreciation	( 60,803)	( 1,336,263)	( 3,669,283)	( 165,740)	( 2,314,361)	-	( 7,546,450)
	<u>\$ 2,205,901</u>	<u>\$ 3,080,429</u>	<u>\$ 1,799,230</u>	<u>\$ 68,583</u>	<u>\$ 1,232,448</u>	<u>\$ 206,453</u>	<u>\$ 8,593,044</u>

A. The capitalized interest were \$0 and \$1,606 for the years ended December 31, 2021 and 2020, respectively.  
 B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.



(9) Leasing arrangements—lessee

A. The Group leases various assets including land, buildings and structures, business vehicles and office equipment. Rental contracts are typically made for periods of 2 to 50 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, but leased buildings and structures may not be used for subleasing to others.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 325,311	\$ 337,229
Buildings	474,009	644,180
Machinery and equipment	4,577	6,811
Business vehicles	4,950	5,248
Office equipment	3,800	3,643
Total	<u>\$ 812,647</u>	<u>\$ 997,111</u>

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 9,453	\$ 11,583
Buildings	163,909	144,063
Machinery and equipment	2,197	2,168
Business vehicles	3,965	4,364
Office equipment	1,262	1,214
	<u>\$ 180,786</u>	<u>\$ 163,392</u>

C. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$84,987 and \$253,157, respectively.

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

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 13,168</u>	<u>\$ 9,672</u>

E. For years ended December 31, 2021 and 2020, the Group's total cash outflow for leases were \$153,956 and \$162,059, respectively.

F. Some of the Group's lease contracts contain variable lease payment terms, with the payments subject to adjustments based on the Consumer Price Index.

(10) Leasing arrangements – lessor

- A. The Group rents various assets including factories and buildings through non-cancellable operating lease agreements leases. Rental contracts are typically made for periods of 4 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. For the years ended December 31, 2021 and 2020, the Group recognised rental income in the amounts of \$64,450 and \$116,024, respectively, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity analysis of the undiscounted lease payments receivable under the operating lease is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
2021	\$ -	\$ 111,107
2022	576	115,105
2023	528	83,839
Total	<u>\$ 1,104</u>	<u>\$ 310,051</u>

(11) Investment property

	<u>2021</u>			
	<u>Land</u>	<u>Land-use rights</u>	<u>Buildings and Structures</u>	<u>Total</u>
<u>At January 1</u>				
Cost	\$ 19,866	\$ 177,388	\$ 886,791	\$ 1,084,045
Accumulated depreciation and impairment	( 2,611)	( 69,271)	( 535,075)	( 606,957)
	<u>\$ 17,255</u>	<u>\$ 108,117</u>	<u>\$ 351,716</u>	<u>\$ 477,088</u>
Opening net book amount as at January 1	\$ 17,255	\$ 108,117	\$ 351,716	\$ 477,088
Disposal of subsidiaries	-	( 96,355)	( 135,247)	( 231,602)
Depreciation charge	-	( 1,775)	( 21,156)	( 22,931)
Net exchange differences	-	( 1,263)	( 9,976)	( 11,239)
Closing net book amount as at December 31	<u>\$ 17,255</u>	<u>\$ 8,724</u>	<u>\$ 185,337</u>	<u>\$ 211,316</u>
<u>At December 31</u>				
Cost	\$ 19,866	\$ 13,334	\$ 249,239	\$ 282,439
Accumulated depreciation and impairment	( 2,611)	( 4,610)	( 63,902)	( 71,123)
	<u>\$ 17,255</u>	<u>\$ 8,724</u>	<u>\$ 185,337</u>	<u>\$ 211,316</u>

	2020			
	Land	Land-use rights	Buildings and Structures	Total
<u>At January 1</u>				
Cost	\$ 19,866	\$ -	\$ 1,074,985	\$ 1,094,851
Accumulated depreciation and impairment	( 2,611)	-	( 503,975)	( 506,586)
	<u>\$ 17,255</u>	<u>\$ -</u>	<u>\$ 571,010</u>	<u>\$ 588,265</u>
Opening net book amount as at				
January 1	\$ 17,255	\$ -	\$ 571,010	\$ 588,265
Reclassifications	-	105,389	( 182,570)	( 77,181)
Depreciation charge	-	( 1,919)	( 34,988)	( 36,907)
Net exchange differences	-	4,647	( 1,736)	2,911
December 31	<u>\$ 17,255</u>	<u>\$ 108,117</u>	<u>\$ 351,716</u>	<u>\$ 477,088</u>
<u>At December 31</u>				
Cost	\$ 19,866	\$ 177,388	\$ 886,791	\$ 1,084,045
Accumulated depreciation and impairment	( 2,611)	( 69,271)	( 535,075)	( 606,957)
	<u>\$ 17,255</u>	<u>\$ 108,117</u>	<u>\$ 351,716</u>	<u>\$ 477,088</u>

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

	Years ended December 31,	
	2021	2020
Rental income from investment property	<u>\$ 64,450</u>	<u>\$ 116,024</u>
Direct operating expenses arising from the investment property that generated rental income in the year	<u>(\$ 33,952)</u>	<u>(\$ 61,900)</u>

B. The fair value of investment property held by the Group were \$222,744 and \$775,474 as of December 31, 2021 and 2020, respectively. The fair values as of December 31, 2021 and 2020 were valued by independent appraisers. Valuations were made using the comparative method, income approach and cost approach which is categorized within Level 3 in the fair value hierarchy. Key assumption is in the following table:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Capitalization rate	1.23%	1.43%

(12) Intangible assets

	2021				
	Computer software	Goodwill	Acquired special technology	Patent	Total
<u>At January 1</u>					
Cost	\$ 156,143	\$ 592,997	\$ 101,357	\$ 6,650	\$ 857,147
Accumulated amortisation and impairment	( 126,147)	-	( 42,062)	( 1,978)	( 170,187)
	<u>\$ 29,996</u>	<u>\$ 592,997</u>	<u>\$ 59,295</u>	<u>\$ 4,672</u>	<u>\$ 686,960</u>
Opening net book amount as at January 1	\$ 29,996	\$ 592,997	\$ 59,295	\$ 4,672	\$ 686,960
Additions	16,589	-	-	442	17,031
Amortisation charge	( 20,648)	-	( 14,565)	( 336)	( 35,549)
Net exchange differences	( 32)	( 15,130)	( 290)	( 130)	( 15,582)
Closing net book amount as at December 31	<u>\$ 25,905</u>	<u>\$ 577,867</u>	<u>\$ 44,440</u>	<u>\$ 4,648</u>	<u>\$ 652,860</u>
<u>At December 31</u>					
Cost	\$ 164,313	\$ 577,867	\$ 100,809	\$ 6,902	\$ 849,891
Accumulated amortisation and impairment	( 138,408)	-	( 56,369)	( 2,254)	( 197,031)
	<u>\$ 25,905</u>	<u>\$ 577,867</u>	<u>\$ 44,440</u>	<u>\$ 4,648</u>	<u>\$ 652,860</u>

	2020				
	Computer software	Goodwill	Acquired special technology	Patent	Total
<u>At January 1</u>					
Cost	\$ 142,559	\$ 621,365	\$ 102,383	\$ 7,000	\$ 873,307
Accumulated amortisation and impairment	( 106,750)	-	( 27,815)	( 1,721)	( 136,286)
	<u>\$ 35,809</u>	<u>\$ 621,365</u>	<u>\$ 74,568</u>	<u>\$ 5,279</u>	<u>\$ 737,021</u>
Opening net book amount as at January 1	\$ 35,809	\$ 621,365	\$ 74,568	\$ 5,279	\$ 737,021
Additions	12,717	-	-	-	12,717
Amortisation charge	( 23,495)	-	( 14,565)	( 354)	( 38,414)
Net exchange differences	4,965	( 28,368)	( 708)	( 253)	( 24,364)
Closing net book amount as at December 31	<u>\$ 29,996</u>	<u>\$ 592,997</u>	<u>\$ 59,295</u>	<u>\$ 4,672</u>	<u>\$ 686,960</u>
<u>At December 31</u>					
Cost	\$ 156,143	\$ 592,997	\$ 101,357	\$ 6,650	\$ 857,147
Accumulated amortisation and impairment	( 126,147)	-	( 42,062)	( 1,978)	( 170,187)
	<u>\$ 29,996</u>	<u>\$ 592,997</u>	<u>\$ 59,295</u>	<u>\$ 4,672</u>	<u>\$ 686,960</u>

A. Details of amortization of intangible assets are as follows:

	Years ended December 31,	
	2021	2020
Operating costs	\$ 2,803	\$ 6,139
Selling expenses	800	756
Administrative expenses	10,138	9,639
Research and development expenses	21,808	21,880
	<u>\$ 35,549</u>	<u>\$ 38,414</u>

B. Goodwill attributes to following the Group's cash-generating units identified according to operating segment:

		<u>December 31, 2021</u>		
	<u>Electronic parts</u>	<u>Structure parts</u>	<u>Aerospace fasteners</u>	<u>Total</u>
Goodwill	\$ 493,234	\$ 30,259	\$ 54,374	\$ 577,867
		<u>December 31, 2020</u>		
	<u>Electronic parts</u>	<u>Structure parts</u>	<u>Aerospace fasteners</u>	<u>Total</u>
Goodwill	\$ 507,489	\$ 31,134	\$ 54,374	\$ 592,997

(13) Impairment of non-financial assets

Impairment testing of goodwill is conducted at annual financial reporting date. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

The recoverable value calculated by the Group based on the value in use exceeds the carrying value, so the goodwill has not impaired. The main assumptions used to calculate the value in use are as follows:

- A. Operating revenue growth rate calculated with sales forecast with reference to industry and market-related information.
- B. Gross profit rate calculated with historical data with reference to sales forecast.
- C. Operating expense rate calculated with historical data with reference to sales forecast.
- D. Discount rates used were pre-tax and reflected specific risks relating to the relevant operating units.

(14) Other non-current assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other financial assets - non-current	\$ 715,695	\$ 737,586
Guarantee deposits paid	40,820	49,463
Pledged deposits	1,000	10,968
Prepayment on machinery and equipment	144,443	140,786
Others	39,521	31,756
Overdue receivables	19,849	19,849
Allowance for uncollectible accounts - overdue receivables	( 19,849)	( 19,849)
	<u>\$ 941,479</u>	<u>\$ 970,559</u>

The utilization of other financial assets - non-current, which are the offshore funds repatriated by a company, is restricted by the Act according to "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act". Details of deposits pledged to others as collateral are provided in Note 8.

(15) Short-term borrowings

	<u>December 31, 2021</u>	<u>Interest rate range</u>
<u>Type of borrowings</u>		
Unsecured bank loans	\$ <u>13,840</u>	0.6%~0.86%
	<u>December 31, 2020</u>	<u>Interest rate range</u>
<u>Type of borrowings</u>		
Unsecured bank loans	\$ <u>406,768</u>	0.56%~0.75%

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items		
Financial liabilities held for trading		
Non-hedging derivatives	\$ <u>-</u>	\$ <u>-</u>
	-	-
Valuation adjustment	<u>3,009</u>	<u>6,930</u>
Total	\$ <u>3,009</u>	\$ <u>6,930</u>

A. The Group recognised net (loss) gain of (\$2,160) and \$4,598 on financial liabilities held for trading for years ended December 31, 2021 and 2020, respectively.

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

<u>Item</u>	<u>December 31, 2021</u>		
	<u>Notional Amount (in thousands)</u>	<u>Contract Terms</u>	
		<u>Strike Rate</u>	<u>Settlement Date</u>
Sales of forward foreign exchange	EUR 1,000	31.205 (Note 1)	2022.01.06
Sales of forward foreign exchange	EUR 5,000	1.1128~1.1319 (Note 2)	2022.01.19~2022.04.08
Sales of forward foreign exchange	GBP 1,200	1.3198~1.324 (Note 3)	2022.02.25~2022.03.25
Sales of forward foreign exchange	USD 1,000	27.679 (Note 4)	2022.01.19
Purchase of forward foreign exchange	CNY 6,414	6.4139 (Note 5)	2022.04.08
Foreign exchange swaps	USD 12,000	27.803~27.812 (Note 6)	2022.03.17~2022.03.22

Note 1: Advance booking EUR to buy TWD.

Note 2: Advance booking EUR to buy USD.

Note 3: Advance booking GBP to buy USD.

Note 4: Advance booking USD to buy TWD.

Note 5: Advance booking CNY to sell USD.

Note 6: Advance booking USD to sell TWD.

Item	December 31, 2020		
	Notional Amount (in thousands)	Contract Terms	
		Strike Rate	Settlement Date
Sales of forward foreign exchange	EUR 5,100	1.19255~1.2233 (Note 1)	2021.01.28~2021.02.24
Sales of forward foreign exchange	EUR 5,800	33.617~34.315 (Note 2)	2021.01.06~2021.02.09
Sales of forward foreign exchange	USD 5,000	28.089~28.09 (Note 3)	2021.03.02~2021.03.10

Note 1: Advance booking EUR to buy USD.

Note 2: Advance booking EUR to buy TWD.

Note 3: Advance booking USD to buy TWD.

The Group signed forward exchange and foreign exchange swaps to hedge exchange rate risk of import and export proceeds and exchange of NTD and foreign currencies. However, the Group did not apply hedge accounting.

(17) Other payables

	December 31, 2021	December 31, 2020
Salary, bonus and remuneration payable	\$ 1,335,683	\$ 1,505,526
Payables on machinery and equipment	64,293	87,747
Others	1,598,231	1,564,860
Total	<u>\$ 2,998,207</u>	<u>\$ 3,158,133</u>



(18) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2021</u>
Long-term bank borrowings			
Secured borrowings	Repayable monthly until December 2036	Land, Buildings	\$ 776,334
Secured borrowings	Repayable monthly until September 2033	Land, Buildings	129,915
Secured borrowings	Repayable monthly until December 2029	Land, Buildings	218,640
Secured borrowings	Repayable monthly until January 2028	Land, Buildings	40,000
Secured borrowings	Repayable monthly until May 2025	Land, Buildings	134,418
Secured borrowings	Repayable monthly until April 2025	Land, Buildings	253,990
Secured borrowings	Repayable monthly until September 2026	Machinery and equipment	163,153
Secured borrowings	Repayable monthly until November 2026	Machinery and equipment	57,660
Unsecured borrowings	Repayable monthly until October 2024		310,002
Unsecured borrowings	Repayable every 3 months until November 2022		5,000
Unsecured borrowings	Repayable every 3 months until September 2023		10,000
Subtotal			<u>2,099,112</u>
Less: Current portion			<u>( 286,299)</u>
			<u>\$ 1,812,813</u>
Interest rate range			<u>0.5%~1.2%</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2020</u>
Long-term bank borrowings			
Secured borrowings	Repayable monthly until December 2036	Land, Buildings	\$ 823,292
Secured borrowings	Repayable monthly until September 2033	Land, Buildings	132,298
Secured borrowings	Repayable monthly until December 2029	Land, Buildings	180,000
Secured borrowings	Repayable monthly until May 2025	Land, Buildings	142,122
Secured borrowings	Repayable monthly until April 2025	Land, Buildings	268,846
Secured borrowings	Repayable monthly until September 2026	Machinery and equipment	162,356
Secured borrowings	Repayable monthly until November 2026	Machinery and equipment	57,380
Unsecured borrowings	Repayable monthly until October 2024		335,889
Unsecured borrowings	Repayable every 3 months until November 2021		10,000
Subtotal			2,112,183
Less: Current portion			( 180,318)
			\$ 1,931,865
Interest rate range			0.5%~1.23%

(19) Pensions

A. (a) The Company and the subsidiary, National Aerospace Fasteners Corporation, have defined benefit pension plans in accordance with the Labor Standards Act, covering all regular employees for services provided prior to July 1, 2005, and employees who choose to remain in the defined benefit pension plan subsequent to the enforcement of the Labor Pension Act on July 1, 2005. Under the defined benefit pension plans, employees are entitled to two base points for every year of service for the first 15 years and one base point for each additional year thereafter, up to a maximum of 45 base points. The pension payment to employees is computed based on years of service and average salaries or wages of the last six months prior to approved retirement. The Company and the subsidiary contribute an amount equal to 2% of salaries and wages paid each month to a pension fund. The pension fund is administered by a pension fund monitoring committee (the “Committee”) and deposited under the Committee’s name in the Bank of Taiwan. Also, the Company and the subsidiary would assess the balance in the aforementioned labor pension reserve account by December 31 every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and the subsidiary will make contributions to cover the deficit by next March.

(b) The Company reached an agreement with employees whose pensions contributed under defined benefit pension plans to settle service years of defined benefit pension plans in accordance with the Labor Standards Act and the Labor Pension Act. No pension under defined benefit pension plans would be contributed after settling service years of defined benefit pension plans on July 1, 2021. The collection of overpayments of pensions after settling employees’ service years is currently being processed by the Department of Labor, Taoyuan City Government.

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

a. The Company

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	\$ -	(\$ 276,983)
Fair value of plan assets	<u>2,047</u>	<u>112,199</u>
Net defined benefit liability	<u>\$ 2,047</u>	<u>(\$ 164,784)</u>

b. The subsidiary, National Aerospace Fasteners Corporation

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	(\$ 44,733)	(\$ 44,099)
Fair value of plan assets	<u>48,547</u>	<u>47,027</u>
Net defined benefit liability	<u>\$ 3,814</u>	<u>\$ 2,928</u>

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

a. The Company

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 276,983)	\$ 112,199	(\$ 164,784)
Current service cost	( 385)	-	( 385)
Interest (expense) income	( 1,039)	437	( 602)
Gain on repayment	43,199	-	43,199
	<u>( 235,208)</u>	<u>112,636</u>	<u>( 122,572)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,056	1,056
Change in demographic assumptions	( 7,634)	-	( 7,634)
Experience adjustments	5,194	-	5,194
	<u>( 2,440)</u>	<u>1,056</u>	<u>( 1,384)</u>
Pension fund contribution	-	100,008	100,008
Paid pension	237,648	( 211,653)	25,995
At December 31	<u>\$ -</u>	<u>\$ 2,047</u>	<u>\$ 2,047</u>
	2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 274,382)	\$ 111,031	(\$ 163,351)
Current service cost	( 501)	-	( 501)
Interest (expense) income	( 2,058)	845	( 1,213)
	<u>( 276,941)</u>	<u>111,876</u>	<u>( 165,065)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	3,645	3,645
Change in demographic assumptions	( 427)	-	( 427)
Change in financial assumptions	( 7,167)	-	( 7,167)
Experience adjustments	395	-	395
	<u>( 7,199)</u>	<u>3,645</u>	<u>( 3,554)</u>
Pension fund contribution	-	3,121	3,121
Paid pension	7,157	( 6,443)	714
At December 31	<u>(\$ 276,983)</u>	<u>\$ 112,199</u>	<u>(\$ 164,784)</u>

b. The subsidiary, National Aerospace Fasteners Corporation

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 44,099)	\$ 47,027	\$ 2,928
Current service cost	( 717)	-	( 717)
Interest (expense) income	( 132)	141	9
	<u>( 44,948)</u>	<u>47,168</u>	<u>2,220</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	( 45)	-	( 45)
Change in financial assumptions	1,362	-	1,362
Experience adjustments	( 1,102)	712	( 390)
	<u>215</u>	<u>712</u>	<u>927</u>
Pension fund contribution	-	667	667
At December 31	<u>(\$ 44,733)</u>	<u>\$ 48,547</u>	<u>\$ 3,814</u>
	2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 43,414)	\$ 44,708	\$ 1,294
Current service cost	( 660)	-	( 660)
Interest (expense) income	( 304)	313	9
	<u>( 44,378)</u>	<u>45,021</u>	<u>643</u>
Remeasurements:			
Change in financial assumptions	( 944)	-	( 944)
Experience adjustments	397	1,507	1,904
	<u>( 547)</u>	<u>1,507</u>	<u>960</u>
Pension fund contribution	-	1,325	1,325
Paid pension	826	( 826)	-
At December 31	<u>(\$ 44,099)</u>	<u>\$ 47,027</u>	<u>\$ 2,928</u>

- (e) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization

products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and the subsidiary have no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

a. The Company

	Year ended December 31, 2021	Year ended December 31, 2020
Discount rate	0.50%	0.50%
Future salary increases	3.00%	3.00%

b. The subsidiary, National Aerospace Fasteners Corporation

	Year ended December 31, 2021	Year ended December 31, 2020
Discount rate	0.50%	0.30%
Future salary increases	3.00%	2.75%

Future mortality rate was estimated based on the 5th and 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2021 and 2020.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

a. The Company

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	\$ -	\$ -	\$ -	\$ -
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 7,168)	\$ 7,442	\$ 7,145	(\$ 6,922)

b. The subsidiary, National Aerospace Fasteners Corporation

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 1,054)	\$ 1,093	\$ 970	(\$ 943)
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 1,175)	\$ 1,224	\$ 1,095	(\$ 1,060)

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis did not change compared to the previous period.

- (g) Expected contributions to the defined benefit pension plans of the subsidiary, National Aerospace Fasteners Corporation for the year ending December 31, 2022 amount is \$6,670.

- B. (a) Effective July 1, 2005, the Company and its domestic subsidiary 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 subsidiary 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. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2021 and 2020 were \$54,855 and \$51,971, respectively.
- (b) The Company’s Mainland China subsidiaries have a defined contribution plan. Monthly contributions are based on a certain percentage of employees’ monthly salaries and wages to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China. Under the scheme, retirement benefits of existing and retired employees are to be provided by the government-managed fund and the subsidiaries have no further obligations beyond the monthly contributions. The pension costs under the defined contribution pension plan for the years ended December 31, 2021 and 2020 were \$133,916 and \$81,680, respectively.
- (c) Other overseas subsidiaries have defined contribution plans for contributions to an independent fund administered by the government in accordance with local regulations that are based on a certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the subsidiaries has no further obligations. The pension costs under the defined contribution pension plans of the subsidiaries for the years ended December 31, 2021 and 2020 were \$15,731 and \$13,749, respectively.

(20) Share-based payment

- A. As of December 31, 2021 and 2020, the Company’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in thousands of shares)	Contract period	Vesting conditions
Seventh employee stock options	July 26, 2017	20,000	6 years	2 years’ service vested 50% 3 years’ service vested 75% 4 years’ service vested 100%
Eighth employee stock options	October 11, 2018	20,000	6 years	2 years’ service vested 50% 3 years’ service vested 75% 4 years’ service vested 100%



B. Details of the seventh employee stock options are set forth below:

(a) Details of seventh employee stock options for the years ended December 31, 2021 and 2020 are set forth below:

	2021		2020	
	No. of options ( in thousands of shares)	Weighted- average exercise price (in NT dollars)	No. of options ( in thousands of shares)	Weighted- average exercise price (in NT dollars)
Options outstanding at January 1	11,147	\$ 32.70	15,423	\$ 34.60
Options exercised	( 4,736)	31.30	( 4,051)	33.17
Options forfeited	( 93)	-	( 225)	-
Options outstanding at December 31	<u>6,318</u>	30.80	<u>11,147</u>	32.70
Options exercisable at December 31	<u>6,318</u>	30.80	<u>6,539</u>	32.70

(b) Information on the seventh employee stock options outstanding as of December 31, 2021 and 2020 is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Expected weighted average residual years	1.57 years	2.57 years

(c) The Company estimated the fair value of seventh employee stock options as of grant date under the Black-Scholes option model. The weighted-average parameters used in the estimation of fair value are as follows:

	<u>Grant date-July 26, 2018</u>
Exercise price (in dollars)	\$42.25
Ratio of cash dividends	5%
Expected price volatility	34.39%
Risk-free interest ratio	0.7091%~0.7678%
Expected option life (years)	5.42
Fair value per share (in dollars)	\$7.2428~\$7.5272

C. Details of the eighth employee stock options are set forth below:

(a) Details of the eighth employee stock options for the years ended December 31, 2021 and 2020 are set forth below:

	2021		2020	
	No. of options ( in thousands of shares)	Weighted average exercise price (in NT dollars)	No. of options ( in thousands of shares)	Weighted average exercise price (in NT dollars)
Options outstanding at January 1	16,230	\$ 31.30	19,470	\$ 33.20
Options exercised	( 3,714)	30.28	( 2,195)	31.30
Options forfeited	( 400)	-	( 1,045)	-
Options outstanding at December 31	12,116	29.50	16,230	31.30
Options exercisable at December 31	7,610	29.50	7,018	31.30

(b) Information on the eighth employee stock options outstanding as of December 31, 2021 and 2020 is as follows:

	December 31, 2021	December 31, 2020
Expected weighted average residual years	2.78 years	3.78 years

(c) The Company estimated the fair value of eighth stock options as of grant date under the Black-Scholes option model. The weighted-average parameters used in the estimation of fair value are as follows:

	Grant date-October 11, 2018
Exercise price (in dollars)	\$35.55
Ratio of cash dividends	5%
Expected price volatility	30.66%
Risk-free interest ratio	0.6981%~0.7450%
Expected option life (years)	6
Fair value per share (in dollars)	\$5.2256~5.4049

D. For the years ended December 31, 2021 and 2020, the share-based payment arrangements of the subsidiary, National Aerospace Fastener Corporation, are as follows:

Type of arrangement	Grant date	Quantity granted (in thousands of shares)	Contract period	Vesting conditions
Employee stock options	December 13, 2019	3,560	6 years	2 years' service vested 50% 3 years' service vested 75% 4 years' service vested 100%

The abovementioned share-based payment arrangements are equity-settled.

(a) Details of the share-based payment arrangements for the years ended December 31, 2021 and 2020 are as follows:

	2021		2020	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	3,262	\$ 87.40	3,560	\$ 91.40
Options forfeited	(320)	87.40	(298)	91.40
Options outstanding at December 31	<u>2,942</u>	87.40	<u>3,262</u>	91.40
Options exercisable at December 31	<u>1,471</u>	87.40	<u>-</u>	-

(b) The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		December 31, 2021	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
December 13, 2019	December 13, 2025	2,942	\$ 87.4
		December 31, 2020	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
December 13, 2019	December 13, 2025	3,262	\$ 87.4

(c)The fair value of stock options of the subsidiary, National Aerospace Fastener Corporation, granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Employee stock options	December 13, 2019	91.4	91.4	31.90%~ 34.04% (Note)	4~5 years	-	0.56%~ 0.59%	\$23.65~ \$28.04

Note: Expected price volatility rate was a fluctuation extent of the stock price in the future period. The future period used to estimate expected price volatility rate was measured based on the stock option expected life equivalent period prior to the measurement date.

E. Expenses incurred on the Group's share-based payment transactions with equity-settled for the years ended December 31, 2021 and 2020 were \$36,774 and \$70,432, respectively.

(21) Provisions (warranty)

	2021	2020
At January 1	\$ 680,006	\$ 631,548
Additional provisions	291,678	216,780
Used during the year	( 306,997)	( 168,322)
At December 31	<u>\$ 664,687</u>	<u>\$ 680,006</u>

Analysis of total provisions:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current	\$ 290,000	\$ 189,244
Non-current	<u>\$ 374,687</u>	<u>\$ 490,762</u>

The Group provides warranties on rugged notebook products sold. Provision for warranty is estimated based on historical warranty data of rugged computer products.

(22) Share capital

As of December 31, 2021, the Company had an authorized capital of \$8,500,000, consisting of 850 million shares of common stock (including 80 million shares reserved for employee stock options and 50 million shares reserved for convertible bonds issued by the Company), and an issued capital of \$5,976,984 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares (in thousands) outstanding are as follows:

	2021	2020
At January 1	589,248	583,002
Employee stock options exercised	8,451	6,246
At December 31	<u>597,699</u>	<u>589,248</u>

(23) Capital surplus

	2021				
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in net equity of associates and joint ventures accounted for under the equity method	Recognition of changes in the subsidiary's equity	Employee stock options
At January 1	\$ 3,000,546	\$ 113,722	\$ 16,544	\$ 24,666	\$ 108,758
Employee stock options exercised	231,113	-	-	-	( 54,910)
Compensation cost of employee stock options	-	-	-	-	13,623
Recognition of changes in equities of associates	-	-	3,874	-	-
At December 31	<u>\$ 3,231,659</u>	<u>\$ 113,722</u>	<u>\$ 20,418</u>	<u>\$ 24,666</u>	<u>\$ 67,471</u>
	2020				
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in net equity of associates and joint ventures accounted for under the equity method	Recognition of changes in the subsidiary's equity	Employee stock options
At January 1	\$ 2,818,696	\$ 113,722	\$ 14,907	\$ 24,666	\$ 111,666
Employee stock options exercised	181,850	-	-	-	( 41,233)
Compensation cost of employee stock options	-	-	-	-	38,325
Recognition of changes in equities of associates	-	-	1,637	-	-
At December 31	<u>\$ 3,000,546</u>	<u>\$ 113,722</u>	<u>\$ 16,544</u>	<u>\$ 24,666</u>	<u>\$ 108,758</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.

(24)Retained earnings

A. Under the Company's Articles of Incorporation, in addition to offsetting prior years' losses after paying all taxes as required by law, 10% of the Company's profit at the closing of each fiscal year shall first be set aside as legal reserve, and special reserve shall be set aside or reversed according to laws, the remainder plus undistributed earnings carried over from previous years shall be allocated at the board's proposal. Proposal for allocation in the form of newly issued shares shall be subject to shareholders' resolution. The Company may, in accordance with the provision of Paragraph 5 of Article 240 of the Company Act, by a resolution adopted by a majority vote of a meeting of the board of directors attended by two-thirds or more of the total number of the directors, distribute dividends and bonuses in form of cash, and submit a report to a shareholders meeting.

At least 10% of dividends proposed must be in the form of cash dividend. However, the actual percentage of cash dividends may be adjusted and resolved during board of directors' meetings depending on the Company's financial structure, future fund needs, and profitability.

B. 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 balance of the reserve exceeds 25% of the Company's paid-in capital.

C. (a) 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.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The appropriations of 2021 and 2020 earnings had been resolved at the Board of Directors' and shareholders' meeting on February 25, 2022 and July 14, 2021, respectively. Details are summarized below:

	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)(Note)
Legal reserve	\$ 430,332		\$ 259,877	
Special reserve	480,193		( 59,393)	
Cash dividends	<u>2,154,075</u>	\$ 3.6	<u>2,123,911</u>	\$ 3.58708898
Total	<u>\$ 3,064,600</u>		<u>\$ 2,324,395</u>	

(25) Other equity items

	2021		
	Unrealised gain (loss) on valuation	Currency translation	Total
At January 1	\$ 53,138	(\$ 735,369)	(\$ 682,231)
Revaluation			
–Group	100,658	-	100,658
–Associates	131,228	-	131,228
Currency translation differences:			
–Group	- ( 676,519)	( 676,519)	( 676,519)
–Associates	- ( 4,915)	( 4,915)	( 4,915)
Disposal of financial assets at fair value through other comprehensive income			
–Associates	( 30,644)	-	( 30,644)
At December 31	<u>\$ 254,380</u>	<u>(\$ 1,416,803)</u>	<u>(\$ 1,162,423)</u>

	2020		
	Unrealised gain (loss) on valuation	Currency translation	Total
At January 1	(\$ 126,351)	(\$ 615,273)	(\$ 741,624)
Revaluation			
–Group	87,613	-	87,613
–Associates	115,905	-	115,905
Currency translation differences:			
–Group	-	( 114,634)	( 114,634)
–Associates	-	( 5,462)	( 5,462)
Disposal of financial assets at fair value through other comprehensive income			
–Associates	( 24,029)	-	( 24,029)
At December 31	<u>\$ 53,138</u>	<u>(\$ 735,369)</u>	<u>(\$ 682,231)</u>

(26) Operating revenue

	Years ended December 31,	
	2021	2020
Revenue from contracts with customers	<u>\$ 30,084,126</u>	<u>\$ 27,837,743</u>

A. Disaggregation of revenue from contracts

The Group's revenue is subdivided into the following major business units:

2021	Electronic parts	Structure parts	Aerospace	Total
			fasteners	
Revenue from external customer contracts	<u>\$ 13,527,185</u>	<u>\$ 15,130,736</u>	<u>\$ 1,426,205</u>	<u>\$ 30,084,126</u>

2020	Electronic parts	Structure parts	Aerospace	Total
			fasteners	
Revenue from external customer contracts	<u>\$ 12,811,509</u>	<u>\$ 13,322,203</u>	<u>\$ 1,704,031</u>	<u>\$ 27,837,743</u>

B. Contract liabilities

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

	December 31, 2021	December 31, 2020	January 1, 2020
Contract liabilities	<u>\$ 1,428,856</u>	<u>\$ 1,268,879</u>	<u>\$ 1,031,837</u>



Revenue recognised that was included in the contract liability balance at the beginning of the year.

	Years ended December 31,	
	2021	2020
Revenue recognised that was included in the contract liability balance at the beginning of the year	\$ 432,218	\$ 295,741

Contract liabilities mainly comprised of extension warranty contract and cloud service revenue, which are provided by electronic parts segment to customers.

(27) Other income and expenses–net

	Years ended December 31,	
	2021	2020
Other income		
Rental income from investment property	\$ 64,450	\$ 116,024
Other expenses		
Depreciation charges on investment property	( 22,931)	( 34,988)
Operating expense on investment property	( 11,021)	( 26,912)
Total	\$ 30,498	\$ 54,124

(28) Interest income

	Years ended December 31,	
	2021	2020
Interest income:		
Interest income from bank deposits	\$ 33,283	\$ 54,144
Other interest income	101	128
	\$ 33,384	\$ 54,272

(29) Other income

	Years ended December 31,	
	2021	2020
Other income:		
Dividend income	\$ 13,846	\$ 13,601
Government grants revenue	142,408	61,691
Other income - others	110,997	90,340
	\$ 267,251	\$ 165,632

(30) Other gains and losses

	Years ended December 31,	
	2021	2020
Gain on disposal of property, plant and equipment	\$ 16,131	\$ 19,374
Net currency exchange gain (loss)	30,154	( 89,843)
Net (loss) gain on financial assets at fair value through profit or loss	( 46,000)	58,273
Gain on disposal of investments	2,518,624	-
Miscellaneous disbursements	( 9,105)	( 11,169)
	<u>\$ 2,509,804</u>	<u>(\$ 23,365)</u>

(31) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense:		
Bank loan	\$ 30,023	\$ 37,540
Leased liabilities	13,168	9,672
	<u>\$ 43,191</u>	<u>\$ 47,212</u>

(32) Expenses by nature

	Years ended December 31,	
	2021	2020
Employee benefit expense	\$ 6,690,655	\$ 6,124,299
Depreciation charges	1,179,580	1,118,259
Amortisation charges	35,549	38,414
	<u>\$ 7,905,784</u>	<u>\$ 7,280,972</u>

(33) Employee benefit expense

	Years ended December 31,	
	2021	2020
Wages and salaries	\$ 5,643,608	\$ 5,270,967
Labour and health insurance fees	443,890	412,479
Pension costs	162,768	149,765
Other personnel expenses	440,389	291,088
	<u>\$ 6,690,655</u>	<u>\$ 6,124,299</u>

A. In accordance with the Company's Articles of Incorporation, where the Company accrues annual net income, if any, the Company shall distribute more than 1% but less than 10% of which as employees' compensation and no more than 1% of which as directors' remuneration with the resolution of Board of Directors. However, annual net income should be firstly reserved to offset the Company's accumulated deficit prior to the distribution of compensation and remuneration.

B. For the years ended December 31, 2021 and 2020, employees' compensation were accrued at \$53,600 and \$156,756, respectively; while directors' and supervisors' remuneration were accrued at \$6,200 and \$5,300, respectively. The aforementioned amounts were recognised in salary expenses. For the years ended December 31, 2021 and 2020, the employees' compensation and directors' remuneration were recognised based on the fixed amount and ratio of the profit accrued in the period.

On February 25, 2022, the Board of Directors of the Company resolved employees' compensation in the amount of \$53,600, and directors' remuneration in the amount of \$7,200 for the year ended December 31, 2021. For directors' remuneration, the difference of \$1,000 between the amount resolved by the Board of Directors and the amount recognised in the 2021 financial statements will be adjusted in the profit or loss of 2022.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.

(34) Income tax

A. Income tax expense

	Years ended December 31,	
	2021	2020
Current tax:		
Current tax on profits for the year	\$ 685,489	\$ 732,710
Tax on unappropriated earnings	-	7,774
Prior year income tax over estimation	( 2,911)	( 75,048)
Total current tax	<u>\$ 682,578</u>	<u>\$ 665,436</u>
Deferred tax:		
Origination and reversal of temporary differences	504,238	( 83,056)
Impact of change in tax rate	-	( 10,233)
Total deferred tax	<u>\$ 504,238</u>	<u>(\$ 93,289)</u>
Income tax expense	<u>\$ 1,186,816</u>	<u>\$ 572,147</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate (note)	\$ 1,313,852	\$ 921,537
Tax exempt income by tax regulation	( 88,086)	( 20,283)
Expenses disallowed by tax regulation	6,197	123
Temporary differences not recognised as deferred tax liabilities	( 691,593)	( 245,187)
Tax on undistributed earnings	-	7,774
Change in assessment of realisation of deferred tax assets	-	( 72,581)
Prior year income tax overestimate	( 2,911)	( 75,048)
Income tax on the offshore reinvestment income repatriated by the enterprise based on the Management, Utilization, and Taxation of Repatriated Offshore Fund Act	-	66,045
Impact of change in tax rate	-	(10,233)
Estimated and accrued tax liabilities based on possible earnings repatriated by the offshore subsidiaries	649,357	-
Income tax expense	<u>\$ 1,186,816</u>	<u>\$ 572,147</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. The income tax credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2021	2020
Remeasurement of defined benefit obligations	(\$ <u>277</u> )	(\$ <u>711</u> )

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

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
— Deferred tax assets:				
Temporary differences:				
Provision for market value decline and obsolescence of inventories	\$ 169,793	\$ 109,173	\$ -	\$ 278,966
Unrealised warranty expense	126,310	6,628	-	132,938
Unrealised pension	29,954	( 29,954)	-	-
Unrealised gross profit	22,831	31,039	-	53,870
Unrealised expenses	33,996	21,033	-	55,029
Others	57,588	( 27,450)	-	30,138
Tax losses	<u>112,783</u>	<u>48,455</u>	-	<u>161,238</u>
Subtotal	<u>\$ 553,255</u>	<u>\$ 158,924</u>	<u>\$ -</u>	<u>\$ 712,179</u>
— Deferred tax liabilities:				
Unrealised pension	(\$ 673)	(\$ 509)	\$ 277	(\$ 905)
Book-tax difference on machinery and equipment	( 137,919)	( 21,563)	-	( 159,482)
Others	<u>( 48,868)</u>	<u>( 641,090)</u>	<u>-</u>	<u>( 689,958)</u>
Subtotal	<u>(\$ 187,460)</u>	<u>(\$ 663,162)</u>	<u>\$ 277</u>	<u>(\$ 850,345)</u>
Total	<u>\$ 365,795</u>	<u>(\$ 504,238)</u>	<u>\$ 277</u>	<u>(\$ 138,166)</u>

	2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
— Deferred tax assets:				
Temporary differences:				
Provision for market value decline and obsolescence of inventories	\$ 105,446	\$ 64,347	\$ -	\$ 169,793
Unrealised warranty expense	126,310	-	-	126,310
Unrealised pension	29,243	-	711	29,954
Unrealised gross profit	49,241	( 26,410)	-	22,831
Unrealised expenses	31,279	2,717	-	33,996
Others	54,318	3,270	-	57,588
Tax losses	46,034	66,749	-	112,783
Subtotal	<u>\$ 441,871</u>	<u>\$ 110,673</u>	<u>\$ 711</u>	<u>\$ 553,255</u>
— Deferred tax liabilities:				
Unrealised exchange gain	(\$ 3,217)	\$ 2,544	\$ -	(\$ 673)
Book-tax difference on machinery and equipment	( 117,197)	( 20,722)	-	( 137,919)
Others	( 49,662)	794	-	( 48,868)
Subtotal	<u>(\$ 170,076)</u>	<u>(\$ 17,384)</u>	<u>\$ -</u>	<u>( 187,460)</u>
Total	<u>\$ 271,795</u>	<u>\$ 93,289</u>	<u>\$ 711</u>	<u>\$ 365,795</u>

- E. The Company did not recognize taxable temporary differences relating to several subsidiaries investment as deferred tax liabilities. As of December 31, 2021 and 2020, the unrecognised deferred tax liabilities were \$6,895,939 and \$7,178,690, respectively
- F. The Company repatriated reinvestment income arising from offshore reinvestment in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act for the year ended December 31, 2020. The act imposes a tax rate of 8% on the repatriated funds. The Company recognised tax expense in the amount of \$66,045. 50% tax of aforementioned funds can be applied a tax refund to the Competent Authority after completing the actual investment. If funds were used in others purpose or violate the investment plan, the fund will be imposed at a tax rate of 20%.
- G. The Company estimated and accrued deferred tax liabilities based on possible earnings repatriated by the offshore subsidiaries amounting to \$649,357 for the year ended December 31, 2021.
- H. Because of the pandemic, the Company applied to pay profit-seeking enterprise income tax in 36 installments for the year ended December 31, 2019, in accordance with the Tax Collection Act. As of December 31, 2021, the remaining amount of \$75,834 was unpaid, among this amount, \$50,556 was shown as income tax liabilities, \$25,278 was shown as non-current income tax liabilities.

I. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

J. The income tax returns of the subsidiary, National Aerospace Fasteners Corporation, through 2018 have been assessed and approved by the Tax Authority.

(35) Earnings per share

	<u>Year ended December 31, 2021</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 4,273,793	593,259	\$ 7.20
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	4,273,793	593,259	
Less: Effects of potential dilutive common shares issued by the investee accounted for under the equity method	( 4,636)	-	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	9,990	
Employees' compensation	-	1,433	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 4,269,157	604,682	\$ 7.06

Year ended December 31, 2020

	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,577,039	585,029	\$ 4.40
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,577,039	585,029	
Less: Effects of potential dilutive common shares issued by the investee accounted for under the equity method	( 20)	-	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	9,342	
Employees' compensation	-	3,613	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,577,019	597,984	\$ 4.31

(36) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31,	
	2021	2020
Purchase of property, plant and equipment	\$ 1,293,441	\$ 2,115,239
Add: Opening balance of payable on machinery and equipment	87,747	69,149
Add: Ending balance of prepayable on machinery and equipment	144,443	140,786
Less: Ending balance of payable on machinery and equipment	( 64,293)	( 87,747)
Less: Opening balance of prepayable on machinery and equipment	( 140,786)	( 323,285)
Cash paid during the year	\$ 1,320,552	\$ 1,914,142



B. The subsidiary, Hot Link Technology Ltd., sold its held 100% equity interests of the subsidiaries, Pacific Metal Developments Ltd. and Mitac Computer (Shunde) Ltd. and the Company lost its control over those subsidiaries. Information on related assets, liabilities and disposals of those subsidiaries is as follows:

The carrying amount of assets and liabilities of those subsidiaries.

Cash and cash equivalents	\$	538,219
Accounts receivable, net		2,355
Other receivables		238
Investment property, net		231,602
Other payables	(	3,793)
Current tax liabilities	(	1,258)
Guarantee deposits received	(	12,332)
Total net assets	\$	<u>755,031</u>
Consideration received-cash	\$	2,798,489
Total amount of net assets disposed	(	755,031)
Necessary cost of disposals	(	3,869)
Difference on foreign currency translation reclassified from equity to profit or loss due to losing control over subsidiaries		479,035
Gain on disposal of investments	\$	<u>2,518,624</u>

(37) Changes in liabilities from financing activities

	2021			
	Short-term borrowings	Long-term borrowings	Lease liabilities	Guarantee deposits received
January 1	\$ 406,768	\$ 2,112,183	\$ 610,361	\$ 34,735
Changes in cash flow from financing activities	( 392,928)	( 13,071)	( 153,956)	( 4,724)
Changes in other non-cash items	-	-	37,120	( 12,332)
December 31	<u>\$ 13,840</u>	<u>\$ 2,099,112</u>	<u>\$ 493,525</u>	<u>\$ 17,679</u>
	2020			
	Short-term borrowings	Long-term borrowings	Lease liabilities	Guarantee deposits received
January 1	\$ 558,406	\$ 2,072,889	\$ 529,817	\$ 24,128
Changes in cash flow from financing activities	( 151,638)	39,294	( 162,059)	10,607
Changes in other non-cash items	-	-	242,602	-
December 31	<u>\$ 406,768</u>	<u>\$ 2,112,183</u>	<u>\$ 610,360</u>	<u>\$ 34,735</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Mitac International Corp.	Entity having significant influence on the Group
Mitac Computing Technology Corporation	Associate of the entity in the same group having significant influence on the Group
Mitac Computer (Kunshan) Co., Ltd.	Associate of the entity in the same group having significant influence on the Group
Mitac Innovation (Kunshan) Ltd.	Associate of the entity in the same group having significant influence on the Group
Mitac Information Technology Ltd.	Associate of the entity in the same group having significant influence on the Group
Mitac Research (Shanghai) Ltd.	Associate of the entity in the same group having significant influence on the Group
Mitac Technology (Kunshan) Co., Ltd.	Associate of the entity in the same group having significant influence on the Group
Mitac Europe Ltd.	Associate of the entity in the same group having significant influence on the Group
Mitac Digital Technology Corporation	Associate of the entity in the same group having significant influence on the Group
Mitac Logistic Service (KunShan) Ltd.	Associate of the entity in the same group having significant influence on the Group
MiTAC Information Systems (KunShan) Co.,Ltd.	Associate of the entity in the same group having significant influence on the Group
MiTAC Investment Holding Ltd.	Associate of the entity in the same group having significant influence on the Group
Waffer Technology Corp.	Associate
Waffer Technology (Maanshan) Limited	Subsidiary of associate
Waffer Technology (Kunshan) Ltd.	Subsidiary of associate
JVP VIII, L.P.	Associate
Harbinger VIII Venture Capital Corp.	Substantive related party
Lien Hwa Property Development Corporation	Substantive related party
Synnex Technology International Corp.	Substantive related party
Mitac Information Technology Corp.	Substantive related party
BestCom Infotech Corp.	Substantive related party
Synnex Australia Pty Ltd.	Substantive related party
Synnex New Zealand Ltd.	Substantive related party
Mitac Communication Co., Ltd.	Substantive related party
Jian Foods Incorporation	Substantive related party

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2021	2020
Other related parties	\$ 154,803	\$ 268,795
Entities having significant influence on the Group	52,374	64,782
Associates	60	-
	<u>\$ 207,237</u>	<u>\$ 333,577</u>

(a) The selling prices to related parties are determined based on the market price in the region of the related party.

(b) The term of credit for related parties was 150 days after offsetting certain receivables and payables.

(c) The term of credit for third party customers were approximately 150 days after delivery.

B. Purchases

	Years ended December 31,	
	2021	2020
Other related parties	\$ 188,014	\$ 162,219
Entities having significant influence on the Group	121	135
Associates	69	700
	<u>\$ 188,204</u>	<u>\$ 163,054</u>

(a) The prices on purchases from related parties are determined based on the market price in the region of the related party.

(b) The term of payment for related parties was 150 days after offsetting certain receivables and payables, respectively.

(c) The term of payment for third party suppliers was approximately 150 days after delivery.

C. Receivables from related parties

(a) Accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other related parties	\$ 29,066	\$ 4,914
Entities having significant influence on the Group	23,444	9,904
Associates	-	628
	<u>\$ 52,510</u>	<u>\$ 15,446</u>

(b) Other receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Entities having significant influence on the Group	\$ 1,073	\$ 82
Associates	398	2,182
Other related parties	315	3,194
	<u>\$ 1,786</u>	<u>\$ 5,458</u>

It mainly refers to receivables for payments on behalf of others.

D. Accounts payable

(a) Accounts payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other related parties	\$ 19,502	\$ 45,553
Associates	79	1,739
Entities having significant influence on the Group	121	-
	<u>\$ 19,702</u>	<u>\$ 47,292</u>

(b) Other payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Entities having significant influence on the Group	\$ 10,313	\$ 15,755
Other related parties	3,197	10,123
Associates	40,406	40,076
	<u>\$ 53,916</u>	<u>\$ 65,954</u>

Other payables arose from receipts under custody and miscellaneous payable.

(c) Contract liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other related party	\$ 1,959	\$ 1,113

E. Rental income

	Item	Years ended December 31,	
		2021	2020
Associate-Mitac Computer (Kunshan) Co., Ltd.	Office and plant	\$ 11,141	\$ 10,993
Entities having significant influence on the Group	Office and plant	422	416
Associates	Office and plant	469	464
		<u>\$ 12,032</u>	<u>\$ 11,873</u>

F. Property transactions

(a) Acquisition of property, plant and equipment

	Years ended December 31,	
	2021	2020
Other related party	\$ 850	\$ 14,372
Associates	139	-
Associates-Waffer Technology Corp.	-	1,031,207
	<u>\$ 989</u>	<u>\$ 1,045,579</u>

On April 15, 2020, the Company's Board of Directors resolved to purchase land and plant from the associate, Waffer Technology Corp. in the amounts of \$1,003,000 and \$27,000, respectively. As of December 31, 2021, the unpaid amount \$40,000 was shown as other payables.

(b) Disposal of property, plant and equipment

	Years ended December 31,			
	2021		2020	
	Disposal proceeds	Gain on disposal	Disposal proceeds	Gain on disposal
Associates	\$ -	\$ -	\$ 4,475	\$ 4,475
Entities having significant influence on the Group	100	100	-	-
	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 4,475</u>	<u>\$ 4,475</u>

G. Acquisition of financial assets

	Years ended December 31,	
	2021	2020
Associates-Harbinger VIII Venture Capital Corp.	\$ 37,500	\$ -

## H. Leasing arrangements — lessee

(a) The Group leases buildings and equipment from Lien Hwa Property Development Corporation, Mitac International Corp. and Mitac Computer (Kunshan) Co., Ltd. Rental contracts are typically made for periods of 3 to 6 years. Rents are paid on the payment date agreed in the lease agreement.

### (b) Acquisition of right-of-use assets

The Group acquired right-of-use assets amounting to \$25,033 from Lien Hwa Property Development Corporation for the year ended December 31, 2020.

### (c) Lease liabilities

#### i. Ending balance

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other related parties-Lien Hwa Property Development Corporation	\$ 122,613	\$ 182,738
Entities having significant influence on the Group-Mitac Computer (Kunshan) Co., Ltd.	33,238	49,306
Entities having significant influence on the Group-Mitac International Corp.	-	26,293
Total	<u>\$ 155,851</u>	<u>\$ 258,337</u>

#### ii. Interest expense

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties	\$ 959	\$ 2,395
Entities having significant influence on the Group	1,670	2,255
Total	<u>\$ 2,629</u>	<u>\$ 4,650</u>

#### iii. Interest income

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties	\$ 74	\$ 95
Entities having significant influence on the Group	18	33
Total	<u>\$ 92</u>	<u>\$ 128</u>

## H. Others

	Transaction item	Years ended December 31,	
		2021	2020
Entities having significant influence on the Group	Other expenses	\$ 139,837	\$ 123,393
Other related parties	Other expenses	31,636	21,355
Associates	Other expenses	1,545	245
Total		<u>\$ 173,018</u>	<u>\$ 144,993</u>

### (3) Key management compensation

	Years ended December 31,	
	2021	2020
Salaries and other short-term employee benefits	\$ 130,792	\$ 141,416
Termination benefits	876	733
Total	<u>\$ 131,668</u>	<u>\$ 142,149</u>

## 8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2021	December 31, 2020	
Property, plant and equipment			
Land	\$ 1,202,901	\$ 1,202,901	Long-term loans
Buildings	1,078,197	1,126,266	Long-term loans
Machinery and equipment	194,862	230,338	Long-term loans
Other equipment	42,601	28,596	Long-term loans
Pledged time deposits (shown as financial assets at amortised cost-current and other non-current assets)	10,688	10,968	Customs duties

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Contingencies

On June 5, 2019, Panasonic Corporation sued Getac Technology Corporation and Getac Inc. (Collectively, "Getac") in the United States District Court for the Central District of California, accusing Getac's K120 product of infringing Panasonic's four U.S. Design Patents; Panasonic Corporation has amended the claim on October 23, 2019 and dropped its infringement allegation involving one of the patents but added UX10 rugged tablet as an infringing product on March 24, 2020. The Company has engaged King & Spalding LLP to handle the case in behalf of Getac.

### (2) Commitments

As of December 31, 2021 and 2020, the subsidiary, National Aerospace Fasteners Corporation, has

outstanding construction and equipment purchase contracts totaling \$78,882 and \$237,684, of which \$43,147 and \$87,722 remains unpaid, respectively.

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 and to maintain an optimal capital structure to reduce the cost of capital, and to provide returns to the shareholders. In order to maintain a healthy capital structure, the Group considers future operating capital needs, capital expenditures and dividend expenditures through financial analysis, monitoring the Group's capital structure in order to fulfill capital management objectives.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 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	\$ 13,642	\$ 63,883
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	870,122	741,617
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	5,785,111	5,706,030
Notes receivable	11,569	13,793
Accounts receivable	7,455,200	7,513,622
Other receivables	165,036	87,588
Guarantee deposits paid	40,820	49,463
Financial assets at amortised cost - current	12,827	547,275
Financial assets at amortised cost - non-current	1,000	10,968
Other financial assets - non-current	715,695	737,586
	<u>\$ 15,071,022</u>	<u>\$ 15,471,825</u>



	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 3,009	\$ 6,930
Financial liabilities at amortised cost		
Short-term borrowings	13,840	406,768
Notes payable	-	70
Accounts payable	6,293,450	5,922,501
Other payables	2,998,207	3,158,133
Long-term borrowings (including current portion)	2,099,112	2,112,183
Refund liability	314,837	492,750
Guarantee deposits received	17,679	34,735
	<u>\$ 11,740,134</u>	<u>\$ 12,134,070</u>
Lease liabilities	<u>\$ 493,525</u>	<u>\$ 610,361</u>

#### B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.
- (b) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Notes 6(2) and (16).

#### C. Significant financial risks and degrees of financial risks

##### (a) Market risk

##### Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with

Group treasury.

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

				December 31, 2021		
				Foreign currency		
				amount	Exchange	Book value
				(In thousands)	rate	(NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$	89,655		27.680	\$	2,481,650
USD:CNY		364,789		6.3757		10,097,360
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD		100,106		27.680		2,770,934
USD:CNY		202,570		6.3757		5,607,138

				December 31, 2020		
				Foreign currency		
				amount		Book value
				(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$	89,133		28.48	\$	2,538,508
USD:CNY		205,807		6.5249		5,861,383
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD		73,513		28.48		2,093,650
USD:CNY		141,133		6.5249		4,019,468

- iv. Total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2021 and 2020 amounted to \$30,154 and (\$89,843), respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2021			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 24,817	\$ -
USD:CNY	1%	100,974	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	27,709	-
USD:CNY	1%	56,071	-
Year ended December 31, 2020			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 25,385	\$ -
USD:CNY	1%	58,614	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	20,937	-
USD:CNY	1%	40,195	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held 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 domestic and foreign stocks. 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, other components of equity for the years ended December 31, 2021 and 2020 would have increased/decreased by \$8,701 and \$7,416, 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 borrowings. Long-term borrowings issued at variable rates expose the Group to cash flow interest rate risk. During the years ended December 31, 2021 and 2020, the Group's borrowings at variable rate were denominated in the New Taiwan Dollars (NTD) and United States Dollars (USD).
- ii. The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If annual interest rates on denominated borrowings had been 0.25% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2021 and 2020 would have been \$4,198 and \$4,224 lower/higher, 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. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding accounts and notes receivable.
- ii. According to the Group's credit policy, each operating entities manages individual customer and analyze its credit risk, in particular evaluation of factors undermine the customers' repayment such as the customers' financial status and historical transactions as well as monitoring the usage of credit facilities on a regular basis. For banks and financial institutions, only well-rated parties are accepted.
- iii. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss.
- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
  - (i) If the contract payments were past due 1~90 day(s) based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition;
  - (ii) The default occurs when the contract payments are past due over 90 days.
- v. 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 reorganisation 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.
- vi. 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. On December 31, 2021 and 2020, the Group's written-off financial assets that are still under recourse procedures amounted to \$0.
- vii. The Group used the forecast to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2021 and 2020, the loss rate methodology is as follows:

	Not past due	1~90 days past due	91~180 days past due	Over 180 days past due	Total
<u>December 31, 2021</u>					
Expected loss rate	0%~0.03%	0%~0.50%	0~100%	0~100%	
Total book value	\$ 7,226,061	\$ 231,674	\$ 9,909	\$ 345	\$ 7,467,989
Loss allowance	\$ 6,929	\$ 3,480	\$ 2,034	\$ 345	\$ 12,788
	Not past due	1~90 days past due	91~180 days past due	Over 180 days past due	Total
<u>December 31, 2020</u>					
Expected loss rate	0%~0.03%	0%~0.50%	0~100%	0~100%	
Total book value	\$ 7,297,179	\$ 227,951	\$ 1,334	\$ 118	\$ 7,526,582
Loss allowance	\$ 7,351	\$ 4,238	\$ 1,255	\$ 116	\$ 12,960

- viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2021
	<u>Accounts receivable</u>
At January 1	\$ 12,960
Reversal of impairment loss	( 171)
At December 31	\$ 12,789

	2020
	<u>Accounts receivable</u>
At January 1	\$ 14,996
Reversal of impairment loss	(\$ 2,036)
At December 31	<u>\$ 12,960</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.
- 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:

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 13,840	\$ -	\$ -	\$ -
Accounts payable	6,293,450	-	-	-
Other payables	2,998,207	-	-	-
Refund liability	314,837	-	-	-
Long-term borrowings (including current portion)	302,172	398,212	751,305	754,899
Other financial liabilities	17,679	-	-	-
Lease liabilities	157,945	149,677	118,847	74,638

December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 406,768	\$ -	\$ -	\$ -
Notes payable	70	-	-	-
Accounts payable	5,922,501	-	-	-
Other payables	3,158,133	-	-	-
Refund liability	492,750	-	-	-
Long-term borrowings (including current portion)	200,529	294,117	877,138	867,292
Other financial liabilities	22,323	-	6,597	5,815
Lease liabilities	159,063	150,100	189,448	142,181

Derivative financial liabilities:

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Forward exchange contracts	\$ 3,009	\$ -	\$ -	\$ -

December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Forward exchange contracts	\$ 6,930	\$ -	\$ -	\$ -

iii. The Company 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 estimation

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates, on-the-run Taiwan central government bonds and derivative instruments with quoted market prices is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in unlisted stocks and derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

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

C. The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including current portion) 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 at December 31, 2021 and 2020 is as follows:

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 13,642	\$ -	\$ 13,642
Financial assets at fair value through other comprehensive income				
Equity securities	<u>518,819</u>	<u>-</u>	<u>351,303</u>	<u>870,122</u>
<b>Total</b>	<b><u>\$ 518,819</u></b>	<b><u>\$ 13,642</u></b>	<b><u>\$ 351,303</u></b>	<b><u>\$ 883,764</u></b>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 3,009</u>	<u>\$ -</u>	<u>\$ 3,009</u>
<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 63,883	\$ -	\$ 63,883
Financial assets at fair value through other comprehensive income				
Equity securities	<u>434,805</u>	<u>-</u>	<u>306,812</u>	<u>741,617</u>
<b>Total</b>	<b><u>\$ 434,805</u></b>	<b><u>\$ 63,883</u></b>	<b><u>\$ 306,812</u></b>	<b><u>\$ 805,500</u></b>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 6,930</u>	<u>\$ -</u>	<u>\$ 6,930</u>

E. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed shares, used closing price as market quoted price.
- (b) 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.
- (c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, 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.

F. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	<u>Equity securities</u>	
	<u>2021</u>	
January 1, 2021	\$	306,812
Acquired in the year		55,439
Settled in the year	(	21,932)
Gain recognised in other comprehensive income		10,984
December 31, 2021	\$	<u>351,303</u>

	<u>Equity securities</u>	
	<u>2020</u>	
January 1, 2020	\$	270,106
Acquired in the year		17,087
Settled in the year	(	4,216)
Gain recognised in other comprehensive income		23,835
December 31, 2020	\$	<u>306,812</u>

H. Investment segment 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 making any other necessary adjustments to the fair value.

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

	<u>Fair value at</u>		<u>Significant</u>	<u>Range</u>	<u>Relationship of</u>
	<u>December 31,</u>	<u>Valuation</u>	<u>unobservable</u>	<u>(weighted</u>	<u>inputs to</u>
	<u>2021</u>	<u>technique</u>	<u>input</u>	<u>average)</u>	<u>fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 351,303	Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value

	Fair value at December 31, 2020	Valuation technique	Significant unobservabl e input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 306,812	Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value

(4) Impact of the COVID-19 pandemic on the operation of the Group for the year of 2021

Amid the effects of the COVID-19 pandemic, the Group aimed to adjust the operations to mitigate such impact. As a result, the operating income had a slight growth for the year ended December 31, 2020. Currently, the case number of COVID-19 continues to increase globally and the conflict between America and China is worsening. Both these events may have an impact on the market, such that acceptable orders are difficult to forecast. The actual impact to the Group cannot be reasonably estimated as it will be dependent on the subsequent control of the COVID-19 pandemic.

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 \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 6(16).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- B. Major transactions with the investee in Mainland China: Please refer to table 5 and table 9.

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

(1) General information

The Group considers the business from a product perspective; the Group is primarily engaged in manufacturing and sales of information products such as computers and portable devices for military use and industrial use, parts for the electronics, automobiles and appliances, as well as all types of fastenings meeting aerospace specification.

(2) Measurement of segment information

The accounting policies for preparing operating segment information are the same as the significant accounting policies summarized in Note 4. The Group evaluates the performance of operating segments based on segment performance is measured by profit (loss) after tax from continuing operations of each segment individual the financial statements of each operating segment.

(3) Segment information

The segment information provided to the Chief Operating Decision-Maker on the reportable segments for the years ended December 31, 2021 and 2020 is as follows:

Year ended December 31, 2021

	Electronic parts	Structure parts	Aerospace fasteners	Consolidation
Revenue from external customers	\$ 13,527,185	\$ 15,130,736	\$ 1,426,205	\$ 30,084,126
Segment income (loss)	\$ 1,560,147	\$ 2,799,749	\$ 96,704	\$ 4,263,192
Segment income (loss), including:				
Interest income	\$ 10,262	\$ 22,103	\$ 1,019	\$ 33,384
Interest expense	( 1,143)	( 17,062)	( 24,986)	( 43,191)
Depreciation and amortisation	( 349,376)	( 599,055)	( 266,698)	( 1,215,129)
Investment income or loss accounted for under the equity method	70,518	-	-	70,518
Income tax expense	( 329,216)	( 866,234)	( 8,634)	( 1,186,816)

Year ended December 31, 2020

	Electronic parts	Structure parts	Aerospace fasteners	Consolidation
Revenue from external customers	\$ 12,811,509	\$ 13,322,203	\$ 1,704,031	\$ 27,837,743
Segment income	\$ 1,536,186	\$ 1,072,776	\$ 59,831	\$ 2,668,793
Segment income (loss), including:				
Interest income	\$ 10,008	\$ 43,778	\$ 486	\$ 54,272
Interest expense	( 15,903)	( 4,646)	( 26,663)	( 47,212)
Depreciation and amortisation	( 295,227)	( 582,735)	( 278,711)	( 1,156,673)
Investment income or loss accounted for under the equity method	( 24,168)	-	-	( 24,168)
Income tax expense	( 393,205)	( 187,712)	( 8,770)	( 572,147)

(4) Geographical information

Geographical information for the years ended December 31, 2021 and 2020 is as follows:

	Revenue from external customers	
	Years ended December 31	
	2021	2020
China	\$ 13,424,482	\$ 10,214,451
America	8,403,146	7,983,578
Europe	3,390,760	3,825,255
Others	4,865,738	5,814,459
	<u>\$ 30,084,126</u>	<u>\$ 27,837,743</u>

	Non-current assets	
	December 31,	
	2021	2020
China	\$ 4,214,328	\$ 4,308,793
Taiwan	4,329,576	4,541,132
Vietnam	1,517,825	1,424,120
Others	648,561	652,700
	<u>\$ 10,710,290</u>	<u>\$ 10,926,745</u>

(5) Information on products

	2021	2020
Electronic parts	\$ 13,527,185	\$ 12,811,509
Structure parts	15,130,736	13,322,203
Aerospace fasteners	1,426,205	1,704,031
	<u>\$ 30,084,126</u>	<u>\$ 27,837,743</u>

(6) Major customer information

Single customers accounting for more than 10% of the sales revenue on the Group's consolidated statements of comprehensive income for the years ended December 31, 2021 and 2020:

Customer	Year ended December 31, 2021
Customer O	\$ 4,874,778
Customer M	\$ 3,808,713
Customer L	\$ 3,805,461
Customer	Year ended December 31, 2020
Customer L	\$ 4,189,615
Customer O	\$ 3,785,712

Cetac Holdings Corp. and Subsidiaries  
Loans to others  
Year ended December 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 year ended December 31, 2021	Balance at December 31, 2021 (Note 4)	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 Item	Value	Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)
0	Getac Holdings Corporation	Fong Guan Investments Ltd.	Other receivable	Y	\$ 40,000	\$ 40,000	\$ 40,000	0.75%	2	\$ -	Working capital financing	\$ -	None	\$ -	\$ 45,998	\$ 3,644,494
1	Pacific Royale Ltd.	Mitac Precision Developments Ltd.	Other receivable	Y	369,528	358,456	358,456	0.0%	2	-	Working capital financing	-	None	-	4,270,083	4,270,083
1	Pacific Royale Ltd.	Fong Guan Investments Ltd.	Other receivable	Y	3,000	3,000	3,000	0.0%	2	-	Working capital financing	-	None	-	1,138,689	1,138,689
2	Hot Link Technology Ltd.	Mitac Precision Developments Ltd.	Other receivable	Y	1,275,988	-	-	0.0%	2	-	Working capital financing	-	None	-	18,342,281	18,342,281
2	Hot Link Technology Ltd.	MPT Solution (HK) Limited	Other receivable	Y	1,398,000	1,384,000	736,288	0.0%	2	-	Working capital financing	-	None	-	18,342,281	18,342,281
2	Hot Link Technology Ltd.	Getac Precision Technologies (Hong Kong) Ltd.	Other receivable	Y	279,600	276,800	276,800	0.0%	2	-	Working capital financing	-	None	-	18,342,281	18,342,281
2	Hot Link Technology Ltd.	Getac Technology Corp.	Other receivable	Y	553,600	553,600	553,600	0.0%	2	-	Working capital financing	-	None	-	4,891,275	4,891,275
2	Hot Link Technology Ltd.	Atemitech Corporation	Other receivable	Y	692,000	692,000	553,600	0.0%	2	-	Working capital financing	-	None	-	4,891,275	4,891,275
2	Hot Link Technology Ltd.	Getac Precision Technology Vietnam Co., Ltd.	Other receivable	Y	556,000	553,600	415,200	0.0%	2	-	Working capital financing	-	None	-	18,342,281	18,342,281
2	Hot Link Technology Ltd.	Getac Technology (Kunshan) Co., Ltd.	Other receivable	Y	838,800	830,400	830,400	0.0%	2	-	Working capital financing	-	None	-	18,342,281	18,342,281
2	Hot Link Technology Ltd.	Getac Holdings Corporation	Other receivable	Y	1,118,400	968,800	415,200	0.0%	2	-	Working capital financing	-	None	-	18,342,281	18,342,281
3	Pacific Metal Developments Ltd.	Mitac Precision Developments Ltd.	Other receivable	Y	908,840	-	-	0.0%	2	-	Working capital financing	-	None	-	2,407,723	2,407,723
4	ACE Continental Industries Ltd.	Hot Link Technology Ltd.	Other receivable	Y	260,028	157,776	157,222	0.0%	2	-	Working capital financing	-	None	-	1,354,728	1,354,728
4	ACE Continental Industries Ltd.	Pacific Royale Ltd.	Other receivable	Y	56,960	-	-	0.0%	2	-	Working capital financing	-	None	-	1,354,728	1,354,728
5	Mitac Precision Developments Ltd.	Getac Precision Technology Vietnam Co., Ltd.	Other receivable	Y	1,658,400	830,400	631,104	0.0%	2	-	Working capital financing	-	None	-	3,879,712	3,879,712
5	Mitac Precision Developments Ltd.	MPT Solution (Vietnam) Company Limited	Other receivable	Y	856,050	830,400	509,312	0.0%	2	-	Working capital financing	-	None	-	3,879,712	3,879,712

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021 (Note 4)	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)
6	Talent View Ltd.	Mitac Precision Developments Ltd.	Other receivable	Y	\$ 482,242	\$ -	\$ -	0.0%	2	\$ -	Working capital financing	\$ -	None	\$ 40	\$ 40
7	Mitac Computer (Shunde) Ltd.	Getac Technology (Kunshan) Co., Ltd.	Other receivable	Y	241,303	-	-	0.0%	2	-	Working capital financing	-	None	1,115,425	1,115,425
7	Mitac Computer (Shunde) Ltd.	Suzhou Mitac Precision Technology Co., Ltd.	Other receivable	Y	241,303	-	-	0.0%	2	-	Working capital financing	-	None	297,447	297,447
8	WHP Workflow Solutions, Inc.	Getac Video Solutions Inc.	Other receivable	Y	41,940	-	-	0.0%	2	-	Working capital financing	-	None	63,862	63,862
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Getac Technology (Kunshan) Co., Ltd.	Other receivable	Y	271,083	262,960	262,960	1.0%	2	-	Working capital financing	-	None	5,639,381	5,639,381
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Suzhou Mitac Precision Technology Co., Ltd.	Other receivable	Y	283,255	282,196	282,196	2.0%	2	-	Working capital financing	-	None	1,503,835	1,503,835
10	Getac Inc.	Getac Holdings Corporation	Other receivable	Y	285,350	-	-	0.0%	2	-	Working capital financing	-	None	702,980	702,980
10	Getac Inc.	Getac Video Solutions Inc.	Other receivable	Y	250,290	249,120	249,120	2.5%	2	-	Working capital financing	-	None	702,980	702,980
10	Getac Inc.	Getac Technology Corp.	Other receivable	Y	139,050	-	-	0.0%	2	-	Working capital financing	-	None	187,461	187,461
11	Getac Technology Corp.	Fong Guan Investments Ltd.	Other receivable	Y	56,000	-	-	0.0%	2	-	Working capital financing	-	None	713,725	713,725
12	National Aerospace Fasteners Corporation	Suzhou Nation Precision Ltd.	Other receivable	Y	146,955	96,880	96,880	1.0%	2	-	Working capital financing	-	None	354,840	354,840



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:(1) Having business relationship.

- (2) In need of short-term financing.

Note3:(1) Getac Holdings Corporation has policy of maximum loans to others:

- (a) Short-term financing :

- (i) The total borrowing amount should not be higher than 20% of the net assets on the latest financial statements audited or reviewed by independent auditors.
- (ii) The borrowing amount for each borrowing company should not be higher than 30% of the Company's net assets on the latest financial statements audited or reviewed by independent auditors.
- (b) The total borrowing amount must not exceed 150% of the net value disclosed in the Company's latest financial statements which has been audited or reviewed by independent auditors.

(2) Pacific Royale Ltd./Hot Link Technology Ltd./Pacific Metal Developments Ltd./ACE Continental Industries Ltd./ Talent View Ltd./Mitac Computer (Shunde) Ltd./WHP Workflow Solutions Inc./

- (a) Short-term financing :

- (i) The borrowing amount for each borrowing entity and total borrowing amount should not be higher than 40% of the net assets on the latest financial statements audited or reviewed by independent auditors.
- (ii) Foreign companies with 100% voting rights directly or indirectly owned by the ultimate parent company:  
the borrowing amount for each borrowing company and total borrowing amount should not be higher than 150% of the Company's net assets on the latest financial statements audited or reviewed by independent auditors.
- (b) The total borrowing amount must not exceed 150% of the net value disclosed in the Company's latest financial statements which has been audited or reviewed by independent auditors.

(3) Getac Technology Corporation has policy of maximum loans to others:

- (a) Short-term financing :

- (i) The borrowing amount for each borrowing entity and total borrowing amount should not be higher than 40% of the net assets on the latest financial statements audited or reviewed by independent auditors.

(b) The total borrowing amount must not exceed the net value disclosed in the Company's latest financial statements which has been audited or reviewed by independent auditors.

(4) Mitac Precision Developments Ltd. has policy of maximum loans to others:

- (a) Short-term financing :

- (i) The borrowing amount for each borrowing entity and total borrowing amount should not be higher than 40% of the net assets on the latest financial statements audited or reviewed by independent auditors.

(ii) Foreign companies with 100% voting rights directly or indirectly owned by the ultimate parent company:

- (b) The total borrowing amount for each borrowing company and total borrowing amount should not be higher than 500% of the Company's net assets on the latest financial statements audited or reviewed by independent auditors.

(5) National Aerospace Fasteners Corporation has policy of maximum loans to others:

The borrowing amount for each borrowing company and total borrowing amount should not be higher than 20% of the Company's net assets on the latest financial statements audited or reviewed by independent auditors. and ceiling on total loans granted are 20% of the net equity of National Aerospace Fasteners Corporation as of December 31, 2021.

Note 4:A amount as resolved by the Board of Directors.

Getac Holdings Corp. and Subsidiaries  
Provision of endorsements and guarantees to others  
Year ended December 31, 2021

Table 2  
Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed		Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2021	Outstanding endorsement/ guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees/ in Mainland China
			Company name	Relationship											
0	Getac Holdings Corporation	Getac Inc.	Note 3	Note 3		\$ 9,111,235	\$ 8,561	\$ 8,304	\$ -	0.05	\$ 9,111,235	Y	N	N	
0	Getac Holdings Corporation	Getac Video Solutions Inc.	Note 3	Note 3		9,111,235	14,268	13,840	-	0.08	9,111,235	Y	N	N	
0	Getac Holdings Corporation	Getac Technology GmbH	Note 3	Note 3		9,111,235	434,248	377,294	-	2.13	9,111,235	Y	N	N	
1	National Aerospace Fasteners Corporation	Suzhou Nation Precision Ltd.	Note 4	Note 4		887,099	149,809	-	-	7.25	887,099	Y	N	Y	

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: (1) The maximum amount of endorsements and guarantees provided by the Company should not be higher than 50% of the net assets on the latest financial statements audited or reviewed by independent auditors.

(2) The maximum amount of endorsements and guarantees provided by National Aerospace Fasteners Corporation should not be higher than 50% of the net assets on the latest financial statements audited or reviewed by independent auditors.

Note 3: The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

Note 4: The endorser/guarantor National Aerospace Fasteners Corporation and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

Getac Holdings Corp. and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
Year ended December 31, 2021

Securities held by	Marketable securities	Securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021			Note	
					Number of shares	Book value	Ownership (%)		
Getac Holdings Corporation	Stock	Mitac Holdings Corp.	Indirect investee company accounted for under the equity method	Financial assets at fair value through other comprehensive income-non-current	10,299,987	\$ 362,560	0.85%	362,560	
Getac Holdings Corporation	Stock	Harbinger VI Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income-non-current	3,213,811	46,327	13.28%	46,327	
Getac Holdings Corporation	Stock	Harbinger VII Venture Capital Corp.	Substantive related party	Financial assets at fair value through other comprehensive income-non-current	8,338,028	109,880	9.39%	109,880	
Getac Holdings Corporation	Stock	Hsin Chu Golf Country Club	None	Financial assets at fair value through other comprehensive income-non-current	1	2,400	0.12%	2,400	
Getac Holdings Corporation	Stock	JVP VIII, L.P.	None	Financial assets at fair value through other comprehensive income-non-current	-	82,341	1.16%	82,341	
Getac Holdings Corporation	Stock	Harbinger VIII Venture Capital Corp.	Substantive related party	Financial assets at fair value through other comprehensive income-non-current	11,250,000	110,355	11.57%	110,355	
Pacific Royale Ltd.	Stock	Mitac Holdings Corp.	Pacific Royale Ltd.'s indirect investee accounted for using equity method	Financial assets at fair value through other comprehensive income-non-current	4,439,182	156,260	0.37%	156,260	
Pacific Royale Ltd.	Stock	Fortune Greater China Fund II, L.P.	None	Financial assets at fair value through other comprehensive income-non-current	1,179,630	-	7.41%	-	
National Aerospace Fasteners Corporation	Stock	Mokoh & Associates, Inc.	None	Financial assets at fair value through other comprehensive income-non-current	700,000	-	0.51%	-	Abolished
National Aerospace Fasteners Corporation	Stock	Shintori Restaurant Co., Ltd.	None	Financial assets at fair value through other comprehensive income-non-current	20,307	-	2.75%	-	Closed

Getac Holdings Corp. and Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Year ended December 31, 2021

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2021		Addition(Note)		Disposal			Balance as at December 31, 2021		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Getac Holdings Corporation	Getac Technology Corp.	Investments accounted for under equity method	Getac Technology Corp.	The Company's subsidiary	41,100,000	\$ 257,217	82,334,000	\$ 1,235,010	-	\$ -	-	\$ -	123,434,000	\$ 1,784,315

Note: Including the capital increase and the spin-off and transfer transaction.

Getac Holdings Corp. and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more  
Year ended December 31, 2021

Table 5

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions			Expressed in thousands of NTD (Except as otherwise indicated)
			Purchases / Sales	Amount	Percentage of total purchases (sales)	Notes/accounts receivable (payable)		Percentage of total notes/accounts receivable (payable)		
						Unit price	Credit term		Balance	
Getac Holdings Corporation	Getac Inc.	The Company's subsidiary	Sales	\$ 3,901,748	42%	Note 1	Note 2	Note 1	\$ -	0%
Getac Holdings Corporation	Getac (UK) Ltd.	The Company's subsidiary	Sales	351,683	4%	Note 1	Note 2	Note 1	-	0%
Getac Holdings Corporation	Getac Technology GmbH	The Company's subsidiary	Sales	460,265	5%	Note 1	Note 2	Note 1	-	0%
Getac Holdings Corporation	Mitac Technology (Kyoto) Co., Ltd.	The Company's subsidiary	Sales	405,095	4%	Note 1	Note 2	Note 1	-	0%
Getac Holdings Corporation	Getac (SuZhou) Mobile Ltd.	The Company's subsidiary	Sales	210,511	2%	Note 1	Note 2	Note 1	-	0%
Getac Holdings Corporation	Getac Video Solutions Inc.	The Company's subsidiary	Sales	179,297	2%	Note 1	Note 2	Note 1	-	0%
Getac Holdings Corporation	Getac Technology (Kunshan) Co., Ltd.	The Company's subsidiary	Purchases	990,926	20%	Note 3	Note 5	Note 3	-	0%
Getac Holdings Corporation	MPT Solution(HK) Limited	The Company's subsidiary	Purchases	354,971	7%	Note 3	Note 4	Note 3	-	0%
Getac Holdings Corporation	Synnex Technology International Corp.	Substantive related party	Purchases	178,631	4%	Note 3	Note 4	Note 3	-	0%
Getac Inc.	Getac Holdings Corporation	Ultimate parent entity	Purchases	3,901,748	74%	Note 3	Note 4	Note 3	-	0%
Getac (UK) Ltd.	Getac Holdings Corporation	Ultimate parent entity	Purchases	351,683	78%	Note 3	Note 4	Note 3	-	0%
Getac Technology GmbH	Getac Holdings Corporation	Ultimate parent entity	Purchases	460,265	78%	Note 3	Note 4	Note 3	-	0%
Mitac Technology (Kyoto) Co., Ltd.	Getac Holdings Corporation	Ultimate parent entity	Purchases	405,095	57%	Note 3	Note 4	Note 3	-	0%
Getac (SuZhou) Mobile Ltd.	Getac Holdings Corporation	Ultimate parent entity	Purchases	210,511	54%	Note 3	Note 4	Note 3	-	0%
Getac Video Solutions Inc.	Getac Holdings Corporation	Ultimate parent entity	Purchases	179,297	39%	Note 3	Note 4	Note 3	-	0%
Getac Technology (Kunshan) Co., Ltd.	Getac Holdings Corporation	Ultimate parent entity	Sales	990,926	48%	Note 1	Note 5	Note 1	-	0%
MPT Solution(HK) Limited	Getac Holdings Corporation	Ultimate parent entity	Sales	354,971	6%	Note 1	Note 2	Note 1	-	0%
Getac Technology Corp.	Getac Inc.	The Company's subsidiary	Sales	1,214,011	54%	Note 1	Note 2	Note 1	186,022	24%
Getac Technology Corp.	Getac Technology GmbH	The Company's subsidiary	Sales	145,169	6%	Note 1	Note 2	Note 1	35,409	5%
Getac Technology Corp.	Getac Video Solutions Inc.	The Company's subsidiary	Sales	179,941	8%	Note 1	Note 2	Note 1	167,473	22%
Getac Technology Corp.	Getac Technology (Kunshan) Co., Ltd.	The Company's subsidiary	Purchases	849,387	62%	Note 3	Note 5	Note 3	( 2,795,750)	81%
Getac Inc.	Getac Technology Corp.	Parent company	Purchases	1,214,011	23%	Note 3	Note 4	Note 3	( 186,022)	100%

Purchase/seller	Counterparty	Relationship with the counterparty	Transaction		Differences in transaction terms compared to third party transactions			Expressed in thousands of NTD (Except as otherwise indicated)		
			Purchases / Sales	Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
										Purchases / Sales
Getac Technology GmbH	Getac Technology Corp.	Parent company	Purchases	\$ 145,169	25%	Note 3	Note 4	Note 3	(\$35,409)	100%
Getac Video Solutions INC.	Getac Technology Corp.	Parent company	Purchases	179,941	39%	Note 3	Note 4	Note 3	( 167,473)	93%
Getac Technology (Kunshan) Co., Ltd.	Getac Technology Corp.	Affiliated company	Sales	849,387	41%	Note 1	Note 5	Note 1	2,795,750	86%
Atemitech Corporation	Mitac Technology(Kyoto) Co., Ltd.	Affiliated company	Sales	125,939	12%	Note 1	Note 2	Note 1	22,880	3%
Atemitech Corporation	Getac Technology (Kunshan) Co., Ltd.	Affiliated company	Purchases	245,482	29%	Note 3	Note 4	Note 3	( 351,671)	37%
Mitac Technology(Kyoto) Co., Ltd.	Atemitech Corporation	Affiliated company	Purchases	125,939	18%	Note 3	Note 4	Note 3	( 22,880)	50%
Getac Technology (Kunshan) Co., Ltd.	Atemitech Corporation	Affiliated company	Sales	245,482	12%	Note 1	Note 2	Note 1	351,671	49%
MPT Solution(HK) Limited	Atemitech Corporation	Affiliated company	Sales	112,196	2%	Note 1	Note 1	Note 1	160,319	6%
Atemitech Corporation	MPT Solution(HK) Limited	Affiliated company	Purchases	112,196	13%	Note 3	Note 3	Note 3	( 160,319)	17%
Mitac Precision Technology (Kunshan) Co., Ltd.	Mitac Precision Developments Ltd.	Affiliated company	Sales	407,483	5%	Note 1	Note 1	Note 1	5,473	0%
Mitac Precision Developments Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	Affiliated company	Purchases	407,483	76%	Note 3	Note 3	Note 3	( 5,473)	0%
Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution(HK) Limited	Affiliated company	Sales	5,561,728	63%	Note 1	Note 2	Note 1	2,861,982	67%
MPT Solution(HK) Limited	Mitac Precision Technology (Kunshan) Co., Ltd.	Affiliated company	Purchases	5,561,728	72%	Note 3	Note 4	Note 3	( 2,861,982)	85%
Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution(HK) Limited	Affiliated company	Sales	1,543,376	33%	Note 1	Note 2	Note 1	520,716	33%
MPT Solution(HK) Limited	Suzhou Mitac Precision Technology Co., Ltd.	Affiliated company	Purchases	1,543,376	25%	Note 3	Note 4	Note 3	( 520,716)	15%
MPT Solution (Vietnam) Company Limited	MPT Solution(HK) Limited	Affiliated company	Sales	224,809	14%	Note 1	Note 2	Note 1	33,795	10%

Purchase/seller	Counterparty	Relationship with the counterparty	Transaction		Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Expressed in thousands of NTD (Except as otherwise indicated)
			Purchases / Sales	Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
MPT Solution(HK) Limited	MPT Solution (Vietnam) Company Limited	Affiliated company	Purchases	\$ 224,809	4%	Note 3	Note 4	Note 3	(\$33,795)	1%
Getac Precision Technology (ChangShu) Co., Ltd.	Mitac Precision Limited	Parent company	Sales	465,575	35%	Note 1	Note 2	Note 1	251,876	45%
Getac Precision (HK) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	The Company's subsidiary	Purchases	465,575	28%	Note 3	Note 4	Note 3	( 251,876)	47%
Getac Precision Technology Vietnam Co., Ltd.	Mitac Precision Developments Ltd.	Affiliated company	Sales	130,654	9%	Note 1	Note 2	Note 1	-	0%
Mitac Precision Developments Ltd.	Getac Precision Technology Vietnam Co., Ltd.	Affiliated company	Purchases	130,654	24%	Note 3	Note 4	Note 3	-	0%
Getac Precision Technology Vietnam Co., Ltd.	Getac Precision (HK) Limited	Parent company	Sales	1,162,486	82%	Note 1	Note 2	Note 1	227,352	88%
Getac Precision (HK) Limited	Getac Precision Technology Vietnam Co., Ltd.	The Company's subsidiary	Purchases	1,162,486	70%	Note 3	Note 4	Note 3	( 227,352)	43%
Mitac Precision Technology (Kunshan) Co., Ltd.	Getac Technology (Kunshan) Co., Ltd.	Affiliated company	Sales	158,289	2%	Note 1	Note 2	Note 1	38,486	1%
Getac Technology (Kunshan) Co., Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	Affiliated company	Purchases	158,289	2%	Note 3	Note 4	Note 3	( 38,486)	2%
Suzhou Mitac Precision Technology Co., Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	Affiliated company	Sales	414,125	9%	Note 1	Note 2	Note 1	151,613	10%
Mitac Precision Technology (Kunshan) Co., Ltd.	Suzhou Mitac Precision Technology Co., Ltd.	Affiliated company	Purchases	414,125	8%	Note 3	Note 4	Note 3	( 151,613)	5%
MPT Solution (Vietnam) Company Limited	Getac Precision Technology Vietnam Co., Ltd.	Affiliated company	Sales	151,529	10%	Note 1	Note 2	Note 1	42,517	13%
Getac Precision Technology Vietnam Co., Ltd.	MPT Solution (Vietnam) Company Limited	Affiliated company	Purchases	151,529	15%	Note 3	Note 4	Note 3	( 42,517)	35%
MPT Solution(HK) Limited	Mitac Technology(Kyoto) Co., Ltd.	Affiliated company	Sales	136,641	2%	Note 1	Note 2	Note 1	21,253	1%
Mitac Technology(Kyoto) Co., Ltd.	MPT Solution(HK) Limited	Affiliated company	Purchases	136,641	19%	Note 3	Note 4	Note 3	( 21,253)	46%
MPT Solution(HK) Limited	Suzhou Mitac Precision Technology Co., Ltd.	Affiliated company	Sales	188,126	3%	Note 1	Note 2	Note 1	51,182	2%
Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution(HK) Limited	Affiliated company	Purchases	188,126	6%	Note 3	Note 4	Note 3	( 51,182)	4%
Getac Precision (HK) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	Affiliated company	Sales	191,681	11%	Note 1	Note 2	Note 1	160,809	31%
Getac Precision Technology (ChangShu) Co., Ltd.	Getac Precision (HK) Limited	Affiliated company	Purchases	191,681	23%	Note 3	Note 4	Note 3	( 160,809)	37%
Suzhou Natco Precision Ltd.	National Aerospace Fasteners Corporation	National Aerospace Fasteners Corporation's direct wholly-owned subsidiary	Sales	133,690	48%	Note 1	Note 2	Note 1	49,877	54%

Expressed in thousands of NTD  
(Except as otherwise indicated)

Differences in transaction  
terms compared to third party  
transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
			Purchases / Sales	Amount				
National Aerospace Fasteners Corporation	Suzhou Nafco Precision Ltd.	Suzhou Nafco Precision Ltd.'s parent company	Purchases	\$ 133,690	Note 4	Note 3	(\$49,877)	29%

Note 1: The collection periods of related parties are 150 days after offsetting certain receivables and payables.

The collection period of third party customers is approximately 150 days after shipping date.

Note 2: The selling price for sales to related parties is based on the market value of the goods.

Note 3: The payment periods to overseas related parties are 150 days after offsetting certain receivables and payables.

The payment period to third party suppliers is approximately 150 days after shipping date.

Note 4: The purchase price on purchases from other related parties is based on the market value of the goods.

Note 5: The processing charges are based on cost plus an agreed upon percentage markup.



Getac Holdings Corp. and Subsidiaries

Receivables from related parties reaching NTS100 million or 20% of paid-in capital or more

Year ended December 31, 2021

Creditor	Counterparty	Relationship with the counterparty	Balance as at		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			December 31, 2021	December 31, 2020		Amount	Action taken		
Getac Technology Corp.	Getac Inc.	The Company's subsidiary	186,022	13,05	-	-	137,371	-	
Getac Technology Corp.	Getac Video Solutions INC.	The Company's subsidiary	167,473	2.15	-	-	-	-	
Getac Technology (Kunshan) Co., Ltd.	Getac Technology Corp.(Note)	Affiliated company	2,795,750	0.9	-	-	143,650	-	
Getac Technology (Kunshan) Co., Ltd.	Atemitech Corporation(Note)	Affiliated company	351,671	4.12	-	-	138,400	-	
MPT Solution(HK) Limited	Atemitech Corporation	Affiliated company	160,319	1.4	-	-	-	-	
Getac Precision Technologies (Hong Kong) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	The Company's subsidiary	160,809	2.38	-	-	8,993	-	
Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution(HK) Limited	Affiliated company	2,861,982	3.89	-	-	387,520	-	
Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution(HK) Limited	Affiliated company	520,716	5.93	-	-	-	-	
Suzhou Mitac Precision Technology Co., Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	Affiliated company	151,613	3.77	-	-	9,490	-	
Getac Precision Technology (ChangShu) Co., Ltd.	Getac Precision (HK) Limited	Parent company	251,876	2.46	-	-	41,679	-	
Getac Precision Technology Vietnam Co., Ltd.	Getac Precision (HK) Limited	Parent company	227,352	6.82	-	-	-	-	

Note: Getac Technology Corp. and Atemitech Corporation transaction with Getac Technology (Kunshan) Co., Ltd. are processing service, which is presented as sales, net.

Getac Holdings Corp. and Subsidiaries  
Significant inter-company transactions during the reporting period  
Year ended December 31, 2021

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction terms		Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	
0	Getac Holdings Corp.	Getac Inc.	1	Sales	\$ 3,901,748	13%
0	Getac Holdings Corp.	Getac (UK) Ltd.	1	Sales	351,683	1%
0	Getac Holdings Corp.	Getac Technology GmbH	1	Sales	460,265	2%
0	Getac Holdings Corp.	Mitac Technology (Kyoto) Co., Ltd.	1	Sales	405,095	1%
0	Getac Holdings Corp.	Getac (Suzhou) Mobile Ltd.	1	Sales	210,511	1%
0	Getac Holdings Corp.	Getac Video Solutions Inc.	1	Sales	179,297	1%
1	Getac Technology Corp.	Getac Inc.	3	Sales	1,214,011	4%
1	Getac Technology Corp.	Getac Technology GmbH	3	Sales	145,169	0%
1	Getac Technology Corp.	Getac Video Solutions INC.	3	Sales	179,941	1%
1	Getac Technology Corp.	Getac Inc.	3	Accounts receivable	186,022	1%
1	Getac Technology Corp.	Getac Video Solutions INC.	3	Accounts receivable	167,473	0%
2	Atemitech Corporation	Mitac Technology(Kyoto) Co., Ltd.	3	Sales	125,939	0%
3	Getac Precision (HK) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	3	Sales	191,681	1%
3	Getac Precision (HK) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	3	Accounts receivable	160,809	0%
4	Getac Precision Technology Vietnam Co., Ltd.	Mitac Precision Developments Ltd.	3	Sales	130,654	0%
4	Getac Precision Technology Vietnam Co., Ltd.	Getac Precision (HK) Limited	3	Sales	1,162,486	4%
4	Getac Precision Technology Vietnam Co., Ltd.	Getac Precision (HK) Limited	3	Accounts receivable	227,352	1%
5	MPT Solution (Vietnam) Company Limited	MPT Solution(HK) Limited	3	Sales	224,809	1%
5	MPT Solution (Vietnam) Company Limited	Getac Precision Technology Vietnam Co., Ltd.	3	Sales	151,529	1%
6	MPT Solution(HK) Limited	Getac Holdings Corp.	3	Sales	354,971	1%
6	MPT Solution(HK) Limited	Mitac Technology(Kyoto) Co., Ltd.	3	Sales	136,641	0%
6	MPT Solution(HK) Limited	Suzhou Mitac Precision Technology Co., Ltd.	3	Sales	188,126	1%
6	MPT Solution(HK) Limited	Atemitech Corporation	3	Sales	112,196	0%
6	MPT Solution(HK) Limited	Atemitech Corporation	3	Accounts receivable	160,319	0%
7	Getac Precision Technology (ChangShu) Co., Ltd.	Getac Precision (HK) Limited	3	Sales	465,575	2%
7	Getac Precision Technology (ChangShu) Co., Ltd.	Getac Precision (HK) Limited	3	Accounts receivable	251,876	1%
8	Getac Technology (Kunshan) Co., Ltd.	Getac Holdings Corp.	3	Sales	990,926	3%
8	Getac Technology (Kunshan) Co., Ltd.	Getac Technology Corp.	3	Sales	849,387	3%
8	Getac Technology (Kunshan) Co., Ltd.	Atemitech Corporation	3	Sales	245,482	1%
8	Getac Technology (Kunshan) Co., Ltd.	Getac Technology Corp.	3	Accounts receivable	2,795,750	8%
8	Getac Technology (Kunshan) Co., Ltd.	Atemitech Corporation	3	Accounts receivable	351,671	1%
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Mitac Precision Developments Ltd.	3	Accounts receivable	407,483	1%
9	Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution(HK) Limited	3	Sales	5,561,728	18%
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Getac Technology (Kunshan) Co., Ltd.	3	Sales	158,289	1%

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction		Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount		
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Getac Technology (Kunshan) Co., Ltd.	3	Other receivables	\$ 262,960	Operation	1%
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Suzhou Mitac Precision Technology Co., Ltd.	3	Other receivables	282,196	Operation	1%
9	Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution(HK) Limited	3	Accounts receivable	2,861,982	Note 4	8%
10	Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution(HK) Limited	3	Sales	1,543,376	Note 4	5%
10	Suzhou Mitac Precision Technology Co., Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	3	Sales	414,125	Note 4	1%
10	Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution(HK) Limited	3	Accounts receivable	520,716	Note 4	1%
10	Suzhou Mitac Precision Technology Co., Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	3	Accounts receivable	151,613	Note 4	0%
11	Pacific Royale Ltd.	Mitac Precision Developments Ltd.	3	Other receivables	358,456	Operation	1%
12	Hot Link Technology Ltd.	MPT Solution (HK) Limited	3	Other receivables	736,288	Operation	2%
12	Hot Link Technology Ltd.	Getac Precision (HK) Limited	3	Other receivables	276,800	Operation	1%
12	Hot Link Technology Ltd.	Getac Technology Corp.	3	Other receivables	553,600	Operation	2%
12	Hot Link Technology Ltd.	Atemitech Corporation	3	Other receivables	553,600	Operation	2%
12	Hot Link Technology Ltd.	Getac Precision Technology Vietnam Co., Ltd.	3	Other receivables	415,200	Operation	1%
12	Hot Link Technology Ltd.	Getac Technology (Kunshan) Co., Ltd.	3	Other receivables	830,400	Operation	2%
12	Hot Link Technology Ltd.	Getac Holdings Corp.	3	Other receivables	415,200	Operation	1%
13	ACE Continental Industries Ltd.	Hot Link Technology Ltd.	3	Other receivables	157,222	Operation	0%
14	Mitac Precision Developments Ltd.	Getac Precision Technology Vietnam Co., Ltd.	3	Other receivables	631,104	Operation	2%
14	Mitac Precision Developments Ltd.	MPT Solution (Vietnam) Company Limited	3	Other receivables	509,312	Operation	1%
15	Getac Inc.	Getac Video Solutions Inc.	3	Other receivables	249,120	Operation	1%
16	Suzhou Naifco Precision Ltd.	National Aerospace Fasteners Corporation	2	Sales	133,690	Note 4	0%

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: The relationship with the transaction parties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company.

(3) The consolidated subsidiary to the consolidated subsidiary.

Note 3: Ratio of asset/liability is divided by consolidated total assets, and ratio of gain/loss accounts is divided by consolidated sales revenue.

Note 4: The collection period on balances from overseas related parties is 150 days after offsetting certain receivables and payables.

The selling prices on sales to related parties are based on the market value of the goods.

Note 5: Only transaction amounts exceeding \$100 million or 20 percent of the Company's capital are disclosed.

Getac Holdings Corp. and Subsidiaries  
Information on investees (not including investees in Mainland China)  
Year ended December 31, 2021

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021		Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote	
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)				Book value
Getac Holdings Corporation	Pacific Royale Ltd.	British Virgin Islands	Investment holdings	\$ 1,281,850	\$ 1,752,325	37,220,869	100	\$ 2,851,361	\$116,701	\$116,701	
Getac Holdings Corporation	Lian Jie Investment Co., Ltd.	Taiwan	Investment holdings	113,056	113,056	11,305,650	49.98	248,023	( 1,775 )	( 887 )	
Getac Holdings Corporation	Getac Technology Corporation	Taiwan	Data management, info software, e-communication product wholesale and retail	1,146,000	411,000	123,434,000	100	1,784,315	279,055	279,055	Note 1
Getac Holdings Corporation	Hot Link Technology Ltd.	British Virgin Islands	Investment holdings	3,628,378	3,628,378	110,776,211	100	12,200,740	3,429,817	3,429,817	
Getac Holdings Corporation	Wafer Technology Corp.	Taiwan	Manufacture and sales of Magnesium alloy thixomolding	496,228	496,228	40,522,289	23.43	476,319	164,735	41,579	
Getac Holdings Corporation	Atemitech Corporation	Taiwan	Wholesale and retail of electric equipment and mold	79,091	100	7,191,000	100	173,310	93,504	93,504	Note 5
Getac Holdings Corporation	Fong Guan Investments Ltd.	Taiwan	Investment holdings	200,500	200,500	20,050,000	100	153,268	19,549	19,549	
Getac Holdings Corporation	National Aerospace Fasteners Corporation	Taiwan	Manufacture, processing, agency, and sales of source control bolts and structural parts for aircraft and ship	394,919	394,919	20,578,174	39.09	724,401	( 96,729 )	( 37,811 )	

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
				\$	\$			\$			
Getac Holdings Corporation	Advanced Medical Design Co., Ltd.	Taiwan	Manufacturing and wholesale of medical appliances	61,850	61,850	2,185,000	48.56	64,922	\$20,369	\$9,891	
Getac Holdings Corporation	Lian Jie Investment Co., Ltd. II	Taiwan	Investment holdings	48,750	48,750	4,875,000	48.75	59,834	(414)	(202)	
Getac Holdings Corporation	WHP Workflow Solutions, Inc.	U.S.A.	Software design and development	-	478,651	-	-	-	4,848	(5,457)	Note 9
Fong Guan Investments Ltd.	Waifer Technology Corp.	Taiwan	Manufacture and sales of Magnesium alloy thixomolding	200,000	200,000	20,000,000	11.57	205,027	164,735	-	
Getac Technology Corp.	Waifer Technology Corp.	Taiwan	Manufacture and sales of Magnesium alloy thixomolding	86	86	5,000	-	69	164,735	-	
Getac Technology Corp.	National Aerospace Fasteners Corporation	Taiwan	Manufacture, processing, agency, and sales of source control bolts and structural parts for aircraft and ship	2	2	92	-	2	(96,729)	-	
Getac Technology Corp.	Getac Inc.	U.S.A.	Selling, providing technical service, repair and maintenance of computers and related products for military and industrial use	86,881	86,881	1,600,000	100	467,400	144,891	-	Note 2
Getac Technology Corp.	Getac (UK) Ltd.	U.K.	Sales and repair of computer, software and relevant products	26,850	26,850	350,000	100	31,522	3,536	-	Note 2
Getac Technology Corp.	Getac Technology GmbH	Germany	Sales of computer, software and relevant products	16,377	16,377	1	100	56,833	9,314	-	Note 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021		Book value	Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)				
Getac Technology Corp.	Getac Vedio Solutions Inc.	U.S.A.	Sales of smart mobile surveillance solution (including device hardware, software, cloud technologies and consulting services)	\$ 29,640	\$ 29,640	1,000,000	100	(\$389,811)	(\$141,359)	-	Note 2
Getac Technology Corp.	WHP Workflow Solutions, Inc.	U.S.A.	Software design and development	478,651	-	314,600	80.30	453,253	4,848	-	Note 9
Pacific Royale Ltd.	Integration Technology Ltd.	British Virgin Islands	Investment holdings	63,395	63,395	2,000,001	100	66,146	(1,223)	-	
Pacific Royale Ltd.	Master China Ltd.	British Virgin Islands	Investment holdings	427,367	427,367	13,550,000	-	375,064	505,534	-	Preferred stock
Pacific Royale Ltd.	Talent View Ltd.	British Virgin Islands	Investment holdings	536,601	536,601	17,000,001	100	19	1	-	
Pacific Royale Ltd.	Victory Star Developments Ltd.	British Virgin Islands	Investment holdings	327,580	327,580	9,900,001	100	1,632,960	117,084	-	
Pacific Royale Ltd.	Harbinger Ruyi Venture Limited	British Virgin Islands	Investment holdings	31,520	31,520	1,000,000	28.57	18,385	41	-	
Pacific Royale Ltd.	Harbinger Ruyi II Venture Limited	British Virgin Islands	Investment holdings	49,320	49,320	15,000	48.39	107,375	(781)	-	
Pacific Royale Ltd.	WHP Workflow Solutions, Inc.	U.S.A.	Software design and development	79,381	79,381	77,179	19.70	100,806	4,848	-	
Hot Link Technology Ltd.	Master China Ltd.	British Virgin Islands	Investment holdings	571,813	571,813	9,900,001	100	3,385,365	505,534	-	
Hot Link Technology Ltd.	Pacific Metal Developments Ltd.	British Virgin Islands	Investment holdings and trading	-	1,287,555	-	-	-	15,826	-	The investee was disposed in June 2021.

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021		Book value	Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)				
				\$	\$						
Hot Link Technology Ltd.	Mainpower International Ltd.	British Virgin Islands	Investment holdings	1,147,343	1,147,343	35,912,843	86.72	\$1,687,992	\$147,317	-	
Hot Link Technology Ltd.	ACE Continental Industries Ltd.	British Virgin Islands	Investment holdings and trading	648,709	648,709	20,000,001	100	903,152	220,995	-	
Hot Link Technology Ltd.	Bellingham Investments Ltd.	Samoa	Investment holdings	143,264	143,264	1	100	2,161	62	-	
Hot Link Technology Ltd.	Getac Precision (HK) Limited	H.K	Investment holdings	714,215	714,215	22,172,911	100	1,541,295	(11,881)	-	Note 3、10
Hot Link Technology Ltd.	Mitac Technology Kyoto Corporation	Japan	Import/export electronic product, provide technical consulting, maintenance and repair services	32,290	32,290	1,800	100	26,156	5,323	-	
Hot Link Technology Ltd.	Mitac Precision Developments Ltd.	British Virgin Islands	Investment holdings	599,800	599,800	20,000,001	100	775,942	43,361	-	
Hot Link Technology Ltd.	MPT Solution(HK) Limited	H.K	Investment holdings and trading	279,798	598	10,020,000	100	282,501	5,169	-	Note 4
Hot Link Technology Ltd.	Running Power Ltd.	British Virgin Islands	Investment holdings	29,490	29,490	1,000,001	100	-	-	-	Note 8
Getac Precision (HK) Limited	Mass Bridge Ltd.	British Virgin Islands	Investment holdings	177,529	177,529	5,500,001	100	264,496	99,789	-	Note 3
ACE Continental Industries Ltd.	MPT Solution (Vietnam) Company Limited	Vietnam	Manufacture of printer and its components, DVD, cell phone, digital camera and PCB	648,709	648,709	N/A	100	745,735	220,973	-	Note 6

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021		Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)			
MPT Solution (Vietnam) Company Limited	MPT Solution (Hanoi) Company Limited	Vietnam	Manufacture of printer and related products	\$ 15,853	\$ 15,853	N/A	100	\$ 4,797	(\$176)	Note 7
Mass Bridge Ltd.	Getac Precision Technology Vietnam Co., Ltd.	Vietnam	Manufacture of personal computers, communication equipment, automobile electronic devices, precision punching dies, casting/forging raw parts for automobiles and motorcycles, and magnesium alloy castings	177,529	177,529	N/A	100	263,260	99,788	-
National Aerospace Fasteners Corporation	Nafo Group Ltd.	British Virgin Islands	Investment holdings	405,897	405,897	13,000,000	100	331,788	( 65,088)	-
Nafo Group Ltd.	Nafo Holdings Ltd.	British Virgin Islands	Investment holdings	405,897	405,897	13,000,000	100	330,024	( 65,088)	-

Note 1: In October 2021, Getac Corporation was renamed as Getac Technology Corporation.

Note 2: After the reorganisation in the second quarter of 2020, Getac Corporation held 100% shares of Getac Inc., Getac (UK) Ltd., Getac Technology GmbH which were originally held by Pacific Royale Ltd., of Getac (Suzhou) Mobile Ltd. which was originally held by Integration Technology Ltd. and of Getac Video Solutions Inc. which was originally held by Running Power Ltd.

Note 3: After the reorganisation in the third quarter of 2020, Getac Precision Technologies (Hong Kong) Limited held 100% shares of Mass Bridge Ltd. which was originally held by Hot Link Technology Ltd.

Note 4: Mitac Solution (HK) Limited is renamed to MPT Solution (HK) Limited in the third quarter of 2020.

Note 5: Mitac Precision Technology Corporation is renamed to Atemitech Corporation in the second quarter of 2021.

Note 6: Mitac Precision Technology Vietnam Co., Ltd. is renamed to MPT Solution (Vietnam) Company Limited in the second quarter of 2021.

Note 7: Mitac Precision Technology (HA NOI) Co., Ltd. is renamed to MPT Solution (Hanoi) Company Limited in the second quarter of 2021.

Note 8: After the reorganisation in the first quarter of 2021, Hot Link Technology Ltd. held 100% shares of Running Power Ltd. which was originally held by Pacific Royale Ltd.

Note 9: On October 1, 2021, Getac Holdings Corporation split and transferred its equity interests of WHP Workflow Solutions, Inc. to Getac Technology Corporation.

Note 10: In January 2022, Getac Precision Technologies (Hong Kong) Limited was renamed as Getac Precision (HK) Limited.



Getac Holdings Corp. and Subsidiaries  
Information on investments in Mainland China

Year ended December 31, 2021

Expressed in thousands of NTD  
(Except as otherwise indicated)

Table 9  
A. Investee in Mainland China, main business activities and related information:

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/ China/ Taiwan for the year ended December 31, 2021	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021 (Note 3)	Net income of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
Getac Technology (Kunshan) Co., Ltd.	Manufacture and sale of notebooks and related products	\$ 327,580	3	\$ 327,580	\$ -	\$ 327,580	\$ 117,084	100	\$ 117,084	\$ 1,632,826	\$ -	
Mitac Precision Technology (KunShan) Co., Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts and molding equipment processing, sales and maintenance and repair services of own products.	784,629	3	652,267	-	652,267	505,534	100	505,534	3,759,648	-	
Mitac Precision Technology (Shunde) Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts stamping parts, molding equipment processing, design and repair services, and steel plate cutting, etc.	Not applicable	Not applicable	957,846	-	957,846	11,642	-	11,642	-	-	Note 4

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted back to Taiwan from Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021 (Note 3)	Net income of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
				Amount remitted back to Taiwan for the year ended December 31, 2021	Amount remitted back to Taiwan for the year ended December 31, 2021										
Suzhou Mitac Precision Technology Co., Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts and molding equipment processing, sales and maintenance and repair services of own products.	\$ 1,589,287	3	\$ -	\$ -	\$ 112,776	\$ -	\$ -	\$ 176,069	\$ 127,756	72.56	\$ 1,689,355	\$ -	\$ -	
Fon Yang Logistic (Kunshan) Ltd.	Agency of domestic/foreign freight transport and import/export declaration and import/export trade	31,255	3	-	-	-	-	(1,236)	100	(1,236)	100	29,969	-	-	
Getac (SuZhou) Mobile Ltd.	Design and manufacture of computers and its peripherals, commercial portable global positioning system, electronic parts, mold production equipment, whole sales of office equipment and spare parts, commission agent, import/export trade and maintenance and repair services of the products.	32,140	1	-	-	4,781	-	-	2,453	2,453	100	33,532	9,539	-	
Getac Precision Technology (ChangShu) Co., Ltd.	Manufacture of magnesium alloy	623,154	3	-	-	-	-	(104,275)	100	(104,275)	100	1,253,875	-	-	

Investee in Mainland China	Main business activities	Paid-in capital	Method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Remitted to Mainland China	Amount remitted back to Taiwan for the year ended December 31, 2021	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021 (Note 3)	Net income of the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
Suzhou Naifco Precision Ltd.	Production of components for airplane and engine use	\$ 405,897	3	\$ 405,897	\$ -	\$ -	\$ 405,897	(\$65,088)	100	(\$65,088)	\$ 330,024	\$ -	
MPT Solution (Xiangcheng) Co., Ltd.	Forging manufacturing and sales	6,438	3	-	-	-	-	-	2	2	6,515	-	Note 5
B. Ceiling on investments in Mainland China:													
				Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA							
Getac Holdings Corporation (formerly Getac Technology Corporation)				2,489,238	\$	\$	3,388,079	(\$65,088)	3,388,079	\$	10,933,482		
National Aerospace Fasteners Corporation				405,897			359,840		359,840		1,064,519		
Getac Technology Corp. (formerly Getac Corporation)				4,781			29,748		29,748		1,070,588		

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

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invests in the investee in Mainland China.
- (3) Others

(a) Through investing in Pacific Royale Ltd. and its subsidiaries in a third area, which then invests in Getac Technology (Kunshan) Co., Ltd., Fon Yang Logistic (Kunshan) Ltd., and Mitac Precision Technology (Kunshan) Co., Ltd.

(b) Through investing in Hot Link Technology Ltd. and its subsidiaries in a third area, which then invests in Mitac Precision Technology (Kunshan) Co., Ltd., Suzhou Mitac Precision Technology Co., Ltd., Getac Precision Metallic Technologies (ChangShu) Ltd. and MPT Solution (Xiangcheng) Co., Ltd.

(c) Through investing in a third area establish Naifco Holdings Ltd., which then invests in Suzhou Naifco Precision Ltd.

Note 2: Recognition methods of investment income (loss) are classified into two categories as follows:

- (1) It should be indicated if the company is in the process of incorporation and have no profit or loss yet.

(2) Basis for recognising investment income (loss) is as follows:

(a) The financial statements of Getac Technology (KunShan) Co., Ltd., Mitac Precision Technology (KunShan) Co., Ltd., Suzhou Mitac Precision Technology Co., Ltd., were audited by their R.O.C. parent company's CPA.

(b) The financial statements of Suzhou Nafco Precision Ltd., were audited by National Aerospace Fasteners Corporation's CPA.

(3) The financial statements of other companies except those stated in Note 2 (2) (a) and (b) were not audited by a CPA.

Note 3: The difference between the disclosed accumulated amount of remittance from Taiwan to Mainland China for investment approved by the Investment Commission of the Ministry of Economic Affairs and the recognised amount comes from the remitted USD1,200 thousand from Mainland China to Taiwan in 2002 and USD12,000 thousand that has not been remitted from the liquidated subsidiaries in Mainland China.

Note 4: The investee was disposed in June 2021.

Getac Holdings Corp. and Subsidiaries

Major shareholders information

Year ended December 31, 2021

Table 10

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Mitac International Corp.	190,396,939	31.86%

To the Board of Directors and Stockholders of Getac Holdings Corp.

### ***Opinion***

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

In our opinion, based on our audits and the report of other auditors, as described in the *Other matter – reference to audits of other auditors* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### ***Basis for opinion***

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China for the years ended December 31, 2021 and 2020. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide

a separate opinion on these matters.

As of December 31, 2021, the Company's subsidiaries Getac Technology Corp. and its subsidiaries, National Aerospace Fasteners Corporation and its subsidiaries, Hot Link Technology Ltd. and its subsidiaries and Pacific Royale Ltd. and its subsidiaries were shown as investments accounted for under the equity method, please refer to Note 6 (6). As the balance of the above-mentioned three investees accounted for under the equity method constitute 89% of total assets of the Company, the key audit matters of these investments accounted for under the equity method were identified as significant matters in our audit of the financial statements of the current period.

The key audit matters in relation to the parent company only financial statements for the year ended December 31, 2021 are outlined as follows:

### **Evaluation of inventories**

#### Description

The Company's subsidiaries, recognized as investments accounted for under equity method, are engaged in the research, development, manufacture and sales of notebook computers, handheld equipment for military and industrial computer system, structure parts for electronic, automotive and home appliance industries, and aerospace fasteners. Due to the rapid technological innovations and market competition, there is a higher risk of inventory losses due from slow-moving inventory and obsolescence. Inventories measured at the lower of cost and net realizable value. As the determination of net realizable value of inventories is subject to subjective judgment and with uncertainty, it was identified as a key audit matter for the Company's subsidiaries recognized as investments accounted for under equity method.

#### How our audit addressed the matter

Our audit procedures performed in respect of evaluation of inventories included: Sampled and validated inventory line items from the inventory aging report, agreed quantities and amounts to inventory subledger and examined the appropriateness of categorization within the inventory aging reports; verified the classification of obsolete inventories; sampled and validated the net realizable value of slow-moving and obsolete inventories with respective historical information for diminution in inventory value in order to ensure the reasonableness of provision and inventory allowance.

## ***Recognition of sales revenue***

### Description

Sales revenue is significant to the Company's subsidiaries', recognized as investments accounted for under equity method, financial statements. Additionally, its subsidiaries sell different kinds of products with various transaction terms and require judgment in determining the timing of transferring control of goods. Consequently, it was identified as a key audit matter for the Company's subsidiaries recognized as investments accounted for under equity method.

### How our audit addressed the matter

Our audit procedures performed in respect of recognition of sales revenue included: obtained an understanding of and evaluated internal controls over the recognition of sales revenue, and tested the operating effectiveness of related control activities; sampled and validated transaction terms, performance obligations, prices, order shipping documents and assessed appropriateness of amount and timing for revenue recognition; and sampled transactions from a specific period of time prior to and after the balance sheet date and validated respective transaction terms and shipping documents in order to ensure that sales revenue were recognized in the proper period.

### ***Other matter – reference to audits of other auditors***

We did not audit the financial statements of certain direct and indirect investments accounted for under the equity method. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements and the information disclosed in Note 13 relative to these investees was based solely on the reports of other auditors. The balance of these investments accounted for under the equity method amounted to NT\$653,725 thousand and NT\$628,896 thousand, both are constituting 3% of total assets as of December 31, 2021 and 2020, respectively and comprehensive gain (loss) amounted to NT\$57,155 thousand and (NT\$26,801) thousand, constituting 1% and (1%) of the total comprehensive income for the years then ended, respectively.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers



and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Company's financial reporting process.

### ***Auditors' responsibilities for the audit of the financial statements***

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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Chien -Yu Liu

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Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan

February 25, 2022

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 174,909	1	\$ 2,185,479	10
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	7,426	-
1150	Notes receivable, net	6(4)	-	-	11,585	-
1170	Accounts receivable, net	6(4)	-	-	746,345	3
1180	Accounts receivable - related parties	6(4) and 7	-	-	464,880	2
1200	Other receivables	7	67,592	-	23,452	-
130X	Inventories	6(5)	-	-	1,937,160	8
1410	Prepayments		18,877	-	46,357	-
11XX	<b>Total Current Assets</b>		<u>261,378</u>	<u>1</u>	<u>5,422,684</u>	<u>23</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	713,863	4	610,661	3
1550	Investments accounted for under equity method	6(6)	18,736,491	95	14,949,492	64
1600	Property, plant and equipment	6(7)	22,428	-	1,244,606	5
1755	Right-of-use assets	6(8)	10,121	-	257,755	1
1780	Intangible assets	6(9)	2,937	-	9,619	-
1840	Deferred income tax assets	6(26)	4,983	-	242,051	1
1900	Other non-current assets	6(1)(12)	23,745	-	773,969	3
15XX	<b>Total Non-current Assets</b>		<u>19,514,568</u>	<u>99</u>	<u>18,088,153</u>	<u>77</u>
1XXX	<b>TOTAL ASSETS</b>		<u>\$ 19,775,946</u>	<u>100</u>	<u>\$ 23,510,837</u>	<u>100</u>

(Continued)

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10)	\$ -	-	\$ 406,768	2
2120	Financial liabilities at fair value through profit or loss - current	6(11)	1,454	-	6,103	-
2130	Contract liabilities - current	6(19)	-	-	39,848	-
2170	Accounts payable		-	-	953,920	4
2180	Accounts payable - related parties	7	-	-	2,551,445	11
2200	Other payables	7	529,132	3	1,630,327	7
2230	Current income tax liabilities	6(26)	327,835	1	399,627	2
2250	Provisions for liabilities - current	6(14)	-	-	189,244	1
2280	Lease liabilities - current		5,124	-	89,466	-
2365	Refund liabilities - current		-	-	58,275	-
2399	Other current liabilities, others		9,613	-	2,931	-
21XX	<b>Total Current Liabilities</b>		<u>873,158</u>	<u>4</u>	<u>6,327,954</u>	<u>27</u>
<b>Non-current liabilities</b>						
2527	Contract liabilities - non-current	6(19)	-	-	20,378	-
2550	Provisions for liabilities - non-current	6(14)	-	-	490,762	2
2560	Current tax liabilities - non-current	6(26)	25,278	-	75,834	-
2570	Deferred tax liabilities	6(26)	649,766	4	-	-
2580	Lease liabilities - non-current		5,273	-	179,908	1
2600	Other non-current liabilities	6(12)	-	-	170,954	1
25XX	<b>Total Non-current Liabilities</b>		<u>680,317</u>	<u>4</u>	<u>937,836</u>	<u>4</u>
2XXX	<b>Total Liabilities</b>		<u>1,553,475</u>	<u>8</u>	<u>7,265,790</u>	<u>31</u>
<b>Equity</b>						
Share capital						
3110	Common stock	6(15)	5,976,984	30	5,892,477	25
Capital surplus						
3200	Capital surplus	6(16)	3,457,936	17	3,264,236	14
Retained earnings						
3310	Legal reserve	6(17)	2,212,079	11	1,952,202	8
3320	Special reserve		682,230	4	741,623	3
3350	Unappropriated retained earnings		7,055,665	36	5,076,740	22
Other equity						
3400	Other equity interest	6(18)	( 1,162,423)	( 6)	( 682,231)	( 3)
3XXX	<b>Total Equity</b>		<u>18,222,471</u>	<u>92</u>	<u>16,245,047</u>	<u>69</u>
Significant Contingent Liabilities and Unrecognised Contract Commitments						
3X2X	<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 19,775,946</u>	<u>100</u>	<u>\$ 23,510,837</u>	<u>100</u>

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

**GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19) and 7	\$ 10,050,675	100	\$ 11,562,278	100
5000	Operating costs	6(5)(24)(25) and 7	( 6,296,563)	( 63)	( 7,634,157)	( 66)
5900	Gross profit		3,754,112	37	3,928,121	34
5910	Unrealized profit on sales		-	-	( 23,051)	-
5920	Realized profit on sales		23,051	-	140,660	1
5950	Net gross margin		3,777,163	37	4,045,730	35
	Operating expenses	6(24)(25) and 7				
6100	Selling expenses		( 599,976)	( 6)	( 772,031)	( 6)
6200	Administrative expenses		( 643,664)	( 6)	( 667,173)	( 6)
6300	Research and development expenses		( 673,173)	( 7)	( 934,561)	( 8)
6000	Total operating expenses		( 1,916,813)	( 19)	( 2,373,765)	( 20)
6900	Operating profit		1,860,350	18	1,671,965	15
	Non-operating income and expenses					
7100	Interest income	6(20)	8,288	-	7,572	-
7010	Other income	6(21)	71,939	1	74,905	-
7020	Other gains and losses	6(22)	( 27,352)	-	( 22,540)	-
7050	Finance costs	6(23)	( 12,394)	-	( 12,188)	-
7070	Share of profit of associates and joint ventures accounted for under equity method	6(6)				
			3,232,193	32	1,258,644	11
7000	Total non-operating income and expenses		3,272,674	33	1,306,393	11
7900	<b>Profit before income tax</b>		5,133,024	51	2,978,358	26
7950	Income tax expense	6(26)	( 859,231)	( 9)	( 401,319)	( 4)
8200	<b>Profit for the year</b>		\$ 4,273,793	42	\$ 2,577,039	22
	<b>Other comprehensive income (net)</b>					
	<b>Items that will not be reclassified to profit or loss</b>					
8311	Remeasurement of defined benefit obligations	6(12)	(\$ 1,384)	-	(\$ 3,554)	-
8316	Unrealized gains on equity instruments at fair value through other comprehensive income	6(3)	69,695	1	72,731	1
8330	Share of other comprehensive income of subsidiaries associates and joint ventures	6(6)	162,181	2	131,331	1
8349	Income tax benefits related to item that will not be reclassified subsequently	6(26)	277	-	711	-
8310	Other comprehensive income that will not be reclassified to profit or loss		230,769	3	201,219	2
	<b>Items that will be reclassified to profit or loss</b>					
8380	Share of other comprehensive loss of subsidiaries, associates and joint ventures	6(6)	( 681,434)	( 7)	( 120,096)	( 1)
8360	Other comprehensive loss that will be reclassified to profit or loss		( 681,434)	( 7)	( 120,096)	( 1)
8300	<b>Other comprehensive (loss) income for the year, net of tax</b>		( \$ 450,665)	( 4)	\$ 81,123	1
8500	<b>Total comprehensive income for the year</b>		\$ 3,823,128	38	\$ 2,658,162	23
	Basic earnings per share	6(27)				
9750	Profit for the year		\$ 7.20		\$ 4.40	
9850	Diluted earnings per share	6(27)				
	Profit for the year		\$ 7.06		\$ 4.31	

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

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Retained Earnings					Other equity interest			Total equity
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Currency translation differences	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity	
Year ended December 31, 2020										
Balance at January 1, 2020		\$ 5,830,022	\$ 3,083,657	\$ 1,739,599	\$ 412,996	\$ 4,652,080	(\$ 615,273)	(\$ 126,351)	\$ 14,976,730	
Net income for the year	6(18)	-	-	-	-	2,577,039	-	-	2,577,039	
Other comprehensive (loss) income for the year		-	-	-	-	(2,299)	(120,096)	203,518	81,123	
Total comprehensive income (loss)		-	-	-	-	2,574,740	(120,096)	203,518	2,658,162	
Appropriations of 2019 earnings										
Legal reserve	6(17)	-	-	212,603	-	(212,603)	-	-	-	
Special reserve		-	-	-	328,627	(328,627)	-	-	-	
Cash dividends		-	-	-	-	(1,632,879)	-	-	(1,632,879)	
Exercise of employee stock options	6(13)(16)	62,455	140,617	-	-	-	-	-	203,072	
Change in associates and joint ventures accounted for under equity method	6(16)	-	-	-	-	24,029	-	(24,029)	1,637	
Compensation cost of share-based payment	6(13)(16)	-	1,637	-	-	-	-	-	1,637	
Balance at December 31, 2020		\$ 5,892,477	\$ 3,264,236	\$ 1,952,202	\$ 741,623	\$ 5,076,740	(\$ 735,369)	\$ 53,138	\$ 16,245,047	
Year ended December 31, 2021										
Balance at January 1, 2021		\$ 5,892,477	\$ 3,264,236	\$ 1,952,202	\$ 741,623	\$ 5,076,740	(\$ 735,369)	\$ 53,138	\$ 16,245,047	
Net income for the year		-	-	-	-	4,273,793	-	-	4,273,793	
Other comprehensive (loss) income for the year	6(18)	-	-	-	-	(1,117)	(681,434)	231,886	(450,665)	
Total comprehensive income (loss)		-	-	-	-	4,272,676	(681,434)	231,886	3,823,128	
Appropriations of 2020 earnings										
Legal reserve	6(17)	-	-	259,877	-	(259,877)	-	-	-	
Special reserve		-	-	-	(59,393)	59,393	-	-	-	
Cash dividends		-	-	-	-	(2,123,911)	-	-	(2,123,911)	
Exercise of employee stock options	6(13)(16)	84,507	176,203	-	-	-	-	-	260,710	
Change in associates and joint ventures accounted for under equity method	6(16)	-	6,101	-	-	30,644	-	(30,644)	6,101	
Compensation cost of share-based payment	6(13)(16)	-	11,396	-	-	-	-	-	11,396	
Balance at December 31, 2021		\$ 5,976,984	\$ 3,457,936	\$ 2,212,079	\$ 682,230	\$ 7,055,665	(\$ 1,416,803)	\$ 254,380	\$ 18,222,471	

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

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 5,133,024	\$ 2,978,358
Adjustments			
Adjustments to reconcile profit (loss)			
Realized profit on sales		( 23,501 )	( 117,609 )
Depreciation	6(7)(8)(24)	161,263	190,030
Amortization on intangible assets	6(9)(24)	5,966	7,608
Provision for (reversal of) expected credit loss		51	( 1,616 )
Loss (gain) on valuation of financial assets and liabilities at fair value through profit or loss	6(2)(11)(22)	2,402	( 4,898 )
Interest expense	6(23)	12,394	12,188
Interest income	6(20)	( 8,288 )	( 7,573 )
Dividend income	6(21)	( 10,300 )	( 11,464 )
(Gain) loss on disposal of property, plant and equipment	6(7)(22)	( 740 )	1,311
Benefit of lease modification		( 7 )	( 333 )
Share of profit of associates and joint ventures accounted for under equity method	6(6)	( 3,945,740 )	( 1,258,644 )
Compensation cost of share-based payment	6(13)	11,396	38,325
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable - net		11,585	( 11,447 )
Accounts receivable - net		( 143,398 )	( 49,443 )
Accounts receivable-related parties		68,485	170,141
Other receivables		( 4,383 )	9,505
Inventories		( 1,289,586 )	( 67,435 )
Prepayments		( 4,105 )	85,576
Other non-current assets		( 2,047 )	-
Changes in operating liabilities			
Contract liabilities		228,037	( 48,360 )
Accounts payable		( 8,140 )	16,521
Accounts payable - related parties		783,446	466,950
Other payables		( 55,534 )	36,460
Refund liabilities		49,315	( 20,382 )
Other non-current liabilities		( 166,168 )	( 2,120 )
Provisions for liabilities		50,546	48,458
Other current liabilities, others		6,682	( 8,147 )
Cash inflow generated from operations		862,655	2,451,960
Interest paid		( 7,033 )	( 12,306 )
Interest received		8,182	7,742
Dividends received		64,872	911,111
Income tax paid		( 353,912 )	( 102,628 )
Net cash flows from operating activities		<u>574,764</u>	<u>3,255,879</u>

(Continued)



GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in financial assets measured at amortized cost - current		\$ -	\$ 400,000
Acquisition of non-current financial assets at fair value through other comprehensive income		( 55,439 )	( 17,087 )
Proceeds from capital reduction of financial assets measured at fair value through other comprehensive income - non-current		21,932	-
Increase in other receivables - related parties		( 40,000 )	-
Acquisition of investment accounted for under the equity method	7	( 735,000 )	( 400,000 )
Proceeds from capital reduction of for investments accounted for under the equity method		470,475	-
Acquisition of property, plant and equipment	6(28) and 7	( 83,205 )	( 1,095,211 )
Proceeds from disposal of property, plant and equipment		906	85
Acquisition of intangible assets	6(9)	( 5,212 )	( 3,866 )
Decrease (increase) in refundable deposits		6,588	( 2,404 )
Decrease (increase) in other financial assets - non-current		737,586	( 737,586 )
Split cash to the subsidiaries	6(28)	( 1,110,261 )	-
Net cash flows used in investing activities		<u>( 791,630 )</u>	<u>( 1,856,069 )</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings		( 406,768 )	73,560
Increase in other payables - related parties	7	546,275	284,800
Cash dividends paid	6(17)	( 2,123,911 )	( 1,632,879 )
Repayment of lease liabilities	6(8)	( 68,304 )	( 82,001 )
(Decrease) increase in guarantee deposits received		( 1,706 )	6,160
Proceeds from exercise of employee stock options		260,710	203,072
Net cash flows used in financing activities		<u>( 1,793,704 )</u>	<u>( 1,147,288 )</u>
Net (decrease) increase in cash and cash equivalents		( 2,010,570 )	252,522
Cash and cash equivalents at beginning of year		2,185,479	1,932,957
Cash and cash equivalents at end of year		<u>\$ 174,909</u>	<u>\$ 2,185,479</u>

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

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
 EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

Getac Holdings Corp. (formerly Getac Technology Corp.)(the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in general investment. The Company was engaged in the research, development, manufacture and sales of notebook computers, hardware, software for military and industrial computer system before transformation.

To enhance market competitiveness and overall operating performance, the Company intended to transform its organizational structure. The Company split and transferred related operations (including assets, liabilities and operating) of the Company’s Rugged Solutions Business Group and Mechatronic & Energy Solutions Business Group to the Company’s wholly-owned subsidiaries, Getac Technology Corporation (formerly Getac Corporation) and Atemitech Corporation (formerly Mitac Precision Technology Corporation) as approved by the shareholders on July 14, 2021, and the effective date for the spin-off was set on October 1, 2021. The Company formerly named Getac Technology Corporation was renamed as Getac Holdings Corporation as a result of its transformation as a holding company. The Company is primarily engaged in general investment.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized for issuance by the Board of Directors on February 25, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021

<u>New Standards, Interpretations and Amendments</u>	Effective date by International Accounting Standards Board
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 Company's financial condition and financial performance based on the Company's assessment.

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment. The quantitative impact will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. Except for the following items, the parent company only 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 at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company

only financial statements. Information is provided in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

- (a) The operating results and financial position of all the Company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the spot exchange rate prevailing at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company still retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, or losing joint control of the former jointly controlled entity, such

transactions should be accounted for as disposal of all interest in these foreign operations.

- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

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

The company classifies all liabilities that do not meet the above criteria as non-current liabilities.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents. Time deposits over 3 months not meeting the definition of cash equivalents are classified as financial assets at amortised cost and other financial assets.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the

transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

**(7) Financial assets at fair value through other comprehensive income**

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

**(8) Financial assets at amortised cost**

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

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

- B. On a regular way purchase or sale basis, financial assets at amortized cost are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

(12) Leasing arrangements (lessor) – lease receivables/ operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for under equity method / subsidiary and associates

A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Company are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised



in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership. The capital surplus was transferred proportionally to profit or loss when the associates are subsequently disposed.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- M. In accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the profit or loss and other comprehensive income or loss presented on the parent company only financial statements are consistent with those presented on the consolidated financial statements. In addition, owner's equity presented on the parent company only is consistent with equity attributable to owners of parent presented on the consolidated financial statements.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3 years
Machinery and equipment	3 years ~ 12 years
Office equipment	3 years ~ 10 years
Other equipment	3 years ~ 10 years

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

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

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

Lease payments are comprised of the following:

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

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

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Intangible assets

Computer software expenditures are stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 3 years.

(18) Impairment of non-financial assets

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

(19) Borrowings

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

(20) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

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

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(22) Derecognition of financial liabilities

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

(23) Offsetting financial instruments

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

(24) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(25) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

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

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

Employees' bonus and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognised based on the accounting for changes in estimates.

(26) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have

been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(28) Share capital

- A. Ordinary shares are classified as equity. The classification of preferred shares is determined according to the special rights attached to preferred shares based on the substance of the contract and the definition of financial liabilities and equity instruments. Preferred shares are classified as liabilities when they have the basic characteristics of financial liabilities; otherwise, they are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, and is included in equity attributable to the Company's equity holders.

(29) Dividends

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

(30) Revenue recognition

Sales of goods

- A. The Company manufactures and sells notebook computers, hardware, and software for military and industrial computer systems. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products

have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

- B. Revenue from sales is recognised based on the price specified in the contract, net of the estimated sales returns as well as sales discounts and allowances. The sales usually are made with a credit term of 5 months. The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.
- C. The Company's obligation to provide maintenance for faulty products under the standard warranty terms is recognised as a provision.
- D. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. There are no critical accounting judgements, estimates and key sources of assumption uncertainty in the Company.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Checking accounts and demand deposits	\$ 174,909	\$ 2,185,479

- A. The Company 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 Company has no cash and cash equivalents pledged to others.
- C. In accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act, the Company classified restricted cash as other non-current financial assets in the amount of \$737,586 for the year ended December 31, 2020.



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

December 31, 2021: None.

	<u>December 31, 2020</u>
Current items:	
Financial assets mandatorily measured at fair value through profit or loss	
Non-hedging derivatives	\$ <u>-</u>
	-
Valuation adjustment	<u>7,426</u>
Total	<u>\$ 7,426</u>

A. The Company recognised net (loss) gain of (\$7,051) and \$7,426 on financial assets mandatorily measured at fair value through profit or loss for the years ended December 31, 2021 and 2020, respectively.

B. The non-hedging derivative instruments transaction and contract information are as follows:

December 31, 2021: None.

	<u>December 31, 2020</u>		
	Notional Amount (in thousands)	<u>Contract Terms</u>	
Item		Strike Rate	Settlement Date
Sales of forward foreign exchange	USD 22,000	28.237~28.690(Note1)	2021.01.15~2021.03.22

Note 1: Advance booking USD to buy NTD.

The Company signed forward exchange in order to hedge foreign exchange risk from the prices of imports and exports; however, the Company did not apply hedge accounting.

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

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 266,117	\$ 266,117
Unlisted stocks	<u>286,245</u>	<u>252,738</u>
	552,362	518,855
Valuation adjustments	<u>161,501</u>	<u>91,806</u>
Total	<u>\$ 713,863</u>	<u>\$ 610,661</u>

A. Above equity instruments were held for middle and long-term investments, therefore they were classified as financial assets at fair value through other comprehensive income.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 69,695</u>	<u>\$ 72,731</u>

C. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Notes and accounts receivable

December 31, 2021: None.

	<u>December 31, 2020</u>
Notes receivable	<u>\$ 11,585</u>
Accounts receivable	\$ 746,579
Accounts receivable-related parties	464,880
Less: Allowance for uncollectible accounts	( 234)
	<u>\$ 1,211,225</u>

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

December 31, 2021: None.

	<u>December 31, 2020</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 1,117,315	\$ 11,585
1 to 90 days	94,068	-
91 to 180 days	74	-
Over 180 days	2	-
	<u>\$ 1,211,459</u>	<u>\$ 11,585</u>

The above aging analysis was based on past due date.

B. As of December 31, 2020, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2020, the balance of receivables from contracts with customers amounted to \$1,332,157.

C. The Company does not hold any collateral as security.

D. As at December 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 Company's notes receivable was \$11,585, and accounts receivable was \$1,211,459.

E. Information relating to credit risk is provided in Note 12(2).

(5) Inventories

December 31, 2021: None.

	<u>December 31, 2020</u>	
Raw materials	\$	1,349,165
Finished goods		438,750
In-transit inventories		<u>149,245</u>
Total	\$	<u><u>1,937,160</u></u>

The cost of inventories recognised as expense for the year:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Cost of goods sold	\$ 6,199,807	\$ 7,585,677
Loss on decline in market price and obsolete and slow-moving inventories	<u>44,491</u>	<u>32,567</u>
	<u>\$ 6,244,298</u>	<u>\$ 7,618,244</u>

(6) Investments accounted for under equity method

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries:		
Hot Link Technology Ltd.	\$ 12,200,740	\$ 9,369,872
Pacific Royale Ltd.	2,851,360	3,189,521
National Aerospace Fasteners Corporation	724,401	772,831
WHP Workflow Solutions, Inc.	-	478,140
Getac Technology Corporation	1,784,314	257,217
Fong Guan Investment Ltd.	153,268	134,082
Atemitech Corporation	173,310	6
Associates:		
Waffer Technology Corp.	476,319	459,662
Lian Jie Investment Co., Ltd.	248,023	168,252
Advanced Medical Design	64,922	55,592
Lian Jie Investment Co., Ltd. II	<u>59,834</u>	<u>64,317</u>
	<u>\$ 18,736,491</u>	<u>\$ 14,949,492</u>

A. Subsidiaries

- (a) For details on subsidiaries, please refer to Note 4(3) of consolidated financial statements for the year ended December 31, 2021.
- (b) On October 1, 2021, Getac Holdings Corporation split and transferred related operations to Getac Technology Corporation and Atemitech Corporation, and acquired equity interest of Getac Technology Corporation from capital increase, please refer to Note 7.

B. Associates:

(a) The basic information of the associates that are material to the Company is as follows:

Company name	Principal place of business	Shareholding ratio		Method of measurement
		December 31, 2021	December 31, 2020	
Waffer Technology Corp.	Taiwan	23.43%	23.92%	Equity method
Lian Jie Investment Co., Ltd.	Taiwan	49.98%	49.98%	Equity method

(b) The summarized financial information of the associates that are material to the Company is shown below:

Balance sheets

	Waffer Technology Corp.	
	December 31, 2021	December 31, 2020
Current assets	\$ 2,525,136	\$ 2,392,265
Non-current assets	2,601,481	2,067,587
Current liabilities	( 2,553,473)	( 1,969,383)
Non-current liabilities	( 102,788)	( 112,868)
Total net assets	<u>\$ 2,470,356</u>	<u>\$ 2,377,601</u>
Share in associate's net assets	\$ 579,945	\$ 569,409
Unrealised gain on lands sold to the Company by Waffer Technology Corp.	( 164,362)	( 170,453)
Unrealised losses on inter-Affiliate Accounts	27,689	27,689
Goodwill	33,047	33,047
Carrying amount of associate	<u>\$ 476,319</u>	<u>\$ 459,692</u>

	Lian Jie Investment Co., Ltd.	
	December 31, 2021	December 31, 2020
Current assets	\$ 135,613	\$ 8,988
Non-current assets	368,440	327,721
Current liabilities	( 7,818)	( 80)
Non-current liabilities	-	-
Total net assets	<u>\$ 496,235</u>	<u>\$ 336,629</u>
Share in associate's net assets	\$ 248,023	\$ 168,252
Goodwill	-	-
Carrying amount of associate	<u>\$ 248,023</u>	<u>\$ 168,252</u>

Statements of comprehensive income

	Waffer Technology Corp.	
	Years ended December 31,	
	2021	2020
Revenue	\$ 2,824,307	\$ 1,997,427
Profit for the year from continuing operations	\$ 164,735	\$ 649,834
Loss for the year from discontinued operations	-	-
Other comprehensive loss, net of tax	( 19,457)	( 14,768)
Total comprehensive income	\$ 145,278	\$ 635,066
Dividends received from associates	\$ 24,236	\$ -

	Lian Jie Investment Co., Ltd.	
	Years ended December 31,	
	2021	2020
Revenue	\$ 5,715	\$ 5,702
(Loss) profit for the year from continuing operations	(\$ 1,793)	\$ 5,565
Loss for the year from discontinued operations	-	-
Other comprehensive income, net of tax	176,715	115,984
Total comprehensive income	\$ 174,922	\$ 121,549
Dividends received from associates	\$ 7,665	\$ 1,913

- (c) As of December 31, 2021 and 2020, the carrying amount of the Company's individually immaterial associates amounted to \$124,756 and \$119,909, respectively and the Company's share of the operating results are summarized below:

	Years ended December 31,	
	2021	2020
Profit (loss) for the year from continuing operations	\$ 19,955	(\$ 11,724)
Other comprehensive income, net of tax	5,367	104,949
Total comprehensive income	\$ 25,322	\$ 93,225

- (d) The Company's material associate, Waffer Technology Corp., has quoted market prices. As of December 31, 2021 and 2020, the fair value was \$1,572,266 and \$771,950, respectively.

(e) The Company and its subsidiaries are the single largest shareholder of Waffer Technology Corp. with a 35% equity interest. The Company and its subsidiaries have no current ability to direct the management decisions and operation strategy of Waffer Technology Corp., including strategical decision (such as financing, acquisition, personnel policies and dividend policy). Also, the shares which were held by the Company and its subsidiaries cannot reach the statutory attendance rate of the shareholders' meeting, which indicates that the Company and its subsidiaries have no current ability to direct the relevant activities of Waffer Technology Corp., the Company has no control force, but only has significant influence, over the investee.

(7) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Mold equipment	Other equipment	Total
<u>At January 1, 2021</u>							
Cost	\$ 1,003,000	\$ 27,000	\$ 60,760	\$ 18,716	\$ 188,241	\$ 360,431	\$ 1,658,148
Accumulated depreciation	-	( 5,250)	( 41,264)	( 12,926)	( 111,769)	( 242,333)	( \$ 413,542)
	<u>\$ 1,003,000</u>	<u>\$ 21,750</u>	<u>\$ 19,496</u>	<u>\$ 5,790</u>	<u>\$ 76,472</u>	<u>\$ 118,098</u>	<u>\$ 1,244,606</u>
<u>2021</u>							
Opening net book amount as at January 1	\$ 1,003,000	\$ 21,750	\$ 19,496	\$ 5,790	\$ 76,472	\$ 118,098	\$ 1,244,606
Additions	-	-	4,868	703	29,616	43,401	78,588
Disposals	-	-	-	-	-	( 166)	( 166)
Reclassifications	-	-	1,928	-	577	( 2,505)	-
Splits and transfers	( 1,003,000)	( 15,000)	( 22,928)	( 4,395)	( 58,887)	( 102,084)	( 1,206,294)
Depreciation charge	-	( 6,750)	( 3,364)	( 1,848)	( 47,778)	( 34,566)	( 94,306)
Closing net book amount as at December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 22,178</u>	<u>\$ 22,428</u>
<u>At December 31, 2021</u>							
Cost	\$ -	\$ -	\$ -	\$ 9,468	\$ -	\$ 62,225	\$ 71,693
Accumulated depreciation	-	-	-	( 9,218)	-	( 40,047)	( 49,265)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 22,178</u>	<u>\$ 22,428</u>

	Land	Buildings	Machinery and equipment	Office equipment	Mold equipment	Other equipment	Total
<u>At January 1, 2020</u>							
Cost	\$ -	\$ -	\$ 39,401	\$ 13,856	\$ 143,266	\$ 327,662	\$ 524,185
Accumulated depreciation	-	-	(25,160)	(11,456)	(51,553)	(213,474)	(\$ 301,643)
	\$ -	\$ -	\$ 14,241	\$ 2,400	\$ 91,713	\$ 114,188	\$ 222,542
<u>2020</u>							
Opening net book amount as at January 1	\$ -	\$ -	\$ 14,241	\$ 2,400	\$ 91,713	\$ 114,188	\$ 222,542
Additions	900,000	27,000	2,050	2,270	44,975	152,075	1,128,370
Disposals	-	-	-	-	-	(1,396)	(1,396)
Reclassifications	103,000	-	7,650	2,590	-	(113,240)	-
Depreciation charge	-	(5,250)	(4,445)	(1,470)	(60,216)	(33,529)	(104,910)
Closing net book amount as at December 31	\$ 1,003,000	\$ 21,750	\$ 19,496	\$ 5,790	\$ 76,472	\$ 118,098	\$ 1,244,606
<u>At December 31, 2020</u>							
Cost	\$ 1,003,000	\$ 27,000	\$ 60,760	\$ 18,716	\$ 188,241	\$ 360,431	\$ 1,658,148
Accumulated depreciation	-	(5,250)	(41,264)	(12,926)	(111,769)	(242,333)	(413,542)
	\$ 1,003,000	\$ 21,750	\$ 19,496	\$ 5,790	\$ 76,472	\$ 118,098	\$ 1,244,606



(8) Leasing arrangements—lessee

- A. The Company leases various assets including buildings and office equipment. Rental contracts are typically made for periods of 2 to 7 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, but leased buildings may not be used for subleasing to others.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 7,297	\$ 254,113
Office equipment	2,824	3,642
	<u>\$ 10,121</u>	<u>\$ 257,755</u>

	<u>Years ended December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 65,695	\$ 83,906
Office equipment	1,262	1,214
	<u>\$ 66,957</u>	<u>\$ 85,120</u>

- C. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$8,923 and \$26,843, respectively.
- D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended December</u>	<u>Year ended December</u>
	<u>31, 2021</u>	<u>31, 2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 1,412</u>	<u>\$ 3,442</u>

- E. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases were \$69,716 and \$85,443, respectively.
- F. Some of the Company's lease contracts contain variable lease payment terms, and the payments are subject to adjustments based on the Consumer Price Index.

(9) Intangible assets (Computer software)

	Years ended December 31,	
	2021	2020
<u>At January 1</u>		
Cost	\$ 51,941	\$ 48,075
Accumulated amortisation	( 42,322)	( 34,714)
	<u>\$ 9,619</u>	<u>\$ 13,361</u>
Opening net book amount as at January 1	\$ 9,619	\$ 13,361
Additions	5,212	3,866
Splits and transfers	( 5,928)	-
Amortisation charge	( 5,966)	( 7,608)
Closing net book amount as at December 31	<u>\$ 2,937</u>	<u>\$ 9,619</u>
<u>At December 31</u>		
Cost	\$ 23,094	\$ 51,941
Accumulated amortisation	( 20,157)	( 42,322)
	<u>\$ 2,937</u>	<u>\$ 9,619</u>

Details of amortization of intangible assets are as follows:

	Years ended December 31,	
	2021	2020
Selling expenses	\$ 535	\$ 676
Administrative expenses	4,432	5,534
Research and development expenses	999	1,398
	<u>\$ 5,966</u>	<u>\$ 7,608</u>

(10) Short-term borrowings

December 31, 2021: None.

	December 31, 2020	Interest rate range
<u>Type of borrowings</u>		
Unsecured bank loans	<u>\$ 406,768</u>	0.56%~0.75%

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging derivatives	\$ -	\$ -
	-	-
Valuation adjustment	<u>1,454</u>	<u>6,103</u>
Total	<u>\$ 1,454</u>	<u>\$ 6,103</u>

A. The Company recognised net gain (loss) of \$4,649 and (\$2,528) on financial liabilities held for trading for the years ended December 31, 2021 and 2020, respectively.

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

	<u>December 31, 2021</u>		
	Notional Amount (in thousands)	<u>Contract Terms</u>	
Item		Strike Rate	Settlement Date
Foreign exchange swaps	EUR 12,000	27.803~27.812 (Note 1)	2022.03.17~2022.03.22

Note 1: Advance booking USD to sell TWD.

	<u>December 31, 2020</u>		
	Notional Amount (in thousands)	<u>Contract Terms</u>	
Item		Strike Rate	Settlement Date
Sales of forward foreign exchange	EUR 3,700	1.1927~1.2232 (Note 1)	2021.01.28~2021.02.24
"	EUR 5,800	33.617~34.315 (Note 2)	2021.01.06~2021.02.09
"	USD 5,000	28.089~28.090 (Note 3)	2021.03.02~2021.03.10

Note 1: Advance booking EUR to buy USD.

Note 2: Advance booking EUR to buy TWD.

Note 3: Advance booking USD to buy TWD.

The Company signed forward exchange and foreign exchange swaps to hedge exchange rate risk of import and export proceeds and exchange of NTD and foreign currencies. However, the Company did not apply hedge accounting.

(12) Pensions

A.(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees for services provided prior to July 1, 2005, and employees who choose to remain in the defined benefit pension plan subsequent to the enforcement of the Labor Pension Act on July 1, 2005. Under the defined benefit pension plans, employees are entitled to two base points for every year of service for the first 15 years and one base point for each additional year thereafter, up to a maximum of 45 base points. The pension payment to employees is computed based on years of service and average salaries or wages of the last six months prior to approved retirement. The Company contributes an amount equal to 2% of salaries and wages paid each month to a pension fund. The pension fund is administered by a pension fund monitoring committee (the “Committee”) and deposited under the Committee’s name in the Bank of Taiwan. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

(b) The Company reached an agreement with employees whose pensions contributed under defined benefit pension plans to settle service years of defined benefit pension plans in accordance with the Labor Standards Act and the Labor Pension Act. No pension under defined benefit pension plans would be contributed after settling service years of defined benefit pension plans on July 1, 2021. The collection of overpayments of pensions after settling employees’ service years is currently being processed by the Department of Labor, Taoyuan City Government.

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	\$ -	(\$ 276,983)
Fair value of plan assets	<u>2,047</u>	<u>112,199</u>
Net defined benefit assets (liability)	<u>\$ 2,047</u>	<u>(\$ 164,784)</u>

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets (liability)
<u>Year ended December 31, 2021</u>			
Balance at January 1	(\$ 276,983)	\$ 112,199	(\$ 164,784)
Current service cost	( 385)	-	( 385)
Interest (expense) income	( 1,039)	427	( 612)
Gain on repayment	43,199	-	43,199
	<u>( 235,208)</u>	<u>112,626</u>	<u>( 122,582)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,056	1,056
Change in demographic assumptions	( 7,634)	-	( 7,634)
Experience adjustments	5,194	-	5,194
	<u>( 2,440)</u>	<u>1,056</u>	<u>( 1,384)</u>
Pension fund contribution	-	100,018	100,018
Paid pension	237,648	( 211,653)	25,995
Balance at December 31	<u>\$ -</u>	<u>\$ 2,047</u>	<u>\$ 2,047</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2020</u>			
Balance at January 1	(\$ 274,382)	\$ 111,031	(\$ 163,351)
Current service cost	( 501)	-	( 501)
Interest (expense) income	( 2,058)	845	( 1,213)
	<u>( 276,941)</u>	<u>111,876</u>	<u>( 165,065)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	3,645	3,645
Change in demographic assumptions	( 427)	-	( 427)
Change in financial assumptions	( 7,167)	-	( 7,167)
Experience adjustments	395	-	395
	<u>( 7,199)</u>	<u>3,645</u>	<u>( 3,554)</u>
Pension fund contribution	-	3,121	3,121
Paid pension	7,157	( 6,443)	714
Balance at December 31	<u>(\$ 276,983)</u>	<u>\$ 112,199</u>	<u>(\$ 164,784)</u>

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

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

	Years ended December 31,	
	2021	2020
Discount rate	0.50%	0.50%
Future salary increases	3.00%	3.00%

Future mortality rate was estimated based on the 5th and 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2021 and 2020.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Futures salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	\$ -	\$ -	\$ -	\$ -
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 7,168)	\$ 7,442	\$ 7,145	(\$ 6,922)

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis did not change compared to the previous period.

B.(a) Effective July 1, 2005, the Company has 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 contributes 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 pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2021 and 2020 were \$31,619 and \$38,369, respectively.

(13) Share-based payment

A. For the years ended December 31, 2021 and 2020, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in thousands of shares)	Contract period	Vesting conditions
Seventh employee stock options	July 26, 2017	20,000	6 years	2 years' service vested 50% 3 years' service vested 75% 4 years' service vested 100%
Eighth employee stock options	October 11, 2018	20,000	6 years	2 years' service vested 50% 3 years' service vested 75% 4 years' service vested 100%

B. Details of the seventh employee stock options are set forth below:

(a) Details of seventh employee stock options for the years ended December 31, 2021 and 2020 are set forth below:

	2021		2020	
	No. of options (in thousands of shares)	Weighted average exercise price (in NT dollars)	No. of options (in thousands of shares)	Weighted average exercise price (in NT dollars)
Options outstanding at January 1	11,147	\$ 32.70	15,423	\$ 34.60
Options exercised	( 4,736)	31.30	( 4,051)	33.17
Options forfeited	( 93)	-	( 225)	-
Options outstanding at December 31	<u>6,318</u>	30.80	<u>11,147</u>	32.70
Options exercisable at December 31	<u>6,318</u>	30.80	<u>6,539</u>	32.70

(b) Information on the seventh employee stock options outstanding as of December 31, 2021 and 2020 is as follows:

	December 31, 2021	December 31, 2020
Expected weighted average residual years	1.57 years	2.57 years



C. The Company estimated the fair value of seventh employee stock options as of grant date under the Black-Scholes option model. The weighted-average parameters used in the estimation of fair value are as follows:

	<u>Grant date-July 26, 2017</u>
Exercise price (in dollars)	\$42.25
Ratio of cash dividends	5%
Expected price volatility	34.39%
Risk-free interest ratio	0.7091%~0.7678%
Expected option life (years)	5.42
Fair value per share (in dollars)	\$7.2428~\$7.5272

D. Details of the eighth employee stock options are set forth below:

(a) Details of the eighth employee stock options for the years ended December 31, 2021 and 2020 are set forth below:

	<u>2021</u>		<u>2020</u>	
	No. of options ( in thousands of shares)	Weighted average exercise price (in dollars)	No. of options ( in thousands of shares)	Weighted average exercise price (in dollars)
Options outstanding at January 1	16,230	\$ 31.30	19,470	\$ 33.20
Options exercised	( 3,714)	30.28	( 2,195)	31.30
Options forfeited	( 400)	-	( 1,045)	-
Options outstanding at December 31	<u>12,116</u>	29.50	<u>16,230</u>	31.30
Options exercisable at December 31	<u>7,610</u>	29.50	<u>7,018</u>	31.30

(b) Information on the eighth employee stock options outstanding as of December 31, 2021 and 2020 is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Expected weighted average residual years	3.78 years	4.78 years

E. The Company estimated the fair value of eighth stock options as of grant date under the Black-Scholes option model. The weighted-average parameters used in the estimation of fair value are as follows:

	<u>Grant date-October 11,2018</u>
Exercise price (in dollars)	\$35.55
Ratio of cash dividends	5%
Expected price volatility	30.66%
Risk-free interest ratio	0.6981%~0.7450%
Expected option life (years)	6
Fair value per share (in dollars)	\$5.2256~\$5.4049

F. Expenses incurred on the Company's share-based payment transactions with equity-settled for the years ended December 31, 2021 and 2020 were \$11,396 and \$38,325, respectively.

(14) Provisions (warranty)

	<u>2021</u>	<u>2020</u>
At January 1	\$ 680,006	\$ 631,548
Additional provisions	273,974	216,780
Used during the year	( 223,428)	( 168,322)
Effect of splits	( 730,552)	-
At December 31	<u>\$ -</u>	<u>\$ 680,006</u>

Analysis of total provisions:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current	\$ -	\$ 189,244
Non-current	<u>\$ -</u>	<u>\$ 490,762</u>

The Company provides warranties on rugged notebook products sold. Provision for warranty is estimated based on historical warranty data of rugged notebook products.

(15) Share capital

A. As of December 31, 2021, the Company had an authorized capital of \$8,500,000, consisting of 850,000 thousand shares of common stock (including 80,000 thousand shares reserved for employee stock options and 50,000 thousand shares reserved for convertible bonds issued by the Company), and an issued capital of \$5,976,984 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares (in thousands) outstanding are as follows:

	<u>2021</u>	<u>2020</u>
At January 1	589,248	583,002
Employee stock options exercised	8,450	6,246
At December 31	<u>597,698</u>	<u>589,248</u>

(16) Capital surplus

	2021				
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in net equity of associates and joint ventures accounted for under equity method	Recognition of changes in the subsidiary's equity	Employee stock options
At January 1	\$ 3,000,546	\$ 113,722	\$ 16,544	\$ 24,666	\$ 108,758
Employee stock options exercised	231,113	-	-	-	( 54,910)
Compensation cost of employee stock options	-	-	2,227	-	11,396
Recognition of changes in equities of associates	-	-	3,874	-	-
At December 31	<u>\$ 3,231,659</u>	<u>\$ 113,722</u>	<u>\$ 22,645</u>	<u>\$ 24,666</u>	<u>\$ 65,244</u>

	2020				
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in net equity of associates and joint ventures accounted for under equity method	Recognition of changes in the subsidiary's equity	Employee stock options
At January 1	\$ 2,818,696	\$ 113,722	\$ 14,907	\$ 24,666	\$ 111,666
Employee stock options exercised	181,850	-	-	-	( 41,233)
Compensation cost of employee stock options	-	-	-	-	38,325
Recognition of changes in equities of associates	-	-	1,637	-	-
At December 31	<u>\$ 3,000,546</u>	<u>\$ 113,722</u>	<u>\$ 16,544</u>	<u>\$ 24,666</u>	<u>\$ 108,758</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 Law 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.

(17) Retained earnings

A. Under the Company's Articles of Incorporation, in addition to offsetting prior years' losses after paying all taxes as required by law, 10% of the Company's profit at the closing of each fiscal year shall first be set aside as legal reserve, and special reserve shall be set aside or reversed according to laws, the remainder plus undistributed earnings carried over from previous years shall be allocated at the board's proposal. Proposal for allocation in the form of newly issued shares shall be subject to shareholders' resolution. The Company may, in accordance with the provision of Paragraph 5 of Article 240 of the Company Act, by a resolution adopted by a majority vote of a meeting of the board of directors attended by two-thirds or more of the total number of the directors, distribute dividends and bonuses in form of cash, and submit a report to a shareholders' meeting.

At least 10% of dividends proposed must be in the form of cash dividend. However, the actual percentage of cash dividends may be adjusted and resolved during the Board of Directors' meetings depending on the Company's financial structure, future fund needs, and profitability.

B. 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 balance of the reserve exceeds 25% of the Company's paid-in capital.

C.(a) 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.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D.The appropriations of 2021 and 2020 earnings had been resolved at the Board of Directors' meeting on February 25, 2022 and shareholders' meeting on July 14, 2021, respectively. Details are summarized below:

	Years ended December 31,			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 430,332		\$ 259,877	
Special reserve	480,193		( 59,393)	
Cash dividends	2,154,075	\$ 3.6	2,123,911	\$ 3.58708898
Total	<u>\$ 3,064,600</u>		<u>\$ 2,324,395</u>	

(18) Other equity items

	2021		
	Unrealised gain (loss) on valuation	Currency translation	Total
At January 1	\$ 53,138	(\$ 735,369)	(\$ 682,231)
Revaluation			
–The Company	69,695	-	69,695
–Subsidiary	30,963	-	30,963
–Associates	131,228	-	131,228
Currency translation differences:			
–Subsidiary	- ( 676,519)	( 676,519)	( 676,519)
–Associates	- ( 4,915)	( 4,915)	( 4,915)
Disposal of financial assets at fair value through other comprehensive income			
-Associates	( 30,644)	-	( 30,644)
At December 31	<u>\$ 254,380</u>	<u>(\$ 1,416,803)</u>	<u>(\$ 1,162,423)</u>

	2020		
	Unrealised gain		
	(loss) on	Currency	
	valuation	translation	Total
At January 1	(\$ 126,351)	(\$ 615,273)	(\$ 741,624)
Revaluation			
–The Company	72,731	-	72,731
–Subsidiary	14,882	-	14,882
–Associates	115,905	-	115,905
Currency translation differences:			
–Subsidiary	-	( 114,634)	( 114,634)
–Associates	-	( 5,462)	( 5,462)
Disposal of financial assets at fair value through other comprehensive income			
–Associates	( 24,029)	-	( 24,029)
At December 31	<u>\$ 53,138</u>	<u>(\$ 735,369)</u>	<u>(\$ 682,231)</u>

(19) Operating revenue

	Years ended December 31,	
	2021	2020
Revenue from contracts with customers	\$ 9,337,128	\$ 11,562,278
Investment income or loss accounted for under the equity method after transformation(As of October 1,2021 to December 31,2021)	713,547	-
Total	<u>\$ 10,050,675</u>	<u>\$ 11,562,278</u>

A. Disaggregation of revenue from contracts

The Company's revenue subdivided into the following major regions:

2021	Asia	America	Europe	Others	Total
Revenue from external customer contracts	<u>\$3,172,102</u>	<u>\$ 4,325,846</u>	<u>\$1,680,543</u>	<u>\$ 158,637</u>	<u>\$ 9,337,128</u>
2020	Asia	America	Europe	Others	Total
Revenue from external customer contracts	<u>\$3,395,397</u>	<u>\$ 5,682,872</u>	<u>\$2,297,818</u>	<u>\$ 186,191</u>	<u>\$11,562,278</u>

B. Contract liabilities

	December 31,	
	2021	2020
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>\$ 17,889</u>	<u>\$ 65,549</u>

(20) Interest income

	Years ended December 31,	
	2021	2020
Interest income from bank deposits	\$ 8,072	\$ 6,173
Interest income from financial assets measured at amortized cost	-	1,241
Other interest income	216	158
	<u>\$ 8,288</u>	<u>\$ 7,572</u>

(21) Other income

	Years ended December 31,	
	2021	2020
Rent income	\$ 17,653	\$ 15,396
Dividend income	10,300	11,464
Other income, others	43,986	48,045
	<u>\$ 71,939</u>	<u>\$ 74,905</u>

(22) Other gains and losses

	Years ended December 31,	
	2021	2020
Net (loss) gain on financial assets ( liabilities) at fair value through profit or loss	(\$ 2,402)	\$ 4,898
Net currency exchange loss	( 24,179)	( 25,536)
Gain (loss) on disposal of property, plant and equipment	740	( 1,311)
Miscellaneous disbursements	( 1,511)	( 591)
	<u>(\$ 27,352)</u>	<u>(\$ 22,540)</u>

(23) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense:		
Bank borrowings	\$ 4,989	\$ 8,294
Loans	5,763	-
Leased liabilities	1,412	3,442
Imputed interest on rental deposits	230	452
	<u>\$ 12,394</u>	<u>\$ 12,188</u>

(24) Expenses by nature

	Years ended December 31,	
	2021	2020
Employee benefit expense	\$ 875,695	\$ 1,306,157
Depreciation expense on property, plant and equipment and right of use assets	161,263	190,030
Amortisation expense on intangible assets	5,966	7,608
	<u>\$ 1,042,924</u>	<u>\$ 1,503,795</u>

(25) Employee benefit expense

	Years ended December 31,	
	2021	2020
Wages and salaries	\$ 804,878	\$ 1,168,954
Labour and health insurance fees	52,834	60,366
Pension (gain) costs	( 10,842)	40,083
Other personnel expenses	28,825	36,754
	<u>\$ 875,695</u>	<u>\$ 1,306,157</u>

A. In accordance with the Company's Articles of Incorporation, where the Company accrues annual net income, if any, shall distribute more than 1% but less than 10% of which as employees' compensation and no more than 1% of which as directors' and supervisors' remuneration with the resolution of Board of Directors. However, annual net income should be first reserved to offset the Company's accumulated deficit prior to the distribution of compensation and remuneration.

B. For the years ended December 31, 2021 and 2020, employees' compensation were accrued at \$53,600 and \$156,756, respectively; while directors' and supervisors' remuneration were accrued at \$6,200 and \$5,300, respectively. The aforementioned amounts were recognised in salary expenses. For the years ended December 31, 2021 and 2020, it was recognised based on the fixed amount and ratio of the profit accrued in the period.

The employees' compensation of \$53,600 and directors' remuneration of \$7,200 for 2021 as resolved by the Board of Directors on February 25, 2022. The difference of \$1,000 between the amounts resolved at the Board meeting and the amounts recognised in the 2021 financial statements, mainly resulting from directors' remuneration, will adjust in the profit or loss of 2022. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.



(26) Income tax

A. Income tax expense

	Years ended December 31,	
	2021	2020
Current tax:		
Current tax on profits for the year	\$ 231,564	\$ 388,266
Prior year income tax overestimation	-	(40,700)
Total current tax	<u>\$ 231,564</u>	<u>\$ 347,566</u>
Deferred tax:		
Origination and reversal of temporary differences	627,667	53,753
Total deferred tax	<u>\$ 627,667</u>	<u>\$ 53,753</u>
Income tax expense	<u>\$ 859,231</u>	<u>\$ 401,319</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	\$ 1,001,082	\$ 595,672
Tax exempt income by tax regulation	(82,996)	(8,662)
Expense disallowed by tax regulation	-	123
Temporary differences not recognised as deferred tax liability	(708,212)	(244,825)
Prior year income tax overestimation	-	(40,700)
Income tax on the offshore reinvestment income repatriated by the enterprise based on the Management, Utilization, and Taxation of Repatriated Offshore Funds Act.	-	66,045
Estimated and accrued tax liabilities based on possible earnings repatriated by the subsidiaries	649,357	-
Change in assessment of realisation of deferred tax assets	-	33,666
Income tax expense	<u>\$ 859,231</u>	<u>\$ 401,319</u>

C. The income tax credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2021	2020
Remeasurement of defined benefit obligations	<u>(\$ 277)</u>	<u>(\$ 711)</u>

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

Year ended December 31, 2021					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Effect of splits	December 31
Deferred tax assets:					
-Temporary differences:					
Provision for market value decline and obsolescence of inventories	\$ 71,779	\$ 35,381	\$ -	(\$ 107,160)	\$ -
Unrealised warranty expense	126,310	19,801	-	( 146,111)	-
Unrealised pension	29,954	( 29,954)	-	-	-
Unrealised exchange (gain) loss	1,207	( 1,207)	-	-	-
Others	12,801	( 1,645)	-	( 6,173)	4,983
Total	<u>\$ 242,051</u>	<u>\$ 22,376</u>	<u>\$ -</u>	<u>(\$ 259,444)</u>	<u>\$ 4,983</u>
-Deferred tax liabilities:					
Unrealised pension	\$ -	(\$ 686)	\$ 277	\$ -	(\$ 409)
Investment income or loss accounted for under the equity method	-	( 649,357)	-	-	( 649,357)
Subtotal	<u>\$ -</u>	<u>(\$ 650,043)</u>	<u>\$ 277</u>	<u>\$ -</u>	<u>(\$ 649,766)</u>
Total	<u>\$ 242,051</u>	<u>(\$ 627,667)</u>	<u>\$ 277</u>	<u>(\$ 259,444)</u>	<u>(\$ 644,783)</u>

Year ended December 31, 2020					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31	
Deferred tax assets:					
-Temporary differences:					
Provision for market value decline and obsolescence of inventories	\$ 105,446	(\$ 33,667)	\$ -	\$ -	\$ 71,779
Unrealised warranty expense	126,310	-	-	-	126,310
Unrealised pension	29,243	-	711	-	29,954
Unrealised exchange (gain) loss	1,207	-	-	-	1,207
Others	32,887	( 20,086)	-	-	12,801
Total	<u>\$ 295,093</u>	<u>(\$ 53,753)</u>	<u>\$ 711</u>	<u>\$ -</u>	<u>\$ 242,051</u>

E. The Company did not recognise taxable temporary differences relating to several subsidiaries investment as deferred tax liabilities. As of December 31, 2021 and 2020, the unrecognised

deferred tax liabilities were \$6,895,939 and \$7,178,690, respectively.

- F. The Company repatriated reinvestment income arising from offshore reinvestment in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act. The act imposes a tax rate of 8% on the repatriated funds. The Company recognised tax expense in the amount of \$66,045. 50% tax of aforementioned funds can be applied a tax refund to the Competent Authority after completing the actual investment. If funds were used in others purpose or violate the investment plan, the fund will be imposed at a tax rate of 20%.
- G. Because of the pandemic, the Company applied to pay profit-seeking enterprise income tax in 36 installments for the year ended December 31, 2019, in accordance with the Tax Collection Act. As of December 31, 2021, the remaining amount of \$75,834 was unpaid, among this amount, \$50,556 was shown as income tax liabilities, \$25,278 was shown as non-current income tax liabilities.
- H. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(27) Earnings per share

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 4,273,793	593,259	\$ 7.20
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	4,273,793	593,259	
Less: Effects of potential dilutive common shares issued by the investee accounted for under the equity method	( 4,635)	-	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	9,900	
Employees' compensation	-	1,433	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 4,269,158	604,592	\$ 7.06

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,577,039	585,029	\$ 4.40
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,577,039	585,029	
Less: Effects of potential dilutive common shares issued by the investee accounted for under the equity method	( 20)	-	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	9,342	
Employees' compensation	-	3,613	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,577,019	597,984	\$ 4.31

(28) Supplemental cash flow information

Investing activities with partial cash payments

	Years ended December 31,	
	2021	2020
Purchase of property, plant and equipment	\$ 78,588	\$ 1,128,370
Add: Opening balance of payable on machinery and equipment	51,681	18,377
Add: Ending balance of prepayments for business facilities	-	145
Less: Ending balance of payable on machinery and equipment	-	( 51,681)
Less: Opening balance of prepayments for business facilities	( 145)	-
Less: Effect of splits-payable on machinery and equipment	( 56,184)	-
Add: Effect of splits-prepayments for business facilities	9,265	-
Cash paid during the year	\$ 83,205	\$ 1,095,211

	Years ended December 31,	
	2021	2020
Acquisition of equity interest of the subsidiaries	\$ 579,001	\$ -
Less: Current assets	( 4,545,593)	-
Less: Non-Current assets	( 2,135,595)	-
Add: Current liabilities	6,426,419	-
Add: Non-current liabilities	786,029	-
Split cash to the subsidiaries	<u>\$ 1,110,261</u>	<u>\$ -</u>

(29) Changes in liabilities from financing activities

	Short-term borrowngs	Lease liabilities	Guarantee deposits received	Other payables-related parties
January 1, 2021	\$ 406,768	\$ 269,374	\$ 6,170	\$ 284,800
Changes in cash flow from financing activities	( 406,768)	( 69,716)	( 1,706)	546,275
Other changes in non-cash items	-	( 189,261)	( 4,464)	( 415,875)
December 31, 2021	<u>\$ -</u>	<u>\$ 10,397</u>	<u>\$ -</u>	<u>\$ 415,200</u>

	Short-term borrowngs	Lease liabilities	Guarantee deposits received	Other payables-related parties
January 1, 2020	\$ 333,208	\$ 339,183	\$ 10	\$ -
Changes in cash flow from financing activities	73,560	( 85,443)	6,160	284,800
Other changes in non-cash items	-	15,634	-	-
December 31, 2020	<u>\$ 406,768</u>	<u>\$ 269,374</u>	<u>\$ 6,170</u>	<u>\$ 284,800</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Getac Technology GmbH (GDE)	Subsidiary
Getac (UK) Ltd. (GUK)	Subsidiary
Getac Technology (Kunshan) Co., Ltd.	Subsidiary
Getac Inc. (GUSA)	Subsidiary
Getac Technology Corporation	Subsidiary
Integration Technology Ltd.(ITL)	Subsidiary
Fon Yang Logistic (Kunshan) Ltd.	Subsidiary
Getac (SuZhou) Mobile Ltd.	Subsidiary
Mitac Precision Technology (Kunshan) Co., Ltd.	Subsidiary
SuZhou Mitac Precision Technology Co., Ltd.	Subsidiary
ACE Continental Industries Ltd. (ACE)	Subsidiary
Getac Precision Technology (Changshu) Co., Ltd.	Subsidiary
Mitac Technology Kyoto Corporation (MTKC)	Subsidiary
Mitac Precision Developments Limited (MPD)	Subsidiary
MPT Solution(HK) (MPTHK)	Subsidiary
National Aerospace Fasteners Corporation	Subsidiary
Fong Guan Investments Ltd.	Subsidiary
Getac Precision Technology Vietnam Co., Ltd.	Subsidiary
MPT Solution (Vietnam) Company Limited (MPTV)	Subsidiary
Getac Video Solutions Inc.	Subsidiary
Atemitech Corporation	Subsidiary
Mitac International Corp.	Entity having significant influence on the Company
Mitac Computing Technology Corporation	Subsidiary of the entity in the same group having significant influence on the Company
Mitac Digital Technology Corporation	Subsidiary of the entity in the same group having significant influence on the Company
Mitac Computer (Kunshan) Ltd.	Subsidiary of the entity in the same group having significant influence on the Company
Mitac Technology(Kunshan)Co.,Ltd.	Subsidiary of the entity in the same group having significant influence on the Company
MiTAC Europe Ltd.	Subsidiary of the entity in the same group having significant influence on the Company

Names of related parties	Relationship with the Company
Waffer Technology Corp.	Associate
Waffer Technology (Kunshan) Ltd.	Subsidiary of associate
Lien Hwa Property Development Corporation	Substantive related party
Synnex Technology International Corp.	Substantive related party
BestCom Infotech Corp.	Substantive related party
Mitac Information Technology Corp.	Substantive related party
Synnex Australia Pty Ltd.	Substantive related party
Synnex New Zealand Ltd.	Substantive related party
Mitac Communication Co., Ltd.	Substantive related party
Jian Foods Incorporation	Substantive related party
Harbinger VIII Venture Capital Corp.	Substantive related party

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2021	2020
Subsidiary-GUSA	\$ 3,901,748	\$ 5,084,843
Subsidiary-GDE	460,265	828,697
Subsidiaries	1,252,962	1,501,455
Other related parties	109,132	264,748
Entities having significant influence on the Company	24,146	39,329
	<u>\$ 5,748,253</u>	<u>\$ 7,719,072</u>

- (a) The selling prices to related parties are determined based on the market price in the region of the related party.
- (b) The term of credit for domestic related party was 90 days after offsetting certain receivables and payables.
- (c) The term of credit for overseas related parties was 150 days after offsetting certain receivables and payables.
- (d) The term of credit for third party customers was approximately 90 days after delivery.

## B. Purchases

	Years ended December 31,	
	2021	2020
Subsidiary-GTK	\$ 990,926	\$ 2,413,459
Subsidiaries	357,648	421,619
Other related parties	178,631	162,219
Entities having significant influence on the Company	-	135
	<u>\$ 1,527,205</u>	<u>\$ 2,997,432</u>

- (a) The Company is commissioned by Getac Technology (Kunshan) Co., Ltd. to assemble and process electronic products and notebook-related semi-finished products; processing fees are calculated by cost plus method.
- (b) The prices on purchases from related parties are determined based on the market price in the region of the related party.
- (c) The term of payment for overseas and domestic related parties was 150 days and 90 days after offsetting certain receivables and payables, respectively.
- (d) The term of payment for third party suppliers was approximately 90 days after delivery.

## C. Receivables from related parties

- (a) Accounts receivable (sales)

December 31, 2021: None.

	December 31, 2020
Subsidiaries	\$ 181,215
Subsidiary-GVS	108,033
Subsidiary-GUSA	97,892
Subsidiary-GDE	64,092
Entities having significant influence on the Company	8,734
Other related parties	4,914
	<u>\$ 464,880</u>

- (b) Other receivables (collections and payments transfer)

	December 31, 2021	December 31, 2020
Subsidiary-Fong Guan Investments Ltd.	\$ 9,244	\$ 9,137
Subsidiary-ACE	-	3,145
Subsidiary-MPD	-	3,209
Subsidiary	17,882	3,983
Others related parties	315	3,194
Associates	16	195
	<u>\$ 27,457</u>	<u>\$ 22,863</u>



D. Accounts payable

(a) Accounts payable (purchases)

December 31, 2021: None.

	<u>December 31, 2020</u>
Subsidiary-GTK	\$ 2,333,872
Subsidiaries	172,020
Other related parties	45,553
	<u>\$ 2,551,445</u>

(b) Other payables (delivery service fee and other expenses)

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries-GUSA	\$ -	\$ 111,087
Subsidiaries	2,858	53,382
Associates	-	40,000
Other related parties	452	10,123
Entities having significant influence on the Company	334	2,190
	<u>\$ 3,644</u>	<u>\$ 216,782</u>

E. Property transactions

(a) Acquisition of property, plant and equipment

For the year ended December 31, 2021:None.

	<u>Year ended December 31,2020</u>
Associates-Waffer	\$ 1,030,000
Other related parties	10,433
Subsidiaries	1,099
	<u>\$ 1,041,532</u>

On April 15, 2020, the Board of Directors of the Company resolved to purchase land and plants from the associate, Waffer Technology Corp. in the amounts of \$1,003,000 and \$27,000, respectively.

(b) Disposal of property, plant and equipment:

	<u>Year ended December 31,2021</u>	
	<u>Proceeds from disposal</u>	<u>Gain on disposal</u>
Entities having significant influence on the Company-Mitac Computing Technology Corporation	\$ 100	\$ 100
Subsidiaries	16	-
	<u>\$ 116</u>	<u>\$ 100</u>

(c) Acquisition of financial assets:

		<u>Year ended December 31, 2021</u>	
	<u>No. of shares</u>	<u>Consideration</u>	
Subsidiary-Getac Technology Corporation	Capital increase in cash to subscribe for 49,000,000 shares	\$	735,000
Other related party-Harbinger VIII Venture Capital Corp.	Capital increase in cash to subscribe for 3,750,000 shares		37,500
		\$	<u>772,500</u>
		<u>Year ended December 31, 2020</u>	
	<u>No. of shares</u>	<u>Consideration</u>	
Subsidiary-Getac Technology Corporation	Capital increase in cash to subscribe for 40,000,000 shares	\$	400,000

F. Leasing arrangements – lessee

(a) The Company leases buildings from Mitac International Corp. and Lien Hwa. Rental contracts are typically made for periods of 2 to 7 years. Rents are paid at the end of month.

(b) Acquisition of right-of-use assets

The Company acquired right-of-use assets amounting to \$488 and \$25,033 from Lien Hwa Property Development Corporation for the years ended December 31, 2021 and 2020, respectively.

(c) Lease liabilities

i. Ending balance

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other related party-Lien Hwa Property Development Corporation	\$ 10,937	\$ 182,738
Entity having significant influence on the Company- Mitac International Corp.	-	26,293
	<u>\$ 10,937</u>	<u>\$ 209,031</u>

ii. Interest expense

	Years ended December 31,	
	2021	2020
Other related party-Lien Hwa Property Development Corporation	\$ 808	\$ 2,395
Entities having significant influence on the Company	186	368
	<u>\$ 994</u>	<u>\$ 2,763</u>

G. Loans from related parties:

(a) Loans receivable:

(i) Outstanding balance: (Shown as other receivables)

	December 31, 2021	December 31, 2020
Subsidiary-Fong Guan Investments Ltd.	\$ 400,000	\$ -

(ii) Interest income

	Years ended December 31,	
	2021	2020
Subsidiary-Fong Guan Investments Ltd.	\$ 107	\$ -

(b) Loans payable:

(i) Outstanding balance: (Shown as other payables)

	December 31, 2021	December 31, 2020
Subsidiary-HLT	\$ 415,200	\$ -
Subsidiary-GUSA	-	284,800
	<u>\$ 415,200</u>	<u>\$ 284,800</u>

(ii) Interest expense

	Years ended December 31,	
	2021	2020
Subsidiary-GUSA	\$ 5,763	\$ -

The loans from subsidiary carry interest at 2.5% per annum.

H. Provision of endorsements and guarantees

	December 31, 2021	December 31, 2020
Subsidiaries	\$ 410,512	\$ 457,032

## I. Others

	Transaction item	Years ended December 31,	
		2021	2020
Subsidiary-GUSA	Warranty costs and other expenses	\$ 150,842	\$ 187,386
Subsidiary-GDE	Warranty costs and other expenses	63,976	104,582
Subsidiary-GTK	Delivery service fee and other expenses	50,191	53,578
Subsidiary-GUK	Warranty costs and other expenses	74,022	46,728
Subsidiaries	Warranty costs and other expenses	26,966	24,555
Other related parties	Other expenses, research and development expense	21,208	26,430
Entities having significant influence on the Company	Other expenses	9,096	11,944
Associates	Other expenses, research and development expense	278	238
		<u>\$ 396,579</u>	<u>\$ 455,441</u>

## J. The spin-off and transfer transaction.

To improve the group's long-term competitiveness and management effectiveness, the Company intended to operate performance and implement business entity independent development policy. The Company split and transferred related operations (including assets, liabilities and operating) of the Company's Rugged Solutions Business Group and Mechatronic & Energy Solutions Business Group to the Company's wholly-owned subsidiaries, Getac Technology Corporation (formerly Getac Corporation) and Atemitech Corporation (formerly Mitac Precision Technology Corporation). Also, the company will issue new shares to the Company as consideration. The operating value of the Rugged Solutions Business Group and Mechatronic & Energy Solutions Business Group were NT\$500,010 and NT\$78,991, respectively.

The 33,334 thousand shares newly issued were in exchange for NT\$15 per share of Getac Technology Corporation and 7,181 thousand shares newly issued were in exchange for NT\$ 11 per share of Atemitech Corporation, respectively.

The details of the assets and book values split and transferred by the Company are as follows:

	<u>Getac Technology Corporation</u>	<u>Atemitech Corporation</u>
Assets:		
Cash	\$ 932,179	\$ 178,082
Other current assets	3,319,555	1,226,038
Property, plant and equipment	1,165,091	41,203
Other non-current assets	865,668	63,633
Liabilities:		
Current liabilities	( 5,026,245)	( 1,400,174)
Non-current liabilities	( 756,238)	( 29,791)
The net book value split and transferred	<u>\$ 500,010</u>	<u>\$ 78,991</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Salaries and other short-term employee benefits	\$ 78,166	\$ 87,907
Termination benefits	370	404
Total	<u>\$ 78,536</u>	<u>\$ 88,311</u>

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

On June 5, 2019, Panasonic Corporation sued Getac Technology Corporation and Getac Inc. (Collectively, "Getac") in the United States District Court for the Central District of California, accusing Getac's K120 product of infringing Panasonic's four U.S. Design Patents; Panasonic Corporation has amended the claim on October 23, 2019 and dropped its infringement allegation involving one of the patents but added UX10 rugged tablet as an infringing product on March 24, 2020. We have engaged King & Spalding LLP to handle the case in behalf of Getac.

10. SIGNIFICANT DISASTER LOSS.

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital, and to provide returns to the shareholders. In order to maintain a healthy capital structure, the Company considers future operating capital needs, capital expenditures and dividend expenditures through financial analysis, monitoring the Company's capital structure in order to fulfill capital management objectives.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 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	\$ -	\$ 7,426
Financial assets at fair value through other comprehensive income	713,863	610,661
Financial assets at amortised cost/loans and receivables		
Cash and cash equivalents	174,909	2,185,479
Notes receivable	-	11,585
Accounts receivable	-	1,211,225
Other receivables	67,592	23,452
Guarantee deposits paid	3,440	17,980
Other financial assets - non-current	-	737,586
	<u>\$ 959,804</u>	<u>\$ 4,805,394</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 1,454	\$ 6,103
Financial liabilities at amortised cost		
Short-term borrowings	-	406,768
Accounts payable	-	3,505,365
Other payables	529,132	1,630,327
Refund liability	-	58,275
Guarantee deposits received	-	6,170
	<u>\$ 530,586</u>	<u>\$ 5,613,008</u>
Lease liabilities	<u>\$ 10,397</u>	<u>\$ 269,374</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.
- (b) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Notes 6(2) and (11).

## C. Significant financial risks and degrees of financial risks

### (a) Market risk

#### Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 3,304	27.68	\$ 91,455
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	15,035	27.68	416,169

December 31, 2020			
	Foreign currency		Book value (NTD)
	amount	Exchange rate	
	(In thousands)		
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 75,372	28.480	\$ 2,146,595
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	71,564	28.480	2,038,143

- iv. Total exchange loss, including realized and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2021 and 2020 amounted to \$24,179 and \$25,536, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2021			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 915	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	4,162	-



Year ended December 31, 2020

	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 21,466	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	20,381	-

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.
- ii. The Company's investments in equity securities comprise domestic and foreign stocks. 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, other components of equity for the years ended December 31, 2021 and 2020 would have increased/decreased by \$7,139 and \$6,107, respectively, as a result of other comprehensive income classified as equity investment.

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from short-term borrowings. Short-term borrowings issued at variable rates expose the Company to cash flow interest rate risk. During the year ended December 31, 2020, the Company's borrowings at variable rate were denominated in the NTD and USD.
  - ii. The Company's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
  - iii. If annual interest rates on denominated borrowings had been 0.25% higher/lower with all other variables held constant, post-tax profit for the year ended December 31, 2020 would have increased/decreased by \$1,017. The main factor is that changes in interest expense result from floating rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with

banks and financial institutions, as well as credit exposures to customers, including outstanding accounts and notes receivable.

- ii. According to the Company's credit policy, each operating entity manages individual customer and analyse its credit risk, in particular evaluation of factors undermine the customers' repayment such as the customers' financial status and historical transactions as well as monitoring the usage of credit facilities on a regular basis. For banks and financial institutions, only well-rated parties are accepted.
- iii. The Company classifies customers' accounts receivable in accordance with customer types. The Company applies the simplified approach using loss rate methodology to estimate expected credit loss.
- iv. The Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- v. The Company adopts the assumption under IFRS 9, that is, if the contract payments were past due over 60 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- 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 Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2021 and 2020, the Company's written-off financial assets that are still under recourse procedures both amounted to \$0.
- viii. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2021 and 2020, the loss rate methodology is as follows:  
December 31,2021:None.

	Not past due	1~90 days past due	91~180 days past due	Over 180 days past due	Total
<u>December 31, 2020</u>					
Expected loss rate	0%~0.03%	0%~0.03%	0%	0%	
Total book value	<u>\$ 1,117,315</u>	<u>\$ 94,068</u>	<u>\$ 74</u>	<u>\$ 2</u>	<u>\$ 1,211,459</u>
Loss allowance	<u>\$ 222</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234</u>

ix. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	<u>2021</u>	<u>2020</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1	\$ 234	\$ 1,850
Provision for (reversal of) expected credit loss	51 (	( 1,616)
Other effect of splits	( 285)	-
December 31	<u>\$ -</u>	<u>\$ 234</u>

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements.

ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Other payables	\$ 529,132	\$ -	\$ -	\$ -
Lease liability	5,186	5,186	974	-

December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 406,768	\$ -	\$ -	\$ -
Accounts payable	3,505,365	-	-	-
Other payables	1,630,327	-	-	-
Refund liabilities	58,275			
Other financial liabilities	6,160	-	-	10
Lease liability	95,621	90,026	108,725	-

Derivative financial liabilities:

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Forward exchange contracts	\$ 1,454	\$ -	\$ -	\$ -

December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Forward exchange contracts	\$ 6,103	\$ -	\$ -	\$ -

- iii. The Company 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 estimation

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks, beneficiary certificates, on-the-run Taiwan central government bonds and derivative instruments with quoted market prices is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in unlisted stocks and derivative instruments is included in Level.

Level 3: Unobservable inputs for the asset or liability.

B. The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, guarantee deposits paid, notes payable, accounts payable, other payables and guarantee deposits received are approximate to their fair values.

C. 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 at December 31, 2021 and 2020 is as follows:

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 362,560</u>	<u>\$ -</u>	<u>\$ 351,303</u>	<u>\$ 713,863</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 1,454</u>	<u>\$ -</u>	<u>\$ 1,454</u>
<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 303,850</u>	<u>\$ -</u>	<u>\$ 306,811</u>	<u>\$ 610,661</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 6,103</u>	<u>\$ -</u>	<u>\$ 6,103</u>

D. The methods and assumptions the Company used to measure fair value are as follows:

- (a) The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed shares, used closing price as market quoted price.
- (b) 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.
- (c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company 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.

E. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	<u>Equity securities</u>	<u>Equity securities</u>
	2021	2020
January 1	\$ 306,811	\$ 254,147
Acquired in the year	55,439	17,087
Settled in the year	( 21,932)	-
Gains recognized in other comprehensive income	10,985	35,577
December 31	<u>\$ 351,303</u>	<u>\$ 306,811</u>

G. Investment segment 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 making any other necessary adjustments to the fair value.

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

	<u>Fair value at</u>		<u>Significant</u>	<u>Range</u>	<u>Relationship</u>
	December 31,	<u>Valuation</u>	unobservable	(weighted	of inputs to fair
	2021	technique	input	average)	value
Non-derivative equity instrument:					
Unlisted shares	\$ 351,303	Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value
	<u>Fair value at</u>		<u>Significant</u>	<u>Range</u>	<u>Relationship</u>
	December 31,	<u>Valuation</u>	unobservable	(weighted	of inputs to fair
	2020	technique	input	average)	value
Non-derivative equity instrument:					
Unlisted shares	\$ 306,811	Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value

(4) Impact of the COVID-19 for the first half of 2021 on the operation of the Company

Amid the effects of the COVID-19 pandemic, the Company and subsidiaries aimed to adjust the operations to mitigate such impact. As a result, the operating income had a slight growth for the year ended December 31, 2020. Currently, the case number of COVID-19 continues to increase globally and the conflict between America and China is worsening. Both these events may have an impact

on the market, such that acceptable orders are difficult to forecast. The actual impact to the Company and subsidiaries cannot be reasonably estimated as it will be dependent on the subsequent control of the COVID-19 pandemic.

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 \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 6(11).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- B. Major transactions with the investee in Mainland China: Please refer to tables 5 and 9.

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
STATEMENT OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

statement 1

Item	Description	Amount
Cash:		
Cash in banks		
Checking accounts deposits		
— TWD		\$ 5,358
Demand deposits		
— TWD		88,524
— USD	USD 2,899,067.11 at exchange rate of 27.68	80,246
— GBP	GBP 983.06 at exchange rate of 37.3	37
— JPY	JPY 26,458 at exchange rate of 0.2405	6
— CNY	CNY 34,775.53 at exchange rate of 4.3415	151
— EUR	EUR 3,092.48 at exchange rate of 31.32	97
— INR	INR 183,630.61 at exchange rate of 0.3712	68
— RUB	RUB 1,123,414.04 at exchange rate of 0.3759	422
		<u>\$ 174,909</u>



GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT  
DECEMBER 31, 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

statement 2

Name of Financial Instrument	Opening Balance		Additions (deductions) during the year		Valuation adjustment for the year	Number of shares	Ownership %	Number of shares	Amount	Collateral
	Number of shares	Amount	Number of shares	Amount						
Mitac Holdings Corp.	10,299,987	\$ 303,850	-	\$ -	\$ 58,710	10,299,987	0.85%	10,299,987	\$ 362,560	None
Harbinger VII Venture Capital Corp.	10,000,000	143,059	( 1,661,972)	( 16,620)	( 16,559)	8,338,028	9.39%	8,338,028	109,880	None
Harbinger VIII Venture Capital Corp.	7,500,000	73,936	3,750,000	37,500	( 1,081)	11,250,000	11.57%	11,250,000	110,355	None
Harbinger VI Venture Capital Corp.	3,745,020	47,438	( 531,209)	( 5,312)	4,201	3,213,811	13.28%	3,213,811	46,327	None
JVP VIII, L.P.	-	39,978	-	17,939	24,424	-	1.16%	-	82,341	None
Hsin Chu Golf Country	1	2,400	-	-	-	1	0.12%	1	2,400	None
		<u>\$ 610,661</u>		<u>\$ 33,507</u>	<u>\$ 69,695</u>				<u>\$ 713,863</u>	

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

statement 3

Name	Opening Balance		Addition (deduction) during the year (note)		Profit (loss) on investments	Number of Shares	Ownership %	Amount	Unit price	Total price	Collateral	Note
	Shares	Amount	Number of Shares	Amount (deduction)								
Advanced Medical Design Co., Ltd.	2,185,000	\$ 55,592	- (\$ 562)	\$ 9,892	2,185,000	48.56%	\$ 64,922	\$ 29.71	\$ 64,922	none		
Lian Jie Investment Co., Ltd.	11,305,650	168,252	- 80,658 (	887)	11,305,650	49.98%	248,023	21.94	248,023	"		
Lian Jie Investment Co., Ltd. II	4,875,000	64,317	- ( 4,281) (	202)	4,875,000	48.75%	59,834	12.27	59,834	"		
Wafer Technology Corp.	40,522,289	459,662	- ( 24,922)	41,579	40,522,289	23.44%	476,319	11.75	1,572,266	"		
Fong Guan Investments Ltd.	20,050,000	134,082	- ( 363)	19,549	20,050,000	100.00%	153,268	7.64	153,268	"		
Getac Technology Corporation	41,100,000	257,217	82,334,000	1,248,042	123,434,000	100.00%	1,784,314	14.46	1,784,314	"		
Hot Link Technology Ltd.	110,776,211	9,369,872	- ( 598,949)	3,429,817	110,776,211	100.00%	12,200,740	110.14	12,200,740	"		
WHP Workflow Solutions, Inc.	314,600	478,140	( 314,600) (	5,457)	-	0.00%	-	-	-	"		
Atemtech Corporation	10,000	6	7,181,000	79,800	7,191,000	100.00%	173,310	24.10	173,310	"		
National Aerospace Fasteners Corporation	20,578,174	772,831	- ( 10,619) (	37,811)	20,578,174	39.09%	724,401	35.20	1,068,007	"		
Pacific Royale Ltd.	54,220,869	3,189,521	( 17,000,000) (	116,701)	37,220,869	100.00%	2,851,360	76.61	2,851,360	"		
		<u>\$ 14,949,492</u>	<u>(\$ 158,741)</u>	<u>\$ 3,945,740</u>			<u>\$ 18,736,491</u>		<u>\$ 20,176,044</u>			

Shown as Investments accounted for using equity method:

Note:

The changes during the period included cash dividends, cumulative translation adjustment, unrealised gains (losses) on valuation, actuarial gains and losses on defined benefit plans, realised gross profit from sales, acquisition of investments accounted for under equity method, change in associates, joint ventures accounted for under the equity method, influence of transfer investment accounted for under the equity method to subsidiary and return of stock payment for investment under the equity method.

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
STATEMENT OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

statement 4

Item	Quantity	Amount	Note
Laptop computer	110,099 sets	\$ 8,321,715	
Others		<u>1,088,340</u>	
		9,410,055	
Less: Sales returns	95 sets	( 8,446)	
Sales discounts, and allowances		<u>( 64,481)</u>	
Total		<u>\$ 9,337,128</u>	
Investment income or loss accounted for under the equity method after transformation (from October 1,2021 to December 31,2021)		<u>713,547</u>	
		<u>\$ 10,050,675</u>	

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

statement 5

Item	Summary	Amount
Raw materials at beginning of year		\$ 2,050,949
Add: Material purchased during the year		6,329,214
Less:Used by segments		( 23,837)
Inventory Obsolescence		( 17,643)
Cost of materials sold		( 646,554)
Split and transfer the subsidiaries' raw materials		( 3,177,038)
Consumption of raw materials for the year		4,515,091
Manufacturing fee		641,030
Manufacturing cost		5,156,121
Finished goods at beginning of year		584,574
Less:Inventory Obsolescence		( 50)
Used by segments		( 13,336)
Split and transfer the subsidiaries' finished goods		( 708,730)
Total cost of sales		5,018,579
Loss on decline in market price and obsolete slow-moving inventories		44,491
Other operating costs		1,233,493
Total operating cost		<u>\$ 6,296,563</u>

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
STATEMENT OF SELLING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

statement 6

Item	Description	Amount	Note
Advertisement expense		\$ 82,231	
Wages and salaries		143,802	
Freight		170,476	
Other expenses		<u>203,467</u>	The balance of each expense account has not exceeded 5% of the selling expenses.
		<u>\$ 599,976</u>	

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
STATEMENT OF ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

statement 7

Item	Description	Amount	Note
Wages and salaries		\$ 245,199	
Depreciation and depletion expense		34,928	
Other expenses		<u>363,537</u>	The balance of each expense account has not exceeded 5% of the administrative expenses.
		<u>\$ 643,664</u>	

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

statement 8

Item	Description	Amount	Note
Wages and salaries		\$ 376,537	
Contracted research expense		182,001	
Depreciation and depletion expense		49,955	
Other expenses		<u>64,680</u>	The balance of each expense account has not exceeded 5% of the research and development expenses.
		<u>\$ 673,173</u>	

GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2021  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

statement 9

	2021			2020		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
By nature						
Employee benefit expense						
Wages and salaries	\$ 27,024	\$ 769,792	\$ 796,816	\$ 32,891	\$ 1,129,895	\$ 1,162,786
Labor and health insurance fees	2,594	50,240	52,834	2,652	57,714	60,366
Pension costs	1,268	(12,110)	(10,842)	1,347	38,736	40,083
Directors' remuneration	206	7,856	8,062	172	5,996	6,168
Other personnel expenses	2,427	26,398	28,825	2,776	33,978	36,754
Depreciation	62,079	99,184	161,263	75,960	114,070	190,030
Amortisation	-	5,966	5,966	-	7,608	7,608

Note:

1. As at December 31, 2021 and 2020, the Company had 512 and 629 employees, including 7 and 7 non-employee directors, respectively.

2.A company whose stock is listed for trading on the stock exchange shall additionally disclose the following information:

- (1) Average employee benefit expense in current year was \$1,718 (in thousand dollars).  
 Average employee benefit expense in previous year was \$2,090 (in thousand dollars).
- (2) Average employees wages and salaries in current year was \$1,578 (A) (in thousand dollars).  
 Average employees wages and salaries in previous year was \$1,869 (B) (in thousand dollars).
- (3) Adjustments of average employees wages and salaries was (15.6%) [ (A-B)/B ] .
- (4) There was no supervisors' remuneration for both the current and prior years.



GETAC HOLDINGS CORP.(FORMERLY GETAC TECHNOLOGY CORP.)  
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION

(Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

statement 9

(5) The Company's remuneration was as follows:

A. Directors:

According to Article 23 of the Company's Articles of Incorporation, the profit (pre-tax profit before deduction of employees' compensation and directors' remuneration) of the current year shall be distributed no higher than 1% as directors' remuneration, which will be resolved by the Board of Directors. If the Company has an accumulated deficit, earnings should be reserved to cover losses.

B. Managers and employees:

Fixed salary (monthly): Referring to the salary standard in the same industry and the position and responsibility of internal managers and employees to reach the adequate external competitiveness and internal balance.

Short-term bonus (award): Including performance bonus and profit sharing. Considering the management performance of the Company and group and individual performance to assess, making short-term bonus have a strong link with performance.

Long-term bonus (employees' stock option and treasury stock): Considering the department performance and individual performance to assess, except to retain key talent, as well as to link with future risk and promote long-term development and benefit of the Company.

Welfare: Providing convenience and protection to managers and employees.

Cetac Holdings Corp. and Subsidiaries  
Loans to others  
Year ended December 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 year ended December 31, 2021	Balance at December 31, 2021 (Note 4)	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 Item	Value	Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)
0	Getac Holdings Corporation	Fong Guan Investments Ltd.	Other receivable	Y	\$ 40,000	\$ 40,000	\$ 40,000	0.75%	2	-	Working capital financing	-	None	\$ -	\$ 45,998	\$ 3,644,494
1	Pacific Royale Ltd.	Mitac Precision Developments Ltd.	Other receivable	Y	369,528	358,456	358,456	0.0%	2	-	Working capital financing	-	None	-	4,270,083	4,270,083
1	Pacific Royale Ltd.	Fong Guan Investments Ltd.	Other receivable	Y	3,000	3,000	3,000	0.0%	2	-	Working capital financing	-	None	-	1,138,689	1,138,689
2	Hot Link Technology Ltd.	Mitac Precision Developments Ltd.	Other receivable	Y	1,275,988	-	-	0.0%	2	-	Working capital financing	-	None	-	18,342,281	18,342,281
2	Hot Link Technology Ltd.	MPT Solution (HK) Limited	Other receivable	Y	1,398,000	1,384,000	736,288	0.0%	2	-	Working capital financing	-	None	-	18,342,281	18,342,281
2	Hot Link Technology Ltd.	Getac Precision Technologies (Hong Kong) Ltd.	Other receivable	Y	279,600	276,800	276,800	0.0%	2	-	Working capital financing	-	None	-	18,342,281	18,342,281
2	Hot Link Technology Ltd.	Getac Technology Corp.	Other receivable	Y	553,600	553,600	553,600	0.0%	2	-	Working capital financing	-	None	-	4,891,275	4,891,275
2	Hot Link Technology Ltd.	Atemitech Corporation	Other receivable	Y	692,000	692,000	553,600	0.0%	2	-	Working capital financing	-	None	-	4,891,275	4,891,275
2	Hot Link Technology Ltd.	Getac Precision Technology Vietnam Co., Ltd.	Other receivable	Y	556,000	553,600	415,200	0.0%	2	-	Working capital financing	-	None	-	18,342,281	18,342,281
2	Hot Link Technology Ltd.	Getac Technology (Kunshan) Co., Ltd.	Other receivable	Y	838,800	830,400	830,400	0.0%	2	-	Working capital financing	-	None	-	18,342,281	18,342,281
2	Hot Link Technology Ltd.	Getac Holdings Corporation	Other receivable	Y	1,118,400	968,800	415,200	0.0%	2	-	Working capital financing	-	None	-	18,342,281	18,342,281
3	Pacific Metal Developments Ltd.	Mitac Precision Developments Ltd.	Other receivable	Y	908,840	-	-	0.0%	2	-	Working capital financing	-	None	-	2,407,723	2,407,723
4	ACE Continental Industries Ltd.	Hot Link Technology Ltd.	Other receivable	Y	260,028	157,776	157,222	0.0%	2	-	Working capital financing	-	None	-	1,354,728	1,354,728
4	ACE Continental Industries Ltd.	Pacific Royale Ltd.	Other receivable	Y	56,960	-	-	0.0%	2	-	Working capital financing	-	None	-	1,354,728	1,354,728
5	Mitac Precision Developments Ltd.	Getac Precision Technology Vietnam Co., Ltd.	Other receivable	Y	1,658,400	830,400	631,104	0.0%	2	-	Working capital financing	-	None	-	3,879,712	3,879,712
5	Mitac Precision Developments Ltd.	MPT Solution (Vietnam) Company Limited	Other receivable	Y	856,050	830,400	509,312	0.0%	2	-	Working capital financing	-	None	-	3,879,712	3,879,712

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2021	Balance at December 31, 2021 (Note 4)	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)
6	Talent View Ltd.	Mitac Precision Developments Ltd.	Other receivable	Y	\$ 482,242	\$ -	\$ -	0.0%	2	\$ -	Working capital financing	\$ -	None	\$ 40	\$ 40
7	Mitac Computer (Shunde) Ltd.	Getac Technology (Kunshan) Co., Ltd.	Other receivable	Y	241,303	-	-	0.0%	2	-	Working capital financing	-	None	1,115,425	1,115,425
7	Mitac Computer (Shunde) Ltd.	Suzhou Mitac Precision Technology Co., Ltd.	Other receivable	Y	241,303	-	-	0.0%	2	-	Working capital financing	-	None	297,447	297,447
8	WHP Workflow Solutions, Inc.	Getac Video Solutions Inc.	Other receivable	Y	41,940	-	-	0.0%	2	-	Working capital financing	-	None	63,862	63,862
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Getac Technology (Kunshan) Co., Ltd.	Other receivable	Y	271,083	262,960	262,960	1.0%	2	-	Working capital financing	-	None	5,639,381	5,639,381
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Suzhou Mitac Precision Technology Co., Ltd.	Other receivable	Y	283,255	282,196	282,196	2.0%	2	-	Working capital financing	-	None	1,503,835	1,503,835
10	Getac Inc.	Getac Holdings Corporation	Other receivable	Y	285,350	-	-	0.0%	2	-	Working capital financing	-	None	702,980	702,980
10	Getac Inc.	Getac Video Solutions Inc.	Other receivable	Y	250,290	249,120	249,120	2.5%	2	-	Working capital financing	-	None	702,980	702,980
10	Getac Inc.	Getac Technology Corp.	Other receivable	Y	139,050	-	-	0.0%	2	-	Working capital financing	-	None	187,461	187,461
11	Getac Technology Corp.	Fong Guan Investments Ltd.	Other receivable	Y	56,000	-	-	0.0%	2	-	Working capital financing	-	None	713,725	713,725
12	National Aerospace Fasteners Corporation	Suzhou Nation Precision Ltd.	Other receivable	Y	146,955	96,880	96,880	1.0%	2	-	Working capital financing	-	None	354,840	354,840

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:(1) Having business relationship.

- (2) In need of short-term financing.

Note3:(1) Getac Holdings Corporation has policy of maximum loans to others:

- (a) Short-term financing :

- (i) The total borrowing amount should not be higher than 20% of the net assets on the latest financial statements audited or reviewed by independent auditors.
- (ii) The borrowing amount for each borrowing company should not be higher than 30% of the Company's net assets on the latest financial statements audited or reviewed by independent auditors.
- (b) The total borrowing amount must not exceed 150% of the net value disclosed in the Company's latest financial statements which has been audited or reviewed by independent auditors.

(2) Pacific Royale Ltd./Hot Link Technology Ltd./Pacific Metal Developments Ltd./ACE Continental Industries Ltd./ Talent View Ltd./Mitac Computer (Shunde) Ltd./WHP Workflow Solutions Inc./

- (a) Short-term financing :

- (i) The borrowing amount for each borrowing entity and total borrowing amount should not be higher than 40% of the net assets on the latest financial statements audited or reviewed by independent auditors.
- (ii) Foreign companies with 100% voting rights directly or indirectly owned by the ultimate parent company:  
the borrowing amount for each borrowing company and total borrowing amount should not be higher than 150% of the Company's net assets on the latest financial statements audited or reviewed by independent auditors.
- (b) The total borrowing amount must not exceed 150% of the net value disclosed in the Company's latest financial statements which has been audited or reviewed by independent auditors.

(3) Getac Technology Corporation has policy of maximum loans to others:

- (a) Short-term financing :

- (i) The borrowing amount for each borrowing entity and total borrowing amount should not be higher than 40% of the net assets on the latest financial statements audited or reviewed by independent auditors.

(b) The total borrowing amount must not exceed the net value disclosed in the Company's latest financial statements which has been audited or reviewed by independent auditors.

(4) Mitac Precision Developments Ltd. has policy of maximum loans to others:

- (a) Short-term financing :

- (i) The borrowing amount for each borrowing entity and total borrowing amount should not be higher than 40% of the net assets on the latest financial statements audited or reviewed by independent auditors.

(ii) Foreign companies with 100% voting rights directly or indirectly owned by the ultimate parent company:

- (b) The total borrowing amount for each borrowing company and total borrowing amount should not be higher than 500% of the Company's net assets on the latest financial statements audited or reviewed by independent auditors.

(5) National Aerospace Fasteners Corporation has policy of maximum loans to others:

The borrowing amount for each borrowing company and total borrowing amount should not be higher than 20% of the Company's net assets on the latest financial statements audited or reviewed by independent auditors. and ceiling on total loans granted are 20% of the net equity of National Aerospace Fasteners Corporation as of December 31, 2021.

Note 4:A amount as resolved by the Board of Directors.

Getac Holdings Corp. and Subsidiaries  
 Provision of endorsements and guarantees to others  
 Year ended December 31, 2021

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed		Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2021	Outstanding endorsement/ guarantee amount at December 31, 2021	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees/ Provision of endorsements/ guarantees to the party in Mainland China	
			Company name	Relationship												
0	Getac Holdings Corporation	Getac Inc.	Note 3	Note 3	Note 3	\$ 9,111,235	\$ 8,561	\$ 8,304	\$ 8,304	-	0.05	\$ 9,111,235	Y	N	N	
0	Getac Holdings Corporation	Getac Video Solutions Inc.	Note 3	Note 3	Note 3	9,111,235	14,268	13,840	-	0.08	9,111,235	Y	N	N	N	
0	Getac Holdings Corporation	Getac Technology GmbH	Note 3	Note 3	Note 3	9,111,235	434,248	388,368	377,294	-	2.13	9,111,235	Y	N	N	N
1	National Aerospace Fasteners Corporation	Suzhou Nation Precision Ltd.	Note 4	Note 4	Note 4	887,099	149,809	128,712	-	7.25	887,099	Y	N	N	Y	Y

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: (1) The maximum amount of endorsements and guarantees provided by the Company should not be higher than 50% of the net assets on the latest financial statements audited or reviewed by independent auditors.

(2) The maximum amount of endorsements and guarantees provided by National Aerospace Fasteners Corporation should not be higher than 50% of the net assets on the latest financial statements audited or reviewed by independent auditors.

Note 3: The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

Note 4: The endorser/guarantor National Aerospace Fasteners Corporation and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

Getac Holdings Corp. and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
Year ended December 31, 2021

Securities held by	Marketable securities	Securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021			Note	
					Number of shares	Book value	Ownership (%)		
Getac Holdings Corporation	Stock	Mitac Holdings Corp.	Indirect investee company accounted for under the equity method	Financial assets at fair value through other comprehensive income-non-current	10,299,987	\$ 362,560	0.85%	362,560	
Getac Holdings Corporation	Stock	Harbinger VI Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income-non-current	3,213,811	46,327	13.28%	46,327	
Getac Holdings Corporation	Stock	Harbinger VII Venture Capital Corp.	Substantive related party	Financial assets at fair value through other comprehensive income-non-current	8,338,028	109,880	9.39%	109,880	
Getac Holdings Corporation	Stock	Hsin Chu Golf Country Club	None	Financial assets at fair value through other comprehensive income-non-current	1	2,400	0.12%	2,400	
Getac Holdings Corporation	Stock	JVP VIII, L.P.	None	Financial assets at fair value through other comprehensive income-non-current	-	82,341	1.16%	82,341	
Getac Holdings Corporation	Stock	Harbinger VIII Venture Capital Corp.	Substantive related party	Financial assets at fair value through other comprehensive income-non-current	11,250,000	110,355	11.57%	110,355	
Pacific Royale Ltd.	Stock	Mitac Holdings Corp.	Pacific Royale Ltd.'s indirect investee accounted for using equity method	Financial assets at fair value through other comprehensive income-non-current	4,439,182	156,260	0.37%	156,260	
Pacific Royale Ltd.	Stock	Fortune Greater China Fund II, L.P.	None	Financial assets at fair value through other comprehensive income-non-current	1,179,630	-	7.41%	-	
National Aerospace Fasteners Corporation	Stock	Mokoh & Associates, Inc.	None	Financial assets at fair value through other comprehensive income-non-current	700,000	-	0.51%	-	Abolished
National Aerospace Fasteners Corporation	Stock	Shintori Restaurant Co., Ltd.	None	Financial assets at fair value through other comprehensive income-non-current	20,307	-	2.75%	-	Closed

Getac Holdings Corp. and Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
Year ended December 31, 2021

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2021		Addition(Note)		Disposal			Balance as at December 31, 2021		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Getac Holdings Corporation	Getac Technology Corp.	Investments accounted for under equity method	Getac Technology Corp.	The Company's subsidiary	41,100,000	\$ 257,217	82,334,000	\$ 1,235,010	-	\$ -	-	\$ -	123,434,000	\$ 1,784,315

Note: Including the capital increase and the spin-off and transfer transaction.

Getac Holdings Corp. and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more  
Year ended December 31, 2021

Table 5

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions			Expressed in thousands of NTD (Except as otherwise indicated)
			Purchases / Sales	Amount	Percentage of total purchases (sales)	Notes/accounts receivable (payable)				
						Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Getac Holdings Corporation	Getac Inc.	The Company's subsidiary	Sales	\$ 3,901,748	42%	Note 1	Note 2	Note 1	\$ -	0%
Getac Holdings Corporation	Getac (UK) Ltd.	The Company's subsidiary	Sales	351,683	4%	Note 1	Note 2	Note 1	-	0%
Getac Holdings Corporation	Getac Technology GmbH	The Company's subsidiary	Sales	460,265	5%	Note 1	Note 2	Note 1	-	0%
Getac Holdings Corporation	Mitac Technology (Kyoto) Co., Ltd.	The Company's subsidiary	Sales	405,095	4%	Note 1	Note 2	Note 1	-	0%
Getac Holdings Corporation	Getac (SuZhou) Mobile Ltd.	The Company's subsidiary	Sales	210,511	2%	Note 1	Note 2	Note 1	-	0%
Getac Holdings Corporation	Getac Video Solutions Inc.	The Company's subsidiary	Sales	179,297	2%	Note 1	Note 2	Note 1	-	0%
Getac Holdings Corporation	Getac Technology (Kunshan) Co., Ltd.	The Company's subsidiary	Purchases	990,926	20%	Note 3	Note 5	Note 3	-	0%
Getac Holdings Corporation	MPT Solution(HK) Limited	The Company's subsidiary	Purchases	354,971	7%	Note 3	Note 4	Note 3	-	0%
Getac Holdings Corporation	Synnex Technology International Corp.	Substantive related party	Purchases	178,631	4%	Note 3	Note 4	Note 3	-	0%
Getac Inc.	Getac Holdings Corporation	Ultimate parent entity	Purchases	3,901,748	74%	Note 3	Note 4	Note 3	-	0%
Getac (UK) Ltd.	Getac Holdings Corporation	Ultimate parent entity	Purchases	351,683	78%	Note 3	Note 4	Note 3	-	0%
Getac Technology GmbH	Getac Holdings Corporation	Ultimate parent entity	Purchases	460,265	78%	Note 3	Note 4	Note 3	-	0%
Mitac Technology (Kyoto) Co., Ltd.	Getac Holdings Corporation	Ultimate parent entity	Purchases	405,095	57%	Note 3	Note 4	Note 3	-	0%
Getac (SuZhou) Mobile Ltd.	Getac Holdings Corporation	Ultimate parent entity	Purchases	210,511	54%	Note 3	Note 4	Note 3	-	0%
Getac Video Solutions Inc.	Getac Holdings Corporation	Ultimate parent entity	Purchases	179,297	39%	Note 3	Note 4	Note 3	-	0%
Getac Technology (Kunshan) Co., Ltd.	Getac Holdings Corporation	Ultimate parent entity	Sales	990,926	48%	Note 1	Note 5	Note 1	-	0%
MPT Solution(HK) Limited	Getac Holdings Corporation	Ultimate parent entity	Sales	354,971	6%	Note 1	Note 2	Note 1	-	0%
Getac Technology Corp.	Getac Inc.	The Company's subsidiary	Sales	1,214,011	54%	Note 1	Note 2	Note 1	186,022	24%
Getac Technology Corp.	Getac Technology GmbH	The Company's subsidiary	Sales	145,169	6%	Note 1	Note 2	Note 1	35,409	5%
Getac Technology Corp.	Getac Video Solutions Inc.	The Company's subsidiary	Sales	179,941	8%	Note 1	Note 2	Note 1	167,473	22%
Getac Technology Corp.	Getac Technology (Kunshan) Co., Ltd.	The Company's subsidiary	Purchases	849,387	62%	Note 3	Note 5	Note 3	( 2,795,750)	81%
Getac Inc.	Getac Technology Corp.	Parent company	Purchases	1,214,011	23%	Note 3	Note 4	Note 3	( 186,022)	100%



Purchase/seller	Counterparty	Relationship with the counterparty	Transaction		Differences in transaction terms compared to third party transactions			Expressed in thousands of NTD (Except as otherwise indicated)		
			Purchases / Sales	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
Getac Technology GmbH	Getac Technology Corp.	Parent company	Purchases	\$ 145,169	25%	Note 3	Note 4	Note 3	(\$35,409)	100%
Getac Video Solutions INC.	Getac Technology Corp.	Parent company	Purchases	179,941	39%	Note 3	Note 4	Note 3	( 167,473)	93%
Getac Technology (Kunshan) Co., Ltd.	Getac Technology Corp.	Affiliated company	Sales	849,387	41%	Note 1	Note 5	Note 1	2,795,750	86%
Atemitech Corporation	Mitac Technology(Kyoto) Co., Ltd.	Affiliated company	Sales	125,939	12%	Note 1	Note 2	Note 1	22,880	3%
Atemitech Corporation	Getac Technology (Kunshan) Co., Ltd.	Affiliated company	Purchases	245,482	29%	Note 3	Note 4	Note 3	( 351,671)	37%
Mitac Technology(Kyoto) Co., Ltd.	Atemitech Corporation	Affiliated company	Purchases	125,939	18%	Note 3	Note 4	Note 3	( 22,880)	50%
Getac Technology (Kunshan) Co., Ltd.	Atemitech Corporation	Affiliated company	Sales	245,482	12%	Note 1	Note 2	Note 1	351,671	49%
MPT Solution(HK) Limited	Atemitech Corporation	Affiliated company	Sales	112,196	2%	Note 1	Note 1	Note 1	160,319	6%
Atemitech Corporation	MPT Solution(HK) Limited	Affiliated company	Purchases	112,196	13%	Note 3	Note 3	Note 3	( 160,319)	17%
Mitac Precision Technology (Kunshan) Co., Ltd.	Mitac Precision Developments Ltd.	Affiliated company	Sales	407,483	5%	Note 1	Note 1	Note 1	5,473	0%
Mitac Precision Developments Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	Affiliated company	Purchases	407,483	76%	Note 3	Note 3	Note 3	( 5,473)	0%
Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution(HK) Limited	Affiliated company	Sales	5,561,728	63%	Note 1	Note 2	Note 1	2,861,982	67%
MPT Solution(HK) Limited	Mitac Precision Technology (Kunshan) Co., Ltd.	Affiliated company	Purchases	5,561,728	72%	Note 3	Note 4	Note 3	( 2,861,982)	85%
Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution(HK) Limited	Affiliated company	Sales	1,543,376	33%	Note 1	Note 2	Note 1	520,716	33%
MPT Solution(HK) Limited	Suzhou Mitac Precision Technology Co., Ltd.	Affiliated company	Purchases	1,543,376	25%	Note 3	Note 4	Note 3	( 520,716)	15%
MPT Solution (Vietnam) Company Limited	MPT Solution(HK) Limited	Affiliated company	Sales	224,809	14%	Note 1	Note 2	Note 1	33,795	10%

Purchase/seller	Counterparty	Relationship with the counterparty	Transaction		Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Expressed in thousands of NTD (Except as otherwise indicated)
			Purchases / Sales	Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
MPT Solution(HK) Limited	MPT Solution (Vietnam) Company Limited	Affiliated company	Purchases	\$ 224,809	4%	Note 3	Note 4	Note 3	(\$33,795)	1%
Getac Precision Technology (ChangShu) Co., Ltd.	Mitac Precision (HK) Limited	Parent company	Sales	465,575	35%	Note 1	Note 2	Note 1	251,876	45%
Getac Precision (HK) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	The Company's subsidiary	Purchases	465,575	28%	Note 3	Note 4	Note 3	( 251,876)	47%
Getac Precision Technology Vietnam Co., Ltd.	Mitac Precision Developments Ltd.	Affiliated company	Sales	130,654	9%	Note 1	Note 2	Note 1	-	0%
Mitac Precision Developments Ltd.	Getac Precision Technology Vietnam Co., Ltd.	Affiliated company	Purchases	130,654	24%	Note 3	Note 4	Note 3	-	0%
Getac Precision Technology Vietnam Co., Ltd.	Getac Precision (HK) Limited	Parent company	Sales	1,162,486	82%	Note 1	Note 2	Note 1	227,352	88%
Getac Precision (HK) Limited	Getac Precision Technology Vietnam Co., Ltd.	The Company's subsidiary	Purchases	1,162,486	70%	Note 3	Note 4	Note 3	( 227,352)	43%
Mitac Precision Technology (Kunshan) Co., Ltd.	Getac Technology (Kunshan) Co., Ltd.	Affiliated company	Sales	158,289	2%	Note 1	Note 2	Note 1	38,486	1%
Getac Technology (Kunshan) Co., Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	Affiliated company	Purchases	158,289	2%	Note 3	Note 4	Note 3	( 38,486)	2%
Suzhou Mitac Precision Technology Co., Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	Affiliated company	Sales	414,125	9%	Note 1	Note 2	Note 1	151,613	10%
Mitac Precision Technology (Kunshan) Co., Ltd.	Suzhou Mitac Precision Technology Co., Ltd.	Affiliated company	Purchases	414,125	8%	Note 3	Note 4	Note 3	( 151,613)	5%
MPT Solution (Vietnam) Company Limited	Getac Precision Technology Vietnam Co., Ltd.	Affiliated company	Sales	151,529	10%	Note 1	Note 2	Note 1	42,517	13%
Getac Precision Technology Vietnam Co., Ltd.	MPT Solution (Vietnam) Company Limited	Affiliated company	Purchases	151,529	15%	Note 3	Note 4	Note 3	( 42,517)	35%
MPT Solution(HK) Limited	Mitac Technology(Kyoto) Co., Ltd.	Affiliated company	Sales	136,641	2%	Note 1	Note 2	Note 1	21,253	1%
Mitac Technology(Kyoto) Co., Ltd.	MPT Solution(HK) Limited	Affiliated company	Purchases	136,641	19%	Note 3	Note 4	Note 3	( 21,253)	46%
MPT Solution(HK) Limited	Suzhou Mitac Precision Technology Co., Ltd.	Affiliated company	Sales	188,126	3%	Note 1	Note 2	Note 1	51,182	2%
Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution(HK) Limited	Affiliated company	Purchases	188,126	6%	Note 3	Note 4	Note 3	( 51,182)	4%
Getac Precision (HK) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	Affiliated company	Sales	191,681	11%	Note 1	Note 2	Note 1	160,809	31%
Getac Precision Technology (ChangShu) Co., Ltd.	Getac Precision (HK) Limited	Affiliated company	Purchases	191,681	23%	Note 3	Note 4	Note 3	( 160,809)	37%
Suzhou Natco Precision Ltd.	National Aerospace Fasteners Corporation	National Aerospace Fasteners Corporation's direct wholly-owned subsidiary	Sales	133,690	48%	Note 1	Note 2	Note 1	49,877	54%

Expressed in thousands of NTD  
(Except as otherwise indicated)

Differences in transaction  
terms compared to third party  
transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)
			Purchases / Sales	Amount	Unit price	Credit term	
National Aerospace Fasteners Corporation	Suzhou Nafco Precision Ltd.	Suzhou Nafco Precision Ltd.'s parent company	Purchases / Sales	133,690	Note 4	Note 3	Balance (\$49,877)
			Purchases / Sales	26%	Note 3	Note 3	Percentage of total notes/accounts receivable (payable) 29%

Note 1: The collection periods of related parties are 150 days after offsetting certain receivables and payables.

The collection period of third party customers is approximately 150 days after shipping date.

Note 2: The selling price for sales to related parties is based on the market value of the goods.

Note 3: The payment periods to overseas related parties are 150 days after offsetting certain receivables and payables.

The payment period to third party suppliers is approximately 150 days after shipping date.

Note 4: The purchase price on purchases from other related parties is based on the market value of the goods.

Note 5: The processing charges are based on cost plus an agreed upon percentage markup.

Getac Holdings Corp. and Subsidiaries

Receivables from related parties reaching NTS100 million or 20% of paid-in capital or more

Year ended December 31, 2021

Creditor	Counterparty	Relationship with the counterparty	Balance as at		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			December 31, 2021	December 31, 2020		Amount	Action taken		
Getac Technology Corp.	Getac Inc.	The Company's subsidiary	\$ 186,022	\$ -	13.05	\$ -	-	137,371	-
Getac Technology Corp.	Getac Video Solutions INC.	The Company's subsidiary	167,473	-	2.15	-	-	-	-
Getac Technology (Kunshan) Co., Ltd.	Getac Technology Corp.(Note)	Affiliated company	2,795,750	-	0.9	-	-	143,650	-
Getac Technology (Kunshan) Co., Ltd.	Atemitech Corporation(Note)	Affiliated company	351,671	-	4.12	-	-	138,400	-
MPT Solution(HK) Limited	Atemitech Corporation	Affiliated company	160,319	-	1.4	-	-	-	-
Getac Precision Technologies (Hong Kong) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	The Company's subsidiary	160,809	-	2.38	-	-	8,993	-
Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution(HK) Limited	Affiliated company	2,861,982	-	3.89	-	-	387,520	-
Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution(HK) Limited	Affiliated company	520,716	-	5.93	-	-	-	-
Suzhou Mitac Precision Technology Co., Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	Affiliated company	151,613	-	3.77	-	-	9,490	-
Getac Precision Technology (ChangShu) Co., Ltd.	Getac Precision (HK) Limited	Parent company	251,876	-	2.46	-	-	41,679	-
Getac Precision Technology Vietnam Co., Ltd.	Getac Precision (HK) Limited	Parent company	227,352	-	6.82	-	-	-	-

Note: Getac Technology Corp. and Atemitech Corporation transaction with Getac Technology (Kunshan) Co., Ltd. are processing service, which is presented as sales, net.

Getac Holdings Corp. and Subsidiaries  
Significant inter-company transactions during the reporting period  
Year ended December 31, 2021

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account		Amount	Transaction terms		Percentage of consolidated total operating revenues or total assets (Note 3)
0	Getac Holdings Corp.	Getac Inc.	1	Sales	\$	3,901,748	Note 4	13%	
0	Getac Holdings Corp.	Getac (UK) Ltd.	1	Sales		351,683	Note 4	1%	
0	Getac Holdings Corp.	Getac Technology GmbH	1	Sales		460,265	Note 4	2%	
0	Getac Holdings Corp.	Mitac Technology (Kyoto) Co., Ltd.	1	Sales		405,095	Note 4	1%	
0	Getac Holdings Corp.	Getac (Suzhou) Mobile Ltd.	1	Sales		210,511	Note 4	1%	
0	Getac Holdings Corp.	Getac Video Solutions Inc.	1	Sales		179,297	Note 4	1%	
1	Getac Technology Corp.	Getac Inc.	3	Sales		1,214,011	Note 4	4%	
1	Getac Technology Corp.	Getac Technology GmbH	3	Sales		145,169	Note 4	0%	
1	Getac Technology Corp.	Getac Video Solutions INC.	3	Sales		179,941	Note 4	1%	
1	Getac Technology Corp.	Getac Inc.	3	Accounts receivable		186,022	Note 4	1%	
1	Getac Technology Corp.	Getac Video Solutions INC.	3	Accounts receivable		167,473	Note 4	0%	
1	Getac Technology Corp.	Getac Video Solutions INC.	3	Sales		125,939	Note 4	0%	
2	Atemitech Corporation	Mitac Technology(Kyoto) Co., Ltd.	3	Sales		191,681	Note 4	1%	
3	Getac Precision (HK) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	3	Sales		160,809	Note 4	0%	
3	Getac Precision (HK) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	3	Accounts receivable		130,654	Note 4	0%	
4	Getac Precision Technology Vietnam Co., Ltd.	Mitac Precision Developments Ltd.	3	Sales		1,162,486	Note 4	4%	
4	Getac Precision Technology Vietnam Co., Ltd.	Getac Precision (HK) Limited	3	Sales		227,352	Note 4	1%	
4	Getac Precision Technology Vietnam Co., Ltd.	Getac Precision (HK) Limited	3	Accounts receivable		224,809	Note 4	1%	
5	MPT Solution (Vietnam) Company Limited	MPT Solution(HK) Limited	3	Sales		151,529	Note 4	1%	
5	MPT Solution (Vietnam) Company Limited	Getac Precision Technology Vietnam Co., Ltd.	3	Sales		354,971	Note 4	1%	
6	MPT Solution(HK) Limited	Getac Holdings Corp.	3	Sales		136,641	Note 4	0%	
6	MPT Solution(HK) Limited	Mitac Technology(Kyoto) Co., Ltd.	3	Sales		188,126	Note 4	1%	
6	MPT Solution(HK) Limited	Suzhou Mitac Precision Technology Co., Ltd.	3	Sales		112,196	Note 5	0%	
6	MPT Solution(HK) Limited	Atemitech Corporation	3	Sales		160,319	Note 4	0%	
6	MPT Solution(HK) Limited	Atemitech Corporation	3	Accounts receivable		465,575	Note 4	2%	
7	Getac Precision Technology (ChangShu) Co., Ltd.	Getac Precision (HK) Limited	3	Sales		251,876	Note 4	1%	
7	Getac Precision Technology (ChangShu) Co., Ltd.	Getac Precision (HK) Limited	3	Accounts receivable		990,926	Note 4	3%	
8	Getac Technology (Kunshan) Co., Ltd.	Getac Holdings Corp.	3	Sales		849,387	Note 4	3%	
8	Getac Technology (Kunshan) Co., Ltd.	Getac Technology Corp.	3	Sales		245,482	Note 4	1%	
8	Getac Technology (Kunshan) Co., Ltd.	Atemitech Corporation	3	Sales		2,795,750	Note 4	8%	
8	Getac Technology (Kunshan) Co., Ltd.	Getac Technology Corp.	3	Accounts receivable		351,671	Note 4	1%	
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Atemitech Corporation	3	Accounts receivable		407,483	Note 4	1%	
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Mitac Precision Developments Ltd.	3	Sales		5,561,728	Note 4	18%	
9	Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution(HK) Limited	3	Sales		158,289	Note 4	1%	
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Getac Technology (Kunshan) Co., Ltd.	3	Sales			Note 4		

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction		Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount		
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Getac Technology (Kunshan) Co., Ltd.	3	Other receivables	\$ 262,960	Operation	1%
9	Mitac Precision Technology (Kunshan) Co., Ltd.	Suzhou Mitac Precision Technology Co., Ltd.	3	Other receivables	282,196	Operation	1%
9	Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution(HK) Limited	3	Accounts receivable	2,861,982	Note 4	8%
10	Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution(HK) Limited	3	Sales	1,543,376	Note 4	5%
10	Suzhou Mitac Precision Technology Co., Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	3	Sales	414,125	Note 4	1%
10	Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution(HK) Limited	3	Accounts receivable	520,716	Note 4	1%
10	Suzhou Mitac Precision Technology Co., Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	3	Accounts receivable	151,613	Note 4	0%
11	Pacific Royale Ltd.	Mitac Precision Developments Ltd.	3	Other receivables	358,456	Operation	1%
12	Hot Link Technology Ltd.	MPT Solution (HK) Limited	3	Other receivables	736,288	Operation	2%
12	Hot Link Technology Ltd.	Getac Precision (HK) Limited	3	Other receivables	276,800	Operation	1%
12	Hot Link Technology Ltd.	Getac Technology Corp.	3	Other receivables	553,600	Operation	2%
12	Hot Link Technology Ltd.	Atemitech Corporation	3	Other receivables	553,600	Operation	2%
12	Hot Link Technology Ltd.	Getac Precision Technology Vietnam Co., Ltd.	3	Other receivables	415,200	Operation	1%
12	Hot Link Technology Ltd.	Getac Technology (Kunshan) Co., Ltd.	3	Other receivables	830,400	Operation	2%
12	Hot Link Technology Ltd.	Getac Holdings Corp.	3	Other receivables	415,200	Operation	1%
13	ACE Continental Industries Ltd.	Hot Link Technology Ltd.	3	Other receivables	157,222	Operation	0%
14	Mitac Precision Developments Ltd.	Getac Precision Technology Vietnam Co., Ltd.	3	Other receivables	631,104	Operation	2%
14	Mitac Precision Developments Ltd.	MPT Solution (Vietnam) Company Limited	3	Other receivables	509,312	Operation	1%
15	Getac Inc.	Getac Video Solutions Inc.	3	Other receivables	249,120	Operation	1%
16	Suzhou Naifco Precision Ltd.	National Aerospace Fasteners Corporation	2	Sales	133,690	Note 4	0%

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: The relationship with the transaction parties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company.

(3) The consolidated subsidiary to the consolidated subsidiary.

Note 3: Ratio of asset/liability is divided by consolidated total assets, and ratio of gain/loss accounts is divided by consolidated sales revenue.

Note 4: The collection period on balances from overseas related parties is 150 days after offsetting certain receivables and payables.

The selling prices on sales to related parties are based on the market value of the goods.

Note 5: Only transaction amounts exceeding \$100 million or 20 percent of the Company's capital are disclosed.

Getac Holdings Corp. and Subsidiaries  
Information on investees (not including investees in Mainland China)  
Year ended December 31, 2021

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021		Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote	
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)				Book value
Getac Holdings Corporation	Pacific Royale Ltd.	British Virgin Islands	Investment holdings	\$ 1,281,850	\$ 1,752,325	37,220,869	100	\$ 2,851,361	\$116,701	\$116,701	
Getac Holdings Corporation	Lian Jie Investment Co., Ltd.	Taiwan	Investment holdings	113,056	113,056	11,305,650	49.98	248,023	( 1,775 )	( 887 )	
Getac Holdings Corporation	Getac Technology Corporation	Taiwan	Data management, info software, e-communication product wholesale and retail	1,146,000	411,000	123,434,000	100	1,784,315	279,055	279,055	Note 1
Getac Holdings Corporation	Hot Link Technology Ltd.	British Virgin Islands	Investment holdings	3,628,378	3,628,378	110,776,211	100	12,200,740	3,429,817	3,429,817	
Getac Holdings Corporation	Wafer Technology Corp.	Taiwan	Manufacture and sales of Magnesium alloy thixomolding	496,228	496,228	40,522,289	23.43	476,319	164,735	41,579	
Getac Holdings Corporation	Atemitech Corporation	Taiwan	Wholesale and retail of electric equipment and mold	79,091	100	7,191,000	100	173,310	93,504	93,504	Note 5
Getac Holdings Corporation	Fong Guan Investments Ltd.	Taiwan	Investment holdings	200,500	200,500	20,050,000	100	153,268	19,549	19,549	
Getac Holdings Corporation	National Aerospace Fasteners Corporation	Taiwan	Manufacture, processing, agency, and sales of source control bolts and structural parts for aircraft and ship	394,919	394,919	20,578,174	39.09	724,401	( 96,729 )	( 37,811 )	

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
				\$	\$			\$			
Getac Holdings Corporation	Advanced Medical Design Co., Ltd.	Taiwan	Manufacturing and wholesale of medical appliances	48,750	61,850	2,185,000	48.56	64,922	\$20,369	\$9,891	
Getac Holdings Corporation	Lian Jie Investment Co., Ltd. II	Taiwan	Investment holdings	48,750	48,750	4,875,000	48.75	59,834	(414)	(202)	
Getac Holdings Corporation	WHP Workflow Solutions, Inc.	U.S.A.	Software design and development	-	478,651	-	-	-	4,848	(5,457)	Note 9
Fong Guan Investments Ltd.	Waifer Technology Corp.	Taiwan	Manufacture and sales of Magnesium alloy thixomolding	200,000	200,000	20,000,000	11.57	205,027	164,735	-	
Getac Technology Corp.	Waifer Technology Corp.	Taiwan	Manufacture and sales of Magnesium alloy thixomolding	86	86	5,000	-	69	164,735	-	
Getac Technology Corp.	National Aerospace Fasteners Corporation	Taiwan	Manufacture, processing, agency, and sales of source control bolts and structural parts for aircraft and ship	2	2	92	-	2	(96,729)	-	
Getac Technology Corp.	Getac Inc.	U.S.A.	Selling, providing technical service, repair and maintenance of computers and related products for military and industrial use	86,881	86,881	1,600,000	100	467,400	144,891	-	Note 2
Getac Technology Corp.	Getac (UK) Ltd.	U.K.	Sales and repair of computer, software and relevant products	26,850	26,850	350,000	100	31,522	3,536	-	Note 2
Getac Technology Corp.	Getac Technology GmbH	Germany	Sales of computer, software and relevant products	16,377	16,377	1	100	56,833	9,314	-	Note 2



Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Getac Technology Corp.	Getac Vedio Solutions Inc.	U.S.A.	Sales of smart mobile surveillance solution (including device hardware, software, cloud technologies and consulting services)	\$ 29,640	\$ 29,640	1,000,000	100	(\$389,811)	–	Note 2	
Getac Technology Corp.	WHP Workflow Solutions, Inc.	U.S.A.	Software design and development	478,651	–	314,600	80.30	453,253	4,848	Note 9	
Pacific Royale Ltd.	Integration Technology Ltd.	British Virgin Islands	Investment holdings	63,395	63,395	2,000,001	100	66,146	(1,223)	–	
Pacific Royale Ltd.	Master China Ltd.	British Virgin Islands	Investment holdings	427,367	427,367	13,550,000	–	375,064	505,534	Preferred stock	
Pacific Royale Ltd.	Talent View Ltd.	British Virgin Islands	Investment holdings	536,601	536,601	17,000,001	100	19	1	–	
Pacific Royale Ltd.	Victory Star Developments Ltd.	British Virgin Islands	Investment holdings	327,580	327,580	9,900,001	100	1,632,960	117,084	–	
Pacific Royale Ltd.	Harbinger Ruyi Venture Limited	British Virgin Islands	Investment holdings	31,520	31,520	1,000,000	28.57	18,385	41	–	
Pacific Royale Ltd.	Harbinger Ruyi II Venture Limited	British Virgin Islands	Investment holdings	49,320	49,320	15,000	48.39	107,375	(781)	–	
Pacific Royale Ltd.	WHP Workflow Solutions, Inc.	U.S.A.	Software design and development	79,381	79,381	77,179	19.70	100,806	4,848	–	
Hot Link Technology Ltd.	Master China Ltd.	British Virgin Islands	Investment holdings	571,813	571,813	9,900,001	100	3,385,365	505,534	–	
Hot Link Technology Ltd.	Pacific Metal Developments Ltd.	British Virgin Islands	Investment holdings and trading	–	1,287,555	–	–	–	15,826	The investee was disposed in June 2021.	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021		Book value	Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)				
				\$	\$						
Hot Link Technology Ltd.	Mainpower International Ltd.	British Virgin Islands	Investment holdings	1,147,343	1,147,343	35,912,843	86.72	\$1,687,992	\$147,317	-	
Hot Link Technology Ltd.	ACE Continental Industries Ltd.	British Virgin Islands	Investment holdings and trading	648,709	648,709	20,000,001	100	903,152	220,995	-	
Hot Link Technology Ltd.	Bellingham Investments Ltd.	Samoa	Investment holdings	143,264	143,264	1	100	2,161	62	-	
Hot Link Technology Ltd.	Getac Precision (HK) Limited	H.K	Investment holdings	714,215	714,215	22,172,911	100	1,541,295	(11,881)	-	Note 3、10
Hot Link Technology Ltd.	Mitac Technology Kyoto Corporation	Japan	Import/export electronic product, provide technical consulting, maintenance and repair services	32,290	32,290	1,800	100	26,156	5,323	-	
Hot Link Technology Ltd.	Mitac Precision Developments Ltd.	British Virgin Islands	Investment holdings	599,800	599,800	20,000,001	100	775,942	43,361	-	
Hot Link Technology Ltd.	MPT Solution(HK) Limited	H.K	Investment holdings and trading	279,798	598	10,020,000	100	282,501	5,169	-	Note 4
Hot Link Technology Ltd.	Running Power Ltd.	British Virgin Islands	Investment holdings	29,490	29,490	1,000,001	100	-	-	-	Note 8
Getac Precision (HK) Limited	Mass Bridge Ltd.	British Virgin Islands	Investment holdings	177,529	177,529	5,500,001	100	264,496	99,789	-	Note 3
ACE Continental Industries Ltd.	MPT Solution (Vietnam) Company Limited	Vietnam	Manufacture of printer and its components, DVD, cell phone, digital camera and PCB	648,709	648,709	N/A	100	745,735	220,973	-	Note 6

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021		Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)			
MPT Solution (Vietnam) Company Limited	MPT Solution (Hanoi) Company Limited	Vietnam	Manufacture of printer and related products	\$ 15,853	\$ 15,853	N/A	100	\$ 4,797	(\$176)	Note 7
Mass Bridge Ltd.	Getac Precision Technology Vietnam Co., Ltd.	Vietnam	Manufacture of personal computers, communication equipment, automobile electronic devices, precision punching dies, casting/forging raw parts for automobiles and motorcycles, and magnesium alloy castings	177,529	177,529	N/A	100	263,260	99,788	-
National Aerospace Fasteners Corporation	Nafo Group Ltd.	British Virgin Islands	Investment holdings	405,897	405,897	13,000,000	100	331,788	( 65,088)	-
Nafo Group Ltd.	Nafo Holdings Ltd.	British Virgin Islands	Investment holdings	405,897	405,897	13,000,000	100	330,024	( 65,088)	-

Note 1: In October 2021, Getac Corporation was renamed as Getac Technology Corporation.

Note 2: After the reorganisation in the second quarter of 2020, Getac Corporation held 100% shares of Getac Inc., Getac (UK) Ltd., Getac Technology GmbH which were originally held by Pacific Royale Ltd., of Getac (Suzhou) Mobile Ltd. which was originally held by Integration Technology Ltd. and of Getac Video Solutions Inc. which was originally held by Running Power Ltd.

Note 3: After the reorganisation in the third quarter of 2020, Getac Precision Technologies (Hong Kong) Limited held 100% shares of Mass Bridge Ltd. which was originally held by Hot Link Technology Ltd.

Note 4: Mitac Solution (HK) Limited is renamed to MPT Solution (HK) Limited in the third quarter of 2020.

Note 5: Mitac Precision Technology Corporation is renamed to Atemitech Corporation in the second quarter of 2021.

Note 6: Mitac Precision Technology Vietnam Co., Ltd. is renamed to MPT Solution (Vietnam) Company Limited in the second quarter of 2021.

Note 7: Mitac Precision Technology (HA NOI) Co., Ltd. is renamed to MPT Solution (Hanoi) Company Limited in the second quarter of 2021.

Note 8: After the reorganisation in the first quarter of 2021, Hot Link Technology Ltd. held 100% shares of Running Power Ltd. which was originally held by Pacific Royale Ltd.

Note 9: On October 1, 2021, Getac Holdings Corporation split and transferred its equity interests of WHP Workflow Solutions, Inc. to Getac Technology Corporation.

Note 10: In January 2022, Getac Precision Technologies (Hong Kong) Limited was renamed as Getac Precision (HK) Limited.

Getac Holdings Corp. and Subsidiaries  
Information on investments in Mainland China

Year ended December 31, 2021

Expressed in thousands of NTD  
(Except as otherwise indicated)

Table 9  
A. Investee in Mainland China, main business activities and related information:

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/ China/ Taiwan for the year ended December 31, 2021	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021 (Note 3)	Net income of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
Getac Technology (Kunshan) Co., Ltd.	Manufacture and sale of notebooks and related products	\$ 327,580	3	\$ 327,580	\$ -	\$ 327,580	\$ 117,084	100	\$ 117,084	\$ 1,632,826	\$ -	
Mitac Precision Technology (KunShan) Co., Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts and molding equipment processing, sales and maintenance and repair services of own products.	784,629	3	652,267	-	652,267	505,534	100	505,534	3,759,648	-	
Mitac Precision Technology (Shunde) Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts stamping parts, molding equipment processing, design and repair services, and steel plate cutting, etc.	Not applicable	Not applicable	957,846	-	957,846	11,642	-	11,642	-	-	Note 4

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021 (Note 3)	Net income of investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
				Remitted to Mainland China	Remitted back to Taiwan							
Suzhou Mitac Precision Technology Co., Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts and molding equipment processing, sales and maintenance and repair services of own products.	\$ 1,589,287	3	\$ -	\$ -	\$ 112,776	\$ 176,069	72.56	\$ 127,756	\$ 1,689,355	\$ -	
Fon Yang Logistic (Kunshan) Ltd.	Agency of domestic/foreign freight transport and import/export declaration and import/export trade	31,255	3	-	-	(1,236)	(1,236)	100	(1,236)	29,969	-	
Getac (SuZhou) Mobile Ltd.	Design and manufacture of computers and its peripherals, commercial portable global positioning system, electronic parts, mold production equipment, whole sales of office equipment and spare parts, commission agent, import/export trade and maintenance and repair services of the products.	32,140	1	-	-	4,781	2,453	100	2,453	33,532	9,539	
Getac Precision Technology (ChangShu) Co., Ltd.	Manufacture of magnesium alloy	623,154	3	-	-	(104,275)	(104,275)	100	(104,275)	1,253,875	-	

Investee in Mainland China	Main business activities	Paid-in capital	Method (Note 1)	Investment Mainland China as of January 1, 2021	Remitted to Mainland China	Amount remitted back to Taiwan for the year ended December 31, 2021	Accumulated amount of remittance from Taiwan to Mainland China	Net income of the year ended December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for year ended December 31, 2021 (Note 2)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
Suzhou Naifco Precision Ltd.	Production of components for airplane and engine use	\$ 405,897	3	\$ 405,897	\$ -	\$ -	\$ -	(\$65,088)	100	(\$65,088)	\$ 330,024	\$ -	
MPT Solution (Xiangcheng) Co., Ltd.	Forging manufacturing and sales	6,438	3	-	-	-	-	-	2	2	6,515	-	Note 5
B. Ceiling on investments in Mainland China:													
				Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021			Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)			Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA			
	Company name			2,489,238	\$		3,388,079	\$				10,933,482	
	Getac Holdings Corporation(formerly Getac Technology Corporation)			405,897			359,840					1,064,519	
	National Aerospace Fasteners Corporation			4,781			29,748					1,070,588	
	Getac Technology Corp.(formerly Getac Corporation)												

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

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invests in the investee in Mainland China.
- (3) Others
  - (a) Through investing in Pacific Royale Ltd. and its subsidiaries in a third area, which then invest in Getac Technology (Kunshan) Co., Ltd., Fon Yang Logistic (Kunshan) Ltd., and Mitac Precision Technology (Kunshan) Co., Ltd.
  - (b) Through investing in Hot Link Technology Ltd. and its subsidiaries in a third area, which then invest in Mitac Precision Technology (Kunshan) Co., Ltd., Suzhou Mitac Precision Technology Co., Ltd., Getac Precision Metallic Technologies (ChangShu) Ltd. and MPT Solution(Xiangcheng) Co.,Ltd.
  - (c) Through investing in a third area establish Naifco Holdings Ltd., which then invests in Suzhou Naifco Precision Ltd.

Note 2: Recognition methods of investment income (loss) are classified into two categories as follows:

- (1) It should be indicated if the company is in the process of incorporation and have no profit or loss yet.

(2) Basis for recognising investment income (loss) is as follows:

(a) The financial statements of Getac Technology (KunShan) Co., Ltd., Mitac Precision Technology (KunShan) Co., Ltd., Suzhou Mitac Precision Technology Co., Ltd., were audited by their R.O.C. parent company's CPA.

(b) The financial statements of Suzhou Nafco Precision Ltd., were audited by National Aerospace Fasteners Corporation's CPA.

(3) The financial statements of other companies except those stated in Note 2 (2) (a) and (b) were not audited by a CPA.

Note 3: The difference between the disclosed accumulated amount of remittance from Taiwan to Mainland China for investment approved by the Investment Commission of the Ministry of Economic Affairs and the recognised amount comes from the remitted USD1,200 thousand from Mainland China to Taiwan in 2002 and USD12,000 thousand that has not been remitted from the liquidated subsidiaries in Mainland China.

Note 4: The investee was disposed in June 2021.

Getac Holdings Corp. and Subsidiaries

Major shareholders information

Year ended December 31, 2021

Table 10

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Mitac International Corp.	190,396,939	31.86%



**Getac Holdings Corporation**

**Chairman: Hwang, Ming-Hang**

