BizLink Holding Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
BizLink Holding Inc.

Opinion

We have audited the accompanying consolidated financial statements of BizLink Holding Inc. (BizLink) and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2019 are stated as follows:

Occurrence and Existence of Revenue from Major Customers

The Group's consolidated operating revenue stems from a small number of customers. There was an increase in the consolidated revenue from 2018 to 2019. Operating revenue from the top 20 revenue-contributing customers whose sales increased by more than 10% accounted for 37% of the consolidated operating revenue. Therefore, we identified revenue recognition related to the actual occurrence of the sales transaction with the top 20 revenue-contributing customers whose sales increased by more than 10% as a key audit matter.

In response, we performed the following audit procedures:

1. We understood the sales transaction internal controls over the customers mentioned above. We evaluated the design of key control and determined whether the key control has been implemented. We tested the operating effectiveness of key control.

2. We obtained the Group's background checks performed on the customers mentioned above and evaluated whether the transaction amounts and customer credit limits granted were reasonably compatible with the respective customers' sizes.

3. We performed substantive testing on the transactions with the customers mentioned above by inspecting third-party shipping documents, the customers' receipts of delivery and hub warehouse pull report in order to verify the occurrence of the transactions.

4. We have reviewed if there was significant sales return and allowance after December 31, 2019 from costumers mentioned above in order to verify the existence of consolidated operating revenue.

Impairment of Tangible and Intangible Assets and
Goodwill from Acquisition of Home Appliances Division

In 2017, BizLink acquired Leoni AG Electrical Appliance Assemblies business group (hereafter, BizLink Home Appliances Division). As of the acquisition date, BizLink has obtained property, plant and equipment, intangible assets and goodwill in a total amount of NT$1,229,022 thousand. As of December 31, 2019, the carrying amounts of property, plant and equipment, intangible assets and goodwill of BizLink Home Appliances Divisions were NT$541,960 thousand, NT$191,292 thousand and NT$373,867 thousand, respectively.

The assumptions adopted in the preparation of the future cash flows of BizLink Home Appliance Division might be subjective and contain a high degree of uncertainty. This may significantly influence the evaluation results of the recoverable amounts of the aforementioned assets and goodwill, which could further affect their estimated year-end impairment amounts. Therefore, we identified the impairment assessment of the tangible and intangible assets and goodwill from the Group's acquisition of BizLink Home Appliance Division as a key audit matter.

Regarding the accounting policies for the impairment of tangible and intangible assets and goodwill, refer to Notes 4 (k) and 4 (m) to the consolidated financial statements. As for the related accounting estimations and uncertainty of assumptions, refer to Note 5 to the consolidated financial statements.

In response, we performed the following audit procedures:

1. We obtained evaluation reports issued by the Group to assess the process and basis of management's forecasted sales growth rate and profit margins for the future operating cash flows and whether they considered the current operating conditions, historical trends, industry-specific situation, etc., and were updated in due course.

2. We appointed a valuation specialist from our firm to assist in evaluating whether the weighted average cost of capital used by management, including the risk-free interest rates, volatility and risk premiums, is comparable with those of BizLink Home Appliance Division's present and industry-specific situation, and we re-performed and verified the calculation.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 24, 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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 9,020,132	38	$ 3,560,272	20
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	14,382	-	4,675	-
Financial assets for hedging - current (Notes 4, 25 and 35)	4,055	-	-	-
Notes receivable from unrelated parties (Notes 4, 9 and 26)	34,151	-	69,267	-
Trade receivables from unrelated parties (Notes 4, 9 and 26)	4,836,085	20	5,069,223	29
Other receivables (Notes 4 and 9)	114,355	1	104,967	1
Current tax assets (Notes 4 and 28)	67,646	-	17,720	-
Inventories (Notes 4 and 10)	4,077,127	17	4,457,156	25
Prepayments (Notes 3, 18 and 19)	220,202	1	178,345	1
Other financial assets - current (Notes 19 and 37)	10,976	-	21,128	-
Other current assets (Note 19)	2,686	-	1,944	-
Total current assets	18,401,797	77	13,484,697	76
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	468,220	2	382,626	2
Investments accounted for using equity method (Notes 4 and 12)	97,316	-	12,584	-
Property, plant and equipment (Notes 4, 13 and 37)	2,505,708	10	2,221,686	13
Right-of-use assets (Notes 3, 4, 5, 14 and 36)	1,028,822	4	-	-
Investment properties (Notes 4, 15 and 37)	198,845	1	205,387	1
Goodwill (Notes 4, 5 and 16)	373,867	2	393,855	2
Other intangible assets (Notes 4, 17 and 33)	337,376	1	528,113	3
Deferred tax assets (Notes 4 and 28)	176,291	1	156,067	1
Other financial assets - non-current (Notes 4, 19 and 37)	177,274	1	183,252	1
Long-term prepayments for leases (Notes 3, 4 and 18)	-	-	36,728	-
Other non-current assets (Notes 4, 19 and 36)	247,592	1	131,107	1
Total non-current assets	5,611,311	23	4,251,405	24
TOTAL	$ 24,013,108	100	$ 17,736,102	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 37)	$ 64,500	-	$ 64,500	-
Financial liabilities at FVTPL - current (Notes 4 and 7)	8,394	-	6,450	-
Derivative financial liabilities for hedging - current (Notes 4, 25 and 35)	-	-	3,473	-
Contract liabilities - current (Notes 4 and 26)	20,202	-	22,507	-
Notes payable (Note 22)	308,767	1	133,522	1
Trade payables (Note 22)	3,371,163	14	3,831,669	22
Lease liabilities - current (Notes 3, 4, 5, 14 and 36)	253,578	1	-	-
Other payables (Note 23)	1,243,287	5	1,096,270	6
Current tax liabilities (Notes 4 and 28)	71,638	1	161,464	1
Current portion of long-term borrowings and bonds payable (Notes 20, 21 and 37)	2,391,131	10	37,713	-
Other current liabilities (Note 23)	2,646	-	2,292	-
Total current liabilities	7,735,306	32	5,359,860	30
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 3, 4, 5, 14 and 36)	606,049	3	-	-
Bonds payable (Notes 4 and 21)	2,824,912	12	2,891,598	16
Long-term borrowings (Notes 20 and 37)	451,012	2	341,348	2
Deferred tax liabilities (Notes 4 and 28)	106,907	-	56,887	1
Net defined benefit liabilities - non-current (Notes 4 and 24)	10,336	-	4,341	-
Other non-current liabilities (Note 23)	22,160	-	21,317	-
Total non-current liabilities	4,021,376	17	3,315,491	19
Total liabilities	11,756,682	49	8,675,351	49
EQUITY ATTRIBUTABLE TO OWNERS OF BizLink (Note 25)				
Capital stock				
Common stock	1,305,174	5	1,185,174	7
Capital surplus	7,320,086	31	4,893,638	28
Retained earnings				
Legal reserve	627,070	2	487,839	3
Special reserve	646,210	3	604,558	3
Unappropriated earnings	3,276,915	14	2,506,543	14
Total retained earnings	4,550,195	19	3,598,940	20
Other equity	(967,925)	(4)	(671,797)	(4)
Total equity attributable to owners of the BizLink	12,207,530	51	9,005,955	51
NON-CONTROLLING INTERESTS (Notes 25 and 32)	48,896	-	54,796	-
Total equity	12,256,426	51	9,060,751	51
TOTAL	$ 24,013,108	100	$ 17,736,102	100

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

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4 and 26)				
Sales	$ 23,092,145	100	$ 21,392,398	100
OPERATING COSTS (Notes 10, 27 and 36)				
Cost of goods sold	17,466,558	76	16,802,531	78
GROSS PROFIT	5,625,587	24	4,589,867	22
OPERATING EXPENSES (Notes 27 and 36)				
Selling and marketing expenses	1,010,221	4	883,145	4
General and administrative expenses	1,632,404	7	1,469,819	7
Research and development expenses	576,147	3	453,840	2
Expected credit loss reversed (Notes 4, 5 and 9)	(3,210)	-	(5,765)	-
Total operating expenses	3,215,562	14	2,801,039	13
PROFIT FROM OPERATIONS	2,410,025	10	1,788,828	9
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4, 14 and 27)	134,244	1	124,782	-
Other gains and losses (Notes 4 and 27)	(93,382)	-	(640)	-
Finance costs (Notes 20, 21, 27 and 36)	(103,037)	(1)	(51,999)	-
Share of loss of associates (Notes 4 and 12)	(12,822)	-	(3,257)	-
Total non-operating income and expenses	(74,997)	-	68,886	-
PROFIT BEFORE INCOME TAX FROM OPERATIONS	2,335,028	10	1,857,714	9
INCOME TAX EXPENSE (Notes 4 and 28)	497,388	2	458,125	2
NET PROFIT FOR THE YEAR	1,837,640	8	1,399,589	7
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 24)	(2,571)	-	164	-
Unrealized gain on investments in equity instruments at FVTOCI (Notes 4 and 25)	78,598	-	87,182	-

(Continued)

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	**%**	**Amount**	**%**
Gain (loss) on hedging instruments subject to basis adjustments (Notes 4 and 25)	$ 7,705	-	$ (3,429)	-
Exchange differences on translation to the presentation currency (Notes 4 and 25)	(541,840)	(2)	244,619	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 25 and 28)	(1,631)	-	824	-
	(459,739)	(2)	329,360	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Notes 4 and 25)	134,117	1	(310,089)	(1)
Other comprehensive (loss) income for the year, net of income tax	(325,622)	(1)	19,271	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,512,018	7	$ 1,418,860	7
NET PROFIT ATTRIBUTABLE TO:				
Owners of BizLink	$ 1,843,989	8	$ 1,392,311	7
Non-controlling interests	(6,349)	-	7,278	-
	$ 1,837,640	8	$ 1,399,589	7
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of BizLink	$ 1,519,997	7	$ 1,411,347	7
Non-controlling interest	(7,979)	-	7,513	-
	$ 1,512,018	7	$ 1,418,860	7
EARNINGS PER SHARE (Note 29)				
Basic	$ 15.54		$ 11.86	
Diluted	$ 14.72		$ 11.35	

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

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the BizLink											
						Other Equity						
	Capital Stock		Retained Earnings			Exchange Differences on Translating Foreign Operations	Gain or Loss on the Effective Cash Flow Hedging Instruments	Unrealized Gain (Loss) on Financial Assets at FVTOCI				
	Common Stocks	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings				Others	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2018	$ 1,155,664	$ 4,130,734	$ 371,593	$ 304,631	$ 2,350,261	$ (617,080)	$ -	$ (44,333)	$ (92,420)	$ 7,559,050	$ -	$ 7,559,050
Appropriation of the 2017 earnings (Note 25)												
Legal reserve	-	-	116,246	-	(116,246)	-	-	-	-	-	-	-
Special reserve	-	-	-	299,927	(299,927)	-	-	-	-	-	-	-
Cash dividends distributed by BizLink	-	-	-	-	(809,210)	-	-	-	-	(809,210)	-	(809,210)
Change in percentage of ownership interests in subsidiaries (Notes 25 and 32)	-	502	-	-	-	-	-	-	-	502	(502)	-
Equity component of convertible bonds (Notes 21, 25 and 33)	-	169,777	-	-	-	-	-	-	-	169,777	-	169,777
Issuance of common stocks for cash (Note 25)	30,000	600,000	-	-	-	-	-	-	-	630,000	-	630,000
Disposal of investments in equity instruments designated as at FVTOCI (Notes 8, 25 and 35)	-	-	-	-	3,701	-	-	(3,701)	-	-	-	-
Changes in non-controlling interests (Notes 25 and 31)	-	-	-	-	(14,821)	-	-	-	-	(14,821)	47,785	32,964
Share-based payment arrangements (Notes 25, 27 and 30)	(490)	(7,375)	-	-	343	-	-	-	66,832	59,310	-	59,310
Net profit for the year ended December 31, 2018	-	-	-	-	1,392,311	-	-	-	-	1,392,311	7,278	1,399,589
Other comprehensive (loss) income for the year ended December 31, 2018, net of income tax (Note 25)	-	-	-	-	131	(65,705)	(2,572)	87,182	-	19,036	235	19,271
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	1,392,442	(65,705)	(2,572)	87,182	-	1,411,347	7,513	1,418,860
BALANCE AT DECEMBER 31, 2018	1,185,174	4,893,638	487,839	604,558	2,506,543	(682,785)	(2,572)	39,148	(25,588)	9,005,955	54,796	9,060,751
Appropriation of the 2018 earnings (Note 25)												
Legal reserve	-	-	139,231	-	(139,231)	-	-	-	-	-	-	-
Special reserve	-	-	-	41,652	(41,652)	-	-	-	-	-	-	-
Cash dividends distributed by BizLink	-	-	-	-	(888,881)	-	-	-	-	(888,881)	-	(888,881)
Change in percentage of ownership interests in subsidiaries (Notes 25 and 32)	-	(502)	-	-	(1,577)	-	-	-	-	(2,079)	2,079	-
Equity component of convertible bonds (Notes 21, 25 and 33)	-	140,307	-	-	-	-	-	-	-	140,307	-	140,307
Repurchase of convertible bonds (Notes 21 and 25)	-	(17,056)	-	-	-	-	-	-	-	(17,056)	-	(17,056)
Issuance of common stocks for cash in participation of Global Depositary Receipt (GDR) (Note 25)	120,000	2,303,699	-	-	-	-	-	-	-	2,423,699	-	2,423,699
Share-based payment arrangements (Notes 25, 27 and 30)	-	-	-	-	-	-	-	-	25,588	25,588	-	25,588
Net profit for the year ended December 31, 2019	-	-	-	-	1,843,989	-	-	-	-	1,843,989	(6,349)	1,837,640
Other comprehensive (loss) income for the year ended December 31, 2019 (Note 25)	-	-	-	-	(2,276)	(406,093)	5,779	78,598	-	(323,992)	(1,630)	(325,622)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,841,713	(406,093)	5,779	78,598	-	1,519,997	(7,979)	1,512,018
BALANCE AT DECEMBER 31, 2019	$ 1,305,174	$ 7,320,086	$ 627,070	$ 646,210	$ 3,276,915	$ (1,088,878)	$ 3,207	$ 117,746	$ -	$ 12,207,530	$ 48,896	$ 12,256,426

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

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,335,028	$ 1,857,714
Adjustments for:		
Depreciation expenses	657,532	334,078
Amortization expenses	116,578	100,536
Expected credit loss on trade receivables reversed	(3,210)	(5,765)
Amortization of prepayments for leases	-	1,108
Net (gain) loss on fair value change of financial assets and liabilities designated as at FVTPL	(7,594)	65,725
Financial costs	103,037	51,999
Interest income	(48,224)	(39,755)
Compensation cost of employee stock options	25,588	59,310
Share of loss of associates	12,822	3,257
Loss on disposal of property, plant and equipment	8,755	9,253
Loss on disposal of intangible assets	236	152
Impairment loss recognized on financial assets	-	3,351
Impairment loss recognized on non-financial assets	178,512	96,988
Net loss (gain) on foreign currency exchange	10,527	(33,269)
Loss on repurchase of convertible bonds	20,364	-
Changes in operating assets and liabilities		
Decrease in financial assets mandatorily classified as at FVTPL	43,309	50,157
Decrease in notes receivable	34,497	112,928
Decrease (increase) in trade receivables	101,255	(568,960)
(Increase) decrease in other receivables	(12,270)	41,579
Decrease (increase) in inventories	210,468	(1,169,775)
(Increase) decrease in prepayments	(48,891)	51,408
(Increase) decrease in other current assets	(814)	247
Decrease in financial liabilities held for trading	(55,625)	(104,871)
Decrease in contract liabilities	(1,821)	(36,738)
Increase (decrease) in notes payable	183,981	(57,432)
(Decrease) increase in trade payables	(379,421)	463,887
Increase in other payables	186,506	19,063
Increase (decrease) in deferred revenue	884	(7,369)
Increase in net defined benefit liabilities	3,559	111
Increase (decrease) in other current liabilities	420	(13)
Increase in other operating liabilities	66	1,626
Cash generated from operations	3,676,054	1,300,530
Interest received	48,224	39,755
Interest paid	(56,043)	(13,802)
Income tax paid	(607,732)	(470,306)
Net cash generated from operating activities	3,060,503	856,177

(Continued)

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	$ (17,500)	$ (51,490)
Proceeds from sale of financial assets at FVTOCI	-	3,701
Acquisitions of associates accounted for using equity method	(100,201)	-
Net cash outflow on acquisition of subsidiaries	(7,783)	(104,199)
Acquisition of right-of use assets	(174,446)	-
Payments for property, plant and equipment	(710,585)	(439,789)
Proceeds from disposal of property, plant and equipment	29,848	39,017
Payments for intangible assets	(45,036)	(71,834)
Increase in refundable deposits	(25,035)	(6,416)
Decrease in refundable deposits	2,246	3,889
Increase in other financial assets	(923)	(9,873)
Decrease in other financial assets	12,090	77,211
Increase in prepayments for equipment	(172,007)	(58,736)
Net cash used in investing activities	(1,209,332)	(618,519)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of convertible bonds	3,031,000	2,919,500
Payments for transaction costs attributable to issue of debt instruments	(26,558)	(27,221)
Repurchase of convertible bonds	(526,412)	-
Proceeds from issuance of common stock for cash	2,423,699	630,000
Repayments of short-term borrowings	-	(852,359)
Proceeds of long term borrowings	92,173	-
Repayments of long-term borrowings	-	(187,193)
Proceeds from guarantee deposits received	447	-
Refunds of guarantee deposits received	-	(1,382)
Repayment of the principal portion of lease liabilities	(227,674)	-
Dividends paid to owners of BizLink	(888,881)	(809,210)
Net cash generated from financing activities	3,877,794	1,672,135
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(269,105)	(33,939)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,459,860	1,875,854
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,560,272	1,684,418
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 9,020,132	$ 3,560,272

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

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 the designing, manufacturing, and selling of 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 the 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 March 17, 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), Interpretations of IFRS (IFRIC) and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies:

   - IFRS 16 “Leases”

     IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

     Definition of a lease

     The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts were recognized as expenses on a straight-line basis. Prepaid lease payments for land use rights of land located in mainland China were recognized as prepayments for leases. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liabilities. The Group applies IAS 36 to all right-of-use assets.

The Group also applies the following practical expedients:

1) The Group applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

2) The Group accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

3) The Group excludes initial direct costs from the measurement of right-of-use assets on January 1, 2019.

4) The Group uses hindsight, such as in determining lease terms, to measure lease liabilities.

The lessee’s weighted average incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 4.24%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 591,486
Undiscounted amounts on January 1, 2019	$ 591,486
Discounted amounts using the incremental borrowing rate on January 1, 2019	$ 504,934
Add (less): Adjustments as a result of a different treatment of extension and termination options	306,997
Lease liabilities recognized on January 1, 2019	$ 811,931

The Group as lessor

The Group does not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

The Group subleased its leasehold buildings to a third party from June 2017 to March 2019. Such sublease was classified as an operating lease under IAS 17. The Group determines the sublease is classified as a finance lease on the basis of the remaining contractual terms and conditions of the head lease and sublease on January 1, 2019, and the Group accounts for the sublease as a new finance lease entered into at that date.

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
Prepayments	$ 178,345	$ (1,326)	$ 177,019
Prepayments for leases - non-current	36,728	(36,728)	-
Right-of-use assets	-	849,985	849,985
Total effect on assets	$ 215,073	$ 811,931	$ 1,027,004
Lease liabilities - current	$ -	$ 227,806	$ 227,806
Lease liabilities - non-current	-	584,125	584,125
Total effect on liabilities	$ -	$ 811,931	$ 811,931

b. The IFRSs endorsed by the FSC for application starting from 2020

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

Note 1: The Group shall apply these amendments 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, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Group shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

- Amendments to IFRS 3 “Definition of a Business”

  The amendments clarify that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process applied to the input that together significantly contribute to the ability to create outputs. The amendments narrow the definitions of outputs by focusing on goods and services provided to customers, and the reference to an ability to reduce costs is removed. Moreover, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether or not an acquired set of activities and assets is a business.

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.

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

New IFRSs	Effective Date Announced by IASB (Note)
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, 2021
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022

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

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

   The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

   Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

2) 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

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China (R.O.C.). 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 consolidated financial statements shall prevail. However, the consolidated financial statements do not include the English translation of the additional footnote disclosures that are not required under IFRSs but are required by the FSC for their oversight purposes.

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value 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, which 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. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, 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 BizLink 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 Group's interests 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 7 and Table 8 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

Acquisition of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gains on bargain purchases. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Other contingent consideration is remeasured at fair value at the end of subsequent reporting period with any gain or loss recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

In preparing the financial statements of each individual entity within the Group, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group and its foreign operations (including subsidiaries, associates or branches operating in other countries that use currencies which are different from BizLink's currency) are translated into the New Taiwan dollars using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, and the resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in BizLink losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rates of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

g. Inventories

Inventories consist of raw materials, work in progress, finished goods and merchandise are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

h. Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new stocks of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus-changes in the Group's share of the equity of associates. If the Group's ownership interest is reduced due to the additional subscription of the new stocks of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which an investee ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When an entity within the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Financial instruments

Financial assets and financial liabilities are recognized when an entity within the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 35.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, other financial assets and refundable deposits are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such a financial asset; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and bank acceptances with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 365 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

- Financial liabilities at FVTPL

  Financial liabilities are classified as at FVTPL when such financial liability is either held for trading or is designated as at FVTPL.

  Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses/any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses. The fair value determination method is described in Note 35.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to raw material price and foreign exchange rate risks, including foreign exchange forward contracts and copper futures contract.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts, which contain financial asset hosts that is within the scope of IFRS 9, are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts, which are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities), are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

o. Hedge accounting

The Group designates certain hedging instruments, which include derivatives and embedded derivatives in respect of cash flow hedges.

<u>Cash flow hedges</u>

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.

p. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of electronic materials. Sales of electronic materials are recognized as revenue when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

q. Leases

2019

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

2018

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1) The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Lease incentives included in an operating lease are recognized as an asset. The aggregate cost of incentives is recognized as a reduction of rental income on a straight-line basis.

2) The Group as lessee

Operating lease payments are recognized as expenses on a straight-line basis over the lease term.

3) Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Lessee. The minimum lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

r. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

s. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

t. Share-based payment arrangements

<u>Employee share options granted to employee</u>

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the capital surplus - employee share options.

<u>Restricted shares for employees</u>

The fair value at the grant date of the restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Group’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in other equity - unearned employee benefit. It is recognized as an expense in full at the grant date if vested immediately.

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. If restricted shares for employees are granted for consideration and should be returned, they are recognized as payables. Dividends paid to employees on restricted shares that do not need to be returned if employees resign in the vesting period are recognized as expenses when the dividends are declared with a corresponding adjustment in retained earnings and capital surplus - restricted shares for employees.

At the end of each reporting period, the Group revises its estimate of the number of restricted shares for employees expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the capital surplus - restricted shares for employees.

u. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and research and development expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Accounting Judgements

Lease terms - 2019

In determining a lease term, the Group considers all facts and circumstances that create an economic incentive to exercise or not to exercise an option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Main factors considered include contractual terms and conditions for the optional periods, significant leasehold improvements undertaken over the contract term, the importance of the underlying asset to the lessee's operations, etc. The lease term is reassessed if a significant change in circumstances that are within control of the Group occur.

Key Sources of Estimation Uncertainty

Impairment of tangible and intangible assets and goodwill from home appliances division acquisition

Determining whether tangible and intangible assets and goodwill from the acquisition of the home appliances division are impaired requires an estimation of the value in use of the cash-generating units to which the assets have been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate their present values. Where the actual future cash flows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	**2018**
Cash on hand	$ 1,040	$ 715
Checking accounts and demand deposits	6,145,573	3,173,221
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	2,871,001	381,431
Bank acceptances	2,518	4,905
	$ 9,020,132	$ 3,560,272

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

	December 31	
	2019	**2018**
Deposits	0%-2.38%	0%-3.21%

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31 2019	December 31 2018
Financial assets at FVTPL - current		
Financial assets mandatorily at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	$ 11,393	$ 2,665
Convertible bond options (Note 21)	747	-
Non-derivative financial assets		
Domestic and foreign listed stocks	2,242	2,010
	$ 14,382	$ 4,675
Financial liabilities at FVTPL - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Convertible bond options (Note 21)	$ 8,394	$ 6,450

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)
December 31, 2019			
Sell	USD/RMB	2020.01-2020.06	USD35,671/RMB251,694
Sell	EUR/RMB	2020.01-2020.12	EUR4,925/RMB39,250
December 31, 2018			
Sell	USD/RMB	2019.01-2019.02	USD10,000/RMB69,278

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

Investment in Equity Instruments at FVTOCI

	December 31 2019	December 31 2018
Non-current		
Domestic and foreign equity instruments		
Unlisted stocks	$ 253,609	$ 382,626
Listed stocks	214,611	-
	$ 468,220	$ 382,626

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 it believes 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 stock at $17,500 thousand for medium to long-term strategic purposes; the management designated these investments as FVTOCI.

For the year ended December 31, 2018, the Group acquired domestic and foreign unlisted stocks at $62,204 thousand for medium to long-term strategic purposes; and the management designated these investments as at FVTOCI.

In September of 2018, the Group sold its investment in Apfel Inc. in order to manage credit concentration risk. The sold stock had a fair value of $3,701 thousand and the Group transferred a gain of $3,701 thousand from other equity to retained earnings.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2019	**2018**
Notes receivable		
At amortized cost		
Gross carrying amount	$ 34,151	$ 69,267
Less: Allowance for impairment loss	-	-
	$ 34,151	$ 69,267
Notes receivable - operating	$ 34,151	$ 69,267
Trade receivables		
At amortized cost		
Gross carrying amount	$ 4,879,021	$ 5,118,249
Less: Allowance for impairment loss	(42,936)	(49,026)
	$ 4,836,085	$ 5,069,223
Other receivables		
Tax refund receivable	$ 77,692	$ 86,134
Others	36,663	18,833
	$ 114,355	$ 104,967

a. Notes receivable

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected credit loss provision for all notes receivable. The expected credit losses on notes receivable are referred by past default experience of the debtor and general economic conditions of the industry. As of December 31, 2019 and 2018, the Group has no need to recognized expected credit loss on notes receivable.

The aging of receivables was as follows:

	December 31	
	2019	2018
Up to 60 days	$ 18,952	$ 30,958
61 to 90 days	10,807	12,275
91 to 120 days	285	7,074
121 to 365 days	4,107	18,960
	$ 34,151	$ 69,267

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 after the end of the month 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 applies the simplified approach to the recognition of allowances for expected credit losses during the reporting period, which permits the use of a lifetime expected losses allowance for all trade receivables. The expected credit losses on trade receivables are estimated using an allowance matrix by reference to past default experience with the respective debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the allowance for loss allowance, which is based on the past due status of receivables, is not further distinguished according to different segments of the Group's 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 allowance matrix.

December 31, 2019

		Past Due					
	Not Past Due	Less than and Including 60 Days	61 to 90 Days	91 to 120 Days	121 to 365 Days	Over 365 Days	Total
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)	(3,340)	(5,102)	(2,287)	(1,602)	(2,682)	(27,923)	(42,936)
Amortized cost	$ 4,154,144	$ 622,737	$ 26,915	$ 15,859	$ 16,430	$ -	$ 4,836,085

December 31, 2018

		Past Due					
	Not Past Due	Less than and Including 60 Days	61 to 90 Days	91 to 120 Days	121 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.00%-0.44%	0.00%-0.37%	0.00%-11.54%	0.00%-16.61%	0.00%-36.82%	100%	
Gross carrying amount	$ 4,447,856	$ 588,827	$ 25,422	$ 12,002	$ 15,884	$ 28,258	$ 5,118,249
Loss allowance (Lifetime ECLs)	(2,800)	(9,837)	(2,628)	(1,994)	(3,509)	(28,258)	(49,026)
Amortized cost	$ 4,445,056	$ 578,990	$ 22,794	$ 10,008	$ 12,375	$ -	$ 5,069,223

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 49,026	$ 53,494
Less: Impairment losses reversed	(3,210)	(5,765)
Less: Net remeasurement of loss allowance	(1,751)	-
Foreign exchange translation gains and losses	(1,129)	1,297
Balance at December 31	$ 42,936	$ 49,026

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 December 31, 2019 and 2018, the Group did not need to recognize expected credit loss on other receivables.

10. INVENTORIES

	December 31	
	2019	2018
Raw materials	$ 1,255,199	$ 1,400,452
Work in progress	264,976	249,325
Finished goods and merchandise	2,556,952	2,807,379
	$ 4,077,127	$ 4,457,156

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018 were $17,466,558 thousand and $16,802,531 thousand, respectively. The cost of goods sold included inventory write-downs were $69,407 thousand and $96,988 thousand, respectively.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2019	Proportion of Ownership (%) December 31 2018	Remark
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	
	OW Holding Inc.	Various investment activities.	93.08	90.58	a and b
	OptiWorks, Inc.	(1) Wholesale and retail of fiber optical passive components and fiber optical cables, (2) international trade, and (3) various investment activities.	-	-	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	
	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	
	Zellwood International Corp.	Various investment activities.	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	
	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	
	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	
	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	
	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	
	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	
	Bizwide Limited	Various investment activities.	100.00	100.00	
	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	Bizconn Technology Inc. is not yet in operation.
	EA Cable Assemblies (Hong Kong) Co., Limited	Various investment activities.	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	
	BizLink Technology (Belgium) NV	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	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	c
	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.	90.00	-	d
BizLink Technology Inc.	Bobi, LLC	Various leasing activities.	100.00	100.00	
OW Holding Inc.	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	a
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	
	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	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2019	2018	Remark
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	
	Jo Yeh Company Limited	(1) Wholesale and retail of connectors, and (2) international trade.	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	
Zellwood International Corp.	Bizconn International Corp. (Samoa)	Various investment activities.	100.00	100.00	
	BizLink (Kun Shan) Co., Ltd.	Design, manufacture and sale of cable assemblies, connectors and power cords.	100.00	100.00	
	Teralux Technology Co., Ltd.	Research, manufacture and retail of optical and optoelectronic device technology	100.00	100.00	Teralux Technology Co., Ltd. was acquired in November 2018.
Bizconn International Corp. (Samoa)	Bizconn International Corp. (China)	Design, manufacture, sale and assembly of connectors, tooling and cable assemblies.	100.00	100.00	
Adel Enterprise Corp.	BizLink Electronics (Xiamen) Co., Ltd.	Manufacture and assembly of power cords and cables.	100.00	100.00	
	Asia Wick Ltd.	Various investment activities.	100.00	100.00	
Asia Wick Ltd.	TongYing Electronics (Shen Zhen) Ltd.	Manufacture of wire extrusions and cable assemblies.	100.00	100.00	
Bizwide Limited	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	Design, manufacture and sale of cable assemblies, power cords, and connectors.	100.00	100.00	
BizLink Technology (S.E.A.) Sdn. Bhd.	BizLink Interconnect Technology (India) Private Limited	(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	
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.	10.00	100.00	d
EA Cable Assemblies (Hong Kong) Co., Limited	BizLink Technology (Chang Zhou) Limited	(1) Manufacture of smart instrumentational sensors, instrumentational connectors and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	100.00	100.00	
	BizLink Technology (Xiamen) Limited	(1) Manufacture of smart instrumentational sensors, instrumentational connectors, and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	100.00	100.00	

(Concluded)

Note a: In January 2018, the Group acquired a 100%-equity interest in OW Holding Inc. by assigning 100%-equity interest of Optiworks, Inc. to OW Holding Inc.

Note b: OW Holding Inc. issued stocks in February 2018 to obtain intangible assets, which reduced BizLink's percentage of ownership to 89.29%. The non-controlling interest of the Group did not participate in the issuance of common stock for cash in June 2018 and September 2019 according to the original stockholding ratio. The stockholding ratio increased from 89.29% to 90.58% and 90.58% to 93.08%. (Note 32)

Note c: As of November 2018, BizLink injected EUR$13,271 thousand to its subsidiary, BizLink Technology (Slovakia) S.R.O., by offsetting the credit balance from BizLink Technology (Slovakia) S.R.O. to BizLink.

Note d: 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%.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	December 31	
	2019	**2018**
Associates that are not individually material	$ 97,316	$ 12,584

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

	December 31	
Name of Associates	**2019**	**2018**
Siriustek Inc.	40%	40%
AquaOptics Corp.	22.78%	-
ProOptics International Corp.	21.35%	-

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

	December 31	
Name of Associates	**2019**	**2018**
Siriustek Inc.	40%	40%
AquaOptics Corp.	22.78%	-
ProOptics International Corp.	27%	-

Refer to Table 7 for the nature of activities, principal places of business and countries of incorporation of the associates.

In October 2017, the Group subscribed stocks of Siriustek Inc. through a private placement for cash of $20,000 thousand; after the subscription, the Group's percentage of ownership in Siriustek Inc. was 40% and the Group was able to exercise significant influence over Siriustek Inc. Included in the cost of investment in associates was goodwill of $6,991 thousand recognized from the acquisition of Siriustek Inc.

As of December 31, 2018, management of the Group carried out an impairment review. In determining the recoverable amount of Siriustek Inc., the Group applied the discounted cash flow method at 9% discount rate. Based on the assessment, the recoverable amount of the Group's interest in Siriustek Inc. which was $12,584, was less than the carrying amount by $3,351 thousand and recognized as impairment loss in other gains and losses.

In March 2019, the Group subscribed stocks of AquaOptics 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.

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).

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 audited for the years ended December 31, 2019 and 2018. 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 audited.

Aggregate information of associates that are not individually material:

	For the Year Ended December 31	
	2019	**2018**
The Group's stock of:		
Loss from continuing operations	$ (12,822)	$ (3,257)
Total comprehensive loss for the year	$ (12,822)	$ (3,257)

13. PROPERTY, PLANT AND EQUIPMENT

a. Assets used by the Group - 2019

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Other Equipment	Property under Construction	Total
Cost							
Balance at January 1, 2019	$ 351,825	$ 819,028	$ 2,362,298	$ 20,314	$ 629,526	$ -	$ 4,182,991
Additions	-	108,826	447,869	5,151	116,569	32,170	710,585
Disposals	-	(17,831)	(128,322)	(3,504)	(5,575)	-	(155,232)
Reclassifications (1)	-	14,038	13,486	-	46,443	-	73,967
Effects of foreign currency exchange differences	(3,110)	(23,609)	(104,605)	(740)	(26,887)	-	(158,951)
Balance at December 31, 2019	$ 348,715	$ 900,452	$ 2,590,726	$ 21,221	$ 760,076	$ 32,170	$ 4,653,360
Accumulated depreciation and impairment							
Balance at January 1, 2019	$ -	$ 261,635	$ 1,324,148	$ 13,732	$ 361,790	$ -	$ 1,961,305
Disposals	-	(13,246)	(95,707)	(3,157)	(4,519)	-	(116,629)
Reclassifications	-	-	328	-	(328)	-	-
Depreciation expense	-	37,095	253,887	2,379	94,393	-	387,754
Effects of foreign currency exchange differences	-	(9,911)	(58,355)	(407)	(16,105)	-	(84,778)
Balance at December 31, 2019	$ -	$ 275,573	$ 1,424,301	$ 12,547	$ 435,231	$ -	$ 2,147,652
Carrying amounts at December 31, 2019	$ 348,715	$ 624,879	$ 1,166,425	$ 8,674	$ 324,845	$ 32,170	$ 2,505,708

b. Assets used by the Group - 2018

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Other Equipment	Property under Construction	Total
Cost							
Balance at January 1, 2018	$ 347,784	$ 777,593	$ 2,098,776	$ 20,322	$ 556,023	$ -	$ 3,800,498
Additions	-	17,600	327,023	654	94,512	-	439,789
Disposals	-	-	(104,412)	(449)	(23,517)	-	(128,378)
Reclassifications (2)	-	1,169	51,719	-	2,004	-	54,892
Acquisitions through business combinations	-	17,630	25,097	-	6,123	-	48,850
Effect of foreign currency exchange differences	4,041	5,036	(35,905)	(213)	(5,619)	-	(32,660)
Balance at December 31, 2018	$ 351,825	$ 819,028	$ 2,362,298	$ 20,314	$ 629,526	$ -	$ 4,182,991
Accumulated depreciation and impairment							
Balance at January 1, 2018	$ -	$ 217,176	$ 1,184,781	$ 12,106	$ 299,393	$ -	$ 1,713,456
Disposals	-	-	(58,302)	(426)	(21,380)	-	(80,108)
Depreciation expense	-	34,316	211,698	2,180	82,187	-	330,381
Acquisitions through business combinations	-	11,962	7,550	-	5,447	-	24,959
Effect of foreign currency exchange differences	-	(1,819)	(21,579)	(128)	(3,857)	-	(27,383)
Balance at December 31, 2018	$ -	$ 261,635	$ 1,324,148	$ 13,732	$ 361,790	$ -	$ 1,961,305
Carrying amounts at December 31, 2018	$ 351,825	$ 557,393	$ 1,038,150	$ 6,582	$ 267,736	$ -	$ 2,221,686

1) Reclassifications from other non-current assets - prepayments for equipment and inventory to property, plant and equipment amounted to $70,135 thousand and $3,832 thousand, respectively.

2) Reclassifications from other non-current assets - prepayments for equipment and inventory to property, plant and equipment amounted to $40,649 thousand and $14,243 thousand, respectively.

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 37 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings granted.

14. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
Carrying amounts	
Land	$ 202,459
Buildings	802,395
Transportation equipment	16,884
Other equipment	7,084
	$ 1,028,822

	For the Year Ended December 31 2019
Additions to right-of-use assets	$ 493,692
Depreciation charge for right-of-use assets	
Land	$ 2,382
Buildings	250,539
Transportation equipment	11,122
Other equipment	1,972
	$ 266,015
Income from the subleasing of right-of-use assets (presented in other income)	$ (11,546)

No impairment assessment was performed for the year ended December 31, 2019 as there was no indication of impairment.

b. Lease liabilities - 2019

	December 31, 2019
Carrying amounts	
Current	$ 253,578
Non-current	$ 606,049

Range of discount rate for lease liabilities was as follows:

	December 31, 2019
Buildings	2.69%-6.76%
Transportation equipment	2.49%-4.59%
Other equipment	2.69%-4.25%

c. Material lease-in activities and terms

The Group leases land for its operating use, with lease terms of 39 to 50 years. The Group does not have bargain purchase options to acquire the leased land at the end of the lease term.

The Group leases buildings and vehicles for the use of plants, offices and operation with lease terms of 1 to 9 years. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Subleases

The sublease transactions are set out below.

Sublease of right-of-use assets - 2019

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:

	December 31, 2019
Year 1	$ 6,793
Year 2	5,763
Year 3	2,624
	$ 15,180

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

Sublease of lease arrangements under operating leases - 2018

The total future minimum sublease payments expected to be received under non-cancellable subleases at December 31, 2018 are $15,061 thousand.

e. Other lease information

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

2019

	2019
Expenses relating to short-term leases	$ 28,863
Expenses relating to low-value asset leases	$ 1,172
Total cash outflow for leases	$ (473,065)

The Group leases certain buildings and other equipment which qualify as short-term leases and certain other equipment which qualifies as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

2018

The future minimum lease payments of non-cancellable operating lease commitments are as follows:

	December 31, 2018
Not later than 1 year	$ 223,541
Later than 1 year and not later than 5 years	300,830
Later than 5 years	67,115
	$ 591,486

The lease payments recognized in profit or loss for the current period are as follows:

	For the Year ended December 31, 2018
Minimum lease payment	$ 219,807

15. INVESTMENT PROPERTIES

	Freehold Land	Buildings	Total
Cost			
Balance at January 1, 2019	$ 92,754	$ 153,836	$ 246,590
Effect of foreign currency exchange differences	(996)	(2,463)	(3,459)
Balance at December 31, 2019	$ 91,758	$ 151,373	$ 243,131
Accumulated depreciation and impairment			
Balance at January 1, 2019	$ -	$ 41,203	$ 41,203
Depreciation expense	-	3,763	3,763
Effect of foreign currency exchange differences	-	(680)	(680)
Balance at December 31, 2019	$ -	$ 44,286	$ 44,286
Carrying amounts at December 31, 2019	$ 91,758	$ 107,087	$ 198,845
Cost			
Balance at January 1, 2018	$ 91,460	$ 150,637	$ 242,097
Effect of foreign currency exchange differences	1,294	3,199	4,493
Balance at December 31, 2018	$ 92,754	$ 153,836	$ 246,590

(Continued)

	Freehold Land	Buildings	Total
Accumulated depreciation and impairment			
Balance at January 1, 2018	$ -	$ 36,760	$ 36,760
Depreciation expense	-	3,697	3,697
Effect of foreign currency exchange differences	-	746	746
Balance at December 31, 2018	$ -	$ 41,203	$ 41,203
Carrying amounts at December 31, 2018	$ 92,754	$ 112,633	$ 205,387

(Concluded)

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 December 31, 2019 was as follows:

	December 31, 2019
Year 1	$ 19,191
Year 2	14,781
	$ 33,972

The future minimum lease receivables of non-cancellable operating lease commitments as of December 31, 2018 are as follows:

	December 31, 2018
Not later than 1 year	$ 17,699
Later than 1 year and not later than 5 years	27,741
	$ 45,440

To reduce the residual asset risk related to leased out 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 appurtenance	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.

	December 31	
	2019	2018
Fair value	$ 304,151	$ 296,364

Refer to Note 37 for the carrying amount of investment properties pledged by the Group to secure borrowings granted.

16. GOODWILL

	For the Year Ended December 31	
	2019	2018
Cost		
Balance at January 1	$ 393,855	$ 395,860
Additional amounts recognized from business combinations (Note 31)	-	2,042
Effects of foreign currency exchange difference	(18,019)	(4,047)
Balance at December 31	$ 375,836	$ 393,855
Accumulated impairment losses		
Balance at January 1	$ -	$ -
Impairment losses recognized	2,030	-
Effects of foreign currency exchange difference	(61)	-
Balance at December 31	$ 1,969	$ -
Carrying amounts at January 1	$ 393,855	$ 395,860
Carrying amounts at December 31	$ 373,867	$ 393,855

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 $373,867 thousand on December 31, 2019). 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 2019 and recognized $2,030 thousand impairment loss. As the Group is expected to liquidate the identified cash generating unit, and the recoverable amount based of goodwill evaluated is zero. Impairment loss is recognized in other gains or losses. The Group did not recognize any impairment loss on goodwill in 2018.

17. OTHER INTANGIBLE ASSETS

	Patent	Computer Software	Trademark	Customer Relationships	Core Technology	Total
Cost						
Balance at January 1, 2019	$ 62,415	$ 310,607	$ 63	$ 215,576	$ 211,852	$ 800,513
Additions	-	17,217	-	-	27,819	45,036
Reclassification (a)	-	457	-	-	-	457
Disposals	-	(688)	(63)	-	-	(751)
Effect of foreign currency exchange differences	(2,092)	(11,010)	-	(8,272)	(8,712)	(30,086)
Balance at December 31, 2019	$ 60,323	$ 316,583	$ -	$ 207,304	$ 230,959	$ 815,169
Accumulated depreciation and impairment						
Balance at January 1, 2019	$ 20,634	$ 149,881	$ 63	$ 48,237	$ 53,585	$ 272,400
Amortization expense	9,432	40,280	-	30,504	36,362	116,578
Disposals	-	(452)	(63)	-	-	(515)
Impairment losses recognized	29,679	-	-	35,702	41,694	107,075
Effect of foreign currency exchange differences	(2,083)	(6,847)	-	(4,112)	(4,703)	(17,745)
Balance at December 31, 2019	$ 57,662	$ 182,862	$ -	$ 110,331	$ 126,938	$ 477,793
Carrying amounts at December 31, 2019	$ 2,661	$ 133,721	$ -	$ 96,973	$ 104,021	$ 337,376
Cost						
Balance at January 1, 2018	$ 23,808	$ 241,885	$ 63	$ 174,197	$ 163,071	$ 603,024
Additions	-	71,834	-	-	-	71,834
Acquisition through business combination (Note 31)	37,460	-	-	41,910	48,944	128,314
Reclassification (b)	-	1,411	-	-	-	1,411
Disposals	-	(2,451)	-	-	-	(2,451)
Effect of foreign currency exchange differences	1,147	(2,072)	-	(531)	(163)	(1,619)
Balance at December 31, 2018	$ 62,415	$ 310,607	$ 63	$ 215,576	$ 211,852	$ 800,513
Accumulated depreciation and impairment						
Balance at January 1, 2018	$ 17,596	$ 121,072	$ 58	$ 17,866	$ 19,766	$ 176,358
Amortization expense	2,451	32,577	5	30,977	34,526	100,536
Disposals	-	(2,299)	-	-	-	(2,299)
Effect of foreign currency exchange differences	587	(1,469)	-	(606)	(707)	(2,195)
Balance at December 31, 2018	$ 20,634	$ 149,881	$ 63	$ 48,237	$ 53,585	$ 272,400
Carrying amounts at December 31, 2018	$ 41,781	$ 160,726	$ -	$ 167,339	$ 158,267	$ 528,113

a. Reclassifications from other non-current assets - prepayments for equipment to other intangible assets amounted to $457 thousand for the year ended December 31, 2019.

b. Reclassifications from other non-current assets - prepayments for equipment to other intangible assets amounted to $1,411 thousand for the year ended December 31, 2018.

The Group acquired OW holding and Teralux Technology Co., Ltd. for the expected benefits from their patents, customer relationships and core technologies. As the actual operating efficiency did not meet the expectation evaluated in acquisition and the lack of the net realizable value, the Group recognized all impairment loss of $107,075 thousand in 2019, which is recognized in other gain and losses.

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

Patent	5 years
Computer software	2-10 years
Trademarks	10 years
Customer relationships	6.5-10.4 years
Core technology	5-10.4 years

	For the Year Ended December 31	
	2019	2018
An analysis of amortization by function		
Operating costs	$ 34,428	$ 37,873
Selling and marketing expenses	37,369	26,866
General and administrative expenses	40,822	32,189
Research and development expenses	3,959	3,608
	$ 116,578	$ 100,536

18. PREPAYMENTS FOR LEASES

	December 31, 2018
Current assets (included in prepayments)	$ 1,326
Non-current assets	36,728
	$ 38,054

As of December 31, 2018, prepaid lease payments included land use rights with carrying amounts of $38,054 thousand, which are for land located in mainland China.

19. OTHER ASSETS

	December 31	
	2019	2018
Current		
Prepayments (including prepayments for leases)	$ 220,202	$ 178,345
Others	2,686	1,944
	$ 222,888	$ 180,289

(Continued)

	December 31	
	2019	2018
Other financial assets - current		
Time deposit with original maturities of more than 3 months	$ 2,371	$ -
Pledged bank demand and time deposits (Note 37)	8,605	21,128
	$ 10,976	$ 21,128
Non-current		
Prepayments for equipment	$ 175,420	$ 78,948
Refundable deposits (Note 36)	72,172	52,159
	$ 247,592	$ 131,107
Other financial assets - non-current		
Time deposit with original maturity of more than 1 year	$ 10,220	$ 12,447
Pledged bank demand and time deposits (Note 37)	167,054	170,805
	$ 177,274	$ 183,252

(Concluded)

20. BORROWINGS

a. Short-term borrowings

	December 31	
	2019	2018
Secured borrowings (Note 37)		
Bank loans	$ 64,500	$ 64,500

The ranges of interest rates on bank loans were 0.96%-1.15% and 1.04%-1.20% per annum as of December 31, 2019 and 2018, respectively.

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

	December 31	
	2019	2018
Secured borrowings (Note 37)		
Bank loans	$ 363,457	$ 379,061
Less: Current portion (due in one year)	(5,552)	(37,713)
	357,905	341,348
Unsecured borrowings		
Bank loans	101,208	-
Less: Current portion (due in one year)	(8,101)	-
	93,107	-
Long-term borrowings	$ 451,012	$ 341,348

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 December 31, 2019 and 2018, the annual effective interest rate ranges were 1.24%-4.19% and 1.41%-4.32%, respectively, per annum.

As of December 31, 2019, in respect of a long-term borrowing with Cathy Bank with a carrying amount of US$4,533 thousand. BizLink Technology Inc. has extended the payment term from May 2021 to July 2024. Monthly payment will be paid according to the contract.

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. The annual effective interest rate is 4.47% with the payment terms due in October 2029.

21. BONDS PAYABLE

	December 31	
	2019	**2018**
Overseas unsecured bonds	$ 5,486,340	$ 3,071,500
Less: Unamortized bond discount	(283,950)	(179,902)
Less: Current portion	(2,377,478)	-
	$ 2,824,912	$ 2,891,598

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.

<u>Conversion price and adjustments</u>

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 conversion price as of December 31, 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, in whole or in part, 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 liabilities at FVTPL - current, bonds payable and capital surplus - options.

7) For the year ended December 31, 2019, and the period from February 1 (the issue date) to December 31, 2018, amortization of discounts on bonds payable included in financial costs were $43,334 thousand and $38,197 thousand, respectively. As of December 31, 2019, the second unsecured convertible overseas bonds issued were not converted.

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

Issued price (deducted transaction costs of $27,221 thousand)	$ 2,892,279
Equity component	(169,777)
Financial liabilities at FVTPL	(10,991)
Liability component at issue date	2,711,511
Amortized interest	38,197
Effect of foreign exchange rate	141,890
Liability component as of December 31, 2018	2,891,598
Amortized interest	43,334
Repurchase of convertible bonds	(489,146)
Effect of foreign exchange rate	(68,308)
Liability component as of December 31, 2019	$ 2,377,478

8) As of December 31, 2019, the Group has repurchased 68 units of corporate bonds from the capital market in the amount of US$17,463 thousand. Accordingly, the redemption decreased bonds payable, financial assets at FVTPL and capital surplus - share premiums by $489,146 thousand, $154 thousand and $29,772 thousand, respectively. The difference between the amount allocated to the liability and equity component and the carrying amount led to redemption losses of $20,364 and $12,716 thousand, which were recognized in other gain and loss and capital surplus - treasury share, respectively.

9) The bondholders can request BizLink to redeem their bonds in whole or in part at two years after the issued date. On December 31, 2019, bonds payable were reclassified to current bonds payable in the amount of $2,377,478 thousand.

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 December 31, 2019 was NT$245.77 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 liabilities at FVTPL - current, bonds payable and capital surplus - options.

7) From December 13, 2019 (the issue date) to December 31, 2019, amortization of discounts on bonds payable $3,660 thousand was included in finance costs. As of December 31, 2019, the third unsecured convertible overseas bonds issued were not converted.

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

Issued price (deducted transaction costs of $26,558 thousand)	$ 3,004,442
Equity component	(140,307)
Financial liabilities at FVTPL	(11,717)
Liability component at issue date	2,852,418
Amortized interest	3,660
Effect of foreign exchange rate	(31,166)
Liability component as of December 31, 2019	$ 2,824,912

22. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2019	2018
Notes payable		
Operating	$ 308,767	$ 133,522
Trade payables		
Operating	$ 3,371,163	$ 3,831,669

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

23. OTHER LIABILITIES

	December 31	
	2019	2018
Current		
Other payables		
Salaries or bonuses (includes employee compensations and remuneration of directors)	$ 800,755	$ 688,624
Welfare funds	36,808	39,407
Payable for taxes	40,228	34,368
Payable for professional fees	43,268	53,735
Payable for shipping	34,250	44,627
Payable for investment (Note 33)	-	7,679
Others	287,978	227,830
	$ 1,243,287	$ 1,096,270
Other liabilities		
Receipts under custody	$ 1,426	$ 1,105
Others	1,220	1,187
	$ 2,646	$ 2,292
Non-current		
Other liabilities		
Guarantee deposits	$ 7,914	$ 7,664
Deferred revenue - government grants	11,128	10,522
Others	3,118	3,131
	$ 22,160	$ 21,317

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

A subsidiary of the Group, BizLink International Corp., adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, the subsidiary makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The employees of the Group in China are members of state-managed retirement benefit plans operated by the government of China. The subsidiaries are required to contribute amounts calculated at a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

1) The defined benefit plan adopted by BizLink International Corp. In accordance with the Labor Standards Law is operated by the Taiwan government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. BizLink International Corp. contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

2) A subsidiary of the Group, EA Cable Assemblies GmbH applied the pension system regulated by German government. The pension serves as a supplementary system to the legal retirement and pension system in Germany. The employees transfer part of their salary into the pension account of the Group on a voluntary basis, as the Group offers the corresponding retirement welfare plan. Contributions are distributed according to the law.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2019	**2018**
Present value of defined benefit obligation	$ 18,893	$ 9,091
Fair value of plan assets	(8,557)	(4,750)
Net defined benefit liabilities	$ 10,336	$ 4,341

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2018	$ 10,351	$ (5,957)	$ 4,394
Service cost			
Current service cost	263	-	263
Net interest expense (income)	117	(69)	48
Recognized in profit or loss	380	(69)	311
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(172)	(172)
Actuarial loss - changes in demographic assumptions	18	-	18
Actuarial loss - changes in financial assumptions	101	-	101
Actuarial loss - experience adjustments	(111)	-	(111)
Recognized in other comprehensive income	8	(172)	(164)
Contributions from the employer	-	(200)	(200)
Benefit paid	(1,648)	1,648	-
Balance at December 31, 2018	$ 9,091	$ (4,750)	$ 4,341
Balance at January 1, 2019	$ 9,091	$ (4,750)	$ 4,341
Service cost			
Current service cost	7,053	(3,385)	3,668
Net interest expense (income)	226	(117)	109
Recognized in profit or loss	7,279	(3,502)	3,777
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(190)	(190)
Actuarial loss - changes in demographic assumptions	7	-	7
Actuarial loss - changes in financial assumptions	1,379	-	1,379
Actuarial loss - experience adjustments	1,375	-	1,375
Recognized in other comprehensive income	2,761	(190)	2,571
Contributions from the employer	-	(218)	(218)
Effect of foreign exchange rate	(238)	103	(135)
Balance at December 31, 2019	$ 18,893	$ (8,557)	$ 10,336

Through the defined benefit plans under the Labor Standards Law, BizLink International Corp. is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2019	**2018**
Discount rate (s)	0.625%-1.00%	1.00%
Expected rate (s) of salary increase	2.25%-2.50%	2.25%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2019	**2018**
Discount rate(s)		
0.25% increase	$ (488)	$ (201)
0.25% decrease	$ 566	$ 207
Expected rate(s) of salary increase		
0.25% increase	$ 228	$ 201
0.25% decrease	$ (222)	$ (196)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2019	**2018**
The expected contributions to the plan for the next year	$ 222	$ 198
The average duration of the defined benefit obligation	8.3-13.93 years	8.9 years

25. EQUITY

a. Capital stock

1) Common stock

	December 31	
	2019	**2018**
Number of stocks authorized (in thousand of stocks)	500,000	500,000
Stocks authorized	$ 5,000,000	$ 5,000,000
Number of stocks issued and fully paid (in thousand of stocks)	130,517	118,517
Stocks issued	$ 1,305,174	$ 1,185,174

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

BizLink's board of directors approved a stock issuance for cash amounting to 3,000 thousand units of common stocks, with NT$210 per share. The proceeds from the issuance of $630,000 thousand were fully received, and the issuance was listed on January 18, 2018.

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 December 31, 2019, the outstanding number of GDRs issued by the Group is 1,614 thousand units, which equal to 1,614 thousand shares of common stock.

A reconciliation of the number of stocks outstanding was as follows:

	Number of Stocks (In Thousands of Stocks)	**Capital stock**
Balance at December 31, 2018	115,566	$ 1,155,664
Issue of common stock for cash	3,000	30,000
Retirement of recognized employee restricted stocks	(49)	(490)
Balance at December 31, 2018	118,517	1,185,174
Issue of common stock for cash	12,000	120,000
Balance at December 31, 2019	130,517	$ 1,305,174

b. Capital surplus

	December 31	
	2019	**2018**
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)		
Stock premiums	$ 3,943,843	$ 1,557,069
Conversion of bonds	3,010,509	3,010,509
	$ 6,954,352	$ 4,567,578

(Continued)

	December 31	
	2019	**2018**
<u>May be used to offset a deficit only</u>		
Conversion of employee stock options (2)	$ 68,087	$ 68,087
Share of changes in capital surplus of associates or joint ventures (3)	-	502
Others - expired stock option (2)	4,619	4,619
Treasury share transactions	12,716	-
	$ 85,422	$ 73,208
<u>May not be used for any purpose</u>		
Employee restricted stocks	$ -	$ 83,075
Stock warrants	280,312	169,777
	$ 280,312	$ 252,852

(Concluded)

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) When employee stock options are exercised, capital surplus - options are transferred to capital surplus - share premiums and when the options expired, capital surplus - options 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 Stock Options**	**Conversion of Bonds**	**Stock Warrants**	**Employee Restricted Stocks**	**Employee Stock Options**	**Others - Expired Stock Options**	**Changes in Percentage of Ownership Interests in Subsidiaries**	**Total**
Balance at January 1, 2018	$ 894,762	$ -	$ 50,032	$ 3,010,509	$ -	$ 152,757	$ 18,055	$ 4,619	$ -	$ 4,130,734
Premium from equity share-based payment under issue of common stock for cash	-	-	18,055	-	-	-	(18,055)	-	-	-
Issue of common stock for cash	600,000	-	-	-	-	-	-	-	-	600,000
Retirement employee restricted stocks*	-	-	-	-	-	(7,375)	-	-	-	(7,375)
Equity component of convertible bonds	-	-	-	-	169,777	-	-	-	-	169,777
Vested employee restricted stocks	62,307	-	-	-	-	(62,307)	-	-	-	-
Change in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	502	502
Balance at January 1, 2019	1,557,069	-	68,087	3,010,509	169,777	83,075	-	4,619	502	4,893,638
Issue of common stock for cash	2,303,699	-	-	-	-	-	-	-	-	2,303,699
Repurchase of convertible bonds	-	12,716	-	-	(29,772)	-	-	-	-	(17,056)
Equity component of convertible bonds	-	-	-	-	140,307	-	-	-	-	140,307
Vested employee restricted stocks	83,075	-	-	-	-	(83,075)	-	-	-	-
Change in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(502)	(502)
Balance at December 31, 2019	$ 3,943,843	$ 12,716	$ 68,087	$ 3,010,509	$ 280,312	$ -	$ -	$ 4,619	$ -	$ 7,320,086

* The reversed unearned benefit of $7,865 thousand for restricted stocks was net of retired capital of $490 thousand.

c. Retained earnings and dividend policy

Under the dividend policy by the Articles, BizLink 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.

Subject to the Statue, 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 BizLink by a majority of the directors at a meeting attended by two-thirds or more of the total number of the directors, and shall subsequently report such distribution to a shareholders' meeting.

Refer to employee's compensation and remuneration of directors in Note 27 (g) 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 2018 and 2017 were approved in the annual stockholders' meetings on June 12, 2019 and June 21, 2018, respectively.

	Appropriation of Earnings		**Dividends Per Stock (NT$)**	
	2018	**2017**	**2018**	**2017**
Legal reserve	$ 139,231	$ 116,246	$ -	$ -
Special reserve	41,652	299,927	-	-
Cash dividends	888,881	809,210	7.5	7.0

The appropriation of earnings for 2019 were proposed by BizLink's board of directors on March 17, 2020. The appropriation and dividends per share were as follows:

	For the Year Ended December 31, 2019
Legal reserve	$ 184,399
Special reserve	$ 321,715
Cash dividends	$ 1,174,657
Cash dividends per share (NT$)	$ 9.0

The appropriation of earnings for 2019 are subject to resolution in the stockholders' meeting to be held on June 19, 2020.

d. Other equity items

1) Exchange differences on translating foreign operation

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ (682,785)	$ (617,080)
Exchange differences on translating foreign operations	135,747	(310,324)
Exchange differences on translation to presentation currency	(541,840)	244,619
Balance at December 31	$ (1,088,878)	$ (682,785)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 39,148	$ (44,333)
Recognized during the period		
Unrealized gain (loss)		
Equity instruments	78,598	87,182
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	-	(3,701)
Balance at December 31	$ 117,746	$ 39,148

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ (2,572)	$ -
Recognized during the period		
Gain (loss) on changes in fair value of hedging instruments		
Raw material price risk - copper futures contract	16,796	11,381
Transferred to initial carrying amount of hedged items		
Raw material price risk - copper futures contract	(9,091)	(14,810)
Related income tax	(1,926)	857
Balance at December 31	$ 3,207	$ (2,572)

4) Others

In the meeting of stockholders on June 15, 2016, the stockholders approved a restricted stock plan for employees (Note 30).

	For the Year Ended December 31	
	2019	**2018**
Balance at January 1	$ (25,588)	$ (92,420)
Share-based payment expenses recognized	25,588	58,967
Retired employee restricted stocks*	-	7,865
Balance at December 31	$ -	$ (25,588)

* Deducted from unearned benefits of restricted stocks amounting to $7,865 thousand for the year ended December 31, 2018.

e. Non-controlling interests

	For the Year Ended December 31	
	2019	**2018**
Balance at January 1	$ 54,796	$ -
Share in profit for the period	(6,349)	7,278
Other comprehensive income in the period		
Exchange differences on translating foreign operations	(1,630)	235
Subsidiary issued of stock to obtain non-controlling interest related to assets (Note 31)	-	47,785
Change in additional paid-in capital from share subscription not base on original ownership of OW Holding Inc. (Note 32)	2,079	(502)
Balance at December 31	$ 48,896	$ 54,796

26. REVENUE

	For the Year Ended December 31	
	2019	**2018**
Revenue from contracts with customers		
Revenue from the sale of goods	$ 23,092,145	$ 21,392,398

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 balances

	December 31, 2019	December 31, 2018	January 1, 2018
Notes receivable and trade receivables (Note 9)	$ 4,870,236	$ 5,138,490	$ 4,518,344
Contract liabilities - current			
Sales of goods	$ 20,202	$ 22,507	$ 20,928

Revenue of reporting period recognized from the beginning contract liabilities as follow:

	For the Year Ended December 31	
	2019	2018
From the beginning contract liabilities		
Sale of goods	$ 22,507	$ 20,928

c. Sales details of customer contracts

Sales details are disclosed in Note 42.

27. NET PROFIT (LOSS) FROM OPERATIONS

a. Other income

	For the Year Ended December 31	
	2019	2018
Rental income		
Operating rental income		
Investment properties (Note 15)	$ 20,890	$ 20,546
Others (Note 14)	11,546	696
Interest income		
Bank deposits	48,224	39,755
Government grants revenue	41,442	39,735
Others	12,142	24,050
	$ 134,244	$ 124,782

b. Other gains and losses

	For the Year Ended December 31	
	2019	2018
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	$ 53,433	$ 34,128
Financial liabilities held for trading	(45,839)	(99,853)
Loss on disposal of property, plant and equipment	(8,755)	(9,253)
Loss on disposal of intangible assets	(236)	(152)
Loss on impairment of other intangible assets	(107,075)	-
Loss on impairment of goodwill	(2,030)	-
Loss on impairment of investment for using for equity method	-	(3,351)
Net foreign exchange gains	47,828	105,296
Loss on repurchase of convertible bonds	(20,364)	-
Others	(10,344)	(27,455)
	$ (93,382)	$ (640)

c. Finance costs

	For the Year Ended December 31	
	2019	2018
Interest on bank loans	$ (15,133)	$ (13,565)
Interest on convertible bonds	(46,994)	(38,197)
Interest on lease liabilities	(40,910)	-
Other interest expenses	-	(237)
	$ (103,037)	$ (51,999)

d. Depreciation and amortization

	For the Year Ended December 31	
	2019	2018
An analysis of depreciation by function		
Operating costs	$ 494,696	$ 253,176
Operating expenses	162,836	80,902
	$ 657,532	$ 334,078
An analysis of amortization by function		
Operating costs	$ 34,428	$ 37,873
Operating expenses	82,150	62,663
	$ 116,578	$ 100,536

e. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2019	2018
Direct operating expenses from investment properties rental income	$ 3,763	$ 3,697

f. Employee benefits expense

	For the Year Ended December 31	
	2019	2018
Short-term benefits	$ 3,755,191	$ 3,423,811
Post-employment benefits (see Note 24)		
Defined contribution plans	159,644	150,689
Defined benefit plans	3,777	311
	163,421	151,000
Other employee benefits	379,577	300,221
Stock-based payments*	25,588	59,310
Total employee benefits expense	$ 4,323,777	$ 3,934,342
An analysis of employee benefits expense by function		
Operating costs	$ 2,453,486	$ 2,462,984
Operating expenses	1,870,291	1,471,358
	$ 4,323,777	$ 3,934,342

* The amount of 2018 was including the stock-based payment of $58,967 thousand and withdrawn accumulative stock dividends of $343 thousand.

g. Employees' compensation and remuneration of directors

BizLink accrued employees' compensation at the rates of no less than 1% and no higher than 5%, and remuneration to directors at no higher than 3% of net profit before income tax. The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018, which have been approved by BizLink's board of directors on March 17, 2020 and March 14, 2019, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2019	2018
Employees' compensation	4.28%	3.35%
Remuneration of directors	0.37%	0.47%

Amount

	For the Year Ended December 31	
	2019	2018
Employees' compensation	$104,895	$ 64,640
Remuneration of directors	8,994	9,044

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

The actual amounts of the employees' compensation and remuneration of directors paid for 2018 and 2017 were no different from the amounts recognized in the consolidated financial statements for the years ended December 31, 2018 and 2017.

Information for the employees' compensation and remuneration of directors resolved by BizLink's board of directors in 2019 and 2018 were available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain on losses on foreign currency exchange

	For the Year Ended December 31	
	2019	2018
Foreign exchange gains	$ 6,854,683	$ 5,677,590
Foreign exchange losses	(6,806,855)	(5,572,294)
	$ 47,828	$ 105,296

28. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2019	2018
Current tax		
In respect of the current year	$ 493,006	$ 498,807
Income tax on unappropriated earnings	-	-
Adjustments for prior periods	(21,868)	(14,095)
	471,138	484,712
Deferred tax		
In respect of the current year	26,250	(25,802)
Adjustments to deferred tax attributable to changes in tax rates and laws	-	(785)
	26,250	(26,587)
Income tax expense recognized in profit or loss	$ 497,388	$ 458,125

A reconciliation of accounting profit and income tax expense was as follows:

	For the Year Ended December 31	
	2019	2018
Profit before tax from operations	$ 2,335,028	$ 1,857,714
Income tax expense calculated at the statutory rate	$ 486,747	$ 417,363
Nondeductible expenses in determining taxable income	16,448	24,876
Tax-exempt income	(170)	(50)
Additional income tax under the Alternative Minimum Tax Act	1,545	3,871
Unrecognized loss carryforwards/deductible temporary differences	41,584	26,945
Deductible research expense in current period	(26,898)	-
Effect of tax rate changes	-	(785)
Adjustments to prior years' tax	(21,868)	(14,095)
Income tax expense recognized in profit or loss	$ 497,388	$ 458,125

The Income Tax Act in the R.O.C. was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%, effective in 2018. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings will be reduced from 10% to 5%.

The applicable tax rate for the years ended December 31, 2019 and 2018 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. for the years ended December 31, 2019 and 2018, and BizLink Technology (Chang Zhou) Limited for the years ended December 2019. 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 for the years ended December 31, 2019 and 2018 used by the subsidiaries in the US are 21%, for federal tax and 8.84% for California state tax. The applicable tax rate for the years ended December 31, 2019 and 2018 used by the subsidiaries in Ireland is 12.5% according to local law. The applicable tax rate for the years ended December 31, 2019 and 2018 used by the subsidiaries in Slovakia is 21% 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 Year Ended December 31	
	2019	**2018**
Deferred tax		
In respect of the current year		
Actuarial gains and losses on defined benefit plan	$ (295)	$ 33
Cash flow hedges	1,926	(857)
Total income tax recognized in other comprehensive income	$ 1,631	$ (824)

c. Current tax assets and liabilities

	December 31	
	2019	**2018**
Current tax assets		
Tax refund receivable	$ 67,646	$ 17,720
Current tax liabilities		
Income tax payable	$ 71,638	$161,464

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

	For the Year Ended December 31, 2019				
	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Comprehen-sive Income**	**Exchange Differences**	**Closing Balance**
Deferred tax assets					
Temporary differences					
Property, plant and equipment	$ 4,608	$ (4,536)	$ -	$ (72)	$ -
Right-of-use assets	-	878	-	(36)	842
Payable for annual leave	18,495	5,427	-	(619)	23,303
Write-down of inventories	29,640	12,617	-	(1,243)	41,014
Defined benefit obligation	567	294	295	-	1,156
Unrealized profit	71,054	9,151	-	(1,976)	78,229

(Continued)

	For the Year Ended December 31, 2019				
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Exchange Differences	Closing Balance
Allowance for impaired loss	$ 6,638	$ (1,021)	$ -	$ (128)	$ 5,489
Cash flow hedged	868	-	(869)	1	-
Others	24,197	2,786	-	(725)	26,258
	$ 156,067	$ 25,596	$ (574)	$ (4,798)	$ 176,291
Deferred tax liabilities					
Temporary differences					
Property, plant and equipment	$ 9,950	$ 4,752	$ -	$ (438)	$ 14,264
Unappropriated earnings of subsidiaries	45,005	45,256	-	(2,365)	87,896
Cash flow hedged	-	-	1,057	(43)	1,014
Others	1,932	1,838	-	(37)	3,733
	$ 56,887	$ 51,846	$ 1,057	$ (2,883)	$ 106,907

(Concluded)

	For the Year Ended December 31, 2018				
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Property, plant and equipment	$ 3,861	$ 818	$ -	$ (71)	$ 4,608
Payable for annual leave	14,294	3,719	-	482	18,495
Write-down of inventories	20,455	8,710	-	475	29,640
Defined benefit obligation	632	(32)	(33)	-	567
Unrealized profit	56,326	12,681	-	2,047	71,054
Allowance for impaired loss	-	6,515	-	123	6,638
Cash flow hedges	-	-	857	11	868
Others	23,003	709	-	485	24,197
	$ 118,571	$ 33,120	$ 824	$ 3,552	$ 156,067
Deferred tax liabilities					
Temporary differences					
Property, plant and equipment	$ 3,570	$ 6,353	$ -	$ 27	$ 9,950
Unappropriated earnings of subsidiaries	44,301	(605)	-	1,309	45,005
Others	1,127	785	-	20	1,932
	$ 48,998	$ 6,533	$ -	$ 1,356	$ 56,887

e. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2019	**2018**
Loss carryforwards		
Expiry in 2020	$ 1,008	$ 856
Expiry in 2024	102	-
No expiry date	61,758	56,715
	$ 62,868	$ 57,571
Investment credits	$ 10,509	$ 10,753
Deductible temporary differences	$ 28,661	$ 41,556

f. Information about unused investment credits, unused loss carryforwards and tax exemptions

As of December 31, 2019, investment tax credits comprised:

Tax Credit Source	**Remaining Creditable Amount**	**Expiry Year**
Research and development expenditures	$ 723	2020
	4,771	2021
	3,420	2022
	1,595	2023
	$ 10,509	

Loss carryforwards as of December 31, 2019 were comprised of:

Unused Amount	**Expiry Year**
$ 1,008	2020
102	2024
61,758	No expiry date
$ 62,868	

g. The aggregate amount of temporary difference associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2019 and 2018, the taxable temporary differences associated with investment in subsidiaries and branch for which no deferred tax liabilities have been recognized were $3,666,713 thousand and $3,718,388 thousand, respectively.

h. Income tax assessment

As of December 31, 2019, the Group has no unsettled lawsuit.

29. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2019	**2018**
Basic earnings per share		
Net income	$ 1,843,989	$ 1,392,311
Weighted average number of common stocks in computation of basic earnings per thousand share	118,626	117,429
Basic earnings per share	$ 15.54	$ 11.86
Diluted earnings per share		
Net income	$ 1,843,989	$ 1,392,311
Effect of potentially dilutive common stocks:		
Interest on convertible bonds (after tax)	43,334	27,842
Gain on valuation of converted bonds	(7,419)	(8,035)
Loss on repurchase of converted bonds	20,364	-
Earnings used in the computation of diluted earnings per thousand share from continuing operation	$ 1,900,268	$ 1,412,118
Weighted average number of common stocks in computation of basic earnings per thousand share	118,626	117,429
Effect of potentially dilutive common stocks		
Convertible bonds	9,399	6,074
Employees' compensation or bonuses issued to employees	527	269
Employee restricted stocks	516	686
Weighted average number of common stocks in computation of diluted earnings per thousand share	129,068	124,458
Diluted earnings per share	$ 14.72	$ 11.35

BizLink offered to settle compensation or bonuses paid to employees in cash or stocks. Therefore, BizLink assumed the entire amount of the compensation or bonuses 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 stockholders resolve the number of stocks to be distributed to employees at their meeting in the following year.

30. SHARE-BASED PAYMENT ARRANGEMENTS

a. 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:

1) 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.

2) The handling or execution of the related proposal, statements, voting rights and other equity-related matters are delegated to trust custody agencies.

3) 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 Group.

4) 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 Group will recall or buy back and cancel his/her restricted stocks.

Compensation costs of $25,588 thousand and $58,967 thousand were respectively recognized for the year ended December 31, 2019 and 2018. Withdrawn accumulative stock dividends of $343 thousand was recognized for the year December 31, 2018.

31. BUSINESS COMBINATION

a. Subsidiaries acquired

1) Subsidiaries acquired

	Principal Activity	**Date of Acquisition**	**Proportion of Voting Equity Interests Acquired (%)**	**Consideration Transferred**
Teralux Technology Co., Ltd.	Research, manufacture and retail of optical and optoelectronic device technology	November 30, 2018	100.00	$ 28,068

The Group acquired Teralux Technology Co., Ltd. on November 30, 2018, to obtain Chinese production base, to expand employees and market capabilities and increase market competitiveness in high speed transmission of internet data center industry.

2) Obtain the business

In February 2018, the Group issued stocks of the subsidiary OW Holding Inc. and paid US$2,000 thousand in order to obtain the business unit of optical fiber communication components (with a fair value on the acquisition date of US$3,100 thousand) to expand operations.

b. Consideration transferred

1) Subsidiaries acquired

	Teralux Technology Co., Ltd.
Cash	$ 28,068

2) Obtain the business

	OW Holding Inc.
Cash	$ 57,890
Equity instruments issued	32,964
	$ 90,854

The above transaction resulted in a decrease of the Group's percentage of ownership of OW holding Inc. from 100% to 89.29%. The Group maintained control over the subsidiary and accounted for the transaction as an equity transaction.

	OW Holding Inc.
Consideration of acquired assets	$ 90,854
Cash payment	(57,890)
The proportionate share of the carrying amount of net assets of the subsidiary transferred to non-controlling interests	(47,785)
Differences recognized from equity transactions	$ (14,821)

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

1) Subsidiaries acquired

	Teralux Technology Co., Ltd.
Current assets	
Cash and cash equivalents	$ 15,465
Trade and other receivables	14,924
Inventories	26,044
Prepayments and others	4,452
Non-current assets	
Property, plant and equipment	23,891
Other intangible assets	37,460
Current liabilities	
Trade and other payables	(27,838)
Others	(38,345)
Non-current liabilities	
Long-term borrowings	(30,027)
	$ 26,026

2) Obtain the business

	OW Holding Inc.
Intangible assets	
Customer relationships	$ 41,910
Core technology	48,944
	$ 90,854

d. Goodwill purchases recognized on acquisitions

	Teralux Technology Co., Ltd.
Consideration transferred	$ 28,068
Less: Fair value of identifiable net assets acquired	(26,026)
Goodwill recognized on acquisitions	$ 2,042

The goodwill recognized in the acquisition of Teralux Technology Co., Ltd. mainly represent the control premiums included in the costs of the combination.

e. Net cash outflow on acquisition of subsidiaries

	Teralux Technology Co., Ltd.
Consideration paid in cash	$ 28,068
Less: Cash and cash equivalent balances acquired	(15,465)
Other payables	-
	$ 12,603

f. Impact of acquisitions on the results of the Group

1) Subsidiaries acquired

The operating results of the acquisition of Teralux Technology Co., Ltd. since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	Teralux Technology Co., Ltd. From November 30, 2018 to December 31, 2018
Revenue	$ 290
Profit	$ (369)

Had these business combinations been in effect at the beginning of the acquisition fiscal year, the Group's revenue from continuing operations would have been $21,394,152 thousand and the profit from continuing operations would have been $1,481,521 thousand for the year ended December 31, 2018. This pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed, nor is it intended to be a projection of future results.

2) Obtain the business

The operating result of the acquisition of OW Holding Inc. since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	For the Year Ended December 31, 2018
Revenue - OW Holding Inc.	$ -
Profit - OW Holding Inc.	$ 74,984

The business combinations had been in effect at the beginning of the annual reporting period, additional pro-forma information is not intended to be provided.

32. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTEREST

In June 2018 and September 2019, BizLink subscribed for additional new stock of OW Holding at a different percentage from its existing ownership, increasing its continuing interest from 89.29% to 90.58% and 90.58% to 93.08%, respectively.

The above transaction was accounted for as equity transactions since BizLink did not cease to have control over this subsidiary.

	OW Holding Inc.	
	For the Year Ended December 31	
	2019	2018
Cash consideration received	$ -	$ -
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(2,079)	502
Differences recognized from equity transactions	$ (2,079)	$ 502
Line items adjusted for equity transactions		
Capital surplus - changes in percentage of ownership interests in subsidiaries	$ (502)	$ 502
Unappropriated earnings	(1,577)	-
	$ (2,079)	$ 502

33. CASH FLOWS INFORMATION

a. Non-cash transactions

For the years ended December 31, 2019 and 2018, the Group entered into the following non-cash investing and financing activities:

1) In December 2019 and February 2018, BizLink issued its third and second overseas unsecured convertible bonds, and the proceeds amounted to $3,004,442 thousand and $2,892,279 thousand, respectively. The Group recognized as bonds payable of $2,852,418 thousand and $2,711,511 thousand, financial liabilities at FVTPL of $11,717 thousand and $10,991 thousand and capital surplus - stock warrants of $140,307 thousand and $169,777 thousand, respectively.

2) In February 2018, the Group issued common stock of OW Holding Inc. and paid cash US$2,000 thousand to obtain intangible assets. As of December 31, 2019 and 2018, $0 thousand and $7,679 thousand (US$250 thousand) were unpaid and recognized as other payables, respectively.

3) The Group acquired domestic and foreign unlisted equity stock of $62,204 thousand and recognized as financial assets at FVTOCI. As of December 31, 2017, $10,714 thousand was prepaid and recognized as prepayment of investment. The remaining balance $51,490 thousand was paid during 2018.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2019

			Non-cash Changes							
	January 1, 2019	Cash Flows	New Leases	Change of Variable Payments	Liability Components	Equity Components	Amortized Interest Expense	Effect of Foreign Currency Exchange Differences	Other	December 31, 2019
Short-term borrowings	$ 64,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 64,500
Long-term borrowings (included current portion due in one year)	379,061	92,173	-	-	-	-	-	(6,569)	-	464,665
Guarantee deposits	7,664	447	-	-	-	-	-	(197)	-	7,914
Bonds payable	2,891,598	2,478,554	-	-	-	-	46,994	(251,498)	36,742	5,202,390
Lease liabilities (Note 3)	811,931	(227,674)	319,246	(9,023)	-	-	40,910	(34,853)	(40,910)	859,627
	$ 4,154,754	$ 2,343,500	$ 319,246	$ (9,023)	$ -	$ -	$ 87,904	$ (293,117)	$ (4,168)	$ 6,599,096

For the year ended December 31, 2018

			Non-cash Changes					
	January 1, 2018	Cash Flows	Liability Components	Acquisition of Subsidiaries	Equity Components	Amortized Interest Expenses	Effect of Foreign Currency Exchange Differences	December 31, 2018
Short-term borrowings	$ 905,922	$ (852,359)	$ -	$ -	$ -	$ -	$ 10,937	$ 64,500
Long-term borrowings	530,241	(187,193)	-	30,027	-	-	5,986	379,061
Guarantee deposits	8,789	(1,382)	-	-	-	-	257	7,664
Bonds payable	-	2,892,279	(10,991)	-	(169,777)	38,197	141,890	2,891,598
	$ 1,444,952	$ 1,851,345	$ (10,991)	$ 30,027	$ (169,777)	$ 38,197	$ 159,070	$ 3,342,823

34. 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.

35. FINANCIAL INSTRUMENTS

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

The management believes that the carrying amounts of financial assets and financial liabilities which are not measured at fair value approximate their fair values.

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

1) Fair value hierarchy

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	2,242	-	-	2,242
	$ 2,242	$ 11,393	$ 747	$ 14,382
Financial assets for hedging				
Derivative financial assets				
Copper futures contracts	$ 4,055	$ -	$ -	$ 4,055
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic and foreign unlisted stocks	$ -	$ -	$ 253,609	$ 253,609
Domestic listed stocks	214,611	-	-	214,611
	$ 214,611	$ -	$ 253,609	$ 468,220
Financial liabilities at FVTPL				
Convertible bonds option	$ -	$ -	$ 8,394	$ 8,394

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign exchange forward contracts	$ -	$ 2,665	$ -	$ 2,665
Domestic and foreign quoted stocks	2,010	-	-	2,010
	$ 2,010	$ 2,665	$ -	$ 4,675
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic and foreign unlisted stocks	$ -	$ -	$ 382,626	$ 382,626
Financial liabilities at FVTPL				
Convertible bonds options	$ -	$ -	$ 6,450	$ 6,450
Financial liabilities for hedging				
Derivative financial liabilities				
Copper futures contracts	$ 3,473	$ -	$ -	$ 3,473

For the years ended December 31, 2019 and 2018, 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 year ended December 31, 2019

	Financial Assets at FVTPL	Financial Assets at FVTOCI
	Derivative - Convertible Bonds - Option	Equity Instruments
Financial assets		
Balance at January 1, 2019	$ (6,450)	$ 382,626
Purchases	-	17,500
Recognized in profit or loss (included in other gains and losses)	7,419	-
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	-	78,598
Derecognition due to the repurchase of convertible bonds	(154)	-
Transfer from Level 3	-	(214,611)
Effect of foreign currency exchange differences	(68)	(10,504)
Balance at December 31, 2019	$ 747	$ 253,609

	Derivative - Convertible Bonds - Option
Financial liabilities at FVTPL	
Balance at January 1, 2019	$ -
Additional - issuance of convertible bonds	11,717
Recognized in profit or loss (included in other gains and losses)	
Unrealized	(3,295)
Effect of foreign currency exchange differences	(28)
Balance at December 31, 2019	$ 8,394

For the year ended December 31, 2018

	Financial Assets at FVTOCI
	Equity Instruments
Financial assets	
Balance at January 1, 2018	$ 227,319
Purchases	62,204
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	87,182
Disposal	(3,701)
Effect of foreign currency exchange differences	9,622
Balance at December 31, 2018	$ 382,626

	Derivative - Convertible Bonds - Option
Financial liabilities at FVTPL	
Balance at January 1, 2018	$ -
Additional - issuance of convertible bonds	10,991
Recognized in profit or loss (included in other gains and losses)	
Unrealized	(4,707)
Effect of foreign currency exchange differences	166
Balance at December 31, 2018	$ 6,450

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

Financial Instruments	Valuation Techniques and Inputs
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

Financial Instruments	Valuation Techniques and Inputs
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 debt securities	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.
	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.

c. Categories of financial instruments

	December 31	
	2019	2018
Financial assets		
Financial assets at FVTPL		
Mandatorily at FVTPL	$ 14,382	$ 4,675
Financial assets at amortized cost (1)	14,187,453	8,974,134
Financial assets for hedging	4,055	-
Financial assets at FVTOCI		
Equity instruments	468,220	382,626
Financial liabilities		
Financial liabilities at FVTPL		
Held-for-trading	8,394	6,450
Financial liabilities at amortized cost (2)	9,784,895	7,641,885
Financial liabilities for hedging	-	3,473

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, other financial assets and refundable deposits (included in non-current assets).

2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, trade payables, other payables, current portion of long-term borrowings, 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 and foreign exchange options to mitigate the risk of rising interest rates.

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 40.

<u>Sensitivity analysis</u>

The Group was mainly exposed to the USD.

The following table details the subsidiaries using non-U.S. dollar as a functional currency, and their sensitivity to a 1% increase and decrease in the U.S. 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 U.S. dollar strengthening by 1% against the relevant currency. For a 1% weakens of the U.S. dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2019	**2018**
Profit or loss	$ 35,714	$ 28,761

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 increased during the current period mainly due to increase in foreign currency trade receivables.

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:

	December 31	
	2019	**2018**
Interest rate risk on fair value		
Financial assets	$ 2,885,207	$ 405,655
Financial liabilities	6,126,517	2,956,098
Interest rate risk on cash flow		
Financial assets	6,266,510	3,283,014
Financial liabilities	464,665	379,061

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 years ended December 31, 2019 and 2018 would have increased/decreased by $58,018 thousand and $29,040 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 year ended December 31, 2019 and 2018 would have increased/decreased by $22 thousand and $20 thousand, respectively. Pre-tax other comprehensive income for the year ended December 31, 2019 and 2018 would have increased/decreased by $4,682 thousand and $3,826 thousand, respectively.

The Group's sensitivity to equity prices increased during the current period mainly due to increase 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:

December 31, 2019

Hedge Instrument	Contract Weight	Maturity	Line Item in Balance Sheet	Carrying Amount Assets
Cash flow hedges				
Copper futures contract	515 tons	2020.01-2020.09	Derivative financial assets for hedging	$ 4,055

Hedged Item	Book Value of Other Equity Continuous Application of Hedge Accounting
Cash flow hedges	
Expected purchases (i)	$ 3,207

For the year ended December 31, 2019

Other Comprehensive Income Effect	Recognized Profit (Loss) in Other Comprehensive Income
Cash flow hedges	
Expected purchases (i) (ii)	$ 7,705

December 31, 2018

Hedge Instrument	Contract Weight	Maturity	Line Item in Balance Sheet	Carrying Amount Liabilities
Cash flow hedges				
Copper futures contract	760 tons	2019.01-2019.12	Derivative financial liabilities for hedging	$ 3,473

Hedged Item	Book Value of Other Equity Continuous Application of Hedge Accounting
Cash flow hedges	
Expected purchases (i)	$ (2,572)

For the year ended December 31, 2018

Other Comprehensive Income Effect	Recognized Profit (Loss) in Other Comprehensive Income
Cash flow hedges	
Expected purchases (i) (ii)	$ (3,429)

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 25.

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 debt 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 39% and 40% of total trade receivables as of December 31, 2019 and 2018, 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 December 31, 2019 and 2018. 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.

December 31, 2019

	Less Than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
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	2,615,546	-	3,190,771	-
	$ 6,660,113	$ 320,195	$ 4,051,135	$ 305,532

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 297,170	$ 549,768	$ 128,059	$ -	$ -	$ -

December 31, 2018

	Less Than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 4,240,885	$ 58,177	$ 7,664	$ -
Variable interest rate	9,729	37,246	287,784	70,580
Fixed interest rate	64,594	-	3,148,900	-
	$ 4,315,208	$ 95,423	$ 3,444,348	$ 70,580

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.

December 31, 2019

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

December 31, 2018

	On Demand or Less Than 1 Month	**1-3 Months**	**3 Months to 1 Year**	**1-5 Years**	**5+ Years**
Net settled					
Futures contract - cooper	$ (1,073)	$ (2,103)	$ (297)	$ -	$ -
Foreign exchange forward contracts	2,459	206	-	-	-
	$ 1,386	$ (1,897)	$ (297)	$ -	$ -

c) Financing facilities

	December 31	
	2019	2018
Secured bank loan facilities:		
Amount used	$ 427,957	$ 443,561
Amount unused	40,500	31,972
	$ 468,457	$ 475,533
Unsecured bank loan facilities:		
Amount used	$ 101,208	$ -
Amount unused	4,207,655	1,838,055
	$ 4,308,863	$ 1,838,055

36. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between BizLink and its subsidiaries, which were related parties of BizLink, had been 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

Related Party Name	Related Party Categories
Kunshan Xianglian Construction Development Limited	Substantive related party

b. Lease arrangements - Group is lessee

Acquisition of right-of-use assets

Related Party Category/Name	For the Year Ended December 31, 2019
Substantive related party	
Kunshan Xianglian Construction Development Limited	$ 160,350

Line Item	Related Party Category/Name	December 31, 2019
Lease liabilities	Substantive related party	
	Kunshan Xianglian Construction Development Limited	$ 349,621

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

Related Party Category/Name	For the Year Ended December 31, 2019
Interest expense	
Substantive related party	
Kunshan Xianglian Construction Development Limited	$ 16,410

c. Other transactions with related parties

1) Refundable deposits (included in other current assets)

Related Party Categories/Name	December 31 2019	December 31 2018
Substantive related party		
Kunshan Xianglian Construction Development Limited	$ 20,509	$ 20,631

2) Cost of goods sold

Line Item	Related Party Categories/Name	For the Year Ended December 31, 2018
Rental expenses	Substantive related party	
	Kunshan Xianglian Construction Development Limited	$ 37,785

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

3) Operating expense

Line Item	Related Party Categories/Name	For the Year Ended December 31, 2018
Rental expenses	Substantive related party	
	Kunshan Xianglian Construction Development Limited	$ 27,007

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

d. Compensation of key management personnel

	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Short-term employee benefits	$ 89,204	$ 82,996
Share-based payments	7,931	18,323
	$ 97,135	$ 101,319

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

37. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2019	2018
Pledged deposits (classified as other financial assets - current)	$ 1,465	$ 1,478
Pledged deposits (classified as other financial assets - non-current)	150	10,300
Bank deposits (classified as other financial assets - current)	7,140	19,650
Bank deposits (classified as other financial assets - non-current)	166,904	160,505
Freehold land (classified as property, plant and equipment)	295,984	297,802
Buildings (classified as property, plant and equipment)	227,771	236,978
Freehold land (classified as investment properties)	51,120	51,120
Buildings (classified as investment properties)	28,593	29,273
	$ 779,127	$ 807,106

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2019 and 2018 were as follows:

Significant Commitments

Unrecognized commitments are as follows:

	December 31	
	2019	2018
Acquisition of property, plant and equipment	$ 120,592	$ 153,456

39. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

a. The outbreak of 2019 novel coronavirus in January 2020 caused the temporarily suspended operation of the factories of the Group subsidiaries located in the Kunshan City and Changzhou City in Jiangsu Province, Xiamen City in Fujian Province and Shenzhen City in Guangdong Province in Mainland China due to the local government’s regulations. As the major factories, customers and suppliers of the Group are spread around the world, the impact of the outbreak on the operations is limited. Due to the inability to assess the disease control situation as of the date the consolidated financial report was authorized for issue, the Group could not reasonably estimate the customers’ payment ability as well as the extent of the impact on the operation and the entire industry.

b. On February 1, 2020, the bondholders of the second issuance of unsecured overseas convertible bonds requested for a full repurchase with an additional 1.25% interest compensation. The repurchase is amounted to 332 units.

c. The Group’s board of directors approved the acquisition of 100% interest in Speedy Industrial Supplies Pte Ltd on February 15, 2020 in the amount of SGD$65,000 thousand. The Group will pay SGD$56,800 thousand in cash on the settlement day and the final transaction price is determined by the agreement set in the contract.

d. The Group’s board of directors approved the issuance of employee stock options amounted to 1,170 thousand units on March 13, 2020. Each unit can be transferred into one common stock.

40. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

In Thousands of U.S. Dollars and Foreign Currencies

	December 31, 2019		
	Foreign Currencies	**Exchange Rate**	**Carrying Amount (NT$)**
<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

In Thousands of U.S. Dollars and Foreign Currencies

	December 31, 2018		
	Foreign Currencies	**Exchange Rate**	**Carrying Amount (NT$)**
<u>Financial assets</u>			
Monetary items			
USD	$ 180,792	6.8634 (USD:RMB)	$ 5,553,023
USD	14,526	7.8329 (USD:HKD)	446,166
USD	34,644	0.8726 (USD:EUR)	1,064,090
USD	8,322	4.1560 (USD:MYR)	255,610
<u>Financial liabilities</u>			
Monetary items			
USD	85,248	6.8634 (USD:RMB)	2,618,391
USD	1,442	7.8329 (USD:HKD)	44,291
USD	43,893	0.8726 (USD:EUR)	1,348,173

For the years ended December 31, 2019 and 2018, realized and unrealized net foreign exchange gains (losses) are described in Note 27. 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 entities within the Group.

41. 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 (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

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 $100 million or 20% of the paid-in capital (Table 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

9) Trading in derivative instruments (Notes 7 and 35)

10) Intercompany relationships and significant intercompany transactions (Table 6)

11) Information on investees (Table 7)

b. 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 8)

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 8):

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

42. 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 the computer related products segment, fiber optics segment, home appliances segment and others segment. The related information was as follows:

a. Information of reportable segment’s gain or loss

	For the Year Ended December 31, 2019				
	Computer Related Products	**Fiber Optics**	**Home Appliances**	**Others**	**Total**
Revenue from external customers	$ 16,846,712	$ 327,806	$ 5,883,773	$ 33,854	$ 23,092,145
Intersegment revenue	27,668,886	330,862	834,997	263,530	29,098,275
Segment revenue	$ 44,515,598	$ 658,668	$ 6,718,770	$ 297,384	52,190,420
Eliminations					(29,098,275)
Consolidated revenue					23,092,145
Segment income	$ 1,928,586	$ 21,122	$ 513,741	$ 43,711	2,507,160
Reportable segment other income					134,244
Reportable segment other gains and losses					(93,382)
Reportable segment compensation of management personnel					(97,135)
Reportable segment financial cost					(103,037)
Share of profit of associates accounted for using the equity method					(12,822)
Reportable segment income before income tax					$ 2,335,028

	For the Year Ended December 31, 2018				
	Computer Related Products	**Fiber Optics**	**Home Appliances**	**Others**	**Total**
Revenue from external customers	$ 15,020,073	$ 416,691	$ 5,917,633	$ 38,001	$ 21,392,398
Intersegment revenue	27,752,408	205,352	371,403	265,764	28,594,927
Segment revenue	$ 42,772,481	$ 622,043	$ 6,289,036	$ 303,765	49,987,325
Eliminations					(28,594,927)
Consolidated revenue					21,392,398
Segment income	$ 1,546,389	$ 141,781	$ 154,473	$ 47,504	1,890,147
Reportable segment other income					124,782
Reportable segment other gains and losses					(640)
Reportable segment compensation of management personnel					(101,319)
Reportable segment financial cost					(51,999)
Share of profit of associates accounted for using the equity method					(3,257)
Reportable segment income before income tax					$ 1,857,714

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, 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 assets and liabilities

Segment total assets and liabilities were not disclosed because information was not provided to the chief operating decision maker.

c. Revenue from major products and services

The following is an analysis of the Group's revenue from operations by major products and services.

	For the Year Ended December 31	
	2019	**2018**
Computer related products	$ 16,846,712	$ 15,020,073
Fiber optics	327,806	416,691
Home appliances	5,883,773	5,917,633
Others	33,854	38,001
	$ 23,092,145	$ 21,392,398

d. Geographical information

The Group operates in the following principal geographical areas: The United States (USA), China and Germany.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2019	2018	2019	2018
USA	$ 6,566,171	$ 5,516,351	$ 1,097,613	$ 902,183
China	4,722,215	5,450,060	2,073,622	1,360,760
Germany	5,262,706	4,810,118	517,070	471,614
Others	6,541,053	5,615,869	807,312	571,716
	$ 23,092,145	$ 21,392,398	$ 4,495,617	$ 3,306,273

Non-current assets exclude non-current assets classified as financial assets at FVTOCI, investments accounted for using the equity method, goodwill and deferred tax assets.

e. Information about major customers

The information on customers who contributed 10% or more to the Group's revenue is as follows:

	For the Year Ended December 31	
	2019	2018
Customer A*	$ 5,874,384	$ 5,174,531

* Revenue from sales of computer related products.

TABLE 1

BIZLINK HOLDING INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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.	Other receivables from related parties	Yes	$ 2,398,400	$ -	$ -	-	2	$ -	Operating capital financing funds	$ -	-	-	$ 4,883,012	$ 4,883,012
		BizLink (BVI) Corp.	Other receivables from related parties	Yes	2,398,400	2,398,400	1,169,220	-	2	-	Operating capital financing funds	-	-	-	4,883,012	4,883,012
1	BizLink Technology Inc.	OptiWorks, Inc.	Other receivables from related parties	Yes	149,900	149,900	-	3.25	2	-	Operating capital financing funds	-	-	-	397,961	397,961
2	OptiWorks (Shanghai) Limited	OptiWorks (Kunshan) Limited	Other receivables from related parties	Yes	34,380	-	-	-	2	-	Operating capital financing funds	-	-	-	85,580	85,580
		OptiWorks (Kunshan) Limited	Other receivables from related parties	Yes	64,462	-	-	-	2	-	Operating capital financing funds	-	-	-	85,580	85,580
		OptiWorks (Kunshan) Limited	Other receivables from related parties	Yes	64,462	64,462	64,462	4.35	2	-	Operating capital financing funds	-	-	-	85,580	85,580
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	34,380	-	-	-	2	-	Operating capital financing funds	-	-	-	85,580	85,580
		Teralux Technology Co., Ltd.	Other receivables from related parties	Yes	51,570	-	-	-	2	-	Operating capital financing funds	-	-	-	85,580	85,580
3	BizLink (BVI) Corp.	BizLink Holding Inc.	Other receivables from related parties	Yes	1,049,300	-	-	-	2	-	Operating capital financing funds	-	-	-	5,547,238	5,547,238
		BizLink Holding Inc.	Other receivables from related parties	Yes	1,049,300	1,049,300	-	-	2	-	Operating capital financing funds	-	-	-	5,547,238	5,547,238
		BizLink International Corp.	Other receivables from related parties	Yes	299,800	-	-	-	2	-	Operating capital financing funds	-	-	-	5,547,238	5,547,238
		BizLink International Corp.	Other receivables from related parties	Yes	449,700	299,800	148,401	-	2	-	Operating capital financing funds	-	-	-	5,547,238	5,547,238
		BizLink Technology (Slovakia) S.R.O.	Other receivables from related parties	Yes	453,459	-	-	-	2	-	Operating capital financing funds	-	-	-	5,547,238	5,547,238
4	Hwa Zhan Electronics Corp. (Shen Zhen)	BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	118,180	-	-	-	2	-	Operating capital financing funds	-	-	-	Note 3 c.	Note 3 c.
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	118,180	-	-	-	2	-	Operating capital financing funds	-	-	-	Note 3 c.	Note 3 c.
5	BizLink (Kun Shan) Co., Ltd.	BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	45,123	-	-	-	2	-	Operating capital financing funds	-	-	-	Note 3 c.	Note 3 c.
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	42,975	-	-	-	2	-	Operating capital financing funds	-	-	-	Note 3 c.	Note 3 c.
6	BizLink Electronics (Xiamen) Co., Ltd.	BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	45,983	-	-	-	2	-	Operating capital financing funds	-	-	-	Note 3 c.	Note 3 c.
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	42,975	-	-	-	2	-	Operating capital financing funds	-	-	-	Note 3 c.	Note 3 c.
7	BizLink Technology (Belgium) NV	BizLink Technology (Slovakia) S.R.O.	Other receivables from related parties	Yes	167,948	-	-	-	2	-	Operating capital financing funds	-	-	-	593,062	593,062
		BizLink Technology (Slovakia) S.R.O.	Other receivables from related parties	Yes	167,948	167,948	33,590	0.678	2	-	Operating capital financing funds	-	-	-	593,062	593,062
		BizLink Technology SRB D.O.O.	Other receivables from related parties	Yes	67,179	67,179	41,987	0.598	2	-	Operating capital financing funds	-	-	-	593,062	593,062
		BizLink Technology SRB D.O.O.	Other receivables from related parties	Yes	67,179	67,179	67,179	0.598	2	-	Operating capital financing funds	-	-	-	593,062	593,062

(Continued)

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		
8	BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	Other receivables from related parties	Yes	$ 33,590	$ -	$ -	-	2	$ -	Operating capital financing funds	$ -	-	-	$ 413,702	$ 413,702
		BizLink Technology SRB D.O.O.	Other receivables from related parties	Yes	129,807	-	-	-	2	-	Operating capital financing funds	-	-	-	413,702	413,702
9	BizLink Technology (Xiamen) Limited	BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	107,437	-	-	-	2	-	Operating capital financing funds	-	-	-	774,055	774,055
		Teralux Technology Co., Ltd.	Other receivables from related parties	Yes	66,611	66,611	66,611	4.35	2	-	Operating capital financing funds	-	-	-	774,055	774,055

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. The board of directors of the Group has approved on November 8, 2019 that as BizLink (Kun Shan) Co., Ltd., BizLink Electronics (Xiamen) Co., Ltd. and Hwa Zhan Electronics Corp. (Shen Zhen) have no current financing provided to others, the Procedures for Financing for others of these three subsidiaries are abolished, the financing limit is 0.

d. 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.

e. 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 lending company and five times of the net value of parent company.

f. 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.

g. 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.

h. For BizLink Technology (Slovakia) S.R.O., 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.

i. 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$29.9800, RMB1=NT$4.2975, EUR1=NT$33.5896 as of December 31, 2019.

Note 5: The amount was eliminated upon consolidation.

(Concluded)

BIZLINK HOLDING INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor Provider	Endorsee/Guarantee		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 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)										
0	BizLink Holding Inc.	BizLink Technology Inc.	b	$ 12,207,530	$ 149,900 (US$ 5,000)	$ -	$ -	$ -	-	$ 12,207,530	Y	N	N
		BizLink Technology Inc., BizLink Tech Inc.	b	12,207,530	119,920 (US$ 4,000)	119,920 (US$ 4,000)	74,950 (US$ 2,500)	-	0.98	12,207,530	Y	N	N
		BizLink (BVI) Corp.	b	12,207,530	2,668,520 (US$ 89,010)	2,338,740 (US$ 78,010)	136,865 (US$ 4,565)	-	19.16	12,207,530	Y	N	N
		BizLink (BVI) Corp., BizLink International Corp. (Note 5)	b	12,207,530	1,049,300 (US$ 35,000)	1,049,300 (US$ 35,000)	193,640 (US$ 6,459)	-	8.60	12,207,530	Y	N	N
		BizLink (BVI) Corp. Taiwan Branch	b	12,207,530	59,960 (US$ 2,000)	-	-	-	-	12,207,530	Y	N	N
		BizLink International Corp.	b	12,207,530	30,000	30,000	-	-	0.25	12,207,530	Y	N	N
		BizLink Technology (S.E.A.) Sdn. Bhd.	b	12,207,530	7,326 (MYR 1,000)	7,326 (MYR 1,000)	-	-	0.06	12,207,530	Y	N	N
		BizLink Technology (Xiamen) Limited, BizLink Technology (Chang Zhou) Limited, BizLink (Kun Shan) Co., Ltd. and Xiang Yao Electronics (Shen Zhen) Co., Ltd.	b	12,207,530	764,949 (RMB 178,000)	764,949 (RMB 178,000)	302,710 (RMB 70,439)	-	6.27	12,207,530	Y	N	Y
		BizLink Technology (Chang Zhou). (Note 6)	b	12,207,530	299,800 (US$ 10,000)	299,800 (US$ 10,000)	-	-	2.46	12,207,530	Y	N	Y
		BizLink Technology (Slovakia) S.R.O.	b	12,207,530	119,920 (US$ 4,000)	119,920 (US$ 4,000)	119,920 (US$ 4,000)	-	0.98	12,207,530	Y	N	N
		BizLink Technology (Slovakia) S.R.O. (Note 7)	b	12,207,530	299,800 (US$ 10,000)	299,800 (US$ 10,000)	-	-	2.46	12,207,530	Y	N	N
0 and 3	BizLink Holding Inc., BizLink International Corp.	BizLink (BVI) Corp.(Note 4)	b	93,520,960	449,700 (US$ 15,000)	-	-	-	-	93,520,960	Y	N	N
1	BizLink Technology Inc.	BizLink Technology Inc. (Note 8)	-	1,989,806	74,950 (US$ 2,500)	74,950 (US$ 2,500)	74,950 (US$ 2,500)	-	0.61	1,989,806	N	N	N
		BizLink Tech Inc.	b	1,989,806	129,394 (US$ 4,316)	69,434 (US$ 2,316)	56,700 (US$ 1,891)	-	-	1,989,806	N	N	N
2	BizLink (BVI) Corp.	BizLink International Corp. (Note 5)	b	3,328,343	989,340 (US$ 33,000)	989,340 (US$ 33,000)	29,500 (US$ 984)	-	8.10	3,328,343	N	N	N
		BizLink Technology (Chang Zhou). (Note 6)	b	3,328,343	299,800 (US$ 10,000)	299,800 (US$ 10,000)	-	-	2.46	3,328,343	N	N	Y
		BizLink Technology (Slovakia) S.R.O. (Note 7)	b	3,328,343	299,800 (US$ 10,000)	299,800 (US$ 10,000)	-	-	2.46	3,328,343	N	N	N
		BizLink Technology SRB D.O.O.	b	3,328,343	146,416 (EUR 4,359)	146,416 (EUR 4,359)	146,416 (EUR 4,359)	165,489 (US$ 5,520)	1.20	3,328,343	N	N	N

(Continued)

No. (Note 1)	Endorser/Guarantor Provider	Endorsee/Guarantee		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 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 5)	b	$ 3,427,080	$ 1,049,300 (US$ 35,000)	$ 1,049,300 (US$ 35,000)	$ 164,140 (US$ 5,475)	$ -	8.60	$ 3,427,080	N	N	N
		BizLink Technology (Chang Zhou). (Note 6)	b	3,427,080	299,800 (US$ 10,000)	299,800 (US$ 10,000)	-	-	2.46	3,427,080	N	N	Y
		BizLink Technology (Slovakia) S.R.O. (Note 7)	b	3,427,080	299,800 (US$ 10,000)	299,800 (US$ 10,000)	-	-	2.46	3,427,080	N	N	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. A company with which it has business relationship.
b. A subsidiary which directly holds more than 50 of common stocks.
c. An investee company of which over 50 is jointly owned by the BizLink and its subsidiaries.
d. The parent company holds directly and indirectly more than 50 of the common stock of the subsidiaries.
e. Guaranteed by the Group according to the construction contract.
f. 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:

a. 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.

b. 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.

c. 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.

d. 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.

e. 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.

f. 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: The amount of endorsement is due. It is a joint endorsement; therefore, it was disclosed jointly and the endorsement limit is disclosed as the endorsement substance still exists (five times of the net value of BizLink).

Note 5: 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 6: This is a joint endorsement provided by BizLink Holding Inc., BizLink (BVI) Corp. and BizLink International Corp. to BizLink Technology (Chang Zhou). It is disclosed separately by the contingent liability risk of the guarantee.

Note 7: 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 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 NT$. Foreign currencies are converted into NT$; the exchange rate was US$1=NT$29.9800; MYR1=NT$7.3256, RMB1=NT$4.2975 and EUR1=NT$33.5896 as of December 31, 2019.

(Concluded)

BIZLINK HOLDING INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Number of Stock	Carrying Value (Note 2)	Percentage of Ownership (%)	Fair Value (Note 2)	
BizLink	Stocks							
	Lilee Systems, Ltd.	-	Financial assets at FVTOCI - non-current	142,857	$ -	1.20	$ -	-
	Tilopa Holding Inc.	Substantive related party	Financial assets at FVTOCI - non-current	2,400,000	131,783	18.00	131,783	-
BizLink Technology Inc.	Stocks							
	Wells Fargo & Co.	-	Financial assets at FVTPL - current	400	645	-	645	-
	Transocean Ltd.	-	Financial assets at FVTPL - current	800	165	-	165	-
	CNOOC Ltd.	-	Financial assets at FVTPL - current	200	998	-	998	-
	Walt Disney Co.	-	Financial assets at FVTPL - current	100	434	-	434	-
BizLink (BVI) Corp.	Stocks							
	Rainbow Star Group Limited (Note 5)	-	Financial assets at FVTOCI - non-current	20,000	31,740	26.05	31,740	-
	Lintes Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,125,580	193,215	4.17	193,215	-
	Prime Rich International Co., Ltd.	-	Financial assets at FVTOCI - non-current	600,000	43,351	6.67	43,351	-
BizLink International Corp.	Stocks							
	Anqing Innovation Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,076,000	14,976	4.50	14,976	-
	Lintes Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	235,382	21,396	0.46	21,396	-
	Usenlight Corp.	-	Financial assets at FVTOCI - non-current	1,000,000	19,260	3.48	19,260	-
Zellwood International Corp.	Equity investments							
	Amed Venture I, L.P.	-	Financial assets at FVTOCI - non-current	Note 3	11,304	7.30	11,304	-
Bizwide Limited	Equity investments							
	Datlink Electronic (Shenzhen) Co., Ltd.	-	Financial assets at FVTOCI - non-current	Note 3	1,195	9.00	1,195	-

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$29.98 as of December 31, 2019.

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

Note 4: Investments in subsidiaries, associates and joint ventures information (refer to Tables 7 and 8).

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

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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	Payment Terms	Ending Balance	% to Total	
BizLink Technology Inc.	BizLink (BVI) Corp.	The same parent company	Sales	$ 218,203	3	30-120 days	No identical item	Net 30-110 days from the end of the month of when invoice is issued	$ 46,094	3	Note 2
OptiWorks (Kunshan) Limited	BizLink (BVI) Corp.	The same parent company	Sales	164,266	41	0-90 days	BVI sale price 100% (Note 4)	Net 0-180 days from the end of the month of when invoice is issued	79,654	59	Note 2
BizLink (BVI) Corp.	BizLink Technology Inc.	The same parent company	Sales	6,144,940	33	1-365 days	Set by agreement of both parties (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	2,072,808	35	Note 2
	OptiWorks Inc.	The same parent company	Sales	163,627	1	0-90 days	BVI purchase price 100% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	43,652	1	Note 2
	Hwa Zhan Electronics Corp. (Shen Zhen)	The same parent company	Sales	111,404	1	0-365 days	Profit 0%-8%	Net 0-120 days from the end of the month of when invoice is issued	50,419	1	Note 2
	BizLink (Kun Shan) Co., Ltd.	The same parent company	Sales	4,019,561	22	0-180 days	Profit 0%-10% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	1,423,661	24	Note 2
	BizLink Technology (Ireland) Ltd.	The same parent company	Sales	3,173,523	17	0-365 days	Set by agreement of both parties (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	979,604	17	Note 2
	TongYing Electronics (Shen Zhen)	The same parent company	Sales	100,455	1	0-365 days	Profit 0% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	30,993	1	Note 2

(Continued)

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	Payment Terms	Ending Balance	% to Total	
	BizLink Electronics (Xiamen) Co., Ltd.	The same parent company	Sales	$ 286,190	2	0-90 days	Profit 0%-2% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	$ 69,745	1	Note 2
	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	The same parent company	Sales	923,046	5	90-365 days	Profit 0%-10% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	301,663	5	Note 2
BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	8,412,347	93	0-120 days	BVI sale price 90%-100% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	3,226,216	94	Note 2
BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	392,998	73	0-120 days	BVI sale price 100% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	157,004	76	Note 2
TongYing Electronics (Shen Zhen) Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	217,738	73	30-365 days	BVI sale price 98%-100% (Note 4)	Net 30-120 days from the end of the month of when invoice is issued	68,606	22	Note 2
BizLink Tech Inc.	BizLink Technology Inc.	The same parent company	Sales	226,031	36	30-90 days	No identical item	Net 0-100 days from the end of the month of when invoice is issued	70,064	48	Note 2
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	2,726,850	100	1-365 days	Profit 0%-21% (Note 5)	1-365 days (Note 5)	1,349,942	100	Note 2
Bizconn International Corp. (China)	BizLink (BVI) Corp.	The same parent company	Sales	245,758	50	0-365 days	BVI sale price 90%-100% (Note 4)	Net 30-120 days from the end of the month of when invoice is issued	121,069	52	Note 2
	BizLink (Kun Shan) Co., Ltd.	The same parent company	Sales	114,527	23	90-120 days	Set by agreement of both parties (Note 4)	Net 30-120 days from the end of the month of when invoice is issued	60,355	26	Note 2
BizLink Technology (Xiamen) Limited	BizLink Technology (Belgium) NV	The same parent company	Sales	193,295	15	0-60 days	Markup 5% of purchase price (Note 4)	Net 0-90 days from the end of the month of when invoice is issued	37,334	12	Note 2

(Continued)

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	Payment Terms	Ending Balance	% to Total	
BizLink Technology (Chang Zhou) Limited	BizLink Technology (Belgium) NV	The same parent company	Sales	$ 111,179	4	0-60 days	Markup 5% of purchase price (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	$ 20,428	3	Note 2
BizLink Technology SRB D.O.O.	BizLink Technology (Slovakia) S.R.O.	The same parent company	Sales	108,354	21	0-30 days	Markup 5% of purchase price (Note 4)	Net 0-30 days from the end of the month of when invoice is issued	3,459	5	Note 2
BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	The same parent company	Sales	308,398	22	0-30 days	Markup 5% of purchase price (Note 4)	0-60 days	15,187	13	Note 2

Note 1: The above amounts of asses accounts and liabilities accounts are converted by exchange rate US$1=29.9800 into NT$ as of December 31, 2019. The amounts of income accounts are converted by average exchange rate US$1=30.9109 into NT$ as of 2019.

Note 2: The amount was eliminated upon consolidation.

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)

TABLE 5

BIZLINK HOLDING INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	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	$ 2,072,808	2.94	$ -	-	$ 1,145,445	$ -
BizLink (BVI) Corp.	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	The same parent company	301,663	2.85	-	-	141,468	-
BizLink (BVI) Corp.	BizLink (Kun Shan) Co., Ltd.	The same parent company	1,423,661	2.26	-	-	747,040	-
BizLink (BVI) Corp.	BizLink Technology (Ireland) Ltd.	The same parent company	979,604	2.85	-	-	681,014	-
BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	3,226,216	2.75	-	-	1,398,559	-
BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	157,004	2.66	-	-	55,583	-
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	1,349,942	2.15	-	-	469,143	-
Bizconn International Corp.	BizLink (BVI) Corp.	The same parent company	121,069	2.79	-	-	63,951	-
Other receivables								
BizLink Holding Inc.	BizLink (BVI) Corp.	Subsidiary	1,169,220	Not applicable	-	-	-	-
BizLink (BVI) Corp.	BizLink International Corp.	The same parent company	182,612	Not applicable	-	-	-	-
BizLink (BVI) Corp.	BizLink (Kun Shan) Co., Ltd.	The same parent company	132,130	Not applicable	-	-	-	-
BizLink Technology (Belgium) NV	BizLink Technology (Slovakia) S.R.O.	The same parent company	109,166	Not applicable	-	-	-	-
TongYing Electronics (Shen Zhen) Ltd.	BizLink (BVI) Corp.	The same parent company	203,028	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$29.9800 as of December 31, 2019.

Note 2: Transactions have been written off in these consolidated financial statements.

Note 3: As of March 16, 2020.

TABLE 6

BIZLINK HOLDING INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	BizLink Holding Inc.	BizLink Technology Inc.	1	Endorsements/guarantees	$ 119,920		0.50
		BizLink (BVI) Corp.	1	Endorsements/guarantees	3,388,040		14.11
		BizLink Tech Inc.	1	Endorsements/guarantees	119,920		0.50
		BizLink International Corp.	1	Endorsements/guarantees	1,079,300		4.49
		BizLink Technology (S.E.A.) SDN.	1	Endorsements/guarantees	7,326		0.03
		BizLink Technology (Slovakia) S.R.O.	1	Endorsements/guarantees	419,720		1.75
		BizLink Technology (Xiamen) Limited	1	Endorsements/guarantees	764,949		3.19
		BizLink Technology (Chang Zhou) Limited	1	Endorsements/guarantees	1,064,749		4.43
		BizLink (Kun Shan) Co., Ltd.	1	Endorsements/guarantees	764,949		3.19
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	1	Endorsements/guarantees	764,949		3.19
		BizLink (BVI) Corp.	1	Miscellaneous incomes	98,915		0.43
		BizLink (BVI) Corp.	1	Other receivables	1,169,220		4.87
		BizLink Tech Inc.	1	Investment accounted for using equity method	74,950	Capital increase	0.31
		EA Cable Assemblies (Hong Kong) Co., Limited	1	Investment accounted for using equity method	119,920	Capital increase	0.50
		OW Holding Inc.	1	Investments accounted for using equity method	215,856	Capital increase	0.90
		BizLink Technology SRB D.O.O.	1	Investments accounted for using equity method	218,332	Capital increase	0.77
1	BizLink Technology Inc.	BizLink Tech Inc.	3	Endorsements/guarantees	69,434		0.29
		BizLink (BVI) Corp.	3	Sales	218,203	Markup 5% of purchase price and payment term 30-120 days	0.94
		BizLink (BVI) Corp.	3	Trade receivables	46,094	Markup 5% of purchase price and payment term 30-120 days	0.19
2	OptiWorks (Shanghai) Limited	OptiWorks (Kunshan) Limited	3	Other receivables	64,462		0.27
3	OptiWorks (Kunshan) Limited	BizLink (BVI) Corp.	3	Sales	164,266	Sale price is 100% of BIZLINK BVI sale price and payment term 0-90 days	0.71
		BizLink (BVI) Corp.	3	Trade receivables	79,654	Sale price is 100% of BIZLINK BVI sale price and payment term 0-90 days	0.33

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
4	BizLink (BVI) Corp.	BizLink International Corp.	3	Endorsements/guarantees	$ 989,340		4.12
		BizLink Technology (Slovakia) S.R.O.	3	Endorsements/guarantees	299,800		1.25
		BizLink Technology SRB D.O.O.	3	Endorsements/guarantees	146,416		0.61
		BizLink Technology (Chang Zhou) Limited	3	Endorsements/guarantees	299,800		1.25
		BizLink Technology Inc.	3	Sales	6,144,940	Set by agreement of both parties and payment term 1-365 days	26.61
		BizLink Technology Inc.	3	Trade receivables	2,072,808	Set by agreement of both parties and payment term 1-365 days	8.63
		OptiWorks Inc.	3	Sales	163,627	Sale price is 100% of BIZLINK BVI purchase price and payment term 0-90 days	0.71
		OptiWorks Inc.	3	Trade receivables	43,652	Sale price is 100% of BIZLINK BVI purchase price and payment term 0-90 days	0.18
		Hwa Zhan Electronics Corp. (Shen Zhen)	3	Sales	111,404	Profit 0%-8% and payment term 0-365 days	0.48
		Hwa Zhan Electronics Corp. (Shen Zhen)	3	Trade receivables	50,419	Profit 0%-8% and payment term 0-365 days	0.21
		BizLink International Corp.	3	Other receivables	182,612		0.76
		BizLink (Kun Shan) Co., Ltd.	3	Sales	4,019,561	Profit 0%-10% and payment term 0-180 days	17.41
		BizLink (Kun Shan) Co., Ltd.	3	Trade receivables	1,423,661	Profit 0%-10% and payment term 0-180 days	5.93
		BizLink (Kun Shan) Co., Ltd.	3	Other receivables	132,130		0.55
		BizLink Technology (S.E.A.) SDN.	3	Sales	57,410	Set by agreement of both parties and payment term 0-150 days	0.25
		BizLink Electronics (Xiamen) Co., Ltd.	3	Sales	286,190	Profit 0%-2% and payment term from 0 to 90 days	1.24
		BizLink Electronics (Xiamen) Co., Ltd.	3	Trade receivables	69,745	Profit 0%-2% and payment term from 0 to 90 days	0.29
		TongYing Electronics (Shen Zhen) Ltd.	3	Sales	100,455	Profit 0% and payment term 0-365 days	0.44
		TongYing Electronics (Shen Zhen) Ltd.	3	Trade receivables	30,993	Profit 0% and payment term 0-365 days	0.13
		BizLink Tech Inc.	3	Sales	86,845	Set by agreement of both parties, payment term 0-140 days	0.38
		BizLink Tech Inc.	3	Other receivables	38,298		0.16
		Accell Corp.	3	Other receivables	32,910		0.14
		BizLink Technology (Ireland) Ltd.	3	Sales	3,173,523	Set by agreement of both parties and payment term 0-365 days	13.74
		BizLink Technology (Ireland) Ltd.	3	Trade receivables	979,604	Set by agreement of both parties and payment term 0-365 days	4.08
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Sales	923,046	Profit 0%-10% and payment term 90-365 days	4.00
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Trade receivables	301,663	Profit 0%-10% and payment term 90-365 days	1.26
5	Hwa Zhan Electronics Corp. (Shen Zhen)	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Sales	31,617	Profit 0% and payment term 0-90 days	0.14
6	BizLink International Corp.	BizLink (BVI) Corp.	3	Endorsements/guarantees	1,049,300		4.37
		BizLink Technology (Slovakia) S.R.O.	3	Endorsements/guarantees	299,800		1.25
		BizLink Technology (Chang Zhou) Limited	3	Endorsements/guarantees	299,800		1.25
		BizLink (BVI) Corp.	3	Miscellaneous incomes	69,178		0.30

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
7	BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	$ 8,412,347	Sale price is 90%-100% of BIZLINK BVI sale price and payment term 0-120 days	36.43
		BizLink (BVI) Corp.	3	Trade receivables	3,226,216	Sale price is 90%-100% of BIZLINK BVI sale price and payment term 0-120 days	13.44
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Sales	56,788	Set by agreement of both parties and payment term 0-120 days	0.25
8	Foshan Nanhai Jo Yeh Electronic Co., Ltd.	Jo Yeh Company Limited	3	Sales	57,726	Market price and payment term net 60 days from the end of month of when invoice is issued	0.25
9	Adel Enterprises Corp.	TongYing Electronics (Shen Zhen) Ltd.	3	Other receivables	32,144		0.13
		Asia Wick Ltd.	3	Other receivables	30,612		0.13
10	BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	392,998	Sale price is 100% of BIZLINK BVI sale price and payment term 0-120 days	1.70
		BizLink (BVI) Corp.	3	Trade receivables	157,004	Sale price is 100% of BIZLINK BVI sale price and payment term 0-120 days	0.65
11	TongYing Electronics (Shen Zhen) Ltd.	BizLink (BVI) Corp.	3	Sales	217,738	Sale price is 98%-100% of BIZLINK BVI sale price and payment term 30-365 days	0.94
		BizLink (BVI) Corp.	3	Trade receivables	68,606	Sale price is 98%-100% of BIZLINK BVI sale price and payment term 30-365 days	0.29
		BizLink (BVI) Corp.	3	Other receivables	203,028		0.85
12	BizLink Tech Inc.	BizLink Technology Inc.	3	Sales	226,031	Payment term 30-90 days	0.98
		BizLink Technology Inc.	3	Trade receivables	70,064	Payment term 30-90 days	0.29
13	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	2,726,850	Profit 0%-21% and payment term 1-365 days	11.81
		BizLink (BVI) Corp.	3	Trade receivables	1,349,942	Profit 0%-21% and payment term 1-365 days	5.62
14	Bizconn International Corp. (China)	BizLink (BVI) Corp.	3	Sales	245,758	Sale price is 90%-100% of BIZLINK BVI sale price and payment term 0-365 days	1.06
		BizLink (BVI) Corp.	3	Trade receivables	121,069	Sale price is 90%-100% of BIZLINK BVI sale price and payment term 0-365 days	0.50
		BizLink (Kun Shan) Co., Ltd.	3	Sales	114,527	Set by agreement of both parties and payment term 90-120 days	0.50
		BizLink (Kun Shan) Co., Ltd.	3	Trade receivables	60,355	Set by agreement of both parties and payment term 90-120 days	0.25
15	BizLink Technology (Xiamen) Limited	BizLink Technology (Belgium) NV	3	Sales	193,295	Markup 5% of purchase price and payment term 0-60 days	0.84
		BizLink Technology (Belgium) NV	3	Trade receivables	37,334	Markup 5% of purchase price and payment term 0-60 days	0.16
		Teralux Technology Co., Ltd.	3	Other receivables	66,852		0.28

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
16	BizLink Technology (Chang Zhou) Limited	BizLink Technology (Xiamen) Limited	3	Sales	$ 76,023	Markup 5% of purchase price and payment term 0-60 days	0.33
		BizLink Technology (Belgium) NV	3	Sales	111,179	Markup 5% of purchase price and payment term 0-60 days	0.48
17	BizLink Technology (Belgium) NV	BizLink Technology (Slovakia) S.R.O.	3	Other receivables	33,590		0.14
		BizLink Technology SRB D.O.O.	3	Other receivables	109,166		0.45
18	BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	3	Sales	308,398	Markup 5% of purchase price and payment term 0-60 days	1.34
19	BizLink Technology SRB D.O.O.	BizLink Technology (Slovakia) S.R.O.	3	Sales	108,354	Markup 5% of purchase price and payment term 0-30 days	0.47
20	Bizconn International Corporation	BizLink (BVI) Corp.	3	Other receivables	43,354		0.18
21	BizLink Technology (S.E.A.) Sdn. Bhd.	BizLink (BVI) Corp.	3	Sales	77,006	Set by agreement of both parties and payment term 0-150 days	0.33
		BizLink (BVI) Corp.	3	Miscellaneous incomes	46,345		0.20
		BizLink (BVI) Corp.	3	Trade receivables	31,150	Set by agreement of both parties and payment term 0-150 days	0.13
22	EA Cable Assemblies (Hong Kong) Co., Ltd.	BizLink Technology (Chang Zhou) Limited	3	Investments accounted for using equity method	238,495	Capital increase	0.99
23	OW Holding Inc.	OptiWorks Inc.	1	Investments accounted for using equity method	215,856	Capital increase	0.90

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

a. “0” for the parent company.
b. Subsidiaries are numbered from “1”

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

a. “1” represents transactions from parent company to subsidiaries.
b. “2” represents transactions from subsidiaries to parent company.
c. “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=29.9800 into New Taiwan dollar as of December 31, 2019. The amounts of income accounts are converted by average exchange rate US$1=30.9109 into New Taiwan dollar as of 2019.

(Concluded)

BIZLINK HOLDING INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investor Company	Investee Company	Location (Note 4)	Main Businesses and Products	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
				December 31, 2019	December 31, 2018	Number of Stock	%	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.	$ 117,522 (US$ 3,920)	$ 117,522 (US$ 3,920)	10,000	100.00	$ 994,903	$ 170,495	$ 173,022	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.	1,499 (US$ 50)	1,499 (US$ 50)	50,000	100.00	720,191	96,104	45,660	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.	NT$ 70,000	NT$ 70,000	70,000	100.00	114,172	10,524	10,555	Subsidiary (Note 1)
	Zellwood International Corp.	Tortola, British Virgin Islands	Various investment activities.	74,950 (US$ 2,500)	74,950 (US$ 2,500)	2,500,000	100.00	2,615,272	816,434	826,839	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.	8,791 (MYR 1,200)	8,791 (MYR 1,200)	1,200,000	100.00	548,102	80,800	80,800	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.	49,467 (US$ 1,650)	49,467 (US$ 1,650)	1,650,000	100.00	547,361	95,831	93,723	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.	346,269 (US$ 11,550)	271,319 (US$ 9,050)	230,000	100.00	301,763	(41,502)	(40,971)	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	(13,799)	1,488	1,488	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.	8,994 (US$ 300)	8,994 (US$ 300)	300,000	100.00	743,482	117,930	117,718	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.	2,754 (JPY 10,000)	2,754 (JPY 10,000)	200	100.00	4,053	41	41	Subsidiary (Note 1)
	Bizwide Limited	Central, Hong Kong	Various investment activities.	-	-	10,000	100.00	1,077,574	138,417	141,303	Subsidiary (Note 1)
	Bizconn 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.	948,777 (EUR 24,676 and US$ 4,000)	828,857 (EUR 24,676)	170,332,000	100.00	1,861,780	617,855	616,233	Subsidiary (Note 1)

(Continued)

Investor Company	Investee Company	Location (Note 4)	Main Businesses and Products	Original Investment Amount December 31, 2019	Original Investment Amount December 31, 2018	As of December 31, 2019 Number of Stock	As of December 31, 2019 %	As of December 31, 2019 Carrying Value	Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
	EA Cable Assemblies GmbH	Nuremberg, German	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	22,136 (EUR 659)	22,136 (EUR 659)	1	100.00	30,226	(812)	(812)	Subsidiary (Note 1)
	BizLink Technology (Belgium) NV	Hasselt, Belgium	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	414,025 (EUR 12,326)	414,025 (EUR 12,326)	915	100.00	531,194	44,601	44,601	Subsidiary (Note 1)
	BizLink Technology (Slovakia) S.R.O.	Trencin, Slovakia	(1) Manufacture and assembly of cable harnesses for electrical appliance, and (2) wholesale and retail of cable assemblies and power cords.	982,059 (EUR 29,237)	982,059 (EUR 29,237)	(Note 4)	100.00	607,094	(90,370)	(90,370)	Subsidiary (Note 1)
	BizLink Technology SRB D.O.O.	Prokuplje, Republic of Serbia		218,332 (EUR 6,500)	-	(Note 4)	90.00	209,380	(60,369)	(54,332)	
	OW Holding Inc.	Grand Cayman, Cayman Islands	Various investment activities.	667,085 (US$ 22,251)	451,229 (US$ 15,051)	2,105,120	93.08	657,930	(73,787)	(67,438)	Subsidiary (Notes 1)
BizLink Technology Inc.	Bobi, LLC	CA 94538,USA	Various leasing activities.	59,960 (US$ 2,000)	59,960 (US$ 2,000)	(Note 4)	100.00	59,664	(88)	(88)	Sub-subsidiary (Note 1)
BizLink (BVI) Corp.	Jo Yeh Company Limited	Kowloon, Hong Kong	(1) Wholesale and retail of connectors, and (2) international trade.	117,372 (US$ 3,915)	117,372 (US$ 3,915)	10,000	100.00	128,420	4,386	4,386	Sub-subsidiary (Note 1)
	Siriustek Inc.	Xinshi Dist., Tainan City	Provide customized LED (light emitting diode) lighting products and solutions.	NT$ 20,000	NT$ 20,000	2,000,000	40.00	10,429	(5,199)	(2,080)	-
	ProOptics International Corp.	Grand Cayman, Cayman Islands	Design, manufacture and sale of optical film.	67,605 (US$ 2,255)	-	2,050,000	Proportion of holding 21.35 Proportion of voting right 27.00	61,716	(34,783)	(5,913)	-
BizLink International Corp.	AquaOptics Corp.	Zhubei City, Hsinchu County	Design, manufacture and sale of optical system integration	NT$ 30,000	-	12,000,000	22.78	25,171	(19,335)	(4,829)	-
Zellwood International Corp.	Bizconn International Corporation	APIA, SAMOA	Various investment activities.	49,977 (US$ 1,667)	49,977 (US$ 1,667)	1,666,667	100.00	314,380	44,076	44,882	Sub-subsidiary (Note 1)
Adel Enterprises Corp.	Asia Wick Ltd.	Central, Hong Kong	Various investment activities.	-	-	1,000	100.00	254,326	34,023	33,903	Sub-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.	420 (INR 1,000)	420 (INR 1,000)	100,000	100.00	2,014	(16)	(16)	Sub-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.	959 (RSD 3,357)	959 (RSD 3,357)	(Note 4)	10.00	23,264	(60,369)	(6,037)	Sub-subsidiary (Note 1)
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.	605,596 (US$ 20,000)	389,740 (US$ 13,000)	2,000	100.00	693,615	12,993	12,993	Sub-subsidiary (Note 1)

Note 1: Transactions have been written off in these consolidated financial statements.

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 8.

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

(Concluded)

BIZLINK HOLDING INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 13)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019
					Outflow	Inflow						
Bizconn International Corp. (China)	Design, manufacture, sale and assembly of connectors, tooling and cable assemblies.	$ 73,635 (RMB 17,600)	(2) Note 4	Note 3	Note 3	Note 3	Note 3	$ 44,343	100.00	$ 44,343	$ 274,641	Note 3
TongYing Electronics (Shen Zhen) Ltd.	Manufacture of wire extrusions and cable assemblies.	103,692 (HK$ 26,936)	(2) Note 5	Note 3	Note 3	Note 3	Note 3	36,165	100.00	36,165	284,467	Note 3
Teralux Technology Co., Ltd.	Research, manufacture and retail of optical and optoelectronic device technology	45,270 (US$ 1,510)	(2) Note 6	Note 3	Note 3	Note 3	Note 3	(51,077)	100.00	(51,077)	(13,308)	Note 3
OptiWorks (Shanghai) Limited	(1) Manufacture, wholesale and retail of fiber optical passive components and fiber optical cables, and (2) international trade.	179,880 (US$ 6,000)	(2) Note 7	Note 3	Note 3	Note 3	Note 3	(578)	93.08	(538)	199,144	Note 3
OptiWorks (Kunshan) Limited	(1) Production and development of optical communications optoelectronic devices, components and modules, and (2) sale of own products.	89,940 (US$ 3,000)	(2) Note 7	Note 3	Note 3	Note 3	Note 3	7,601	93.08	7,075	108,792	Note 3
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	Design, manufacture and sale of cable assemblies, power cords, and connectors.	29,980 (US$ 1,000)	(2) Note 8	Note 3	Note 3	Note 3	Note 3	181,161	100.00	181,161	1,115,943	Note 3
Hwa Zhan Electronics Corp. (Shen Zhen)	Production and operations of computers and communications cables, connectors and fiber jumpers.	9,624 (HK$ 2,500)	(2) Note 9	Note 3	Note 3	Note 3	Note 3	69,950	100.00	69,950	344,849	Note 3
BizLink (Kun Shan) Co., Ltd.	Design, manufacture and sale of cable assemblies, connectors and power cords.	299,800 (US$ 10,000)	(2) Note 6	Note 3	Note 3	Note 3	Note 3	823,485	100.00	823,485	2,319,102	Note 3
BizLink Electronics (Xiamen) Co., Ltd.	Manufacture and assembly of power cords and cables.	16,789 (US$ 560)	(2) Note 10	Note 3	Note 3	Note 3	Note 3	57,904	100.00	57,904	244,237	Note 3
Foshan Nanhai Jo Yeh Electronic Co., Ltd.	Production and operations of electrical appliances, electronic equipment, and plug-in connectors.	59,960 (US$ 2,000)	(2) Note 11	Note 3	Note 3	Note 3	Note 3	1,716	100.00	1,716	116,635	Note 3
BizLink Technology (Chang Zhou) Limited	(1) Manufacture of smart instrumentational sensors, instrumentational connectors and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	388,390 (US$ 8,950) and (RMB 27,940)	(2) Note 12	Note 3	Note 3	Note 3	Note 3	431,608	100.00	431,759	1,142,465	Note 3
BizLink Technology (Xiamen) Limited	(1) Manufacture of smart instrumentational sensors, instrumentational connectors and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	98,814 (US$ 3,296)	(2) Note 12	Note 3	Note 3	Note 3	Note 3	184,952	100.00	184,853	773,998	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 December 31, 2019	**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 Bizconn 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 Bizwide 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 audited 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 4

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 4.

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. There is no actual drawn to subsidiaries in mainland China from BizLink (BVI) Corp.; therefore, the interest is 0. Remaining financing to others, refer to Table 1.

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)