

## **BizLink Holding Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2020 and 2019 and  
Independent Auditors' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders  
BizLink Holding Inc.

### Introduction

We have reviewed the accompanying consolidated balance sheets of BizLink Holding Inc. and its subsidiaries (the Group) as of September 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended September 30, 2020 and 2019, and for the nine months ended September 30, 2020 and 2019, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

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

### Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of September 30, 2020 and 2019, its consolidated financial performance for the three months ended September 30, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chung Chen Chen and Chiang Hsun Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 13, 2020

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.*

**BIZLINK HOLDING INC. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**  
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)		September 30, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 4,120,996	20	\$ 9,020,132	38	\$ 3,649,246	19
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	130,418	1	14,382	-	7,411	-
Financial assets for hedging - current (Notes 24 and 34)	135	-	4,055	-	619	-
Notes receivable from unrelated parties (Notes 9 and 25)	10,435	-	34,151	-	41,299	-
Trade receivables from unrelated parties (Notes 9 and 25)	5,175,642	25	4,836,085	20	4,961,447	27
Other receivables (Note 9)	71,851	-	114,355	1	113,781	1
Current tax assets (Note 4)	22,059	-	67,646	-	21,391	-
Inventories (Note 10)	4,320,874	21	4,077,127	17	3,874,052	21
Prepayments (Note 18)	335,952	1	220,202	1	218,146	1
Other financial assets - current (Notes 18 and 36)	51,375	-	10,976	-	30,547	-
Other current assets (Note 18)	2,301	-	2,686	-	3,182	-
<b>Total current assets</b>	<b>14,242,038</b>	<b>68</b>	<b>18,401,797</b>	<b>77</b>	<b>12,921,121</b>	<b>69</b>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	287,982	1	468,220	2	493,111	3
Investments accounted for using the equity method (Note 12)	97,363	-	97,316	-	103,683	1
Property, plant and equipment (Notes 13 and 36)	2,935,102	14	2,505,708	10	2,444,593	13
Right-of-use assets (Notes 14 and 35)	887,527	4	1,028,822	4	1,078,180	6
Investment properties (Notes 15 and 36)	193,092	1	198,845	1	203,744	1
Goodwill (Notes 16 and 30)	736,429	4	373,867	2	379,018	2
Other intangible assets (Note 17)	1,000,784	5	337,376	1	475,141	2
Deferred tax assets (Note 4)	206,814	1	176,291	1	164,329	1
Other financial assets - non-current (Notes 18 and 36)	171,712	1	177,274	1	174,745	1
Other non-current assets (Notes 18 and 35)	158,582	1	247,592	1	266,527	1
<b>Total non-current assets</b>	<b>6,675,387</b>	<b>32</b>	<b>5,611,311</b>	<b>23</b>	<b>5,783,071</b>	<b>31</b>
<b>TOTAL</b>	<b>\$ 20,917,425</b>	<b>100</b>	<b>\$ 24,013,108</b>	<b>100</b>	<b>\$ 18,704,192</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 19 and 36)	\$ 106,241	1	\$ 64,500	-	\$ 98,371	1
Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	2,336	-	8,394	-	23,104	-
Financial liabilities for hedging - current (Notes 24 and 34)	255	-	-	-	-	-
Contract liabilities - current (Note 25)	21,374	-	20,202	-	44,147	-
Notes payable (Note 21)	224,752	1	308,767	1	247,409	1
Trade payables to unrelated parties (Note 21)	2,595,580	13	3,371,163	14	3,076,169	17
Trade payables to related parties (Note 35)	5	-	-	-	-	-
Lease liabilities - current (Notes 14 and 35)	291,834	1	253,578	1	256,354	1
Other payables (Note 22)	1,230,836	6	1,243,287	5	1,241,643	7
Other payables to related parties (Note 35)	1,021	-	-	-	-	-
Current tax liabilities (Note 4)	183,407	1	71,638	1	153,345	1
Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 36)	44,222	-	2,391,131	10	2,958,611	16
Other current liabilities (Note 22)	2,961	-	2,646	-	2,606	-
<b>Total current liabilities</b>	<b>4,704,824</b>	<b>23</b>	<b>7,735,306</b>	<b>32</b>	<b>8,101,759</b>	<b>44</b>
<b>NON-CURRENT LIABILITIES</b>						
Lease liabilities - non-current (Notes 14 and 35)	445,977	2	606,049	3	680,761	4
Bonds payable (Note 20)	2,789,547	13	2,824,912	12	-	-
Long-term borrowings (Notes 19 and 36)	402,045	2	451,012	2	412,688	2
Deferred tax liabilities (Note 4)	130,120	1	106,907	-	52,450	-
Net defined benefit liabilities - non-current (Note 4)	10,823	-	10,336	-	4,394	-
Other non-current liabilities (Note 22)	23,970	-	22,160	-	14,418	-
<b>Total non-current liabilities</b>	<b>3,802,482</b>	<b>18</b>	<b>4,021,376</b>	<b>17</b>	<b>1,164,711</b>	<b>6</b>
<b>Total liabilities</b>	<b>8,507,306</b>	<b>41</b>	<b>11,756,682</b>	<b>49</b>	<b>9,266,470</b>	<b>50</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF BIZLINK (Note 24)</b>						
Capital stock						
Common stock	1,305,694	6	1,305,174	5	1,185,174	6
Capital surplus	7,338,841	35	7,320,086	31	4,893,480	26
Retained earnings						
Legal reserve	811,469	4	627,070	2	627,070	3
Special reserve	967,925	5	646,210	3	646,210	4
Unappropriated earnings	3,052,131	14	3,276,915	14	2,788,546	15
Total retained earnings	4,831,525	23	4,550,195	19	4,061,826	22
Other equity	(1,107,694)	(5)	(967,925)	(4)	(760,351)	(4)
<b>Total equity attributable to owners of the BizLink</b>	<b>12,368,366</b>	<b>59</b>	<b>12,207,530</b>	<b>51</b>	<b>9,380,129</b>	<b>50</b>
<b>NON-CONTROLLING INTERESTS (Note 24)</b>	<b>41,753</b>	<b>-</b>	<b>48,896</b>	<b>-</b>	<b>57,593</b>	<b>-</b>
<b>Total equity</b>	<b>12,410,119</b>	<b>59</b>	<b>12,256,426</b>	<b>51</b>	<b>9,437,722</b>	<b>50</b>
<b>TOTAL</b>	<b>\$ 20,917,425</b>	<b>100</b>	<b>\$ 24,013,108</b>	<b>100</b>	<b>\$ 18,704,192</b>	<b>100</b>

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

# BIZLINK HOLDING INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 35)								
Sales	\$ 6,049,454	100	\$ 5,763,910	100	\$ 16,271,115	100	\$ 17,239,047	100
OPERATING COSTS (Notes 10, 26 and 35)								
Cost of goods sold	<u>4,460,157</u>	<u>73</u>	<u>4,321,655</u>	<u>75</u>	<u>12,111,528</u>	<u>74</u>	<u>13,142,875</u>	<u>76</u>
GROSS PROFIT	<u>1,589,297</u>	<u>27</u>	<u>1,442,255</u>	<u>25</u>	<u>4,159,587</u>	<u>26</u>	<u>4,096,172</u>	<u>24</u>
OPERATING EXPENSES (Notes 26 and 35)								
Selling and marketing expenses	258,741	4	266,162	5	669,669	4	755,278	4
General and administrative expenses	408,646	7	430,072	7	1,270,922	8	1,246,784	7
Research and development expenses	173,668	3	164,754	3	483,835	3	419,419	3
Expected credit loss (gain) recognized (Note 9)	<u>1,311</u>	<u>-</u>	<u>(9,167)</u>	<u>-</u>	<u>14,626</u>	<u>-</u>	<u>2,255</u>	<u>-</u>
Total operating expenses	<u>842,366</u>	<u>14</u>	<u>851,821</u>	<u>15</u>	<u>2,439,052</u>	<u>15</u>	<u>2,423,736</u>	<u>14</u>
PROFIT FROM OPERATIONS	<u>746,931</u>	<u>13</u>	<u>590,434</u>	<u>10</u>	<u>1,720,535</u>	<u>11</u>	<u>1,672,436</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 26)	9,119	-	10,325	-	48,282	-	32,009	-
Other income (Notes 14 and 26)	58,730	1	22,831	-	186,177	1	49,668	-
Other gains and losses (Note 26)	(134,264)	(2)	88,521	2	(233,155)	(1)	92,340	-
Finance costs (Notes 20, 26 and 35)	(29,609)	(1)	(24,859)	-	(97,186)	(1)	(73,693)	-
Share of loss of associates	<u>(5,108)</u>	<u>-</u>	<u>(4,406)</u>	<u>-</u>	<u>(16,647)</u>	<u>-</u>	<u>(9,598)</u>	<u>-</u>
Total non-operating income and expenses	<u>(101,132)</u>	<u>(2)</u>	<u>92,412</u>	<u>2</u>	<u>(112,529)</u>	<u>(1)</u>	<u>90,726</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FROM OPERATIONS	645,799	11	682,846	12	1,608,006	10	1,763,162	10
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(149,544)</u>	<u>(3)</u>	<u>(154,738)</u>	<u>(3)</u>	<u>(375,204)</u>	<u>(2)</u>	<u>(408,377)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>496,255</u>	<u>8</u>	<u>528,108</u>	<u>9</u>	<u>1,232,802</u>	<u>8</u>	<u>1,354,785</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD								
Items that will not be reclassified subsequently to profit or loss								
Unrealized gain on investments in equity instruments at FVTOCI (Note 24)	(5,719)	-	(14,339)	-	116,751	-	89,179	-
Gain/(loss) on hedging instruments subject to basis adjustments (Notes 4 and 24)	(33,236)	(1)	5,092	-	1,328	-	4,071	-

(Continued)

# BIZLINK HOLDING INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Exchange differences on translation to presentation currency (Note 24)	\$ (182,073)	(3)	\$ (13,267)	-	\$ (319,087)	(2)	\$ 101,600	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 24 and 27)	2,250	-	(1,273)	-	1,137	-	(1,018)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations (Note 24)	389,914	7	(273,475)	(5)	291,222	2	(303,303)	(2)
Other comprehensive income (loss) for the period, net of income tax	171,136	3	(297,262)	(5)	91,351	-	(109,471)	(1)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>\$ 667,391</u>	<u>11</u>	<u>\$ 230,846</u>	<u>4</u>	<u>\$ 1,324,153</u>	<u>8</u>	<u>\$ 1,245,314</u>	<u>7</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>								
Owners of BizLink	\$ 499,580	8	\$ 528,082	9	\$ 1,239,257	8	\$ 1,351,767	8
Non-controlling interests	(3,325)	-	26	-	(6,455)	-	3,018	-
	<u>\$ 496,255</u>	<u>8</u>	<u>\$ 528,108</u>	<u>9</u>	<u>\$ 1,232,802</u>	<u>8</u>	<u>\$ 1,354,785</u>	<u>8</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>								
Owners of BizLink	\$ 670,540	11	\$ 231,751	4	\$ 1,331,296	8	\$ 1,242,675	7
Non-controlling interests	(3,149)	-	(905)	-	(7,143)	-	2,639	-
	<u>\$ 667,391</u>	<u>11</u>	<u>\$ 230,846</u>	<u>4</u>	<u>\$ 1,324,153</u>	<u>8</u>	<u>\$ 1,245,314</u>	<u>7</u>
<b>EARNINGS PER SHARE</b> (Note 28)								
Basic	<u>\$ 3.83</u>		<u>\$ 4.48</u>		<u>\$ 9.49</u>		<u>\$ 11.46</u>	
Diluted	<u>\$ 3.59</u>		<u>\$ 4.20</u>		<u>\$ 9.04</u>		<u>\$ 10.72</u>	

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

(Concluded)

# **BIZLINK HOLDING INC. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Equity Attributable to Owners of the BizLink									
	Capital Stock Common Stock	Capital Surplus	Retained Earnings			Other Equity				Non-controlling Interest
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain or Loss on Cash Flow Hedging Instruments	Others	
BALANCE AT JANUARY 1, 2019	\$ 1,185,174	\$ 4,893,638	\$ 487,839	\$ 604,558	\$ 2,506,543	\$ (682,785)	\$ 39,148	\$ (2,572)	\$ (25,588)	\$ 54,796
Appropriation of the 2018 earnings (Note 24)	-	-	139,231	-	(139,231)	-	-	-	-	-
Legal reserve	-	-	-	41,652	(41,652)	-	-	-	-	-
Special reserve	-	-	-	-	(888,881)	-	-	-	-	-
Cash dividends distributed by BizLink	-	-	-	-	-	-	-	-	-	(888,881)
Change in percentage of ownership interests in subsidiaries (Notes 24 and 31)	-	(158)	-	-	-	-	-	-	-	158
Share-based payment arrangements (Notes 24, 26 and 29)	-	-	-	-	-	-	-	-	20,538	-
Net profit for the nine months ended September 30, 2019	-	-	-	-	1,351,767	-	-	-	-	3,018
Other comprehensive income (loss) for the nine months ended September 30, 2019 (Note 24)	-	-	-	-	-	(201,324)	89,179	3,053	-	(379)
Total comprehensive income (loss) for the nine months ended September 30, 2019	-	-	-	-	-	(201,324)	89,179	3,053	-	-
BALANCE AT SEPTEMBER 30, 2019	\$ 1,185,174	\$ 4,893,480	\$ 627,070	\$ 646,210	\$ 2,788,546	\$ (884,109)	\$ 128,327	\$ 481	\$ (5,050)	\$ 57,593
BALANCE AT JANUARY 1, 2020	\$ 1,305,174	\$ 7,320,086	\$ 627,070	\$ 646,210	\$ 3,276,915	\$ (1,088,878)	\$ 117,746	\$ 3,207	\$ -	\$ 48,896
Appropriation of the 2019 earnings (Note 24)	-	-	184,399	-	(184,399)	-	-	-	-	-
Legal reserve	-	-	-	321,715	(321,715)	-	-	-	-	-
Special reserve	-	-	-	-	(1,174,657)	-	-	-	-	-
Cash dividends distributed by BizLink	-	-	-	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method (Note 12)	-	-	-	-	(8,958)	-	-	-	-	-
Convertible bonds converted to common stocks (Notes 20 and 24)	520	11,174	-	-	-	-	-	-	-	(8,958)
Share-based payment arrangements (Notes 24, 26 and 29)	-	7,581	-	-	-	-	-	-	-	-
Disposal of investments in equity instruments at FVTOCI (Note 24)	-	-	-	-	225,688	-	(225,688)	-	-	-
Basis adjustment to gain (loss) on hedging instruments (Note 24)	-	-	-	-	-	-	-	(6,120)	-	-
Net profit for the nine months ended September 30, 2020	-	-	-	-	1,239,257	-	-	-	-	-
Other comprehensive income (loss) for the nine months ended September 30, 2020 (Note 24)	-	-	-	-	-	-	-	-	-	(6,455)
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	(27,177)	116,751	2,465	-	(688)
BALANCE AT SEPTEMBER 30, 2020	\$ 1,305,694	\$ 7,338,841	\$ 811,469	\$ 967,925	\$ 3,052,131	\$ (1,116,055)	\$ 8,809	\$ (448)	\$ -	\$ 41,753

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

# BIZLINK HOLDING INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,608,006	\$ 1,763,162
Adjustments for:		
Depreciation expenses	509,807	496,923
Amortization expenses	108,664	87,264
Expected credit losses recognized on trade receivables	14,626	2,255
Net (gain) loss on fair value change of financial assets and liabilities at FVTPL	(73,578)	23,218
Finance costs	97,186	73,693
Interest income	(48,282)	(32,009)
Dividend income	(12,648)	-
Compensation cost of employee share options	7,581	20,538
Share of loss of associates	16,647	9,598
Loss (gain) on disposal of property, plant and equipment	319	(1,576)
Loss on disposal of intangible assets	95	-
Impairment loss recognized on non-financial assets	99,683	63,355
Net loss (gain) on foreign currency exchange	62,031	(116,008)
Loss on redemption of convertible bond	167,869	-
Changes in operating assets and liabilities		
(Increase) decrease in financial assets mandatorily classified as at FVTPL	(22,220)	22,551
Decrease in notes receivable	23,491	28,317
(Increase) decrease in trade receivables	(281,365)	192,419
Decrease (increase) in other receivables	45,112	(7,863)
(Increase) decrease in inventories	(304,450)	565,896
Increase in prepayment	(112,074)	(39,575)
Decrease (increase) in other current assets	310	(1,225)
Decrease in financial liabilities held for trading	(30,369)	(31,650)
(Decrease) increase in contract liabilities	(612)	21,586
(Decrease) increase in notes payable	(77,405)	112,569
Decrease in trade payables	(779,471)	(785,698)
Increase in trade payables to related parties	5	-
(Decrease) increase in other payables	(21,751)	143,743
Increase in other payables to related parties	1,021	-
Decrease in deferred revenue	(7,295)	(5,770)
Increase in net defined benefit liabilities	775	53
Increase in other current liabilities	394	283
(Decrease) increase in other operating liabilities	(1,487)	84
Cash generated from operations	990,615	2,606,133
Interest received	48,282	32,009

(Continued)



# BIZLINK HOLDING INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2020	2019
Interest paid	\$ (37,908)	\$ (41,104)
Income tax paid	<u>(264,008)</u>	<u>(431,832)</u>
Net cash generated from operating activities	<u>736,981</u>	<u>2,165,206</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at FVTOCI	(52,857)	(17,500)
Proceeds from sale of financial assets at FVTOCI	339,780	-
Acquisition of associates	(36,000)	(100,201)
Net cash outflow on acquisition of subsidiaries	(1,398,319)	(7,783)
Payments for property, plant and equipment	(486,986)	(510,092)
Acquisition of right-of-use assets	-	(134,555)
Proceeds from disposal of property, plant and equipment	13,275	21,611
Payments for intangible assets	(30,622)	(40,387)
Increase in refundable deposits	(5,370)	(25,187)
Decrease in refundable deposits	3,357	406
Increase in other financial assets	(73,664)	(105,487)
Decrease in other financial assets	41,557	106,408
Increase in prepayments for equipment	(88,470)	(164,136)
Dividends received	<u>12,648</u>	<u>-</u>
Net cash used in investing activities	<u>(1,761,671)</u>	<u>(976,903)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Redemption of convertible bonds	(2,574,057)	-
Proceeds from short-term borrowings	42,289	138,596
Repayments from short-term borrowings	-	(101,634)
Proceeds from long-term borrowing	-	50,210
Repayments of long-term borrowings	(10,413)	(10,205)
Proceeds from guarantee deposits received	4,130	-
Refund of guarantee deposits received	-	(1,429)
Repayment of the principal portion of lease liabilities	(186,077)	(170,756)
Dividends paid to owners of Bizlink	<u>(1,174,657)</u>	<u>(888,881)</u>
Net cash used in financing activities	<u>(3,898,785)</u>	<u>(984,099)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>	<u>24,339</u>	<u>(115,230)</u>
		(Continued)

## BIZLINK HOLDING INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2020	2019
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (4,899,136)	\$ 88,974
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>9,020,132</u>	<u>3,560,272</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,120,996</u>	<u>\$ 3,649,246</u>

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

(Concluded)

# BIZLINK HOLDING INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

---

### 1. GENERAL INFORMATION

BizLink Holding Inc. (“BizLink” or the “Company”) was incorporated in the Cayman Islands in June 2000. The major operating activities of BizLink include designing, manufacturing and selling cable assemblies, connectors, power cords, fiber optical passive components and computer peripheral products.

BizLink’s stocks have been listed on the Taiwan Stock Exchange since April 2011.

The functional currency of BizLink is U.S. dollars. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars, since BizLink’s stocks are listed on the Taiwan Stock Exchange.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements of BizLink and its subsidiaries, collectively referred to as the “Group”, were approved by BizLink’s board of directors on November 13, 2020.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Assessed the application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021
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 IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023

(Continued)

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

(Concluded)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

- **Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”**

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32: Financial Instruments: Presentation, the aforementioned terms would not affect the classification of the liability.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

##### c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the BizLink and the entities controlled by BizLink (i.e. its subsidiaries, including structured entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by BizLink.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of BizLink.

See Note 11, Table 9 and Table 10 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policy

Except for the following, refer to the Group's consolidated financial statements for the year ended December 31, 2019 for the summary of significant accounting policies which are followed in these consolidated financial statements.

1) Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the related hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence, and this is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2019.

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2020	December 31, 2019	September 30, 2019
Cash on hand	\$ 1,142	\$ 1,040	\$ 878
Checking accounts and demand deposits	3,241,307	6,145,573	3,097,354
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	872,646	2,871,001	543,491
Bank acceptances	<u>5,901</u>	<u>2,518</u>	<u>7,523</u>
	<u>\$ 4,120,996</u>	<u>\$ 9,020,132</u>	<u>\$ 3,649,246</u>

Interest rates for deposits in bank on the balance sheet date were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Demand deposits	0%-2.03%	0%-2.38%	0%-2.03%

## 7. FINANCIAL INSTRUMENTS AT FVTPL

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 26,617	\$ 11,393	\$ 2,534
Convertible bond options (Note 20)	2,325	747	2,792
Non-derivative financial assets			
Domestic and foreign listed stocks	1,216	2,242	2,085
Fund beneficiary certificates	<u>100,260</u>	<u>-</u>	<u>-</u>
	<u>\$ 130,418</u>	<u>\$ 14,382</u>	<u>\$ 7,411</u>

(Continued)

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Convertible bond options (Note 20)	\$ -	\$ 8,394	\$ -
Foreign exchange forward contracts	<u>2,336</u>	<u>-</u>	<u>23,104</u>
	<u>\$ 2,336</u>	<u>\$ 8,394</u>	<u>\$ 23,104</u>
			(Concluded)

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>September 30, 2020</u>			
Sell	USD/RMB	2020.10-2020.12	USD54,100/RMB376,237
Sell	EUR/RMB	2020.10-2021.12	EUR3,949/RMB32,000
<u>December 31, 2019</u>			
Sell	USD/RMB	2020.01-2020.06	USD35,671/RMB251,694
Sell	EUR/RMB	2020.01-2020.12	EUR4,925/RMB39,250
<u>September 30, 2019</u>			
Sell	USD/RMB	2019.10-2020.01	USD38,436/RMB268,942
Sell	EUR/RMB	2019.10-2020.01	EUR1,983/RMB15,975

## 8. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

### Investment in Equity Instruments at FVTOCI

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Non-current</u>			
Domestic and foreign equity instruments			
Unlisted stocks	\$ 287,982	\$ 253,609	\$ 493,111
Listed stocks	<u>-</u>	<u>214,611</u>	<u>-</u>
	<u>\$ 287,982</u>	<u>\$ 468,220</u>	<u>\$ 493,111</u>



These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair values in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In June 2019, the Group acquired domestic and foreign unlisted stocks at \$17,500 thousand for medium to long-term strategic purposes; the management designated these investments as at FVTOCI.

In February and March 2020, the Group acquired domestic and foreign unlisted stocks and domestic listed stocks at US\$300 thousand and \$43,826 thousand, respectively for medium to long-term strategic purposes; the management designated these investments as at FVTOCI.

## 9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 10,435	\$ 34,151	\$ 41,299
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,435</u>	<u>\$ 34,151</u>	<u>\$ 41,299</u>
Notes receivable - operating	<u>\$ 10,435</u>	<u>\$ 34,151</u>	<u>\$ 41,299</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 5,229,904	\$ 4,879,021	\$ 5,012,997
Less: Allowance for impairment loss	<u>(54,262)</u>	<u>(42,936)</u>	<u>(51,550)</u>
	<u>\$ 5,175,642</u>	<u>\$ 4,836,085</u>	<u>\$ 4,961,447</u>
<u>Other receivables</u>			
Tax refund receivables	\$ 49,063	\$ 77,692	\$ 86,172
Others	<u>22,788</u>	<u>36,663</u>	<u>27,609</u>
	<u>\$ 71,851</u>	<u>\$ 114,355</u>	<u>\$ 113,781</u>

### a. Notes receivable

The average paid of notes receivable was 60 to 201 days.

The Group measures the loss allowance for notes receivables at an amount equal to lifetime ECLs. The expected credit losses on notes receivable are estimated by reference to past default experience of the debtor and adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As of September 30, 2020, December 31, 2019 and September 30, 2019, the Group evaluated no allowance for impairment loss was needed for notes receivable.

The aging of receivables was as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Up to 60 days	\$ 6,349	\$ 18,952	\$ 37,494
61 to 90 days	678	10,807	-
91 to 120 days	2,662	285	205
121 to 365 days	<u>746</u>	<u>4,107</u>	<u>3,600</u>
	<u>\$ 10,435</u>	<u>\$ 34,151</u>	<u>\$ 41,299</u>

The above aging schedule was based on the number of days from the invoice date.

b. Trade receivables

At amortized cost

The Group provides 0 to 120 days credit policy to their customers on the sale of goods. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk is significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlooks. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivable. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

September 30, 2020

	Not Past Due	Past Due					Total
		Less than and Including 60 Days	61 to 90 Days	91 to 120 Days	121 to 365 Days	Over 365 Days	
Expected credit loss rate	0.00%-4.73%	0.00%-20.12%	0.00%-40.87%	0.00%-45.46%	0.00%-59.83%	100%	
Gross carrying amount	\$ 4,670,337	\$ 496,346	\$ 6,914	\$ 8,355	\$ 16,517	\$ 31,435	\$ 5,229,904
Loss allowance (lifetime ECLs)	<u>(5,672)</u>	<u>(7,292)</u>	<u>(288)</u>	<u>(1,483)</u>	<u>(8,092)</u>	<u>(31,435)</u>	<u>(54,262)</u>
Amortized cost	<u>\$ 4,664,665</u>	<u>\$ 489,054</u>	<u>\$ 6,626</u>	<u>\$ 6,872</u>	<u>\$ 8,425</u>	<u>\$ -</u>	<u>\$ 5,175,642</u>

## December 31, 2019

	Not Past Due	Past Due					Total
		Less than and Including 60 Days	61 to 90 Days	91 to 120 Days	121 to 365 Days	Over 365 Days	
Expected credit loss rate	0.00%-0.23%	0.00%-3.45%	0.00%-8.34%	0.00%-10.09%	0.00%-29.13%	100%	
Gross carrying amount	\$ 4,157,484	\$ 627,839	\$ 29,202	\$ 17,461	\$ 19,112	\$ 27,923	\$ 4,879,021
Loss allowance (lifetime ECLs)	<u>(3,340)</u>	<u>(5,102)</u>	<u>(2,287)</u>	<u>(1,602)</u>	<u>(2,682)</u>	<u>(27,923)</u>	<u>(42,936)</u>
Amortized cost	<u>\$ 4,154,144</u>	<u>\$ 622,737</u>	<u>\$ 26,915</u>	<u>\$ 15,859</u>	<u>\$ 16,430</u>	<u>\$ -</u>	<u>\$ 4,836,085</u>

## September 30, 2019

	Not Past Due	Past Due					Total
		Less than and Including 60 Days	61 to 90 Days	91 to 120 Days	121 to 365 Days	Over 365 Days	
Expected credit loss rate	0.00%-0.44%	0.00%-7.48%	0.00%-11.54%	0.00%-15.83%	0.00%-33.38%	100%	
Gross carrying amount	\$ 4,494,132	\$ 428,399	\$ 18,711	\$ 18,613	\$ 25,416	\$ 27,726	\$ 5,012,997
Loss allowance (lifetime ECLs)	<u>(6,302)</u>	<u>(6,413)</u>	<u>(1,793)</u>	<u>(2,505)</u>	<u>(6,811)</u>	<u>(27,726)</u>	<u>(51,550)</u>
Amortized cost	<u>\$ 4,487,830</u>	<u>\$ 421,986</u>	<u>\$ 16,918</u>	<u>\$ 16,108</u>	<u>\$ 18,605</u>	<u>\$ -</u>	<u>\$ 4,961,447</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Nine Months Ended September 30	
	2020	2019
Balance at January 1	\$ 42,936	\$ 49,026
Add: Net remeasurement of loss allowance	14,626	2,255
Less: Amounts written off	(2,225)	-
Acquisitions through business combinations	391	-
Foreign exchange translation gains and losses	<u>(1,466)</u>	<u>269</u>
Balance at September 30	<u>\$ 54,262</u>	<u>\$ 51,550</u>

### c. Other receivables

Other receivables consisted of tax refund receivable and others. The Group applied the policy only with good credit traders. The Group continued to trace and refer to past default experience of counterparties and analyzed their current financial position in order to evaluate whether there was a significant increase in credit risk or expected credit loss. As of September 30, 2020, December 31, 2019 and September 30, 2019, the Group did not need to recognize expected credit loss on other receivables.

## 10. INVENTORIES

	September 30, 2020	December 31, 2019	September 30, 2019
Raw materials	\$ 1,953,601	\$ 1,255,199	\$ 1,304,897
Work in progress	294,493	264,976	219,560
Finished goods and merchandise	<u>2,072,780</u>	<u>2,556,952</u>	<u>2,349,595</u>
	<u>\$ 4,320,874</u>	<u>\$ 4,077,127</u>	<u>\$ 3,874,052</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Cost of inventories sold	\$ 4,424,276	\$ 4,298,084	\$ 11,971,970	\$ 13,079,520
Inventory write-downs	20,140	23,571	91,283	63,355
Unallocated production overhead (Note)	15,741	-	48,275	-
	<u>\$ 4,460,157</u>	<u>\$ 4,321,655</u>	<u>\$ 12,111,528</u>	<u>\$ 13,142,875</u>

Note: Unallocated production overhead included the related expenses incurred during the shutdown period due to the impact of COVID-19.

## 11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2020	December 31, 2019	September 30, 2019	
BizLink Holding Inc.	BizLink Technology Inc.	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	
	OW Holding Inc.	Various investment activities.	93.08	93.08	93.08	a
	BizLink (BVI) Corp.	(1) Wholesale and retail of cable assemblies, connectors, power cords, (2) wholesale and retail of computer peripheral products and electronic materials, (3) international trade, and (4) various investment activities.	100.00	100.00	100.00	
	BizLink International Corp.	(1) Wholesale of cable assemblies, connectors and power cords, (2) international trade, and (3) financial center for BizLink's Asian operations.	100.00	100.00	100.00	
	Zellwood International Corp.	Various investment activities.	100.00	100.00	100.00	
	BizLink Technology (S.E.A.) Sdn. Bhd.	(1) Design, manufacture and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	
	Adel Enterprises Corp.	(1) Wholesale and retail of cable assemblies, connectors, and power cords, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	
	BizLink Tech Inc.	(1) Design, manufacture, and sale of cable assemblies, (2) wholesale and retail of computer peripheral products and electronic materials, (3) production of fiberfill moldings, and (4) international business trade.	100.00	100.00	100.00	
	Accell Corp.	(1) Wholesale and retail of brand name connectors, cables and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) its own brand name.	100.00	100.00	100.00	
	BizLink Technology (Ireland) Ltd.	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	
	BizLink Japan	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	
	BizLink (BVI) Corp. Limited	(1) Wholesale and retail of cable assemblies, connectors, power cords, (2) wholesale and retail of computer peripheral products and electronic materials, (3) international trade, and (4) various investment activities.	100.00	100.00	100.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2020	December 31, 2019	September 30, 2019	
	Bizconn Technology Inc.	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	Bizconn Technology Inc. is not yet in operation
	EA Cable Assemblies (Hong Kong) Co., Limited	Various investment activities.	100.00	100.00	100.00	
	EA Cable Assemblies GmbH	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	100.00	100.00	100.00	
	BizLink Technology (Belgium) NV	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	100.00	100.00	100.00	
	BizLink Technology (Slovakia) S.R.O.	(1) Manufacture and assembly of cable harnesses for electrical appliance, and (2) wholesale and retail of cable assemblies and power cords.	100.00	100.00	100.00	
	BizLink Technology SRB D.O.O.	(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords.	100.00	90.00	90.00	b and d
	Speedy Industrial Supplies Pte Ltd	Manufacture and sale of cable assemblies, power cords, PCBA assemblies, sheet metal fabrication and box build assemblies.	100.00	-	-	c
BizLink Technology Inc. OW Holding Inc.	Bobt, LLC	Various leasing activities.	100.00	100.00	100.00	
	OptiWorks, Inc.	(1) Wholesale and retail of fiber optical passive components and fiber optical cables, (2) international trade, and (3) various investment activities.	100.00	100.00	100.00	
OptiWorks, Inc.	OptiWorks (Shanghai) Limited	(1) Manufacture, wholesale and retail of fiber optical passive components and fiber optical cables, and (2) international trade.	100.00	100.00	100.00	
	OptiWorks (Kunshan) Limited	(1) Production and development of optical communications optoelectronic devices, components and modules, and (2) sale of own products.	100.00	100.00	100.00	
BizLink (BVI) Corp.	Hwa Zhan Electronics Corp. (Shen Zhen)	Production and operations of computers and communications cables, connectors and fiber jumpers.	100.00	100.00	100.00	
	Jo Yeh Company Limited	(1) Wholesale and retail of connectors, and (2) international trade.	100.00	100.00	100.00	
Jo Yeh Company Limited	Foshan Nanhai Jo Yeh Electronic Co., Ltd.	Production and operations of electrical appliances, electronic equipment, and plug-in connectors.	100.00	100.00	100.00	
Zellwood International Corp.	Bizconn International Corporation, BizLink (Kun Shan) Co., Ltd.	Various investment activities.	100.00	100.00	100.00	
	Teralux Technology Co., Ltd.	Design, manufacture and sale of cable assemblies, connectors and power cords.	100.00	100.00	100.00	
Bizconn International Corporation	Bizconn International Corp. (China)	Research, manufacture and retail of optical and optoelectronic device technology	100.00	100.00	100.00	
Adel Enterprise Corp.	BizLink Electronics (Xiamen) Co., Ltd.	Design, manufacture, sale and assembly of connectors, tooling and cable assemblies.	100.00	100.00	100.00	
	Asia Wick Ltd.	Manufacture and assembly of power cords and cables.	100.00	100.00	100.00	
	TongYing Electronics (Shen Zhen) Ltd.	Various investment activities.	100.00	100.00	100.00	
BizLink (BVI) Corp. Limited	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	Manufacture of wire extrusions and cable assemblies.	100.00	100.00	100.00	
BizLink Technology (S.E.A.) Sdn. Bhd.	BizLink Interconnect Technology (India) Private Limited	Design, manufacture, and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	
BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords.	-	10	10	b and d
EA Cable Assemblies (Hong Kong) Co., Limited	BizLink Technology (Chang Zhou) Limited	(1) Manufacture of smart instrumental sensors, instrumental connectors and instrumental functional materials, (2) sale of own products, and import and export business.	100.00	100.00	100.00	
	BizLink Technology (Xiamen) Limited	(1) Manufacture of smart instrumental sensors, instrumental connectors, and instrumental functional materials, (2) sale of own products, and import and export business.	100.00	100.00	100.00	
Speedy Industrial Supplies Pte Ltd	SIS Speedy Industrial Supplies Sdn. Bhd.	Manufacture and sale of cable assemblies, power cords, PCBA assemblies, sheet metal fabrication and box build assemblies.	100.00	-	-	c

(Concluded)

Note a: The non-controlling interest of OW Holding Inc. did not participate in the issuance of common stock for cash in September 2019 according to the original stockholding ratio. The stockholding ratio of the Group hence increased from 90.58% to 93.08%.

Note b: On July 1, 2019, BizLink's board of directors resolved to acquire 90% interest in BizLink Technology SRB D.O.O. in the amount of EUR6,500 thousand through capital increase via cash. Thus, the interest of BizLink Technology (Slovakia) S.R.O. in BizLink Technology SRB D.O.O. decreased to 10%.

Note c: In February 2020, BizLink's board of directors resolved to acquire 100% interest in Speedy Industrial Supplies Pte Ltd and its subsidiary, SIS Speedy Industrial Supplies Sdn. Bhd. on April 7, 2020.

Note d: In July 2020, BizLink acquire 10% interest in BizLink Technology SRB D.O.O. Thus, the stockholding ratio of the Group hence increased from 90% to 100%, and the interest of BizLink Technology (Slovakia) S.R.O. in BizLink Technology SRB D.O.O. decreased to 0%.

## 12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

### Investments in Associates

	September 30, 2020	December 31, 2019	September 30, 2019
Associates that are not individually material	\$ 97,363	\$ 97,316	\$ 103,683

At the end of reporting period, the interest share and percentage of ownership held by the Group were as follows:

Name of Associates	September 30, 2020	December 31, 2019	September 30, 2019
Siriustek Inc.	40.00%	40.00%	40.00%
AquaOptics Corp.	44.00%	22.78%	22.78%
ProOptics International Corp.	21.35%	21.35%	21.35%

At the end of reporting period, the interest share and percentage of voting right held by the Group were as follows:

Name of Associates	September 30, 2020	December 31, 2019	September 30, 2019
Siriustek Inc.	40.00%	40.00%	40.00%
AquaOptics Corp.	44.00%	22.78%	22.78%
ProOptics International Corp.	27.00%	27.00%	27.00%

Refer to Table 9 for the nature of activities, principal places of business and countries of incorporation of the associates.

In March 2019, the Group subscribed stocks of AquaOptics Corp. through a private placement for cash of \$30,000 thousand; after the subscription, the Group's percentage of ownership in AquaOptics was 22.78% and the Group was able to exercise significant influence over AquaOptics Corp. Included in the cost of investment in associates was goodwill of \$12,394 thousand recognized from the acquisition of AquaOptics Corp. Later in February 2020, the Group participated in the cash capital increase and subscribed stocks of AquaOptics of \$36,000 thousand; increasing the Group's percentage of ownership from 22.78% to 44.00%. The changes from investments in associates and joint ventures accounted for using equity method decreased the retained earnings by \$8,958 thousand for insufficient capital surplus.

In April 2019, the Group subscribed stocks of ProOptics International Corp. through a private placement for cash of \$70,201 thousand (US\$2,255 thousand); after the subscription, the Group's percentage of ownership in ProOptics was 21.35% and the Group was able to exercise significant influence over ProOptics International Corp. Included in the cost of investment in associates was goodwill of \$18,087 thousand (US\$581 thousand).

In June 2020, management of the Group carried out an impairment review on the basis of the discounted cash flow method on AquaOptics. In determining the recoverable amount of, the Group applied a discount rate of 7.6%. Based on the assessment, the recoverable amount of the Group's interest in AquaOptics which was \$37,253 thousand, was less than the carrying amount by \$8,400 thousand and recognized as impairment loss in other gains and losses.

Except for Siriustek Inc. and AquaOptics Corp, investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been reviewed for the three and nine months ended September 30, 2020 and 2019. However, the Group's management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of Siriustek Inc. and AquaOptics Corp. that have not been reviewed.

### 13. PROPERTY, PLANT AND EQUIPMENT

#### Assets Used by the Group

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Other Equipment	Property under Construction	Total
<b>Cost</b>							
Balance at January 1, 2020	\$ 348,715	\$ 900,452	\$ 2,590,726	\$ 21,221	\$ 760,076	\$ 32,170	\$ 4,653,360
Additions	-	43,946	186,395	933	97,483	191,939	520,696
Disposals	-	(13,341)	(62,833)	(516)	(9,969)	-	(86,659)
Reclassifications (a)	-	115,732	59,534	-	5,335	-	180,601
Acquisitions through business combinations (Note 30)	-	47,137	97,844	4,356	80,233	-	229,570
Effect of foreign currency exchange differences	(3,386)	(15,544)	(16,454)	(334)	(5,784)	793	(40,709)
Balance at September 30, 2020	<u>\$ 345,329</u>	<u>\$ 1,078,382</u>	<u>\$ 2,855,212</u>	<u>\$ 25,660</u>	<u>\$ 927,374</u>	<u>\$ 224,902</u>	<u>\$ 5,456,859</u>
<b>Accumulated depreciation and impairment</b>							
Balance at January 1, 2020	\$ -	\$ 275,573	\$ 1,424,301	\$ 12,547	\$ 435,231	\$ -	\$ 2,147,652
Disposals	-	(12,839)	(51,152)	(464)	(8,610)	-	(73,065)
Reclassifications	-	-	491	-	(491)	-	-
Depreciation expense	-	30,408	189,972	1,889	79,286	-	301,555
Acquisitions through business combinations (Note 30)	-	10,563	82,818	2,371	64,157	-	159,909
Effect of foreign currency exchange differences	-	(2,991)	(8,213)	(228)	(2,862)	-	(14,294)
Balance at September 30, 2020	<u>\$ -</u>	<u>\$ 300,714</u>	<u>\$ 1,638,217</u>	<u>\$ 16,115</u>	<u>\$ 566,711</u>	<u>\$ -</u>	<u>\$ 2,521,757</u>
Carrying amounts at December 31, 2019 and January 1, 2020	<u>\$ 348,715</u>	<u>\$ 624,879</u>	<u>\$ 1,166,425</u>	<u>\$ 8,674</u>	<u>\$ 324,845</u>	<u>\$ 32,170</u>	<u>\$ 2,505,708</u>
Carrying amounts at September 30, 2020	<u>\$ 345,329</u>	<u>\$ 777,668</u>	<u>\$ 1,216,995</u>	<u>\$ 9,545</u>	<u>\$ 360,663</u>	<u>\$ 224,902</u>	<u>\$ 2,935,102</u>
<b>Cost</b>							
Balance at January 1, 2019	\$ 351,825	\$ 819,028	\$ 2,362,298	\$ 20,314	\$ 629,526	\$ -	\$ 4,182,991
Additions	-	13,342	355,491	4,553	104,536	32,170	510,092
Disposals	-	(13,595)	(70,800)	(2,750)	(10,351)	-	(97,496)
Reclassifications (b)	-	4,048	32,051	34	18,116	-	54,249
Effect of foreign currency exchange differences	1,290	(3,207)	(53,367)	(347)	(14,699)	-	(70,330)
Balance at September 30, 2019	<u>\$ 353,115</u>	<u>\$ 819,616</u>	<u>\$ 2,625,673</u>	<u>\$ 21,804</u>	<u>\$ 727,128</u>	<u>\$ 32,170</u>	<u>\$ 4,579,506</u>
<b>Accumulated depreciation and impairment</b>							
Balance at January 1, 2019	\$ -	\$ 261,635	\$ 1,324,148	\$ 13,732	\$ 361,790	\$ -	\$ 1,961,305
Disposals	-	(13,595)	(51,617)	(2,475)	(9,774)	-	(77,461)
Depreciation expense	-	28,118	180,820	1,819	83,323	-	294,080
Effect of foreign currency exchange differences	-	(3,509)	(30,538)	(170)	(8,794)	-	(43,011)
Balance at September 30, 2019	<u>\$ -</u>	<u>\$ 272,649</u>	<u>\$ 1,422,813</u>	<u>\$ 12,906</u>	<u>\$ 426,545</u>	<u>\$ -</u>	<u>\$ 2,134,913</u>
Carrying amounts at September 30, 2019	<u>\$ 353,115</u>	<u>\$ 546,967</u>	<u>\$ 1,202,860</u>	<u>\$ 8,898</u>	<u>\$ 300,583</u>	<u>\$ 32,170</u>	<u>\$ 2,444,593</u>

- a. Reclassifications from inventory and other non-current assets - prepayments for equipment to property, plant and equipment amounted to \$2,105 thousand and \$178,496 thousand, respectively.

- b. Reclassifications from inventory and other non-current assets - prepayments for equipment to property, plant and equipment amounted to \$1,975 thousand and \$52,274 thousand, respectively.

No impairment assessments were performed for the nine months ended September 30, 2020 and 2019 as there were no indications of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	
Main buildings	20-55 years
Construction appurtenance	2-20 years
Machinery and equipment	2-23 years
Transportation	2-10 years
Other equipment	2-10 years

Refer to Note 36 for the carrying amount of property, plant and equipment used by the and pledged by the Group to secure borrowings granted.

#### 14. LEASE ARRANGEMENTS

- a. Right-of-use assets

	September 30, 2020		December 31, 2019		September 30, 2019	
<u>Carrying amounts</u>						
Land	\$	200,120	\$	202,459	\$	168,337
Buildings		668,382		802,395		885,879
Transportation equipment		13,441		16,884		16,351
Other equipment		<u>5,584</u>		<u>7,084</u>		<u>7,613</u>
	\$	<u>887,527</u>	\$	<u>1,028,822</u>	\$	<u>1,078,180</u>
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>			
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>		
Additions to right-of-use assets			\$	<u>12,154</u>	\$	<u>453,650</u>
Depreciation charge for right-of-use assets						
Land	\$	1,193	\$	525	\$	1,141
Buildings		65,716		64,530		189,567
Transportation equipment		2,325		2,375		7,799
Other equipment		<u>344</u>		<u>615</u>		<u>1,504</u>
	\$	<u>69,578</u>	\$	<u>68,045</u>	\$	<u>205,501</u>
Income from the subleasing of right-of-use assets (presented in other income)	\$	<u>(3,650)</u>	\$	<u>(3,200)</u>	\$	<u>(10,485)</u>
					\$	<u>(9,977)</u>



Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2020 and 2019.

b. Lease liabilities

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Carrying amounts</u>			
Current	<u>\$ 291,834</u>	<u>\$ 253,578</u>	<u>\$ 256,354</u>
Non-current	<u>\$ 445,977</u>	<u>\$ 606,049</u>	<u>\$ 680,761</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Buildings	2.69%-9.88%	2.69%-6.76%	2.69%-6.76%
Transportation equipment	2.49%-4.59%	2.49%-4.59%	2.49%-4.59%
Other equipment	2.69%-4.25%	2.69%-4.25%	2.69%-4.25%

c. Material lease-in activities and terms

Because of the market conditions severely affected by COVID-19 in 2020, the Group negotiated with the lessor for rent concessions for building lease. The lessor agreed to provide unconditional 1 to 3 months rent reduction from January 1 to September 30, 2020. The Group recognized in profit or loss the impact of rent concessions of \$1,183 thousand and \$16,201 thousand for the three and nine months ended September 30, 2020(Recorded under other income).

d. Subleases

The sublease transactions are set out below.

Sublease of right-of-use assets

The Group subleases its right-of-use assets for building under operating leases with lease terms between 1 to 5 years and with an option to extend for an additional years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

The maturity analysis of lease payments receivable under operating subleases was as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Year 1	\$ 8,954	\$ 6,793	\$ 7,719
Year 2	5,459	5,763	6,145
Year 3	<u>-</u>	<u>2,624</u>	<u>4,017</u>
	<u>\$ 14,413</u>	<u>\$ 15,180</u>	<u>\$ 17,881</u>

e. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 15.

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Expenses relating to short-term leases	\$ 2,620	\$ 4,435	\$ 9,889	\$ 15,149
Expenses relating to low-value asset leases	\$ 1,409	\$ 242	\$ 3,874	\$ 2,065
Total cash outflow for leases			\$ (227,230)	\$ (219,460)

## 15. INVESTMENT PROPERTIES

	Freehold Land	Building	Total
<u>Cost</u>			
Balance at January 1, 2020	\$ 91,758	\$ 151,373	\$ 243,131
Effect of foreign currency exchange differences	(1,085)	(2,679)	(3,764)
Balance at September 30, 2020	\$ 90,673	\$ 148,694	\$ 239,367
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ -	\$ 44,286	\$ 44,286
Depreciation expense	-	2,751	2,751
Effect of foreign currency exchange differences	-	(762)	(762)
Balance at September 30, 2020	\$ -	\$ 46,275	\$ 46,275
Carrying amounts at December 31, 2019 and January 1, 2020	\$ 91,758	\$ 107,087	\$ 198,845
Carrying amounts at September 30, 2020	\$ 90,673	\$ 102,419	\$ 193,092
<u>Cost</u>			
Balance at January 1, 2019	\$ 92,754	\$ 153,836	\$ 246,590
Effect of foreign currency exchange differences	414	1,021	1,435
Balance at September 30, 2019	\$ 93,168	\$ 154,857	\$ 248,025
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2019	\$ -	\$ 41,203	\$ 41,203
Depreciation expense	-	2,832	2,832
Effect of foreign currency exchange differences	-	246	246
Balance at September 30, 2019	\$ -	\$ 44,281	\$ 44,281
Carrying amounts at September 30, 2019	\$ 93,168	\$ 110,576	\$ 203,744

The investment properties were leased out for 2 to 5 years, with an option to extend for an additional 3 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as of September 30, 2020, December 31, 2019 and September 30, 2019 was as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Year 1	\$ 19,996	\$ 19,191	\$ 17,227
Year 2	4,145	14,781	15,730
Year 3	<u>-</u>	<u>-</u>	<u>1,244</u>
	<u>\$ 24,141</u>	<u>\$ 33,972</u>	<u>\$ 34,201</u>

To reduce the residual asset risk related to subleased lands and buildings at the end of the relevant lease, the Group follows its general risk management strategy.

Investment properties were depreciated using the straight-line method over their estimated useful lives as follows:

Building	
Main buildings	39-55 years
Construction appurtenances	5-10 years

For investment properties not valued by any independent valuer, the management of the Group used the valuation model that market participants would use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

	September 30, 2020	December 31, 2019	September 30, 2019
Fair value	<u>\$ 307,041</u>	<u>\$ 304,151</u>	<u>\$ 287,676</u>

Refer to Note 36 for the carrying amount of investment properties pledged by the Group to secure borrowings granted to the Group.

## 16. GOODWILL

	For the Nine Months Ended September 30	
	2020	2019
<u>Cost</u>		
Balance at January 1	\$ 375,836	\$ 393,855
Acquisitions through business combinations (Note 30)	361,620	-
Effects of foreign currency exchange differences	<u>911</u>	<u>(14,837)</u>
Balance at September 30	<u>\$ 738,367</u>	<u>\$ 379,018</u>

(Continued)

**For the Nine Months Ended  
September 30**

	2020	2019
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ 1,969	\$ -
Effects of foreign currency exchange differences	<u>(31)</u>	<u>-</u>
Balance at September 30	<u>\$ 1,938</u>	<u>\$ -</u>
Carrying amounts at January 1	<u>\$ 373,867</u>	<u>\$ 393,855</u>
Carrying amounts at September 30	<u>\$ 736,429</u>	<u>\$ 379,018</u> (Concluded)

In January 2017, the board of directors resolved to acquire Leoni AG's Electrical Appliance Assemblies business group on May 2, 2017 and recognized goodwill of EUR11,129 thousand (translated into \$377,718 thousand on September 30, 2020). Any excess of the cost of acquisition and the net fair value of the obtained identifiable assets and liabilities is recognized as goodwill on the acquisition date with provisional prices determined based on the purchase pricing allocation report. The Group will conduct impairment tests on goodwill related to the identified cash generating units regularly in accordance with the recoverable amount based on a discounted cash flow analysis.

In July 2018, the board of directors resolved to acquire Teralux Technology Co., Ltd. and recognized goodwill of RMB461 thousand. Any excess of the cost of acquisition and the net fair value of the obtained identifiable assets and liabilities is recognized as goodwill on the acquisition date with provisional prices determined based on the purchase pricing allocation report. The Group conducted impairment tests on goodwill in the fourth quarter of 2019 and recognized in full impairment loss. As the Group is expected to liquidate the identified cash generating unit, and the recoverable amount based of goodwill evaluated is zero.

In February 2020, the board of directors resolved to acquire Speedy Industrial Supplies Pte Ltd and its subsidiary, SIS Speedy Industrial Supplies Sdn. Bhd. on April 7, 2020 and recognized goodwill of SGD16,918 thousand (translated into \$358,711 thousand on September 30, 2020). Any excess of the cost of acquisition and the net fair value of the obtained identifiable assets and liabilities is recognized as goodwill on the acquisition date with provisional prices determined based on the purchase pricing allocation report.

## 17. OTHER INTANGIBLE ASSETS

	Patents	Computer Software	Trademarks	Customer Relationships	Core Technology	Total
<u>Cost</u>						
Balance at January 1, 2020	\$ 60,323	\$ 316,583	\$ -	\$ 207,304	\$ 230,959	\$ 815,169
Additions	-	30,622	-	-	-	30,622
Acquisitions through business combinations (Note 30)	-	22,906	-	445,923	286,999	755,828
Disposal	-	(114)	-	-	-	(114)
Reclassifications (Note)	-	228	-	-	-	228
Effect of foreign currency exchange differences	<u>(502)</u>	<u>(2,632)</u>	<u>-</u>	<u>(4,627)</u>	<u>(4,521)</u>	<u>(12,282)</u>
Balance at September 30, 2020	<u>\$ 59,821</u>	<u>\$ 367,593</u>	<u>\$ -</u>	<u>\$ 648,600</u>	<u>\$ 513,437</u>	<u>\$ 1,589,451</u> (Continued)

	Patents	Computer Software	Trademarks	Customer Relationships	Core Technology	Total
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2020	\$ 57,662	\$ 182,862	\$ -	\$ 110,331	\$ 126,938	\$ 477,793
Amortization expense	1,342	32,168	-	35,977	39,177	108,664
Acquisitions through business combinations (Note 30)	-	6,724	-	-	-	6,724
Disposal	-	(19)	-	-	-	(19)
Effect of foreign currency exchange differences	(460)	(1,498)	-	(1,050)	(1,487)	(4,495)
Balance at September 30, 2020	<u>\$ 58,544</u>	<u>\$ 220,237</u>	<u>\$ -</u>	<u>\$ 145,258</u>	<u>\$ 164,628</u>	<u>\$ 588,667</u>
Carrying amounts at December 31, 2019 and January 1, 2020	<u>\$ 2,661</u>	<u>\$ 133,721</u>	<u>\$ -</u>	<u>\$ 96,973</u>	<u>\$ 104,021</u>	<u>\$ 337,376</u>
Carrying amounts at September 30, 2020	<u>\$ 1,277</u>	<u>\$ 147,356</u>	<u>\$ -</u>	<u>\$ 503,342</u>	<u>\$ 348,809</u>	<u>\$ 1,000,784</u>
<u>Cost</u>						
Balance at January 1, 2019	\$ 62,415	\$ 310,607	\$ 63	\$ 215,576	\$ 211,852	\$ 800,513
Additions	-	12,308	-	-	28,079	40,387
Disposal	-	-	(63)	-	-	(63)
Effect of foreign currency exchange differences	(513)	(4,522)	-	(4,197)	(3,662)	(12,894)
Balance at September 30, 2019	<u>\$ 61,902</u>	<u>\$ 318,393</u>	<u>\$ -</u>	<u>\$ 211,379</u>	<u>\$ 236,269</u>	<u>\$ 827,943</u>
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2019	\$ 20,634	\$ 149,881	\$ 63	\$ 48,237	\$ 53,585	\$ 272,400
Amortization expense	7,146	30,301	-	23,096	26,721	87,264
Disposal	-	-	(63)	-	-	(63)
Effect of foreign currency exchange differences	(1)	(3,153)	-	(1,771)	(1,874)	(6,799)
Balance at September 30, 2019	<u>\$ 27,779</u>	<u>\$ 177,029</u>	<u>\$ -</u>	<u>\$ 69,562</u>	<u>\$ 78,432</u>	<u>\$ 352,802</u>
Carrying amounts at September 30, 2019	<u>\$ 34,123</u>	<u>\$ 141,364</u>	<u>\$ -</u>	<u>\$ 141,817</u>	<u>\$ 157,837</u>	<u>\$ 475,141</u>

(Concluded)

Note Reclassifications from other non-current assets - prepayments for equipment to other intangible assets amounted to \$228 thousand.

The above items of intangible assets are amortized on a straight-line basis over the estimated useful life of the asset as follows:

Patents	5 years
Computer software	2-10 years
Trademarks	10 years
Customer relationships	6.5-13 years
Core technology	5.5-10.4 years

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2020	2019	2020	2019
An analysis of amortization by function				
Operating costs	\$ 8,712	\$ 10,519	\$ 27,820	\$ 33,214
Selling and marketing expenses	22,628	7,409	48,144	20,048
General and administrative expenses	10,593	9,963	29,115	31,048
Research and development expenses	<u>1,378</u>	<u>960</u>	<u>3,585</u>	<u>2,954</u>
	<u>\$ 43,311</u>	<u>\$ 28,851</u>	<u>\$ 108,664</u>	<u>\$ 87,264</u>

## 18. OTHER ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Prepayments	\$ 335,952	\$ 220,202	\$ 218,146
Others	<u>2,301</u>	<u>2,686</u>	<u>3,182</u>
	<u>\$ 338,253</u>	<u>\$ 222,888</u>	<u>\$ 221,328</u>
<u>Other financial assets - current</u>			
Time deposits with original maturities of more than 3 months	\$ 29,306	\$ 2,371	\$ 7,396
Pledged bank demand and time deposits (Note 36)	<u>22,069</u>	<u>8,605</u>	<u>23,151</u>
	<u>\$ 51,375</u>	<u>\$ 10,976</u>	<u>\$ 30,547</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 81,329	\$ 175,420	\$ 191,171
Refundable deposits (Note 35)	<u>77,253</u>	<u>72,172</u>	<u>75,356</u>
	<u>\$ 158,582</u>	<u>\$ 247,592</u>	<u>\$ 266,527</u>
<u>Other financial assets - non-current</u>			
Time deposits with original maturities of more than 1 year	\$ -	\$ 10,220	\$ 12,003
Pledged bank demand and time deposits (Note 36)	<u>171,712</u>	<u>167,054</u>	<u>162,742</u>
	<u>\$ 171,712</u>	<u>\$ 177,274</u>	<u>\$ 174,745</u>

## 19. BORROWINGS

### a. Short-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Secured borrowings (Note 36)</u>			
Bank loans	\$ 79,090	\$ 64,500	\$ 64,500
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>27,151</u>	<u>-</u>	<u>33,871</u>
	<u>\$ 106,241</u>	<u>\$ 64,500</u>	<u>\$ 98,371</u>

The range of interest rate on bank loans was 0.19%-2.28%, 0.96%-1.15% and 1.04%-2.00% per annum as of September 30, 2020, December 31, 2019 and September 30, 2019, respectively.

b. Long-term borrowings and current portion of long-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Secured borrowings (Note 36)</u>			
Bank loans	\$ 355,760	\$ 363,457	\$ 369,628
Less: Current portion (due in one year)	<u>(35,665)</u>	<u>(5,552)</u>	<u>(5,745)</u>
	<u>320,095</u>	<u>357,905</u>	<u>363,883</u>
<u>Unsecured borrowings</u>			
Bank loans	90,507	101,208	48,805
Less: Current portion (due in one year)	<u>(8,557)</u>	<u>(8,101)</u>	<u>-</u>
	<u>81,950</u>	<u>93,107</u>	<u>48,805</u>
Long-term borrowings	<u>\$ 402,045</u>	<u>\$ 451,012</u>	<u>\$ 412,688</u>

In February 2016 and May 2014, the long-term secured borrowings were provided with collateral in the form of freehold land and buildings valued at \$237,980 thousand and US\$5,800 thousand, respectively. Such loans are due in January 2026 and July 2024, respectively. As of September 30, 2020, December 31, 2019 and September 30, 2019, the annual effective interest rate was 0.48%-4.19%, 1.24%-4.19% and 1.23%-4.19%, respectively, per annum.

As of March 7, 2019, the long-term borrowing of MYR14,000 thousand was provided by HSBC Bank with BizLink Technology (S.E.A.) Sdn. Bhd. in purchase of land and buildings. As of September 30, 2019, MYR6,599 thousand was contributed by the Company, and the remaining was contributed on October 2019. The annual effective interest rate is 3.14% with the payment terms due in October 2029.

## 20. BONDS PAYABLE

	September 30, 2020	December 31, 2019	September 30, 2019
Overseas unsecured bonds	\$ 2,906,328	\$ 5,486,340	\$ 3,102,000
Less: Unamortized bond discount	(116,781)	(283,950)	(149,134)
Less: Current portion	<u>-</u>	<u>(2,377,478)</u>	<u>(2,952,866)</u>
	<u>\$ 2,789,547</u>	<u>\$ 2,824,912</u>	<u>\$ -</u>

- a. On February 1, 2018, BizLink issued the second five-year unsecured, zero-coupon overseas convertible bonds with US\$250 thousand par value, at an aggregate principal amount of US\$100,000 thousand.

The following items are the primary clauses in the prospectus:

1) Term

From February 1, 2018 to February 1, 2023.

## 2) Maturity repayment

Unless previously converted, redeemed or repurchased, cancelled or converted into fully paid common stock, the Group should redeem the convertible bonds at the maturity date with a 1.25% yield to maturity (calculated on a semi-annual basis), which is 106.43% of the principal amount.

## 3) Conversion

### Conversion period

Unless previously converted, redeemed or repurchased and cancelled, the bonds may be converted into fully paid common stock at the option of the bondholders at any time, from three months after the issue date (excluding the issue date) until 10 days before the maturity date.

### Conversion price and adjustments

The price used by BizLink in determining the number of common stock to be issued upon conversion is initially NT\$320 per share with a fixed exchange rate applicable on conversion of bonds of NT\$29.075=US\$1.00. The conversion price will be subject to adjustment, according to a formula stated in the prospectus, due to any change in issuance of common stock. The adjusted conversion price for the stock issuance for cash in participation of GDR and the third unsecured overseas convertible bonds as of December 13, 2019 was NT\$297.72 per share.

## 4) Bondholders' put right

- a) Unless previously converted, redeemed or repurchased and cancelled, at 2 years after the issue date, each bondholder will have the right, at such bondholder's option, to require BizLink to redeem the bonds, in whole or in part, at their early redemption amount. The early redemption amount of a bond is determined so that it represents for the bondholders of the bonds a gross yield of 1.25% per annum, calculated on a semi-annual basis (the principal amount of such bondholder's bonds at 102.52%).
- b) In the event that the stocks cease to be listed or admitted for trading or are suspended from trading on the TWSE, each bondholder shall have the right to require BizLink to redeem the bonds, in whole or in part, at their early redemption amount. The early redemption amount of a bond is determined so that it represents for the bondholders of the bonds a gross yield of 1.25% per annum, calculated on a semi-annual basis.
- c) If a change of control occurs, each bondholder shall have the right at such bondholder's option to require BizLink to redeem such bondholder's bonds in whole or in part.

## 5) Redemption

- a) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if more than 90% in principal amount of the bonds has already been converted or redeemed or repurchased and cancelled.
- b) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if the Group has become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or Republic of China (R.O.C.).
- c) From two years to the day after the issue date to the maturity date, if the closing price for 20 transaction days of 30 consecutive business days of BizLink's common stock on the TWSE (converted into U.S. dollars at the spot exchange rate) is greater than the early redemption price applicable on the day decided by the convertible ratio exceeds 130%, then BizLink may redeem the bonds in whole or part at the early redemption amount.



- 6) The option and liability portions are accounted for separately, which are respectively included in financial assets at FVTPL - current, financial liabilities at FVTPL - current, bonds payable and capital surplus - options.
- 7) For the three months ended September 30, 2020 and 2019, for the nine months ended September 30, 2020 and 2019, amortization of discounts on bonds payable included in financial costs were \$0 thousand, \$10,954 thousand, \$6,971 thousand and \$32,589 thousand, respectively.

The liability and equity components of convertible bonds were as follows:

Liability component as of January 1, 2019	\$ 2,891,598
Amortized interest	32,589
Effect of foreign exchange rate	<u>28,679</u>
Liability component as of September 30, 2019	<u>\$ 2,952,866</u>
Liability component as of January 1, 2020	\$ 2,377,478
Amortized interest	6,971
Redemption of convertible bonds	(2,406,690)
Effect of foreign exchange rate	<u>22,241</u>
Liability component as of September 30, 2020	<u>\$ -</u>

- 8) The bondholders exercised the put right and required BizLink to redeem 332 units of the second unsecured overseas convertible bonds at US\$83,000 thousand with an additional interest compensation of US\$2,095 thousand in February 2020. The redemption decreased bonds payable and financial assets at FVTPL by \$2,406,690 thousand and \$502 thousand, respectively. The difference between the redemption price and the book value of the liability component led to a redemption loss of \$167,869 thousand and was recorded under non-operating income or expense - other gains or losses and the equity component was transferred into capital surplus - expired share options of \$140,005 thousand. As of September 30, 2020, the second unsecured overseas convertible bonds were not converted but were all redeemed and repurchased.
- b. On December 13, 2019, BizLink issued the third five-year unsecured, zero-coupon overseas convertible bonds with a US\$200 thousand par value, at an aggregate principal amount of US\$100,000 thousand.

The following items are the primary clauses in the prospectus:

1) Term

From December 13, 2019 to December 13, 2024.

2) Maturity repayment

Unless previously converted, redeemed or repurchased, cancelled or converted into fully paid common stock, the Group should redeem the convertible bonds at the maturity date with a 1.25% yield to maturity (calculated on a semi-annual basis), which is 106.43% of the principal amount.

3) Conversion

Conversion period

Unless previously converted, redeemed or repurchased and cancelled, the bonds may be converted into fully paid common stock at the option of the bondholders at any time, from three months after the issue date (excluding the issue date) until 10 days before the maturity date.

#### Conversion price and adjustments

The price used by BizLink in determining the number of common stocks to be issued upon conversion is initially NT\$245.77 per share with a fixed exchange rate applicable on conversion of the bonds of NT\$30.482=US\$1.00. The conversion price will be subject to adjustment, according to a formula stated in the prospectus, due to any change in the issuance of common stocks. The conversion price as of September 30, 2020 was NT\$234.56 per share.

#### 4) Bondholders' put rights

- a) Unless previously converted, redeemed or repurchased and cancelled, at 3 years after the issue date, each bondholder will have the right, at such bondholder's option, to require BizLink to redeem, in whole or in part, the principal amount of such bondholder's bonds at 103.81%.
- b) In the event that the stocks cease to be listed or admitted for trading or are suspended from trading on the TWSE, each bondholder shall have the right to require BizLink to redeem the bonds, in whole or in part, at their early redemption amount. The early redemption amount of a bond is determined so that it represents for the bondholders of the bonds a gross yield of 1.25% per annum, calculated on a semi-annual basis.
- c) If a change of control occurs, each bondholder shall have the right at such bondholder's option to require BizLink to redeem such bondholder's bonds in whole or in part.

#### 5) Redemption

- a) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if more than 90% of the principal amount of the bonds has already been converted or redeemed or repurchased and cancelled.
  - b) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if the Group has become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or the Republic of China (R.O.C.).
  - c) From three years to the day after the issue date to the maturity date, if the closing price for 20 transaction days of 30 consecutive business days of BizLink's common stock on the TWSE (converted into U.S. dollars at the spot exchange rate) is greater than the early redemption price applicable on the day decided by the convertible ratio exceeds 130%, then BizLink may redeem the bonds in whole or part at the early redemption amount.
- 6) The option and liability portions are accounted for separately, which are respectively included in financial assets/liabilities at FVTPL - current, bonds payable and capital surplus - options.
- 7) For the year ended September 30, 2020, the amount of converted convertible bond of NT\$12,193 thousand(US\$400 thousands) was reclassified to common stock NT\$520 thousand and capital surplus - conversion of bonds NT\$11,673 thousand. Bonds payable discount, financial liabilities at FVTPL - current and capital surplus - stock option on conversion date in the amounts of NT\$(491) thousand, NT\$(8) thousand and NT\$561 thousand, respectively, were also reclassified to capital surplus - conversion of bonds. For the three months and nine months ended September 30, 2020, amortization of discount on bonds payable of NT\$17,325 thousand and NT\$52,307 thousands were included in financial cost.

The liability and equity components of convertible bonds were as follows:

Liability component as of January 1, 2020	\$ 2,824,912
Amortized interest	52,307
Convertible bonds converted to common stocks	(11,702)
Effect of foreign exchange rate	<u>(75,970)</u>
Liability component as of September 30, 2020	<u>\$ 2,789,547</u>

## 21. NOTES PAYABLE AND TRADE PAYABLES

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Notes payable</u>			
Operating	<u>\$ 224,752</u>	<u>\$ 308,767</u>	<u>\$ 247,409</u>
<u>Trade payables</u>			
Operating	<u>\$ 2,595,580</u>	<u>\$ 3,371,163</u>	<u>\$ 3,076,169</u>

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 22. OTHER LIABILITIES

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Other payables			
Salaries or bonuses (includes employee compensations and remuneration of directors)	\$ 768,453	\$ 800,755	\$ 726,807
Welfare funds	45,174	36,808	40,582
Payables for taxes	52,301	40,228	43,120
Payables for purchases of equipment (Note 32)	54,484	20,774	23,278
Payables for professional fees	16,362	43,268	56,037
Payables for shipping	67,341	34,250	52,485
Payables for investment (Note 32)	8,199	-	-
Others	<u>218,522</u>	<u>267,204</u>	<u>299,334</u>
	<u>\$ 1,230,836</u>	<u>\$ 1,243,287</u>	<u>\$ 1,241,643</u>
Other liabilities			
Receipts under custody	\$ 1,697	\$ 1,426	\$ 1,353
Others	<u>1,264</u>	<u>1,220</u>	<u>1,253</u>
	<u>\$ 2,961</u>	<u>\$ 2,646</u>	<u>\$ 2,606</u>

(Continued)

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	\$ 11,202	\$ 7,914	\$ 6,307
Deferred revenue - government grants	8,467	11,128	4,862
Others	<u>4,301</u>	<u>3,118</u>	<u>3,249</u>
	<u>\$ 23,970</u>	<u>\$ 22,160</u>	<u>\$ 14,418</u>
			(Concluded)

### 23. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined benefit retirement plans were calculated using the respective prior year's actuarially determined pension cost discount rates as of December 31, 2019 and 2018, and the Group recognized \$49 thousand, \$66 thousand, \$129 thousand and \$198 thousand for the three months and nine months ended September 30, 2020 and 2019, respectively.

### 24. EQUITY

#### a. Capital stock

##### 1) Common stocks

	September 30, 2020	December 31, 2019	September 30, 2019
Number of stocks authorized (in thousand of stocks)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Stocks authorized	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of stocks issued and fully paid (in thousand of stocks)	<u>130,569</u>	<u>130,517</u>	<u>118,517</u>
Stocks issued	<u>\$ 1,305,694</u>	<u>\$ 1,305,174</u>	<u>\$ 1,185,174</u>

Fully paid common stocks, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

##### 2) Issuance of global depositary receipts

BizLink's board of directors approved a stock issuance on October 1, 2019, for cash in participation of the Global Depositary Receipts (refers to as the GDRs) for the financial needs of overseas procurement and the repayment of the principal and interest of the second issuance of unsecured overseas convertible bonds. The proposed stock issuance for cash is expected to be around 12,000 thousand to 15,000 thousand shares of common stocks. The proposal has been approved by the FSC on November 7, 2019 with the Rule No. 1080334677. On December 13, 2019, the Group issued 12,000 thousand shares of common stocks at US\$6.7 (NT\$204.23 on the issuance date) per share and per unit in the Luxembourg Stock Exchange for US\$79,512 thousand, net of transaction cost. Each unit of GDR represents one common stock of the Group.

As of September 30, 2020, the outstanding number of GDRs issued by the Group is 7 thousand units, which equal to 7 thousand shares of common stock.

b. Capital surplus

	September 30, 2020	December 31, 2019	September 30, 2019
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)			
Stock premiums	\$ 3,943,843	\$ 3,943,843	\$ 1,557,069
Conversion of bonds	<u>3,022,244</u>	<u>3,010,509</u>	<u>3,010,509</u>
	<u>\$ 6,966,087</u>	<u>\$ 6,954,352</u>	<u>\$ 4,567,578</u>
May be used to offset a deficit only			
Conversion of employee share options (2)	\$ 68,087	\$ 68,087	\$ 68,087
Share of changes in capital surplus of subsidiary (3)	-	-	344
Others - expired share options (2)	144,624	4,619	4,619
Treasury share transactions	<u>12,716</u>	<u>12,716</u>	<u>-</u>
	<u>\$ 225,427</u>	<u>\$ 85,422</u>	<u>\$ 73,050</u>
May not be used for any purpose			
Employee share options	\$ 7,581	\$ -	\$ -
Employee restricted stocks	-	-	83,075
Stock warrants	<u>139,746</u>	<u>280,312</u>	<u>169,777</u>
	<u>\$ 147,327</u>	<u>\$ 280,312</u>	<u>\$ 252,852</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital stock (limited to a certain percentage of the Group's capital surplus and once a year).
- 2) Such capital surplus arises from when employee share options are exercised or expired, capital surplus - options are transferred to capital surplus - stock premiums or capital surplus - others, respectively: And when the bondholder redeem the convertible bonds, capital surplus - stock warrants are transferred to capital surplus - others.
- 3) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

A reconciliation of the carrying amount for each class of capital surplus was as follows:

	Stock Premiums	Treasury Stocks	Conversion of Employee Share options	Conversion of Bonds	Share Warrants	Employee Restricted Stocks	Employee Share options	Others - Expired Share options	Changes in Percentage of Ownership Interests in Subsidiaries	Total
Balance at January 1, 2019	\$ 1,557,069	\$ -	\$ 68,087	\$ 3,010,509	\$ 169,777	\$ 83,075	\$ -	\$ 4,619	\$ 502	\$ 4,893,638
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(158)	(158)
Balance at September 30, 2019	<u>\$ 1,557,069</u>	<u>\$ -</u>	<u>\$ 68,087</u>	<u>\$ 3,010,509</u>	<u>\$ 169,777</u>	<u>\$ 83,075</u>	<u>\$ -</u>	<u>\$ 4,619</u>	<u>\$ 344</u>	<u>\$ 4,893,480</u>
Balance at January 1, 2020	\$ 3,943,843	\$ 12,716	\$ 68,087	\$ 3,010,509	\$ 280,312	\$ -	\$ -	\$ 4,619	\$ -	\$ 7,320,086
Employee share options	-	-	-	-	-	-	7,581	-	-	7,581
Redemption of convertible bonds	-	-	-	-	(140,005)	-	-	140,005	-	-
Convertible bonds converted to common stocks	-	-	-	11,735	(561)	-	-	-	-	11,174
Balance at September 30, 2020	<u>\$ 3,943,843</u>	<u>\$ 12,716</u>	<u>\$ 68,087</u>	<u>\$ 3,022,244</u>	<u>\$ 139,746</u>	<u>\$ -</u>	<u>\$ 7,581</u>	<u>\$ 144,624</u>	<u>\$ -</u>	<u>\$ 7,338,841</u>

c. Retained earnings and dividend policy

Subject to the Statue amended by the stockholders' meeting on June 12, 2019, BizLink may distribute to the Members in the form of cash, all or a portion of its dividends and bonuses, legal reserve and/or capital reserve derived from issuance of new shares at a premium or from gifts received by the Company by a majority of the Directors at meeting attended by two-thirds or more of the total number of the Directors, and shall subsequently report such distribution to a shareholders' meeting. Under the dividend policy by the Articles, the Company may distribute profit in accordance with a proposal for distribution of profit prepared by the Directors and approved by the members by an ordinary resolution at any general meeting. The Directors shall prepare such proposal as follows: (1) The proposal shall begin with BizLink's annual net income and offset its losses in previous years that have not been previously offset, and then set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve equals the total capital of BizLink, (2) then BizLink shall set aside a special capital reserve, if one is required, in accordance with the applicable public company rules or as requested by the authorities in charge. Any balance left over may be distributed as dividends (including cash dividends or stock dividends) or bonuses in accordance with the statutes and the applicable public company rules and after taking into consideration financial, business and operational factors with the amount of profits distributed at not lower than 10% of profit after tax of the then current year and the amount of cash dividends distributed thereupon shall not be less than 10% of the profit proposed to be distributed of the then current year.

Refer to employee's compensation and remuneration of directors in Note 26 (h) for details.

Legal reserve may be used to offset any deficit. If the Group has no deficit and the legal reserve has exceeded 25% of BizLink's paid-in capital, the excess may be transferred to capital or distributed in cash.

BizLink appropriates or reverses a special reserve in accordance with Rule No. 1010012865 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs". Distribution can be made out of any subsequent reversal of debits to other equity items.

The appropriations of earnings for 2019 and 2018 that were approved in the shareholders' meeting on June 19, 2020 and June 12, 2019, respectively, were as follows:

	<b>Appropriation of Earnings</b>	
	<b>2019</b>	<b>2018</b>
Legal reserve	\$ 184,399	\$ 139,231
Special reserve	\$ 321,715	\$ 41,652
Cash dividends	\$ 1,174,657	\$ 888,881
Cash dividends per share (NT\$)	\$ 9.0	\$ 7.5

d. Other equity items

1) Exchange differences on translating foreign operations

	<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ (1,088,878)	\$ (682,785)
Exchange differences on translating foreign operations	290,714	(302,924)
Exchange differences on translation to presentation currency	<u>(317,891)</u>	<u>101,600</u>
Balance at September 30	<u>\$ (1,116,055)</u>	<u>\$ (884,109)</u>

2) Unrealized gain or loss of financial assets at FVTOCI

	<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ 117,746	\$ 39,148
Recognized during the period		
Unrealized gain (loss) - equity instruments	116,751	89,179
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>(225,688)</u>	<u>-</u>
Balance at September 30	<u>\$ 8,809</u>	<u>\$ 128,327</u>

3) Gain (loss) on effective cash flow hedging instruments

	<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ 3,207	\$ (2,572)
Recognized during the period		
Gain on changes in fair value of hedging instruments		
Raw material price risk - copper futures contracts	(12,534)	14,481
Foreign currency risk - forecasted investment contract	13,862	-
Transferred to carrying amount of hedged items		
Raw material price risk - copper futures contracts	7,742	(10,410)
Foreign currency risk - forecasted investment contract	(13,862)	-
Related income tax	<u>1,137</u>	<u>(1,018)</u>
Balance at September 30	<u>\$ (448)</u>	<u>\$ 481</u>

4) Unearned benefit

In the meeting of stockholders on June 15, 2016, the stockholders approved a restricted stock plan for employees (Note 29).

	<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ -	\$ (25,588)
Share-based payment expenses recognized	<u>-</u>	<u>20,538</u>
Balance at September 30	<u>\$ -</u>	<u>\$ (5,050)</u>

e. Non-controlling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ 48,896	\$ 54,796
Share in (loss) profit for the period	(6,455)	3,018
Other comprehensive (loss) profit in the period		
Exchange differences on translating foreign operations	508	(379)
Exchange differences on translation to presentation currency	(1,196)	-
Changes in percentage of ownership interests in subsidiaries (Note 31)	<u>-</u>	<u>158</u>
Balance at September 30	<u>\$ 41,753</u>	<u>\$ 57,593</u>

## 25. REVENUE

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Revenue from contracts with customers				
Revenue from the sale of goods	<u>\$ 6,049,454</u>	<u>\$ 5,763,910</u>	<u>\$ 16,271,115</u>	<u>\$ 17,239,047</u>

a. Description of customer contracts

Revenue from sales of goods

The main operating revenue of the Group was from the wholesale and retail of cable assemblies, power cords and connectors at fixed contract prices.



b. Contract balance

	September 30, 2020	December 31, 2019	September 30, 2019	January 1, 2019
Notes receivable and trade receivables (Note 9)	<u>\$ 5,186,077</u>	<u>\$ 4,870,236</u>	<u>\$ 5,002,746</u>	<u>\$ 5,138,490</u>
Contract liabilities - current Sales of goods	<u>\$ 21,374</u>	<u>\$ 20,202</u>	<u>\$ 44,147</u>	<u>\$ 22,507</u>

c. Sales details of customer contracts

Sales details are disclosed in Note 40.

## 26. NET PROFIT FROM OPERATIONS

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Bank deposits	\$ 8,980	\$ 9,338	\$ 47,563	\$ 30,041
Other financial asset - current	96	1	420	14
Other financial asset - non-current	<u>43</u>	<u>986</u>	<u>299</u>	<u>1,954</u>
	<u>\$ 9,119</u>	<u>\$ 10,325</u>	<u>\$ 48,282</u>	<u>\$ 32,009</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Rental income				
Investment properties				
Others	\$ 4,942	\$ 5,142	\$ 15,151	\$ 15,719
Other operating leases (Note 14)				
Others	3,650	3,200	10,485	9,977
Dividend revenue				
Financial assets at FVTOCI	12,648	-	12,648	-
Government grants revenue	25,011	10,304	106,875	15,829
Others	<u>12,479</u>	<u>4,185</u>	<u>41,018</u>	<u>8,143</u>
	<u>\$ 58,730</u>	<u>\$ 22,831</u>	<u>\$ 186,177</u>	<u>\$ 49,668</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Financial assets and liabilities				
Financial assets mandatorily classified as at FVTPL	\$ 67,965	\$ (2,034)	\$ 98,071	\$ 25,158
Financial liabilities held for trading	(2,500)	(33,889)	(24,493)	(48,376)
(Loss)/gain on disposal of property, plant and equipment	(61)	(235)	(319)	1,576
Loss on disposal of intangible assets	-	-	(95)	-
Impairment loss on investments accounted for using the equity method	-	-	(8,400)	-
Loss on redemption of convertible bonds	-	-	(167,869)	-
Net foreign exchange (losses)/ gains	(198,411)	125,632	(127,162)	117,810
Others	<u>(1,257)</u>	<u>(953)</u>	<u>(2,888)</u>	<u>(3,828)</u>
	<u>\$ (134,264)</u>	<u>\$ 88,521</u>	<u>\$ (233,155)</u>	<u>\$ 92,340</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Interest on bank loans	\$ (3,424)	\$ (3,324)	\$ (10,518)	\$ (9,614)
Interest on convertible bonds	(17,325)	(10,954)	(59,278)	(32,589)
Interest on lease liabilities	<u>(8,860)</u>	<u>(10,581)</u>	<u>(27,390)</u>	<u>(31,490)</u>
	<u>\$ (29,609)</u>	<u>\$ (24,859)</u>	<u>\$ (97,186)</u>	<u>\$ (73,693)</u>

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
An analysis of depreciation by function				
Operating costs	\$ 120,050	\$ 126,370	\$ 351,623	\$ 380,685
Operating expenses	<u>55,735</u>	<u>42,500</u>	<u>158,184</u>	<u>116,238</u>
	<u>\$ 175,785</u>	<u>\$ 168,870</u>	<u>\$ 509,807</u>	<u>\$ 496,923</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
An analysis of amortization by function				
Operating costs	\$ 8,712	\$ 10,519	\$ 27,820	\$ 33,214
Operating expenses	<u>34,599</u>	<u>18,332</u>	<u>80,844</u>	<u>54,050</u>
	<u>\$ 43,311</u>	<u>\$ 28,851</u>	<u>\$ 108,664</u>	<u>\$ 87,264</u>
				(Concluded)

f. Operating expense directly related to investment properties

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Direct operating expenses from properties rental income	<u>\$ 910</u>	<u>\$ 947</u>	<u>\$ 2,751</u>	<u>\$ 2,832</u>

g. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Short term benefit	<u>\$ 1,020,083</u>	<u>\$ 1,016,315</u>	<u>\$ 2,957,820</u>	<u>\$ 2,896,265</u>
Post-employment benefits (Note 23)				
Defined contribution plans	28,601	37,992	72,798	112,709
Defined benefit plans	<u>49</u>	<u>66</u>	<u>129</u>	<u>198</u>
	<u>28,650</u>	<u>38,058</u>	<u>72,927</u>	<u>112,907</u>
Share-based payments	3,470	2,879	7,581	20,538
Other employee benefits	<u>108,295</u>	<u>98,494</u>	<u>291,555</u>	<u>276,910</u>
Total employee benefits expense	<u>\$ 1,160,498</u>	<u>\$ 1,155,746</u>	<u>\$ 3,329,883</u>	<u>\$ 3,306,620</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 701,133	\$ 650,401	\$ 1,894,895	\$ 1,907,876
Operating expenses	<u>459,365</u>	<u>505,345</u>	<u>1,434,988</u>	<u>1,398,744</u>
	<u>\$ 1,160,498</u>	<u>\$ 1,155,746</u>	<u>\$ 3,329,883</u>	<u>\$ 3,306,620</u>

h. Employees' compensation and remuneration of directors

BizLink accrued employees' compensation at rates of no less than 1% and no higher than 5%, and remuneration to directors at rates of no higher than 3% of net profit before income tax, employees' compensation, and remuneration of directors. For the three and nine months ended September 30, 2020 and 2019, the employees' compensation and the remuneration of directors were as follows:

Accrual rate

	<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>
Employees' compensation	3.20%	2.74%
Remuneration of directors	0.40%	0.38%

Amount

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Employees' compensation	\$ 17,508	\$ 16,724	\$ 53,421	\$ 49,938
Remuneration of directors	2,189	2,340	6,678	6,987

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of employees' compensation and remuneration to directors for 2019 and 2018, which were resolved by the board of directors on March 17, 2020 and March 14, 2019, respectively.

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Bonus to employees	\$ 104,895	\$ 64,640
Remuneration of directors	8,994	9,044

The actual amounts of the employees' compensation and remuneration of directors paid for 2019 and 2018 were no different from the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

Information on the employees' compensation and remuneration of directors resolved by BizLink's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gain or losses on foreign currency exchange

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Foreign exchange gains	\$ 2,969,971	\$ 2,119,483	\$ 8,246,335	\$ 4,633,062
Foreign exchange losses	<u>(3,168,382)</u>	<u>(1,993,851)</u>	<u>(8,373,497)</u>	<u>(4,515,252)</u>
Net (losses) gains	<u>\$ (198,411)</u>	<u>\$ 125,632</u>	<u>\$ (127,162)</u>	<u>\$ 117,810</u>

## 27. INCOME TAXES RELATING TO OPERATIONS

### a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Current tax				
In respect of the current period	\$ 147,837	\$ 174,806	\$ 390,836	\$ 438,490
Adjustments for prior periods	<u>1,078</u>	<u>(7,531)</u>	<u>(5,760)</u>	<u>(13,866)</u>
	<u>148,915</u>	<u>167,275</u>	<u>385,076</u>	<u>424,624</u>
Deferred tax				
In respect of the current period	<u>629</u>	<u>(12,537)</u>	<u>(9,872)</u>	<u>(16,247)</u>
Income tax expense recognized in profit or loss	<u>\$ 149,544</u>	<u>\$ 154,738</u>	<u>\$ 375,204</u>	<u>\$ 408,377</u>

The applicable tax rate in the nine months ended September 30, 2020 and 2019 used above are the R.O.C. corporate tax rates of 20%. The applicable tax rate used by subsidiaries in China is 25% except for BizLink (Kun Shan) Co., Ltd., OptiWorks (Kunshan) Limited, Bizconn International Corp. (China) and Xiang Yao Electronics (Shen Zhen) Co., Ltd. in the nine months ended September 30, 2020 and 2019 and BizLink Technology (Changzhou) Limited for the nine months ended September 30, 2020. The five of which used a tax rate of 15%, due to their status as holders of high-tech enterprise certificates. The applicable tax rates in the nine months ended September 30, 2020 and 2019 used by the subsidiaries in the US are 21%, for federal tax and 8.84% for California state tax. The applicable tax rate in the nine months ended September 30, 2020 and 2019 used by the subsidiaries in Ireland is 12.5% according to local law. The applicable tax rate in the nine months ended September 30, 2020 and 2019 used by the subsidiaries in Slovakia is 21% according to local law. The applicable tax rate for the nine months ended September 30, 2020 a used by the subsidiaries in Singapore is 17% according to local law. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

### b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
<u>Deferred tax</u>				
In respect of the current period				
Fair value changes of				
hedging instruments for				
cash flow hedges	<u>\$ (2,250)</u>	<u>\$ 1,273</u>	<u>\$ (1,137)</u>	<u>\$ 1,018</u>
Total income tax recognized in other comprehensive income	<u>\$ (2,250)</u>	<u>\$ 1,273</u>	<u>\$ (1,137)</u>	<u>\$ 1,018</u>

c. Income tax assessment

As of September 30, 2020, the Group has no unsettled lawsuit.

## 28. EARNINGS PER SHARE

	Unit: NT\$ Per Share			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Basic earnings per share				
Net income	<u>\$ 499,580</u>	<u>\$ 528,082</u>	<u>\$ 1,239,257</u>	<u>\$ 1,351,767</u>
Weighted average number of common stocks in computation of basic earnings per thousand share	<u>130,529</u>	<u>117,965</u>	<u>130,521</u>	<u>117,965</u>
Basic earnings per share	<u>\$ 3.83</u>	<u>\$ 4.48</u>	<u>\$ 9.49</u>	<u>\$ 11.46</u>
Diluted earnings per share				
Net income	\$ 499,580	\$ 528,082	\$ 1,239,257	\$ 1,351,767
Effect of potentially dilutive common stocks:				
Interest on convertible bonds (after tax)	17,325	10,954	38,371	32,589
Gain on valuation of converted bonds	<u>(588)</u>	<u>312</u>	<u>(10,816)</u>	<u>(9,270)</u>
Earnings used in the computation of diluted earnings per share from continuing operation	<u>\$ 516,317</u>	<u>\$ 539,348</u>	<u>\$ 1,266,812</u>	<u>\$ 1,375,086</u>
Weighted average number of common stocks in computation of basic earnings per thousand share	130,529	117,965	130,521	117,965
Effect of potentially dilutive common stocks:				
Convertible bonds	12,984	9,502	9,094	9,399
Employees' compensation or bonus issued to employees	254	305	444	387
Employee restricted stocks	-	529	-	528
Employee share options	<u>161</u>	<u>-</u>	<u>50</u>	<u>-</u>
Weighted average number of common stocks in computation of diluted earnings per thousand share	<u>143,928</u>	<u>128,301</u>	<u>140,109</u>	<u>128,279</u>
Diluted earnings per share	<u>\$ 3.59</u>	<u>\$ 4.20</u>	<u>\$ 9.04</u>	<u>\$ 10.72</u>

BizLink offered to settle compensation or bonuses paid to employees in cash or stocks. Therefore, BizLink assumed the entire amount of the compensation or bonus would be settled in stocks and the resulting potential stocks were included in the weighted average number of stocks outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential stocks is included in the computation of diluted earnings per share until the number of stocks to be distributed to employees is resolved in the following year.

Since the second overseas convertible bonds during the nine months ended September 30, 2020 are anti-dilutive, it is excluded from the computation of diluted earnings per share.

## **29. SHARE-BASED PAYMENT ARRANGEMENTS**

### **Restricted Stocks**

In the stockholders' meeting on June 15, 2016, the stockholders approved a restricted stock plan for employees for a total amount of \$15,000 thousand, consisting of 1,500 thousand stocks. The subscription base date of December 9, 2016 was determined by the chairman of the board who was authorized by the board of directors on November 10, 2016. The restrictions on the rights of the employees who acquire the restricted stocks but have not met the vesting conditions are as follows:

- a. Employees who acquire the restricted stocks but have not met the vesting conditions cannot sell, pledge, transfer, donate or in any other way dispose of these stocks except through inheritance.
- b. The handling or execution of the related proposal, statements, voting rights and other equity-related matters are delegated to trust custody agencies.
- c. Employees who acquire the restricted stocks but have not met the vesting conditions have other rights the same as the holders of the issued common stocks of the Company.
- d. The stocks should be held in a stock trust. The restricted stocks should be held in a trust after being issued and non-refundable before meeting the vesting conditions.

If an employee fails to meet the vesting conditions, the Company will recall or buy back and cancel his/her restricted stocks.

Compensation costs of \$2,879 thousand and \$20,538 thousand were recognized within the vesting period for the three months and nine months ended September 30, 2019.

### **Employees Share Options**

On March 13, 2020, the Company approved an employee share options for employees with a total amount of 1,170,000 units, each option is eligible to subscribe for one common share when exercisable. The grant is limited to the full-time employees who work for either the Company or the company that is directly or indirectly held by the Company with 100% interest. The options granted are valid for six years and exercisable at certain percentages after the second anniversary from the grant date. According to the terms, the exercise price should not be lower than the closing price of the Company's ordinary shares on the grant date. The Company will exercise price adjustment formula upon the changes in common stocks equity.

Information on outstanding employee share options is as follows:

	<b>For the Nine Months Ended September 30, 2020</b>	
	<b>Number of Options (In Thousands of Units)</b>	<b>Weighted- average Exercise Price (\$)</b>
Balance at January 1	-	\$ -
Options granted	1,170	163.5
Options forfeited	-	-
Options exercised	-	-
Options expired	-	-
	<u>-</u>	<u>-</u>
Balance at September 30	<u>1,170</u>	163.5
Options exercisable, end of period	<u>-</u>	
Weighted-average fair value of options granted (\$)	<u>\$ -</u>	

As of September 30, 2020, information about employee share options outstanding was as follows:

	<b>September 30, 2020</b>
Range of exercise price (\$)	\$ 163.50
Weighted average remaining contractual life (in years)	4.20

Options granted on March 13, 2020 was priced using the Black-Scholes pricing model and the inputs to the model were as follows:

Grant-date share price (\$)	163.5
Exercise price (\$)	163.5
Expected volatility	40%
Expected life (in years)	6
Expected dividends yield	-
Risk-free interest rate	0.4234%-0.4721%

The compensation cost for employee share options granted was \$3,470 thousand and \$7,581 thousand for the three months and nine months ended September 30, 2020.



### 30. BUSINESS COMBINATIONS

#### a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Speedy Industrial Supplies Pte Ltd and its subsidiary, SIS Speedy Industrial Supplies Sdn. Bhd.	Manufacture and wholesale of cable assemblies, power cords, PCBA assemblies, sheet metal fabrication and box build assemblies.	2020.4.7	100	<u>\$ 1,553,078</u>

The Group acquired Speedy Industrial Supplies Pte Ltd and its subsidiary, SIS Speedy Industrial Supplies Sdn. Bhd. (refer to as “the Speedy Group”) on April 7, 2020 to obtain Southeast Asia production and business base, build cooperative relationship directly with main customers all over the world to increase market expansion capabilities and market share.

#### b. Consideration transferred

	The Speedy Group
Cash	\$ 1,240,109
Contingent consideration arrangement	<u>312,969</u>
	<u>\$ 1,553,078</u>

Note: The consideration transferred included SGD58,017 thousand (\$1,240,109 thousand as of April 7, 2020) in cash and a contingent consideration arrangement of SGD14,642 thousand (\$312,969 thousand as of April 7, 2020). According to the contract, the Group will pay at least SGD5,000 thousand to SGD9,000 thousand annually based on the profitability of Speedy Industrial Supplies Pte Ltd in the next two consecutive accounting years.

#### c. Assets acquired and liabilities assumed at the date of acquisition

	The Speedy Group
Current assets	
Cash and cash equivalents	\$ 146,418
Trade and other receivables	183,760
Inventories	157,661
Other financial asset	9,020
Prepayments and others	14,920
Non-current assets	
Property, plant and equipment	69,661
Intangible assets	749,104
Right-of-use assets	65,984
	(Continued)

	<b>The Speedy Group</b>
Current liabilities	
Contract liabilities	\$ (2,351)
Trade and other payables	(93,665)
Lease liabilities - current	(20,007)
Current tax liabilities	(35,012)
Non-current liabilities	
Lease liabilities - non-current	(43,455)
Deferred tax liabilities	(3,185)
Deferred revenue	(4,916)
Others	<u>(2,479)</u>
	<u>\$ 1,191,458</u>
	(Concluded)

The initial accounting for the acquisition of the Speedy Group was only provisionally determined at the end of the reporting period. At the date of issuance of these consolidated financial statements, the necessary market valuations and other calculations have not been finalized, and they have, therefore, only been provisionally determined based on management's best estimate of the likely fair values.

d. Goodwill recognized on acquisitions

	<b>The Speedy Group</b>
Consideration transferred	\$ 1,553,078
Less: Fair value of identifiable net assets acquired	<u>(1,191,458)</u>
Goodwill recognized on acquisitions	<u>\$ 361,620</u>

The goodwill recognized in the acquisitions of the Speedy Group and mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth, future market development and the assembled workforces of the Speedy Group. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The total amount of acquired goodwill is not tax-deductible.

e. Net cash outflow on the acquisition of subsidiaries

	<b>The Speedy Group</b>
Consideration paid in cash	\$ 1,553,078
Less: Other payables	(8,199)
Less: Foreign exchange translation gains and losses	(142)
Less: Cash and cash equivalent balances acquired	<u>(146,418)</u>
	<u>\$ 1,398,319</u>

f. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, are as follows:

	<b>The Speedy Group</b>
Revenue	<u>\$ 490,447</u>
Profit	<u>\$ 69,151</u>

Had these business combinations been in effect at the beginning of the financial year, the Group's revenue would have been \$16,533,460 thousand, and the profit would have been \$1,287,257 thousand for the nine months ended September 30, 2020. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2020, nor is it intended to be a projection of future results.

In determining the pro-forma revenue and profit of the Group had the Speedy Group been acquired at the beginning of the financial year, the management considered the fair values of the intangible assets and property, plant and equipment, rather than their carrying amounts recognized in the respective pre-acquisition financial statements at the initial accounting for the business combination, were used as the basis for the amortization of the intangible assets and the depreciation of property, plant and equipment.

### 31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In September 2019, the non-controlling interest did not subscribe for the share capital issuance and OW Holding Inc., increasing the existing ownership percentage of the Company from 90.58% to 93.08%.

The above transactions were accounted for as equity transactions, since the Company did not cease to have control over these subsidiaries.

	<b>OW Holding Inc.</b>
	<b>For the Nine Months Ended September 30 2019</b>
Cash consideration received	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>(158)</u>
Differences recognized from equity transactions	<u>\$ (158)</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - changes in percentage of ownership interests in subsidiaries	<u>\$ (158)</u>

## 32. CASH FLOWS INFORMATION

### a. Non-cash transactions

For the nine months ended September 30, 2020 and 2019, the Group entered into the following non-cash investing and financing activities:

- 1) There were outstanding payables of \$8,199 thousand classified as other payables related to the acquisition of the Speedy Group as of September 30, 2020. Please refer to Note 22.
- 2) As of September 30, 2020, December 31, 2019 and September 30, 2019, the un-settled payments for purchases of property, plant and equipment were \$54,484 thousand, \$20,774 thousand and \$23,278 thousand, respectively, and recorded as other payables - payables for purchases of equipment in the consolidated financial statements.

### b. Changes in liabilities arising from financing activities

#### For the nine months ended September 30, 2020

	January 1, 2020	Cash Flows	Non-cash Changes					Effect of Foreign Currency Exchange Differences	Other	September 30, 2020
			New Leases	Change of Variable Payments	Liability Components	Equity Components	Interest Expense			
Short-term borrowings	\$ 64,500	\$ 42,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (548)	\$ -	\$ 106,241
Long-term borrowings (included current portion due in one year)	464,665	(10,413)	-	-	-	-	-	(7,985)	-	446,267
Guarantee deposits	7,914	4,130	-	-	-	-	-	(842)	-	11,202
Bonds payable	5,202,390	(2,574,057)	-	-	(11,702)	-	59,278	(53,729)	167,367	2,789,547
Lease liabilities	859,627	(186,077)	12,154	(7,302)	-	-	27,390	(4,053)	36,072	737,811
	<u>\$ 6,599,096</u>	<u>\$ (2,224,128)</u>	<u>\$ 12,154</u>	<u>\$ (7,302)</u>	<u>\$ (11,702)</u>	<u>\$ -</u>	<u>\$ 86,668</u>	<u>\$ (67,157)</u>	<u>\$ 203,419</u>	<u>\$ 4,091,068</u>

#### For the nine months ended September 30, 2019

	January 1, 2019	Cash Flows	Non-cash Changes					Effect of Foreign Currency Exchange Differences	Other	September 30, 2019
			New Leases	Change of Variable Payments	Liability Components	Equity Components	Interest Expense			
Short-term borrowings	\$ 64,500	\$ 36,962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,091)	\$ -	\$ 98,371
Long-term borrowings (included current portion due in one year)	379,061	40,005	-	-	-	-	-	(633)	-	418,433
Guarantee deposits	7,664	(1,429)	-	-	-	-	-	72	-	6,307
Bonds payable	2,891,598	-	-	-	-	-	32,589	28,679	-	2,952,866
Lease liabilities	811,931	(170,756)	319,095	(1,616)	-	-	31,490	(21,539)	(31,490)	937,115
	<u>\$ 4,154,754</u>	<u>\$ (95,218)</u>	<u>\$ 319,095</u>	<u>\$ (1,616)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,079</u>	<u>\$ 3,488</u>	<u>\$ (31,490)</u>	<u>\$ 4,413,092</u>

## 33. CAPITAL MANAGEMENT

BizLink manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the BizLink (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to stockholders, the number of new stocks issued or repurchased, or the amount of new debt issued or existing debt redeemed.

### 34. FINANCIAL INSTRUMENTS

#### a. Fair value of financial instruments not measured at fair value

Except for the following disclosure, the management believes that the carrying amounts of financial assets and financial liabilities which are not measured at fair value approximate their fair values.

September 30, 2020

		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 2,789,547	\$ -	\$ -	\$ 2,990,902	\$ 2,990,902

December 31, 2019

	Book Value	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 5,202,390	\$ -	\$ -	\$ 5,333,886	\$ 5,333,886

September 30, 2019

		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 2,952,866	\$ -	\$ -	\$ 3,124,955	\$ 3,124,955

#### b. Fair value of financial instruments measured at fair value on recurring basis

##### 1) Fair value hierarchy

September 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 26,617	\$ -	\$ 26,617
Convertible bonds options	-	-	2,325	2,325
Domestic and foreign quoted stocks	1,216	-	-	1,216
Fund beneficiary certificates	<u>100,260</u>	<u>-</u>	<u>-</u>	<u>100,260</u>
	<u>\$ 101,476</u>	<u>\$ 26,617</u>	<u>\$ 2,325</u>	<u>\$ 130,418</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic and foreign unlisted stocks	\$ <u>-</u>	\$ <u>-</u>	\$ <u>287,982</u>	\$ <u>287,982</u>
Financial assets for hedging				
Derivative financial assets				
Copper futures contracts	\$ <u>135</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>135</u>
Financial liabilities at FVTPL				
Foreign exchange financial contracts	\$ <u>-</u>	\$ <u>2,336</u>	\$ <u>-</u>	\$ <u>2,336</u>
Financial liabilities for hedging				
Derivative financial liabilities				
Copper futures contracts	\$ <u>255</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>255</u> (Concluded)

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 11,393	\$ -	\$ 11,393
Convertible bonds options	-	-	747	747
Domestic and foreign quoted stocks	<u>2,242</u>	<u>-</u>	<u>-</u>	<u>2,242</u>
	\$ <u>2,242</u>	\$ <u>11,393</u>	\$ <u>747</u>	\$ <u>14,382</u>
Financial assets for hedging				
Derivative financial assets				
Copper futures contracts	\$ <u>4,055</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,055</u>
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic and foreign unlisted stocks	\$ -	\$ -	\$ 253,609	\$ 253,609
Domestic listed stocks	<u>214,611</u>	<u>-</u>	<u>-</u>	<u>214,611</u>
	\$ <u>214,611</u>	\$ <u>-</u>	\$ <u>253,609</u>	\$ <u>468,220</u>
Financial liabilities at FVTPL				
Convertible bonds option	\$ <u>-</u>	\$ <u>-</u>	\$ <u>8,394</u>	\$ <u>8,394</u>

September 30, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 2,534	\$ -	\$ 2,534
Convertible bonds options	-	-	2,792	2,792
Domestic and foreign quoted stocks	<u>2,085</u>	<u>-</u>	<u>-</u>	<u>2,085</u>
	<u>\$ 2,085</u>	<u>\$ 2,534</u>	<u>\$ 2,792</u>	<u>\$ 7,411</u>
Financial assets for hedging				
Derivative financial assets				
Copper futures contracts	<u>\$ 619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 619</u>
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic and foreign unlisted stocks	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 493,111</u>	<u>\$ 493,111</u>
Financial liabilities at FVTPL				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 23,104</u>	<u>\$ -</u>	<u>\$ 23,104</u>

For the nine months ended September 30, 2020 and 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the nine months ended September 30, 2020

	Financial Assets at FVTPL Derivative - Convertible Bonds - Option	Financial Assets at FVTOCI Equity Instruments	Total
Financial assets			
Balance at January 1, 2020	\$ 747	\$ 253,609	\$ 254,356
Purchases	-	51,391	51,391
Recognized in profit or loss (included in other gains and losses)	2,137	-	2,137
Recognized in other comprehensive income (unrealized loss on financial assets at FVTOCI)	-	(11,301)	(11,301)
Loss on the redemption of convertible bonds	(502)	-	(502)
Capital surplus from convertible bonds	(8)	-	(8)
Effect of foreign currency exchange differences	<u>(49)</u>	<u>(5,717)</u>	<u>(5,766)</u>
Balance at September 30, 2020	<u>\$ 2,325</u>	<u>\$ 287,982</u>	<u>\$ 290,307</u>

	<b>Financial Liabilities at FVTPL Derivative - Convertible Bonds - Option</b>
Financial liabilities at FVTPL	
Balance at January 1, 2020	\$ 8,394
Recognized in profit or loss (included in other gains and losses)	
Unrealized	(8,429)
Effect of foreign currency exchange differences	<u>35</u>
Balance at September 30, 2020	<u>\$ -</u>

For the nine months ended September 30, 2019

	<b>Financial Assets at FVTPL Derivative - Convertible Bonds - Option</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>	<b>Total</b>
Financial assets			
Balance at January 1, 2019	\$ -	\$ 382,626	\$ 382,626
Purchases	-	17,500	17,500
Recognized in profit or loss (included in other gains and losses)	2,820	-	2,820
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	-	89,179	89,179
Effect of foreign currency exchange differences	<u>(28)</u>	<u>3,806</u>	<u>3,778</u>
Balance at September 30, 2019	<u>\$ 2,792</u>	<u>\$ 493,111</u>	<u>\$ 495,903</u>

	<b>Financial Liabilities at FVTPL Convertible Bonds - Option</b>
Financial liabilities at FVTPL	
Balance at January 1, 2019	\$ (6,450)
Recognized in profit or loss (included in other gains and losses)	
Unrealized	6,450
Effect of foreign currency exchange differences	<u>-</u>
Balance at September 30, 2019	<u>\$ -</u>



3) Valuation techniques and inputs applied for Level 2 fair value measurement

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
Convertible bond options	The binomial tree evaluation model of convertible bonds: Consideration of the duration, the stock price and volatility of the convertible bond object, conversion price, risk-free rate of interest, risk discount rate, and liquidity risk of the convertible bonds and other factors.
Unlisted equity securities	<p>Asset-based approach: The value of evaluation target can be obtained by taking into account the net asset value measured at the fair value with the consideration of liquidity and non-controlling discounts rate to estimate the target's fair value.</p> <p>The market approach: The value of evaluation target can be obtained by using the transaction price of the enterprises which are similar to the evaluation target in the active market. The liquidity discounted rate is considered to estimate the target's fair value.</p>

	<b>September 30, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>
Discount for lack of marketability	10.00%-39.53%	10.00%-32.24%	6.21%-35.00%

c. Categories of financial instruments

	<b>September 30, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>
<u>Financial assets</u>			
FVTPL			
Mandatorily as at FVTPL	\$ 130,418	\$ 14,382	\$ 7,411
Financial assets at amortized cost (1)	9,630,201	14,187,453	8,960,249
Financial assets for hedging	135	4,055	619
Financial assets at FVTOCI			
Equity instruments	287,982	468,220	493,111
<u>Financial liabilities</u>			
FVTPL			
Held for trading	2,336	8,394	23,104
Amortized cost (2)	6,539,523	9,784,895	7,230,689
Financial liabilities for hedging	255	-	-

- 1) The balances included cash and cash equivalents, notes receivable, trade receivables, other receivables, other financial assets and refundable deposits (included in non-current assets) at amortized cost.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, trade payables, trade payables to related parties, other payables, other payables to related parties, current portion of long-term borrowings and bonds payable, bonds payable, long-term borrowings and guarantee deposits received (included in other non-current liabilities).

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, notes and trade receivables, trade payables, bonds payable, borrowings and lease liabilities. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the board of directors, an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including foreign exchange forward contracts to hedge the exchange rate risk arising on exports.

There have been no changes to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

Several subsidiaries of the Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 38.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the subsidiaries using non-US dollar as a functional currency, and their sensitivity to a 1% increase and decrease in the US dollar against the relevant foreign currencies. A sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit when the US dollar strengthening by 1% against the relevant currency. For a 1% weakens of the US dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	<b>USD Impact</b>	
	<b>For the Nine Months Ended</b>	
	<b>September 30</b>	
	<b>2020</b>	<b>2019</b>
Profit or loss	\$ 27,983	\$ 30,753

This was mainly attributable to the exposure outstanding on USD receivables and payables, which were not hedged at the end of the reporting period.

The Group's sensitivity to foreign currency decreased during the current period mainly due to decrease in foreign currency net assets.

#### Hedge accounting

The Group purchased foreign currencies as a hedge for the foreign exchange rate on future firm commitments. The transaction is designated as cash flow hedges. Basis adjustments are made to the initial carrying amounts of non-financial hedged items when the future firm commitments take place.

The Group has designated Singapore dollars cash as a hedge of the future firm commitments (the transaction currency is Singapore dollars). The determination of the hedge is negotiated with the hedged items. The Group evaluates that the cash and the anticipated transaction will systematically reverse in response to changes in the exchange rate of the hedged item.

The source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the hedge item, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness is expected to emerge from these hedging relationships.

The exchange rate hedging information for the Group is as follows:

#### September 30, 2020

Hedge Instrument	Currency	Contract Price	Maturity	Line Item in Balance Sheet	Carrying Amount	
					Assets	Liabilities
Cash flow hedges						
Forecast investment - firm commitment in foreign currency - cash (i)	Singapore dollars	SGD68,871	2020.4.7	Financial assets for hedging	\$ -	\$ -

For the nine months ended September 30, 2020

<b>Other Comprehensive Income Effect</b>	<b>Recognized Income in Other Comprehensive Income</b>
Cash flow hedges	
Firm commitments in foreign currency (i) (ii)	<u>\$ 13,862</u>
i. The Group has bought Singapore dollars and signed the investment contract in Singapore dollars in order to circumvent the risk of exchange rate fluctuations due to the future investment. The amount of originally deferred to equity at the time of the contract signing will be included in the carrying amount of the non - financial hedged item.	
ii. For information on other hedging equity adjustments, refer to Note 24.	
b) Interest rate risk	

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<b>September 30, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>
Interest rate risk on fair value			
Financial assets	\$ 911,038	\$ 2,885,207	\$ 564,519
Financial liabilities	3,633,599	6,126,517	3,954,481
Interest rate risk on cash flow			
Financial assets	3,307,268	6,266,510	3,208,624
Financial liabilities	446,267	464,665	452,304

#### Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates of non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2020 and 2019 would have increased/decreased by \$21,458 thousand and \$20,672 thousand, respectively, which would be mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and bank borrowings.

The Group's sensitivity to interest rates increased during the current period mainly due to the increase in the variable rate bank deposits.

#### c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities.

### Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity price had been 1% higher/lower, pre-tax income for the nine months ended September 30, 2020 and 2019 would have increased/decreased by \$1,015 thousand and \$21 thousand, respectively due to the increase/decrease of financial assets at FVTPL. Pre-tax other comprehensive income for the nine months ended September 30, 2020 and 2019 would have increased/decreased by \$2,880 thousand and \$4,931 thousand, respectively due to the increase/decrease of financial assets at FVTOCI.

The Group's sensitivity to equity prices decreased during the current period mainly due to decrease in equity instruments.

### Hedge accounting

In addition to the above-mentioned price risk, the Group uses copper as a raw material in the process and highly expects to sign copper purchase contracts with suppliers in the future according to its order demands. The contract price is based on the copper market price markup with a certain margin ratio. In order to manage the copper price risk of the contracts, the Group utilizes copper futures contracts by the same notional amount and at the same maturity date as the cash flow risk hedging tool that is part of the copper price risk contained in the contracts. Based on historical experience, changes in the cash flow component of the specified copper price risk are highly effective in covering the entire contractual cash flow changes.

The hedging strategy of the Group was to sign copper futures contract to avoid the risk of copper price fluctuations and to designate cash flow hedges and adjust the book value of non-hedging items when expected transactions actually occur.

For the anticipation of the highly probable expected purchase transactions, the main conditions (e.g. quantity and period) of the copper futures contract are negotiated with the hedged items. According to the assessment of economic relations, the Group evaluates that the copper futures contract and the anticipated transaction will systematically reverse in response to changes in raw material copper prices. The Group periodically compares the number of open positions of copper and the expected purchase quantity change in order to assess the effectiveness of the hedge.

The exchange rate hedging information for the Group is as follows:

### September 30, 2020

Hedge Instrument	Contract Weight	Maturity	Line Item in Balance Sheet	Carrying Amount	
				Assets	Liabilities
Cash flow hedges					
Copper futures contracts	695 tons	2020.10-2021.1	Derivative financial assets/liabilities for hedging	\$ 135	\$ 255

<b>Hedged Item</b>	<b>Book Value of Other Equity</b>
Cash flow hedges	
Expected purchases (i)	<u>\$ (448)</u>

December 31, 2019

<b>Hedge Instrument</b>	<b>Contract Weight</b>	<b>Maturity</b>	<b>Line Item in Balance Sheet</b>	<b>Carrying Amount Assets</b>
Cash flow hedges				
Copper futures contracts	515 tons	2020.1-2020.9	Derivative financial assets for hedging	<u>\$ 4,055</u>

<b>Hedged Item</b>	<b>Book Value of Other Equity</b>
Cash flow hedges	
Expected purchases (i)	<u>\$ 3,207</u>

September 30, 2019

<b>Hedge Instrument</b>	<b>Contract Weight</b>	<b>Maturity</b>	<b>Line Item in Balance Sheet</b>	<b>Carrying Amount Assets</b>
Cash flow hedges				
Copper futures contract	890 tons	2019.10-2020.09	Derivative financial assets for hedging	<u>\$ 619</u>

<b>Hedged Item</b>	<b>Book Value of Other Equity</b>
Cash flow hedges	
Expected purchases (i)	<u>\$ 481</u>

For the nine months ended September 30, 2020

<b>Other Comprehensive Income Effect</b>	<b>Recognized Profit (Loss) in Other Comprehensive Income</b>
Cash flow hedges	
Expected purchases (i) (ii)	<u>\$ (12,534)</u>

For the nine months ended September 30, 2019

<b>Other Comprehensive Income Effect</b>	<b>Recognized Profit (Loss) in Other Comprehensive Income</b>
Cash flow hedges	
Expected purchases (i) (ii)	<u>\$ 4,071</u>

- i. According to the status of orders, the Group highly expected to sign raw material purchase contracts with suppliers in the future and has signed copper futures contract (for a period of 3 to 12 months) in order to circumvent the risk of price fluctuations that may occur due to future purchases. The amount of originally deferred to equity at the time of the contract signing will be included in the raw materials' carrying amount.
- ii. For information on other hedging equity adjustments, refer to Note 24.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparties to discharge an obligation, would arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In order to minimize credit risk, management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts.

Except for the major three costumers of the BizLink, the Group did not have significant credit risk for any single counterparty or any group of counterparties with similar characteristics.

The Group's concentration of credit risk of 32%, 39% and 37% of total trade receivables as of September 30, 2020, December 31, 2019 and September 30, 2019, respectively, was related to the Group's three major customers.

### 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2020, December 31, 2019 and September 30, 2019. The Group had available unutilized short-term bank loan facilities set out in (c) below.

#### a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following tables show details of the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed upon repayment periods. The tables were drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates of other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest cash flows are at a floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

#### September 30, 2020

	<b>Less Than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 3,033,424	\$ 152,842	\$ 11,202	\$ -
Lease liabilities	77,903	228,447	411,946	88,945
Variable interest rate	5,835	47,537	373,386	56,863
Fixed interest rate	<u>62,164</u>	<u>44,349</u>	<u>3,029,180</u>	<u>-</u>
	<u>\$ 3,179,326</u>	<u>\$ 473,175</u>	<u>\$ 3,825,714</u>	<u>\$ 145,808</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 306,350</u>	<u>\$ 411,946</u>	<u>\$ 88,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



December 31, 2019

	<b>Less Than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 3,968,835	\$ 76,591	\$ 7,914	\$ -
Lease liabilities	70,168	227,002	549,768	128,059
Variable interest rate	5,564	16,602	302,682	177,473
Fixed interest rate	<u>2,615,546</u>	<u>-</u>	<u>3,137,657</u>	<u>-</u>
	<u>\$ 6,660,113</u>	<u>\$ 320,195</u>	<u>\$ 3,998,021</u>	<u>\$ 305,532</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 297,170</u>	<u>\$ 549,768</u>	<u>\$ 128,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2019

	<b>Less Than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 2,899,070	\$ 855,642	\$ 6,307	\$ -
Lease liabilities	72,377	218,274	644,481	138,031
Variable interest rate	37,560	10,858	312,740	131,871
Fixed interest rate	<u>64,591</u>	<u>3,180,167</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,073,598</u>	<u>\$ 4,264,941</u>	<u>\$ 963,528</u>	<u>\$ 269,902</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 290,651</u>	<u>\$ 644,481</u>	<u>\$ 138,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

September 30, 2020

	<b>On Demand or Less Than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Net settled</u>					
Futures contract - copper	\$ (110)	\$ 323	\$ (333)	\$ -	\$ -
Foreign exchange forward contracts	<u>13,878</u>	<u>8,659</u>	<u>28</u>	<u>-</u>	<u>-</u>
	<u>\$ 13,768</u>	<u>\$ 8,982</u>	<u>\$ (305)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Gross settled</u>					
Foreign exchange forward contracts					
Inflow	\$ 68,472	\$ 43,539	\$ 56,043	\$ 28,954	\$ -
Outflow	<u>(67,479)</u>	<u>(42,816)</u>	<u>(56,043)</u>	<u>(28,954)</u>	<u>-</u>
	<u>\$ 993</u>	<u>\$ 723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2019

	<b>On Demand or Less Than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Net settled</u>					
Futures contract - copper	\$ 925	\$ 1,658	\$ 1,472	\$ -	\$ -
Foreign exchange forward contracts	<u>5,077</u>	<u>5,188</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,002</u>	<u>\$ 6,846</u>	<u>\$ 1,472</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Gross settled</u>					
Foreign exchange forward contracts					
Inflow	\$ 11,571	\$ 33,873	\$ 141,224	\$ -	\$ -
Outflow	<u>(11,247)</u>	<u>(33,616)</u>	<u>(140,677)</u>	<u>-</u>	<u>-</u>
	<u>\$ 324</u>	<u>\$ 257</u>	<u>\$ 547</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2019

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Net settled</u>					
Futures contract - copper	\$ 196	\$ 397	\$ 26	\$ -	\$ -
Foreign exchange forward contracts	<u>(12,881)</u>	<u>(9,253)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (12,685)</u>	<u>\$ (8,856)</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Gross settled</u>					
Foreign exchange forward contracts					
Inflow	\$ 24,679	\$ 46,003	\$ 11,601	\$ -	\$ -
Outflow	<u>(24,266)</u>	<u>(45,067)</u>	<u>(11,386)</u>	<u>-</u>	<u>-</u>
	<u>\$ 413</u>	<u>\$ 936</u>	<u>\$ 215</u>	<u>\$ -</u>	<u>\$ -</u>

c) Financing facilities

	September 30, 2020	December 31, 2019	September 30, 2019
Secured bank loan facilities:			
Amount used	\$ 434,850	\$ 427,957	\$ 434,128
Amount unused	<u>84,590</u>	<u>40,500</u>	<u>40,500</u>
	<u>\$ 519,440</u>	<u>\$ 468,457</u>	<u>\$ 474,628</u>
Unsecured bank loan facilities:			
Amount used	\$ 117,658	\$ 101,208	\$ 82,676
Amount unused	<u>2,622,507</u>	<u>4,207,655</u>	<u>4,393,512</u>
	<u>\$ 2,740,165</u>	<u>\$ 4,308,863</u>	<u>\$ 4,476,188</u>

### 35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between BizLink and its subsidiaries, which were related parties of BizLink, were eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Related party name and categories

<u>Related Party Name</u>	<u>Related Party Categories</u>
Kunshan Xianglian Construction Development Limited AquaOptics Corp.	Substantive related parties Associate

b. Sales of goods

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Associate				
AquaOptics Corp.	\$ -	\$ -	\$ 252	\$ -

The selling prices are not comparable due to same product not sold to third parties for the nine months ended September 30, 2020 and 2019. The payment term of related parties is the day of delivery and of unrelated parties is from advance payment day to 180 days.

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Associate				
AquaOptics Corp.	\$ -	\$ -	\$ 447	\$ -

Purchases were made at market prices and terms of purchases to related parties were similar to those with third parties. The payment term is net 30 days from the day of delivery for the related parties and net 0-120 days for the unrelated parties.

d. Trade payables to related parties

Line Item	Related Party Category/Name	September 30, 2020	December 31, 2019	September 30, 2019
Trade payables	Associate			
	AquaOptics Corp.	\$ 5	\$ -	\$ -
Other payables	Associate			
	AquaOptics Corp.	\$ 1,021	\$ -	\$ -

The outstanding trade payables from related parties are unsecured.

e. Lease arrangements - Group is lessee

Acquisition of right-of-use assets

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Substantive related party				
Kunshan Xianglian				
Construction Development				
Limited	\$ -	\$ -	\$ -	\$ 172,008

Line Item	Related Party Category/Name	September 30, 2020	December 31, 2019	September 30, 2019
Lease liabilities	Substantive related party Kunshan Xianglian Construction Development Limited	<u>\$ 343,155</u>	<u>\$ 402,850</u>	<u>\$ 431,503</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Category/Name	2020	2019	2020	2019

Interest expense

Substantive related party Kunshan Xianglian Construction Development Limited	<u>\$ 4,171</u>	<u>\$ 5,316</u>	<u>\$ 13,306</u>	<u>\$ 13,663</u>
---	-----------------	-----------------	------------------	------------------

The rental expenses were based on active market prices and were paid quarterly.

f. Other transactions with related parties

1) Refundable deposits (included in other non-current assets)

Related Party Categories/Name	September 30, 2020	December 31, 2019	September 30, 2019
Substantive related party Kunshan Xianglian Construction Development Limited	<u>\$ 20,404</u>	<u>\$ 20,509</u>	<u>\$ 20,931</u>

2) Other expenses (included in research and development expenses)

Related Party Categories/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Associate AquaOptics Corp.	<u>\$ 1,031</u>	<u>\$ -</u>	<u>\$ 1,031</u>	<u>\$ -</u>

g. Compensation of key management personnel

Line Items	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Short-term employee benefits	<u>\$ 20,955</u>	<u>\$ 18,578</u>	<u>\$ 56,500</u>	<u>\$ 48,821</u>
Share-based payments	<u>979</u>	<u>895</u>	<u>2,138</u>	<u>6,382</u>
	<u>\$ 21,934</u>	<u>\$ 19,473</u>	<u>\$ 58,638</u>	<u>\$ 55,203</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

### 36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	September 30, 2020	December 31, 2019	September 30, 2019
Pledged deposits (classified as other financial assets - current)	\$ 100	\$ 1,465	\$ 1,479
Pledged deposits (classified as other financial assets - non-current)	8,986	150	150
Pledged bank deposits (classified as other financial assets - current)	21,969	7,140	21,672
Pledged bank deposits (classified as other financial assets - non-current)	162,726	166,904	162,592
Freehold land (classified as property, plant and equipment)	294,006	295,984	298,556
Buildings (classified as property, plant and equipment)	323,465	227,771	233,692
Freehold land (classified as investment properties)	51,120	51,120	51,120
Buildings (classified as investment properties)	<u>32,880</u>	<u>28,593</u>	<u>28,763</u>
	<u>\$ 895,252</u>	<u>\$ 779,127</u>	<u>\$ 798,024</u>

### 37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of September 30, 2020, December 31, 2019 and September 30, 2019 were as follows:

#### Significant Commitments

Unrecognized commitments are as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Acquisition of property, plant and equipment	<u>\$ 660,473</u>	<u>\$ 120,592</u>	<u>\$ 127,089</u>

### 38. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

(N.T. Dollars and Foreign Currencies in Thousands)

September 30, 2020			
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 167,516	6.8259 (USD:RMB)	\$ 4,888,124
USD	4,420	7.7502 (USD:HKD)	128,976
USD	20,540	0.8598 (USD:EUR)	599,358
USD	11,926	4.1670 (USD:MYR)	348,001
USD	12,750	1.3764 (USD:SGD)	372,046
<u>Financial liabilities</u>			
Monetary items			
USD	27,444	6.8259 (USD:RMB)	800,817
USD	403	7.7502 (USD:HKD)	11,760
USD	10,611	0.8598 (USD:EUR)	309,629
USD	14,616	4.1670 (USD:MYR)	426,495
December 31, 2019			
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 210,010	6.9784 (USD:RMB)	\$ 6,296,094
USD	5,640	7.7879 (USD:HKD)	169,087
USD	33,487	0.8925 (USD:EUR)	1,003,939
USD	9,636	4.0925 (USD:MYR)	288,887
<u>Financial liabilities</u>			
Monetary items			
USD	68,598	6.9784 (USD:RMB)	2,056,566
USD	1,278	7.7879 (USD:HKD)	38,314
USD	32,899	0.8925 (USD:EUR)	986,311

September 30, 2019			
	Foreign Currencies	Exchange Rate	Carrying Amount (\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 186,895	7.0721 (USD:RMB)	\$ 5,797,477
USD	9,968	7.8405 (USD:HKD)	309,207
USD	27,284	0.9158 (USD:EUR)	846,349
USD	8,693	4.1945 (USD:MYR)	269,657
<u>Financial liabilities</u>			
Monetary items			
USD	66,936	7.0721 (USD:RMB)	2,076,353
USD	2,375	7.8405 (USD:HKD)	73,672
USD	26,288	0.9158 (USD:EUR)	815,453

For the nine months ended September 30, 2020 and 2019, realized and unrealized net foreign exchange gains (losses) are described in Note 26. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group entities.

### 39. SEPARATELY DISCLOSED ITEMS

#### a. Information about significant transactions and investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 5)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
- 9) Trading in derivative instruments (Notes 7 and 34)
- 10) Intercompany relationships and significant intercompany transactions (Table 8)



- b. Information on investees (Table 9)
- c. Information on investments in mainland China
  - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 10)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 10):
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
    - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds
    - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

#### 40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments are its computer-related segment, fiber optics segment, home appliance segment and others segment. The related information is as follows:

- a. Information of reportable segments' gains and losses

	For the Nine Months Ended September 30, 2020				
	Computer-Related	Fiber Optics	Home Appliance	Others	Total
Revenue from external customers	\$ 12,279,689	\$ 189,586	\$ 3,763,484	\$ 38,356	\$ 16,271,115
Intersegment revenue	<u>17,210,299</u>	<u>205,651</u>	<u>484,452</u>	<u>162,647</u>	<u>18,063,049</u>
Segment revenue	<u>29,489,988</u>	<u>395,237</u>	<u>4,247,936</u>	<u>201,003</u>	<u>34,334,164</u>
Eliminations					<u>(18,063,049)</u>
Consolidated revenue					<u>16,271,115</u>
Segment income	<u>\$ 1,572,467</u>	<u>\$ (95,101)</u>	<u>\$ 276,582</u>	<u>\$ 25,225</u>	<u>\$ 1,779,173</u>

(Continued)

For the Nine Months Ended September 30, 2020					
	Computer-Related	Fiber Optics	Home Appliance	Others	Total
Reportable segment interest income					\$ 48,282
Reportable segment other income					186,177
Reportable segment other gains and losses					(233,155)
Reportable segment compensation of management personnel					(58,638)
Reportable segment finance costs					(97,186)
Share of loss of associates accounted for using the equity method					<u>(16,647)</u>
Reportable segment income before income tax					<u>\$ 1,608,006</u> (Concluded)

For the Nine Months Ended September 30, 2019					
	Computer-Related	Fiber Optics	Home Appliance	Others	Total
Revenue from external customers	\$ 12,469,343	\$ 285,764	\$ 4,458,982	\$ 24,958	\$ 17,239,047
Intersegment revenue	<u>20,370,113</u>	<u>283,688</u>	<u>692,765</u>	<u>184,765</u>	<u>21,531,331</u>
Segment revenue	<u>32,839,456</u>	<u>569,452</u>	<u>5,151,747</u>	<u>209,723</u>	<u>38,770,378</u>
Eliminations					<u>(21,531,331)</u>
Consolidated revenue					<u>17,239,047</u>
Segment income	<u>\$ 1,231,772</u>	<u>\$ 43,477</u>	<u>\$ 422,374</u>	<u>\$ 30,016</u>	<u>\$ 1,727,639</u>
Reportable segment interest income					\$ 32,009
Reportable segment other income					49,668
Reportable segment other gains and losses					92,340
Reportable segment compensation of management personnel					(55,203)
Reportable segment finance costs					(73,693)
Share of loss of associates accounted for using the equity method					<u>(9,598)</u>
Reportable segment income before income tax					<u>\$ 1,763,162</u>

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of associates, interest income, other income, other gain and loss, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total asset and liabilities

As the measured amount of the consolidated company's assets and liabilities has not been provided to the operating decision makers, the items will not be disclosed.

## BIZLINK HOLDING INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Notes 4 and 5)	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	BizLink Holding Inc.	BizLink (BVI) Corp. BizLink (BVI) Corp. BizLink (BVI) Corp. BizLink (BVI) Corp. Limited	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes Yes	\$ 2,334,400 875,400 583,600 583,600	\$ - 875,400 583,600 583,600	\$ - 291,800 - 291,800	- - - -	2 2 2 2	- - - -	Operating capital financing funds Operating capital financing funds Operating capital financing funds Operating capital financing funds	\$ - - - -	- - - -	- - - -	\$ 4,947,346 4,947,346 4,947,346 4,947,346	\$ 4,947,346 4,947,346 4,947,346 4,947,346
1	BizLink Technology Inc.	OptiWorks Inc.	Other receivables from related parties	Yes	145,900	-	-	-	2	-	Operating capital financing funds	-	-	-	440,873	440,873
2	OptiWorks (Shanghai) Limited	OptiWorks (Kunshan) Limited OptiWorks (Kunshan) Limited	Other receivables from related parties Other receivables from related parties	Yes Yes	64,130 64,130	- 64,130	- 64,130	- 3.85	2 2	- -	Operating capital financing funds Operating capital financing funds	- -	- -	- -	85,937 85,937	85,937 85,937
3	BizLink (BVI) Corp.	BizLink Holding Inc. BizLink International Corp. BizLink International Corp. BizLink International Corp.	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes Yes	1,021,300 291,800 291,800 72,950	- 291,800 - 72,950	- 291,800 - -	- - - -	2 2 2 2	- - - -	Operating capital financing funds Operating capital financing funds Operating capital financing funds Operating capital financing funds	- - - -	- - - -	- - - -	7,107,293 7,107,293 7,107,293 7,107,293	7,107,293 7,107,293 7,107,293 7,107,293
4	BizLink Technology (Xiamen) Limited	Teralux Technology Co., Ltd.	Other receivables from related parties	Yes	66,268	-	-	-	2	-	Operating capital financing funds	-	-	-	881,743	881,743
5	BizLink Technology (Belgium) NV	BizLink Technology (Slovakia) S.R.O. BizLink Technology (Slovakia) S.R.O. BizLink Technology SRB D.O.O. BizLink Technology SRB D.O.O.	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties	Yes Yes Yes Yes	169,696 40,727 67,879 67,879	33,939 - 67,879 67,879	33,939 - 67,879 67,879	0.678 - 0.598 0.598	2 2 2 2	- - - -	Operating capital financing funds Operating capital financing funds Operating capital financing funds Operating capital financing funds	- - - -	- - - -	- - - -	655,299 655,299 655,299 655,299	655,299 655,299 655,299 655,299

Note 1: "0" for the issuer.

Investees are numbered from "1".

Note 2: Number 1 represents business relationship between companies or firms.

Number 2 represents short-term financing is necessary between companies or firms.

Note 3: a. For short-term financing facility with BizLink, the accumulated financing amount shall not exceed 40% of the net asset value of the Group.

b. The board of directors of the Group has approved on November 8, 2019 that the individual loan amount and total amount of loans between the foreign companies, which are held directly or indirectly 100% of voting share, and loan between BizLink and foreign companies which are held directly or indirectly 100% of voting share should not exceed the five times of the total asset amount of BizLink.

c. For necessary short-term financing facility for BizLink Technology Inc., the individual loan amount and total amount of loans shall not exceed 40% of the net value of the lending company.

d. For BizLink (BVI) Corp., the loan between the foreign subsidiaries that are held directly or indirectly 100% of voting share and loan by BizLink shall not exceed five times of the net value of the lending company and five times of the net value of parent company.

e. For necessary short-term financing facility for OptiWorks (Shanghai) Limited, the individual loan amount and total amount of loans shall not exceed 40% of the net value of the lending company.

(Continued)

- f. For BizLink Technology (Belgium) NV, the individual loan amount and total amount of loans between the foreign subsidiaries which are held directly or indirectly 100% of voting share by BizLink shall not exceed two times of the net value of the lending company and five times of the net value of parent company.
- g. For BizLink Technology (Xiamen) Limited, the individual loan amount and total amount of loans between the foreign subsidiaries which are held directly or indirectly 100% of voting share by BizLink shall not exceed the net value of the lending company and five times of the net value of parent company.
- Note 4: The highest balance for the period and ending balance present in NT\$. Foreign currencies are converted into NT\$, the exchange rate was US\$1=NT\$29.1800, RMB1=NT\$4.2753, EUR1=NT\$33.9393 as of September 30, 2020.
- Note 5: The amount was eliminated upon consolidation.

(Concluded)

BIZLINK HOLDING INC. AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Endorser/Guarantor Provider	Endorsee/Guaranteee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 10)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 9 and 10)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Endorsement Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
	Name	Relationship (Note 2)											
0	BizLink Holding Inc.			\$ 12,368,366	\$ 116,720 (US\$ 4,000) 2,349,282 (US\$ 80,510) 1,021,300 (US\$ 35,000) 962,940 (US\$ 33,000)	\$ 116,720 (US\$ 4,000) 627,662 (US\$ 21,510) -	\$ 72,950 (US\$ 2,500) 135,089 (US\$ 4,630) -	\$ -	0.94  5.07  -	\$ 12,368,366  12,368,366  12,368,366  12,368,366	Y  Y  Y	N  N  N  N	N
	BizLink Technology Inc., BizLink Tech Inc.	b							-		Y		
	BizLink (BVI) Corp.	b							-		Y		
	BizLink (BVI) Corp., BizLink International Corp. (Note 4)	b							-		Y		
	BizLink (BVI) Corp., BizLink International Corp., BizLink (BVI) Corp. Limited	b							-		Y		
	BizLink (BVI) Corp., BizLink (BVI) Corp. Limited.	b							-		Y		
	BizLink Technology (S.E.A.) Sdn. Bhd. (Note 7)	b							-		Y		
	BizLink Technology (S.E.A.) Sdn. Bhd.	b							-		Y		
	BizLink Technology (S.E.A.) Sdn. Bhd.	b							-		Y		
	BizLink Technology (Xiamen) Limited, BizLink Technology (Chang Zhou) Limited, BizLink (Kun Shan) Co., Ltd., Xiang Yao Electronics (Shen Zhen) Co., Ltd.	b							-		Y		
	BizLink Technology (Chang Zhou) Limited (Note 5)	b							-		Y		
	BizLink Technology (Slovakia) S.R.O.	b							-		Y		
	BizLink Technology (Slovakia) S.R.O. (Note 6)	b							-		Y		
1	BizLink Technology Inc.	-		2,204,363	72,950 (US\$ 2,500) 150,999 (US\$ 5,175)	72,950 (US\$ 2,500) 150,999 (US\$ 5,175)	72,950 (US\$ 2,500) 45,051 (US\$ 1,544)	-	0.59  1.22	2,204,363	N  N	N  N	N
	BizLink Tech Inc.	b							-				
2	BizLink (BVI) Corp.	b		4,264,376	962,940 (US\$ 33,000) 145,900 (US\$ 5,000) 291,800 (US\$ 10,000) 147,939 (EUR 4,359) 291,800 (US\$ 10,000)	-  -  -  147,939 (EUR 4,359) -	-  -  -  147,939 (EUR 4,359) -	-	-  -  -  1.20  -	4,264,376  4,264,376  4,264,376  4,264,376  4,264,376	N  N  N  N  N	N  N  N  N  N	N  N  Y  N  N
	BizLink International Corp. (Note 4)	b							-				
	BizLink Technology (S.E.A.) Sdn. Bhd. (Note 7)	b							-				
	BizLink Technology (Chang Zhou) Limited (Note 5)	b							-				
	BizLink Technology SRB D.O.O.	b							-				
	BizLink Technology (Slovakia) S.R.O. (Note 6)	b							-				

(Continued)

No. (Note 1)	Endorser/Guarantor Provider	Endorsee/Guaranteee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 10)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 9 and 10)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)									
3	BizLink International Corp.	BizLink (BVI) Corp. (Note 4) BizLink Technology (Chang Zhou) Limited (Note 5) BizLink Technology (Slovakia) S.R.O. (Note 6)	b b b	\$ 2,997,613 2,997,613 2,997,613	\$ 1,021,300 (US\$ 35,000) 291,800 (US\$ 10,000) 291,800 (US\$ 10,000)	\$ - - -	\$ - - -	- - -	\$ 2,997,613 2,997,613 2,997,613	N N N	N N N	N Y N

Note 1: "0" for the issuer.

Investees are numbered from "1".

Note 2: Six kinds of relationship information of endorser and endorsee to be noted.

- A company with which it has business relationship.
- A subsidiary which directly holds more than 50% of common stocks.
- An investee company of which over 50% is jointly owned by the BizLink and its subsidiaries.
- The parent company holds directly and indirectly more than 50% of the common stock of the subsidiaries.
- Guaranteed by the Group according to the construction contract.
- All capital contributing stockholders make endorsements or guarantees for their jointly invested company in proportion to their stockholding percentage.

Note 3: The regulation of endorsement guarantee provided by BizLink:

- The board of directors of the Group has approved on November 8, 2019 that the amount of endorsement provided by BizLink for a single enterprise and as whole shall be limited to the net value of BizLink's audited or reviewed consolidated financial statements by accountant in the most recent period.
- The amount of endorsement provided by BizLink for a single enterprise and as whole shall be limited to the net value of BizLink's audited or reviewed consolidated financial statements by accountant in the most recent period.
- The endorsement between the companies which BizLink directly or indirectly holds 100% of voting right is not limited but shall not exceed ten times of the net value of BizLink's audited or reviewed consolidated financial statements by accountant in the most recent period.
- For BizLink Technology Inc., the amount of endorsement provided for a single enterprise shall be limited to two times of the net value, and the amount of endorsement as whole shall be limited to two times of the net value.
- For BizLink (BVI) Corp., the amount of endorsement provided for a single enterprise shall be limited to three times of the net value, and the amount of endorsement as whole shall be limited to three times of the net value.
- For BizLink International Corp., the amount of endorsement provided for a single enterprise shall be limited to thirty times of the net value, and the amount of endorsement as whole shall be limited to thirty times of the net value.

Note 4: This is a joint endorsement provided by BizLink Holding Inc., BizLink (BVI) Corp. and BizLink International Corp. to BizLink (BVI) Corp. and BizLink International Corp. It is disclosed separately by the contingent liability risk of the guarantee.

Note 5: This is a joint endorsement provided by BizLink Holding Inc., BizLink (BVI) Corp. and BizLink International Corp. to BizLink Technology (Slovakia) S.R.O. It is disclosed separately by the contingent liability risk of the guarantee.

Note 6: This is a joint endorsement provided by BizLink Holding Inc., BizLink (BVI) Corp. and BizLink International Corp. to BizLink Technology (Slovakia) S.R.O. It is disclosed separately by the contingent liability risk of the guarantee.

Note 7: The amount of a joint endorsement provided by BizLink Holding Inc. and BizLink (BVI) Corp. to BizLink Technology (S.E.A.) Sdn. Bhd. is expired. It is disclosed separately by the contingent liability risk of the guarantee.

Note 8: This is an endorsement provided by BizLink Technology Inc. itself regarding the tariff guarantee.

Note 9: The amount was eliminated upon consolidation.

Note 10: The highest balance for the period and ending balance present in NTS. Foreign currencies are converted into NTS; the exchange rate was US\$1=NT\$29,1800; MYR1=NT\$7,003; RMB1=NT\$4,2753 and EUR1=NT\$33.9393 as of September 30, 2020.

(Concluded)

## BIZLINK HOLDING INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD  
SEPTEMBER 30, 2020

(In Thousands of New Taiwan Dollars and Shares)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	September 30, 2020			Note
				Number of Stock/Unit	Carrying Value (Note 2)	Percentage of Ownership (%)	Fair Value (Note 2)
BizLink Holding Inc.	Stocks	-	Financial assets at FVTOCI - non-current	142,857	\$ -	1.20	\$ -
	LiLee Systems, Ltd. Tilopa Holding Inc.	Substantive related party	Financial assets at FVTOCI - non-current	2,400,000	114,283	18.00	114,283
BizLink Technology Inc.	Stocks	-	Financial assets at FVTPL - current	400	274	-	274
	Wells Fargo & Co.	-	Financial assets at FVTPL - current	800	19	-	19
	Transocean Ltd.	-	Financial assets at FVTPL - current	200	561	-	561
	CNOOC Ltd. Walt Disney Co.	-	Financial assets at FVTPL - current	100	362	-	362
BizLink (BVI) Corp.	Stocks	-	Financial assets at FVTOCI - non-current	20,000	30,582	26.05	30,582
	Rainbow Star Group Limited (Note 5) Prime Rich International Co., Ltd.	-	Financial assets at FVTOCI - non-current	600,000	41,669	6.00	41,669
BizLink International Corp.	Stocks	-	Financial assets at FVTOCI - non-current	2,076,000	13,831	4.50	13,831
	Anqing Innovation Co., Ltd. Usenlight Corp.	-	Financial assets at FVTOCI - non-current	1,302,000	45,297	3.40	45,297
	Centerra Photonics Inc.	-	Financial assets at FVTOCI - non-current	1,000,000	21,320	3.12	21,320
	Beneficiary certificate - domestic Yuanta Taiwan High-Yield Leading Company Fund - NTD (A)	-	Financial assets at FVTPL - current	9,000,000	100,260	-	100,260
Zellwood International Corp.	Equity investments Amed Venture I, L.P.	-	Financial assets at FVTOCI - non-current	Note 3	19,837	4.15	19,837
BizLink BVI Corp. Limited	Equity investments DatLink Electronic (Shenzhen) Co., Ltd.	-	Financial assets at FVTOCI - non-current	Note 3	1,163	9.00	1,163

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 "Financial Instruments".

Note 2: Above amounts present in New Taiwan dollar (NT\$). Foreign currency is converted into NT\$, the exchange rate was US\$1=NT\$29.18 as of September 30, 2020.

Note 3: The Group is a "limited company" without stock issuance.

Note 4: Investments in subsidiaries, associates and joint ventures information (refer to Tables 9 and 10).

Note 5: BizLink is not able to exercise significant influence over the Group; therefore, marketable securities are measured at FVTOCI.

## BIZLINK HOLDING INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal		Gain (Loss) on Disposal		Other Adjustment Items		Ending Balance	
					Number of Stock	Amount	Number of Stock	Amount	Stock/Units	Amount	Carrying Amount		Stock/Units	Amount	Stock	Amount
BizLink Holding Inc.	Stocks Speedy Industrial Supplies Pte Ltd.	Investments accounted for using equity method	Wong Ghan & Chin Lee Lian	-	-	\$ -	2,000,000	\$ 1,553,078	-	\$ -	-	\$ -	-	\$ -	2,000,000	\$ 1,610,900 (Notes 2 and 3)
BizLink (BVI) Corp.	Stocks Lintes Technology Co., Ltd.	Financial assets at FVTOCI - non-current	Note 4	-	2,125,580	193,215	-	-	2,125,580	312,755	101,357	211,398	-	(91,858) (Note 5)	-	-
BizLink International Corp.	Stocks Lintes Technology Co., Ltd.	Financial assets at FVTOCI - non-current	Note 4	-	235,382	21,396	20,000	1,466	255,382	27,025	12,735	14,290	-	(10,127) (Note 5)	-	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 "Financial Instruments".

Note 2: The differences are due to investment gain or loss accounted for using equity method and exchange differences on translating foreign operations.

Note 3: The amount was eliminated upon consolidation.

Note 4: These stocks were sold on open market.

Note 5: These stocks were other equity - unrealized gain (loss) on financial instrument at FVTOCI.



## BIZLINK HOLDING INC. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Company Name	Types of Property	Transaction Date	Transaction Amount (Foreign Currencies in Thousands)	Payment Term	Counter-party	Nature of Relationships	Prior Transaction of Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
BizLink Technology (Chang Zhou) Limited	Buildings	July 20, 2020	\$ 758,571 (RMB 181,000)	By the construction progress	Jiangsu Jiangdu Construction Group Co., Ltd.	-	-	-	-	\$ -	N/A (Note)	For operational use	-

Note: There was a contract with a third party to construct on its land, thus the appraisal report was not required.

TABLE 6

## BIZLINK HOLDING INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Ending Balance (Note 3)	% to Total	
BizLink (BVI) Corp.	BizLink Technology Inc.	The same parent company	Sales	\$ 2,390,127	31	1-365 days	Set by agreement of both parties (Note 4)	\$ 390,722	46	Note 2
	BizLink (Kun Shan) Co., Ltd.	The same parent company	Sales	1,633,401	21	0-180 days	Profit 0%-10% (Note 4)	100,628	12	Note 2
	BizLink Technology (S.E.A.) Sdn. Bhd.	The same parent company	Sales	122,380	2	0-120 days	Set by agreement of both parties (Note 4)	427	-	Note 2
	BizLink Technology (Ireland) Ltd.	The same parent company	Sales	1,104,356	14	0-365 days	Set by agreement of both parties (Note 4)	-	-	Note 2
	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	The same parent company	Sales	382,763	5	90-365 days	Profit 0%-10% (Note 4)	11,643	1	Note 2
	BizLink (BVI) Corp.	The same parent company	Sales	3,086,727	62	0-120 days	BVI sale price 90%-100% (Note 4)	509,912	24	Note 2
BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp. Limited	The same parent company	Sales	1,383,788	28	0-120 days	BVI Limited sale price 90%-100% (Note 4)	1,403,996	66	Note 2
	BizLink (BVI) Corp.	The same parent company	Sales	137,325	12	Prepayment -120 days	Set by agreement of both parties (Note 4)	-	-	Note 2
BizLink Technology (S.E.A.) SDN. BHD.	BizLink (BVI) Corp. Limited	The same parent company	Sales	308,045	27	Prepayment -120 days	Set by agreement of both parties (Note 4)	94,660	32	Note 2
	BizLink (BVI) Corp.	The same parent company	Sales	190,129	29	0-120 days	BVI sale price 100% (Note 4)	41	-	Note 2
	BizLink (BVI) Corp. Limited	The same parent company	Sales	346,240	53	0-120 days	BVI Limited sale price 100% (Note 4)	341,731	90	Note 2
	BizLink Tech Inc.	The same parent company	Sales	174,634	38	30-90 days	No identical item	73,426	46	Note 2
BizLink (BVI) Corp. Limited	BizLink Technology Inc.	The same parent company	Sales	1,716,978	41	1-365 days	Set by agreement of both parties (Note 4)	1,578,511	45	Note 2
	BizLink (Kun Shan) Co., Ltd.	The same parent company	Sales	500,896	12	0-180 days	Profit 0%-10% (Note 4)	269,871	8	Note 2
	BizLink Technology (S.E.A.) SDN. BHD.	The same parent company	Sales	178,777	4	0-120 days	Set by agreement of both parties (Note 4)	176,041	5	Note 2
	BizLink Technology (Ireland) Ltd.	The same parent company	Sales	370,023	9	0-365 days	Set by agreement of both parties (Note 4)	302,435	9	Note 2
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	The same parent company	Sales	295,006	7	90-365 days	Profit 0%-10% (Note 4)	290,593	8	Note 2
	BizLink (BVI) Corp.	The same parent company	Sales	1,080,793	55	1-365 days	Profit 0%-21% (Note 5)	169,716	13	Note 2
Bizconn International Corp. (China)	BizLink (BVI) Corp. Limited	The same parent company	Sales	857,657	44	1-365 days	Profit 0%-21% (Note 5)	1,194,763	87	Note 2
	BizLink (BVI) Corp.	The same parent company	Sales	112,948	25	0-365 days	BVI sale price 90%-100% (Note 4)	106,447	36	Note 2
BizLink Technology (Xiamen) Limited	BizLink Technology (Belgium) NV	The same parent company	Sales	190,687	22	0-60 days	Markup 5% of purchase price (Note 4)	57,083	17	Note 2
	BizLink Technology SRB D.O.O.	The same parent company	Sales	199,735	26	0-30 days	Markup 5% of purchase price (Note 4)	40,856	23	Note 2
BizLink Technology (Slovakia) S.R.O.	SIS Speedy Industrial Supplies Sdn. Bhd.	The same parent company	Sales	128,562	22	30-180 days	Set by agreement of both parties (Note 4)	141,045	45	Note 2

Note 1: The above amounts of assets accounts and liabilities accounts are converted by exchange rate US\$1=NT\$29,1800 into New Taiwan dollar as of September 30, 2020. The amounts of income accounts are converted by quarterly average exchange rate. First quarter US\$1=NT\$30,1029 and second quarter US\$1=NT\$29,8737 and third quarter US\$1=NT\$29,4567 into New Taiwan dollar.

Note 2: The amount was eliminated upon consolidation.

(Continued)

Note 3: Trade receivables from related parties.

Note 4: For the general customer, the sale prices were based on active market prices.

Note 5: There is no sales to unrelated parties.

(Concluded)

## BIZLINK HOLDING INC. AND SUBSIDIARIES

## RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2020

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 3)	Allowance for Impairment Loss
					Amount	Actions Taken		
Trade receivables								
BizLink (BVI) Corp.	BizLink Technology Inc.	The same parent company	\$ 390,722	2.59	\$ -	-	\$ 327,619	\$ -
BizLink (BVI) Corp.	BizLink (Kun Shan) Co., Ltd.	The same parent company	100,628	2.86	-	-	-	-
BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	509,912	2.20	-	-	306,047	-
BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp. Limited	The same parent company	1,403,996	2.63	-	-	-	-
BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp. Limited	The same parent company	341,731	2.70	-	-	35,681	-
BizLink (BVI) Corp. Limited	BizLink Technology Inc.	The same parent company	1,578,511	2.90	-	-	138,441	-
BizLink (BVI) Corp. Limited	BizLink (Kun Shan) Co., Ltd.	The same parent company	269,871	4.95	-	-	89,294	-
BizLink (BVI) Corp. Limited	BizLink Technology (S.E.A.) SDN. BHD.	The same parent company	176,041	2.71	-	-	-	-
BizLink (BVI) Corp. Limited	BizLink Technology (Ireland) Ltd.	The same parent company	302,435	3.26	-	-	107,577	-
BizLink (BVI) Corp. Limited	BizLink Technology (Ireland) Ltd.	The same parent company	290,593	2.71	-	-	70,439	-
BizLink (BVI) Corp. Limited	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	The same parent company	169,716	1.90	-	-	-	-
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	1,194,763	1.91	-	-	74,980	-
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp. Limited	The same parent company	106,447	1.32	-	-	10,505	-
Bizconn International Corp. (China)	BizLink (BVI) Corp.	The same parent company	141,045	2.43	-	-	20,928	-
Speedy Industrial Supplies Pte Ltd.	SIS Speedy Industrial Supplies Sdn. Bhd.	The same parent company	152,999	1.72	-	-	36,601	-
Speedy Industrial Supplies Sdn. Bhd.	Speedy Industrial Supplies Pte Ltd.	The same parent company						
Other receivables								
BizLink Holding Inc.	BizLink (BVI) Corp.	Subsidiary	291,800	Not applicable	-	-	-	-
BizLink Holding Inc.	BizLink (BVI) Corp. Limited	Subsidiary	291,800	Not applicable	-	-	-	-
BizLink (BVI) Corp.	BizLink International Corp.	The same parent company	332,015	Not applicable	-	-	-	-
BizLink (BVI) Corp.	BizLink Technology (S.E.A.) SDN. BHD.	The same parent company	143,373	Not applicable	-	-	-	-
TongYing Electronics (Shen Zhen) Ltd.	BizLink (BVI) Corp.	The same parent company	195,863	Not applicable	-	-	-	-
BizLink (BVI) Corp. Limited	BizLink (BVI) Corp.	The same parent company	121,013	Not applicable	-	-	-	-
EA Cable Assemblies (Hong Kong) Co., Limited	BizLink Holding Inc.	Parent company	116,720	Not applicable	-	-	-	-
BizLink Technology (Belgium) NV	BizLink Technology SRB D.O.O.	The same parent company	135,758	Not applicable	-	-	-	-

Note 1: Above amounts present in New Taiwan dollar (NT\$). Foreign currency is converted into NT\$, the exchange rate was US\$1=NT\$29,1800 as of September 30, 2020.

Note 2: The amount was eliminated upon consolidation.

Note 3: As of November 10, 2020.

TABLE 8

## BIZLINK HOLDING AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		
				Financial Statement Account	Amount	Payment Terms
0	BizLink Holding Inc.	BizLink Technology Inc. BizLink (BVI) Corp. BizLink International Corp. BizLink (Kun Shan) Co., Ltd. BizLink Technology (S.E.A.) Sdn. Bhd. BizLink Tech Inc. BizLink Tech Inc. BizLink (BVI) Corp. Limited Xiang Yao Electronics (Shen Zhen) Co., Ltd. BizLink Technology (Xiamen) Limited BizLink Technology (Chang Zhou) Limited BizLink Technology (Slovakia) S.R.O. BizLink (BVI) Corp. BizLink (BVI) Corp. BizLink (BVI) Corp. Limited	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Endorsements/guarantees Endorsements/guarantees Endorsements/guarantees Endorsements/guarantees Endorsements/guarantees Equity investments Endorsements/guarantees Endorsements/guarantees Endorsements/guarantees Endorsements/guarantees Endorsements/guarantees Miscellaneous incomes Other receivables Other receivables	\$ 116,720 2,290,922 962,940 761,009 298,803 116,720 116,720 3,203,964 761,009 761,009 388,234 71,546 291,800 291,800	0.56 10.95 4.60 3.64 1.43 0.56 0.56 15.32 3.64 3.64 1.86 0.44 1.40 1.40
1	BizLink Technology Inc.	BizLink Tech Inc. BizLink (BVI) Corp. BizLink (BVI) Corp. Limited BizLink (BVI) Corp. Limited	3 3 3 3	Endorsements/guarantees Sales Sales Trade receivables	150,999 89,941 47,652 30,496	Markup 5% of purchase price and payment term 30-120 days Markup 5% of purchase price and payment term 30-120 days Markup 5% of purchase price and payment term 30-120 days
2	OptiWorks (Shanghai) Limited	OptiWorks (Kunshan) Limited	3	Other receivables	64,130	
3	OptiWorks (Kunshan) Limited	BizLink (BVI) Corp. BizLink (BVI) Corp.	3 3	Sales Trade receivables	71,985 57,795	Sale price is 100% of BizLink BVI sale price and payment term 0-180 days Sale price is 100% of BizLink BVI sale price and payment term 0-180 days

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
4	BizLink (BVI) Corp.	BizLink Technology SRB D.O.O.	3	Endorsements/guarantees	\$ 147,939	Set by agreement of both parties and payment term 1-365 days	0.71
		BizLink Technology Inc.	3	Sales	2,390,127	Set by agreement of both parties and payment term 1-365 days	14.69
		BizLink Technology Inc.	3	Trade receivables	390,722	Set by agreement of both parties and payment term 1-365 days	1.87
		OptiWorks Inc.	3	Sales	70,927	Sale price is 100% of BizLink BVI purchase price and payment term 0-90 days	0.44
		Hwa Zhan Electronics Corp. (Shen Zhen)	3	Sales	48,620	Profit 0%-8% and payment term 0-365 days	0.30
		BizLink International Corp.	3	Other receivables	332,015	Profit 0%-10% and payment term 0-180 days	1.59
		BizLink (Kun Shan) Co., Ltd.	3	Sales	1,633,401	Profit 0%-10% and payment term 0-180 days	10.04
		BizLink (Kun Shan) Co., Ltd.	3	Trade receivables	100,628	Set by agreement of both parties and payment term 0-120 days	0.48
		BizLink Technology (S.E.A.) Sdn. Bhd.	3	Sales	122,380	Set by agreement of both parties and payment term 0-120 days	0.75
		BizLink Technology (S.E.A.) Sdn. Bhd.	3	Other receivables	143,373	Profit 0%-2% and payment term 0-90 days	0.69
		BizLink Electronics (Xiamen) Co., Ltd.	3	Sales	45,809	Profit 0% and payment term 0-365 days	0.28
		TongYing Electronics (Shen Zhen) Ltd.	3	Sales	36,801	Set by agreement of both parties and payment term 0-140 days	0.23
		BizLink Tech Inc.	3	Sales	37,034	Set by agreement of both parties and payment term 0-140 days	0.23
		BizLink Tech Inc.	3	Other receivables	58,264	Set by agreement of both parties and payment term 0-365 days	0.28
5	BizLink International Corp.	Accell Corp.	3	Other receivables	31,171	Set by agreement of both parties and payment term 0-365 days	0.15
		BizLink Technology (Ireland) Ltd.	3	Sales	1,104,356	Profit 0%-10% and payment term 90-365 days	6.79
		Xiang Yao Electronics (Shen Zhen) Co.,	3	Sales	382,763		2.35
		BizLink (BVI) Corp.	3	Miscellaneous incomes	49,186		0.30
		BizLink (BVI) Corp.	3	Other receivables	42,166		0.20
		BizLink (BVI) Corp.	3	Sales	3,086,727	Sale price is 90%-100% of BizLink BVI sale price and payment term 0-120 days	18.97
		BizLink (BVI) Corp.	3	Trade receivables	509,912	Sale price is 90%-100% of BizLink BVI sale price and payment term 0-120 days	2.44
		BizLink (BVI) Corp. Limited	3	Sales	1,383,788	Sale price is 90%-100% of BVI Limited sale price and payment term 0-120 days	8.50
		BizLink (BVI) Corp. Limited	3	Trade receivables	1,403,996	Sale price is 90%-100% of BVI Limited sale price and payment term 0-120 days	6.71
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Sales	38,546	Profit 0% and payment term 120 days	0.24
8	Foshan Nanhai Jo Yeh Electronic Co., Ltd.	Jo Yeh Company Limited	3	Sales	31,598	Market price, net 60 days from the end of the month of when invoice is issued	0.19

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
9	BizLink Technology (S.E.A.) Sdn. Bhd.	BizLink (BVI) Corp.	3	Sales	\$ 137,325	Set by agreement of both parties and prepayment term 120 days	0.84
		BizLink (BVI) Corp. Limited	3	Sales	308,045	Set by agreement of both parties and prepayment term 120 days	1.89
		BizLink (BVI) Corp. Limited	3	Trade receivables	94,660	Set by agreement of both parties and prepayment term 120 days	0.45
		TongYing Electronics (Shen Zhen) Ltd.	3	Other receivables	49,928		0.24
11	BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	190,129	Sale price is 100% of BizLink BVI sale price and payment term 0-120 days	1.17
		BizLink (BVI) Corp. Limited	3	Sales	346,240	Sale price is 100% of BVI Limited sale price and payment term 0-120 days	2.13
		BizLink (BVI) Corp. Limited	3	Trade receivables	341,731	Sale price is 100% of BVI Limited sale price and payment term 0-120 days	1.63
12	TongYing Electronics (Shen Zhen) Ltd.	BizLink (BVI) Corp.	3	Sales	53,377	Sale price is 98%-100% of BizLink BVI sale price and payment term 0-90 days	0.33
		BizLink (BVI) Corp.	3	Other receivables	195,863		0.94
		BizLink (Kun Shan) Co., Ltd.	3	Sales	42,011	Set by agreement of both parties and prepayment term 0-120 days	0.26
		BizLink (BVI) Corp. Limited	3	Sales	50,368	Sale price is 98%-100% of BVI Limited sale price and payment term 0-90 days	0.31
		BizLink (BVI) Corp. Limited	3	Trade receivables	45,236	Sale price is 98%-100% of BVI Limited sale price and payment term 0-90 days	0.22
13	BizLink Tech Inc.	BizLink Technology Inc.	3	Sales	174,634	Set by agreement of both parties and payment term 30-90 days	1.07
		BizLink Technology Inc.	3	Trade receivables	73,426	Set by agreement of both parties and payment term 30-90 days	0.35
14	BizLink (BVI) Corp. Limited	BizLink Technology Inc.	3	Sales	1,716,978	Set by agreement of both parties and payment term 1-365 days	10.55
		BizLink Technology Inc.	3	Trade receivables	1,578,511	Set by agreement of both parties and payment term 1-365 days	7.55
		BizLink (BVI) Corp.	3	Other receivables	121,013	Profit 0%-10% and payment term 0-180 days	0.58
		BizLink (Kun Shan) Co., Ltd.	3	Sales	500,896	Profit 0%-10% and payment term 0-180 days	3.08
		BizLink (Kun Shan) Co., Ltd.	3	Trade receivables	269,871	Profit 0%-10% and payment term 0-180 days	1.29
		BizLink Technology (S.E.A.) Sdn. Bhd.	3	Sales	178,777	Set by agreement of both parties and payment term 0-120 days	1.10
		BizLink Technology (S.E.A.) Sdn. Bhd.	3	Trade receivables	176,041	Set by agreement of both parties and payment term 0-120 days	0.84
		TongYing Electronics (Shen Zhen) Ltd.	3	Sales	30,600	Profit 0% and payment term 0-365 days	0.19

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
		BizLink Tech Inc. BizLink Tech Inc. BizLink Technology (Ireland) Ltd. BizLink Technology (Ireland) Ltd. Xiang Yao Electronics (Shen Zhen) Co., Ltd. Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3 3 3 3 3 3	Sales Trade receivables Sales Trade receivables Sales Trade receivables	\$ 42,832 42,248 370,023 302,435 295,006 290,593	Set by agreement and payment term 0-140 days Set by agreement and payment term 0-140 days Set by agreement of both parties and payment term 0-365 days Set by agreement of both parties and payment term 0-365 days Profit 0%-10% and payment term 90-365 days Profit 0%-10% and payment term 90-365 days	0.26 0.20 2.27 1.45 1.81 1.39
15	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp. BizLink (BVI) Corp. BizLink (BVI) Corp. Limited BizLink (BVI) Corp. Limited	3 3 3 3	Sales Trade receivables Sales Trade receivables	1,080,793 169,716 857,657 1,194,763	Profit 0%-21% and payment term 1-365 days Profit 0%-21% and payment term 1-365 days Profit 0%-21% and payment term 1-365 days Profit 0%-21% and payment term 1-365 days	6.64 0.81 5.27 5.71
16	Bizcomm International Corp. (China)	BizLink (BVI) Corp. BizLink (BVI) Corp. BizLink (Kun Shan) Co., Ltd. BizLink (Kun Shan) Co., Ltd. BizLink (BVI) Corp. Limited BizLink (BVI) Corp. Limited	3 3 3 3 3 3	Sales Trade receivables Sales Trade receivables Sales Trade receivables	112,948 106,447 61,735 35,014 73,005 72,083	Sale price is 90%-100% of BizLink BVI sale price and payment term 0-365 days Sale price is 90%-100% of BizLink BVI sale price and payment term 0-365 days Set by agreement of both parties and payment term 90-120 days Set by agreement of both parties and payment term 90-120 days Sale price is 90%-100% of BVI Limited and payment term 0-365 days Sale price is 90%-100% of BVI Limited and payment term 0-365 days	0.69 0.51 0.38 0.17 0.45 0.34
17	EA Cable Assemblies (Hong Kong) Co., Ltd.	BizLink Holding Inc.	2	Other receivables	116,720		0.56
18	BizLink Technology (Xiamen) Limited	BizLink Technology (Belgium) NV BizLink Technology (Belgium) NV	3 3	Sales Trade receivables	190,687 57,083	Markup 5% of purchase price and payment term 0-60 days Markup 5% of purchase price and payment term 0-60 days	1.17 0.27
19	BizLink Technology (Chang Zhou) Limited	BizLink Technology (Belgium) NV	3	Sales	61,963	Markup 5% of purchase price and payment term 0-60 days	0.38
20	BizLink Technology (Belgium) NV	BizLink Technology (Slovakia) S.R.O. BizLink Technology SRB D.O.O.	3 3	Other receivables Other receivables	33,939 135,758		0.16 0.65
21	BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O. BizLink Technology SRB D.O.O.	3 3	Sales Trade receivables	199,735 40,856	Markup 5% of purchase price and payment term 0-30 days Markup 5% of purchase price and payment term 0-30 days	1.23 0.20

(Continued)



No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
22	BizLink Technology SRB D.O.O.	BizLink Technology (Slovakia) S.R.O.	3	Sales	\$ 41,406	Markup 5% of purchase price and payment term 0-30 days	0.25
23	Speedy Industrial Supplies Pte Ltd.	SIS Speedy Industrial Supplies Sdn. Bhd. SIS Speedy Industrial Supplies Sdn. Bhd.	3 3	Sales Trade receivables	128,562 141,045	Set by agreement of both parties and payment term 30-180 days Set by agreement of both parties and payment term 30-180 days	0.79 0.67
24	SIS Speedy Industrial Supplies Sdn. Bhd.	Speedy Industrial Supplies Pte Ltd. Speedy Industrial Supplies Pte Ltd.	3 3	Sales Trade receivables	98,700 152,999	Set by agreement of both parties and payment term 30-180 days Set by agreement of both parties and payment term 30-180 days	0.61 0.73

Note 1: Intercompany transactions information between parent company and subsidiaries are noted within the number column as follows:

- "0" for the parent company.
- Subsidiaries are numbered from "1"

Note 2: Parties involved in the transaction have a directional relationship noted by the following:

- "1" represents transactions from parent company to subsidiaries.
- "2" represents transactions from subsidiaries to parent company.
- "3" represents transactions between subsidiaries.

Note 3: The amounts of asset account and liability account are calculated as a percentage of the consolidated total assets. The amounts of income account are calculated as a percentage of the consolidated total sales.

Note 4: The above amounts of asset account and liability account are converted by exchange rate US\$1=NT\$29,1800 into New Taiwan dollar as of September 30, 2020. The amounts of income accounts are converted by quarterly average exchange rate, first quarter US\$1=NT\$30,1029, second quarter US\$1=NT\$29,8737 and third quarter US\$1=NT\$29,4567 into New Taiwan dollar.

(Concluded)

TABLE 9

**BIZLINK HOLDING INC. AND SUBSIDIARIES**

INFORMATION ON INVESTEEES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
(In Thousands of New Taiwan Dollars and Foreign Currencies, and Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2020		Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
				September 30, 2020	December 31, 2019	Number of Stock (Shares)	% Carrying Value			
BizLink	BizLink Technology Inc.	CA 94538, USA	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	\$ 114,386 (US\$ 3,920)	\$ 114,386 (US\$ 3,920)	10,000	100.00	\$ 135,931	\$ 132,605	Subsidiary (Note 1)
	BizLink (BVI) Corp.	Tortola, British Virgin Islands	(1) Wholesale and retail of cable assemblies, connectors, power cords, (2) wholesale and retail of computer peripheral products and electronic materials, (3) international trade, and (4) various investment activities.	1,459 (US\$ 50)	1,459 (US\$ 50)	50,000	100.00	\$ 195,420	248,748	Subsidiary (Note 1)
	BizLink International Corp.	Zhonghe Dist., New Taipei City	(1) Wholesale of cable assemblies, connectors and power cords, (2) international trade, and (3) financial center for BizLink's Asian operations	70,000	70,000	70,000	100.00	(13,372)	(13,381)	Subsidiary (Note 1)
	Zellwood International Corp.	Tortola, British Virgin Islands	Various investment activities.	72,950 (US\$ 2,500)	72,950 (US\$ 2,500)	2,500,000	100.00	294,369	296,575	Subsidiary (Note 1)
	BizLink Technology (S.E.A.) Sdn. Bhd.	Johor, Malaysia	(1) Design, manufacture and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	8,403 (MYR 1,200)	8,403 (MYR 1,200)	1,200,000	100.00	132,300	132,300	Subsidiary (Note 1)
	Adel Enterprises Corp.	Tortola, British Virgin Islands	(1) Wholesale and retail of cable assemblies, connectors, and power cords, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	48,147 (US\$ 1,650)	48,147 (US\$ 1,650)	1,650,000	100.00	177,405	177,239	Subsidiary (Note 1)
	BizLink Tech Inc.	El Paso, TX 79912 USA	(1) Design, manufacture, and sale of cable assemblies, (2) wholesale and retail of computer peripheral products and electronic materials, (3) production of fiberfill moldings, and (4) international business trade.	453,749 (US\$ 15,550)	337,029 (US\$ 11,550)	355,000	100.00	(104,782)	(103,811)	Subsidiary (Note 1)
	Accell Corp.	CA 94538, USA	(1) Wholesale and retail of brand name connectors, cables and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) its own brand name.	-	-	10,000	100.00	(7,728)	(7,728)	Subsidiary (Note 1)
	BizLink Technology (Ireland) Ltd.	Dublin 24, Ireland	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	8,754 (US\$ 300)	8,754 (US\$ 300)	300,000	100.00	26,537	25,405	Subsidiary (Note 1)
	BizLink Japan	Tokyo, Japan 108-0073	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	2,764 (JPY 10,000)	2,764 (JPY 10,000)	200	100.00	425	425	Subsidiary (Note 1)
	BizLink (BVI) Corp. Limited	Central, Hong Kong	(1) Wholesale and retail of cable assemblies, connectors, power cords, (2) wholesale and retail of computer peripheral products and electronic materials, (3) international trade, and (4) various investment activities.	38 (HK\$ 10)	-	10,000	100.00	256,120	253,033	Subsidiary (Note 1)
	Bizcoun Technology Inc.	CA 94538, USA	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	-	-	-	100.00	-	-	Subsidiary (Note 1)
	EA Cable Assemblies (Hong Kong) Co., Limited	Wan Chai, Hong Kong	Various investment activities.	1,070,943 (EUR 24,676 and US\$ 8,000)	954,223 (EUR 24,676 and US\$ 4,000)	174,322,000	100.00	323,927	322,045	Subsidiary (Note 1)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2020		Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
				September 30, 2020	December 31, 2019	Number of Stock (Shares)	Carrying Value			
	EA Cable Assemblies GmbH BizLink Technology (Belgium) NV BizLink Technology (Slovakia) S.R.O.	Nuremberg, German Hasselt, Belgium Trencin, Slovakia	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade. (1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade. (1) Manufacture and assembly of cable harnesses for electrical appliance, and (2) wholesale and retail of cable assemblies and power cords.	\$ 22,366 (EUR 659) 418,344 (EUR 12,326) 1,014,501 (EUR 29,891)	\$ 22,366 (EUR 659) 418,344 (EUR 12,326) 992,304 (EUR 29,237)	1 915 (Note 4)	\$ 30,505 564,759 612,916	\$ (138) 27,819 2,939	(138) 27,819 2,939	Subsidiary (Note 1) Subsidiary (Note 1) Subsidiary (Note 1)
	BizLink Technology SRB D.O.O. OW Holding Inc. Speedy Industrial Supplies Pte. Ltd	Prokuplje, Republic of Serbia Grand Cayman, Cayman Islands 3 Kallang Sector, Singapore	(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords. Various investment activities. Manufacture and wholesale of cable assemblies, power cords, PCBA assemblies, sheet metal fabrication and box build assemblies.	241,856 (EUR 7,126) 649,284 (US\$ 22,251) 1,539,332 (SGD 72,610)	220,610 (EUR 6,500) 649,284 (US\$ 22,251) -	(Note 4) 2,105,120 2,000,000	204,500 561,839 1,610,900	(29,967) (93,280) 69,153	(28,372) (86,825) 69,153	Subsidiary (Notes 1 and 5) Subsidiary (Note 1) Subsidiary (Note 1)
BizLink Technology Inc.	Bobt, LLC	CA 94538, USA	Various leasing activities.	58,360 (US\$ 2,000)	58,360 (US\$ 2,000)	(Note 4)	57,964	(110)	(110)	Subsidiary (Note 1)
BizLink (BVI) Corp.	Jo Yeh Company Limited Sirustek Inc. ProOptics International Corp	Kowloon, Hong Kong Xinshi Dist., Tainan City Grand Cayman, Cayman Islands	(1) Wholesale and retail of connectors, and (2) international trade. Provide customized LED (light emitting diode) lighting products and solutions. Design, manufacture and sale of optical film.	114,240 (US\$ 3,915) 20,000 65,801 (US\$ 2,255)	114,240 (US\$ 3,915) 20,000 65,801 (US\$ 2,255)	10,000 2,000,000 2,050,000	131,070 7,913 54,945	3,524 (6,028) (23,083)	3,524 (2,411) (4,928)	Subsidiary (Note 1) - -
BizLink International Corp. Zellwood International Corp. Adel Enterprises Corp.	AquaOptics Corp. Bizcomm International Corporation Asia Wick Ltd.	Zhubei City, Hsinchu County APIA, SAMOA Central, Hong Kong	Design, manufacture and sale of optical system integration Various investment activities. Various investment activities.	66,000 48,643 (US\$ 1,667) -	30,000 48,643 (US\$ 1,667) -	32,000,000 1,666,667 1,000	34,505 398,831 272,382	(22,693) 84,815 18,781	(9,308) 86,298 18,743	- Subsidiary (Note 1) Subsidiary (Note 1)
BizLink Technology (S.E.A.) Sdn. Bhd.	BizLink Interconnect Technology (India) Private Limited	Chennai 600042, India.	(1) Design, manufacture and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	396 (INR 1,000)	396 (INR 1,000)	100,000	2,008	115	115	Subsidiary (Note 1)
BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	Prokuplje, Republic of Serbia	(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords.	-	43,443 (EUR 1,280)	(Note 4)	-	(29,967)	(1,595)	Subsidiary (Notes 1 and 5)
OW Holding Inc.	OptiWorks Inc.	CA 94538, USA	(1) Wholesale and retail of fiber optical passive components and fiber optical cables, (2) international trade, and (3) various investment activities.	589,436 (US\$ 20,200)	589,436 (US\$ 20,200)	2,000	590,831	(93,182)	(93,182)	Subsidiary (Note 1)
Speedy Industrial Supplies Pte Ltd	SIS Speedy Industrial Supplies Sdn. Bhd.	Johor, Malaysia	Manufacture and sale of cable assemblies, power cords, PCBA assemblies, sheet metal fabrication and box build assemblies.	700 (MYR 100)	-	100,000	104,686	9,478	9,478	Subsidiary (Note 1)

Note 1: The amount was eliminated upon consolidation.

Note 2: Current investment gain or loss recognition is net of reversing prior period unrealized gain or loss from upstream transactions and deducts current unrealized gain or loss from upstream transaction.

Note 3: For information of investments in mainland China, refer to Table 10.

Note 4: This company is a "limited company" without stock issuance.

Note 5: In July 2020, BizLink acquire 10% interest in BizLink Technology SRB D.O.O. Thus, the stockholding ratio of the Group hence increased from 90% to 100%, and the interest of BizLink Technology (Slovakia) S.R.O. in BizLink Technology SRB D.O.O. decreased to 0%.

(Concluded)

TABLE 10

## BIZLINK HOLDING INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
(In Thousands of New Taiwan Dollars and Foreign Currencies)

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period and repatriations of investment income in the mainland China area:

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 13)	Carrying Amount as of September 30, 2020	Accumulated Repatriation of Investment Income as of September 30, 2020
					Outflow	Inflow						
Bizcom International Corp. (China)	Design, manufacture, sale and assembly of connectors, tooling and cable assemblies.	\$ 75,246 (RMB 17,600)	(2) Note 4	Note 3	Note 3	Note 3	Note 3	\$ 86,639	100.00	\$	\$ 360,276	Note 3
Tong Ying Electronics (Shen Zhen) Ltd.	Manufacture of wire extrusions and cable assemblies.	101,416 (HK\$ 26,936)	(2) Note 5	Note 3	Note 3	Note 3	Note 3	18,638	100.00	18,638	301,763	Note 3
Terlux Technology Co., Ltd.	Research, manufacture and retail of optical and optoelectronic device technology	44,062 (US\$ 1,510)	(2) Note 6	Note 3	Note 3	Note 3	Note 3	15,582	100.00	15,582	2,197	Note 3
OptiWorks (Shanghai) Limited	(1) Manufacture, wholesale and retail of fiber optical passive components and fiber optical cables, and (2) international trade.	175,080 (US\$ 6,000)	(2) Note 7	Note 3	Note 3	Note 3	Note 3	1,971	93.08	1,835	199,976	Note 3
OptiWorks (Kunshan) Limited	(1) Production and development of optical communications optoelectronic devices, components and modules, and (2) sale of own products.	87,540 (US\$ 3,000)	(2) Note 7	Note 3	Note 3	Note 3	Note 3	(194)	93.08	(180)	108,123	Note 3
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	Design, manufacture and sale of cable assemblies, power cords, and connectors.	29,180 (US\$ 1,000)	(2) Note 8	Note 3	Note 3	Note 3	Note 3	111,892	100.00	111,892	1,222,842	Note 3
Hwa Zhan Electronics Corp. (Shen Zhen)	Production and operations of computers and communications cables, connectors and fiber jumpers.	9,413 (HK\$ 2,500)	(2) Note 9	Note 3	Note 3	Note 3	Note 3	45,575	100.00	45,575	388,873	Note 3
BizLink (Kun Shan) Co., Ltd.	Design, manufacture and sale of cable assemblies, connectors and power cords.	291,800 (US\$ 10,000)	(2) Note 6	Note 3	Note 3	Note 3	Note 3	192,574	100.00	192,574	2,501,559	Note 3
BizLink Electronics (Xiamen) Co., Ltd.	Manufacture and assembly of power cords and cables.	16,341 (US\$ 560)	(2) Note 10	Note 3	Note 3	Note 3	Note 3	159,183	100.00	159,183	402,962	Note 3
Foshan Nanhai Jo Yeh Electronic Co., Ltd.	Production and operations of electrical appliances, electronic equipment, and plug-in connectors.	58,360 (US\$ 2,000)	(2) Note 11	Note 3	Note 3	Note 3	Note 3	1,868	100.00	1,868	117,921	Note 3
BizLink Technology (Chang Zhou) Limited	(1) Manufacture of smart instrumental sensors, instrumental connectors and instrumental functional materials, (2) sale of own products, and (3) import and export business.	380,607 (US\$ 8,950 and RMB 27,940)	(2) Note 12	Note 3	Note 3	Note 3	Note 3	211,544	100.00	211,621	1,346,920	Note 3
BizLink Technology (Xiamen) Limited	(1) Manufacture of smart instrumental sensors, instrumental connectors, and instrumental functional materials, (2) sale of own products, and import and export business.	96,177 (US\$ 3,296)	(2) Note 12	Note 3	Note 3	Note 3	Note 3	112,424	100.00	112,342	881,572	Note 3

(Continued)

2. Limit on the amount of investment in the mainland China area:

Accumulated Outflow Remittance for Investment in Mainland China as of September 30, 2020	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Note 3	Note 3	Note 3

Note 1: The paid-in capital amount is converted from invested currency into New Taiwan dollar by balance sheet ending period exchange rate.

Note 2: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in mainland China.
- (2) Through investing in the third area, which then invested in the investee in mainland China.
- (3) Other methods.

Note 3: BizLink is not a company established in Taiwan and therefore is not applicable.

Note 4: Through investing in Bizcomm International Corporation, which then invested in the investee in mainland China.

Note 5: Through investing in Asia Wick Ltd., which then invested in the investee in mainland China.

Note 6: Through investing in Zellwood International Corp., which then invested in the investee in mainland China.

Note 7: Through investing in OW Holding Inc. and then OptiWorks, Inc. which then invested in the investee in mainland China.

Note 8: Through investing in BizLink (BVI) Corp. Limited, which then invested in the investee in mainland China.

Note 9: Through investing in BizLink (BVI) Corp., which then invested in the investee in mainland China.

Note 10: Through investing in Adel Enterprises Corp., which then invested in the investee in mainland China.

Note 11: Through investing in Jo Yeh Company Limited, which then invested in the investee in mainland China.

Note 12: Through investing in EA Cable Assemblies (Hong Kong) Co., Limited, which then invested in the investee in mainland China.

Note 13: The share of investment income (loss) recognition determined based on the financial statements which were reviewed and attested by certified public accountants engaged by BizLink.

3. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, unrealized gains or losses and others information:

- a. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period, refer to Table 6.
- b. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period, refer to Table 6.
- c. The amount of property transactions and the amount of the resultant gains or losses: None.
- d. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
- e. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.
- f. Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

(Concluded)

**TABLE 11****BIZLINK HOLDING INC.****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2020**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Hwa Tse Liang and InRuKuo Family Trust	8,624,467	6.60
JP Morgan Chase Bank, N.A., Taipei Branch in custody for Stichting Depository APG Emerging Markets Equity Pool	7,092,000	5.43

Note 1: On the last business day as of quarter-end, Taiwan Depository & Clearing Company calculated the major shareholders' information, the delivered and dematerialized registration common share and preferred share more than 5 % of the Group. The share capital recorded in the Group's consolidated financial report and the actual number of the delivered and dematerialized registration securities amount may be different due to the different preparation and calculation basis.

Note 2: The above information, if the shareholder delivers the shares to the trust will be disclosed by the trustee's trust account to reveal the individual settlor. As for shareholders' declaration in accordance with the Securities and Exchange Act, shareholder holds more than 10% of insider equity holdings, includes their shareholdings and delivered to the trust which they have the power to decide how to allocate trust property. The insider equity holdings' declaration and related information, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.