

2018 Annual Report

BizLink Holding Inc.



I. The name, title, telephone number, and e-mail address of the spokesperson and deputy spokesperson:

- (I) Spokesperson: Chien-Hua Teng Title: Chief Executive Officer
Tel: (886)2-8226-1000 Email: felix@BizLinktech.com
Deputy Spokesperson: Chen-Shen Chou Title: Vice President
Tel: (886)2-8226-1000 Email: paul_chou@BizLinktech.com
- (II) Litigation representative in R.O.C.; title; contact telephone and email
Yin-Shu Kuo Title: Special Assistant to the Chairman
Tel: (886)2-8226-1000 Email: elaine_kuo@BizLinktech.com

II. Address and telephone number of all operation locations:

(I) Parent company

Name : BIZLINK HOLDING INC.

Address : 3rd Floor, Harbour Centre, P.O. Box 613, George Town, Grand Cayman, Cayman Islands, British West Indies

Website : <http://www.BizLinktech.com>

Tel : (886)2-8226-1000

(II) Subsidiaries and manufacturing plants

Name : BIZLINK TECHNOLOGY INC.	Address : 47211 Bayside Parkway. Fremont, CA 94538, USA
Website : http://www.bizLinktech.com	Tel : (1)510-252-0786
Name : BIZLINK INTERCONNECT TECHNOLOGY (INDIA) PRIVATE (LIMITED)	Address : 8F, SLN Terminus, Survey No. 133, Gachibowli, Hyderabad, Telangana 500032, India
Website : http://www.bizLinktech.com	Tel : (91)40-40207673
Name : OPTIWORKS, INC.	Address : 47211 Bayside Parkway. Fremont, CA 94538, USA
Website : http://www.optiworks.com	Tel : (1) 510-438-4560
Name : OPTIWORKS (SHANGHAI) CO., LTD.	Address : Room 309, Changchun Business Building, No. 953 Qinzhou North Road, CaoHeJing Hi-Tech Park, XuHui District, Shanghai City
Website : http://www.optiworks.com	Tel : (86)21-64858787
Name : OPTIWORKS (KUNSHAN) CO., LTD.	Address : No.168, Nanhe Road, Kunshan Economic & Technology Development Zone, Kunshan City, Jiangsu Province
Website : http://www.optiworks.com	Tel : (86)512-57630863
Name : BIZLINK (BVI) CORP.	Address : OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
Website : http://www.bizLinktech.com	Tel : (886)2-8226-1000
Name : HUA ZHAN ELECTRONICS (SHENZHEN) CO., LTD.	Address: 2F., P2 Building, No.86 Lingxia Road, Fenghuang Park, Fuyong Town, Baoan District, Shenzhen City
Website : http://www.bizLinktech.com	Tel : (86)755-27306898
Name : BIZLINK INTERNATIONAL CORP.	Address : 3F, No.186, Jian 1 st Road, Chungho District, New Taipei City, Taiwan
Website : http://www.bizLinktech.com	Tel : (886)2-8226-1000
Name : ZELLWOOD INTERNATIONAL CORPORATION	Address : OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
Website : http://www.bizLinktech.com	Tel : (886)2-8226-1000
Name : BIZCONN INTERNATIONAL CORPORATION	Address : Offshore Chambers, P.O. Box 217, Apia, Samoa
Website : http://www.bizLinktech.com	Tel : (886)2-8226-1000
Name : BIZLINK INTERNATIONAL ELECTRONICS (SHENZHEN) CO., LTD.	Address : 2,3F., P1 Building, 1,3F., P2 Building, No.86 Lingxia Road, Fenghuang Park, Fuyong Town, Baoan District, Shenzhen City
Website : http://www.bizLinktech.com	Tel : (86)755-33889898
Name : BIZLINK (KUNSHAN) CO., LTD.	Address: No.168, Nanhe Road, Kunshan Economic & Technology Development Zone, Kunshan City, Jiangsu Province
Website : http://www.bizLinktech.com	Tel : (86)512-57630888
Name : BIZLINK TECHNOLOGY (S.E.A.) SDN. BHD.	Address : No.2722, Lorong Jelawat 2, Kawasan Perusahaan Seberang Jaya, 13700, Penang, Malaysia.
Website : http://www.bizLinktech.com	Tel : (60)4-399-4428
Name : ASIA WICK LTD.	Address : Flat B 19/F, Wing Hang Insurance Bldg, 11 Wing Kut ST, Central, HK
Website : http://www.bizLinktech.com	Tel : (886)2-8226-1000
Name : ADEL ENTERPRISES CORPORATION	Address : OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
Website : http://www.bizLinktech.com	Tel : (886)2-8226-1000
Name : BIZLINK ELECTRONICS (XIAMEN) CO., LTD.	Address : No.7 Zhongwan Road, Xingbei Industrial Zone, Xinglin Town, Xiamen, Fujian
Website : http://www.bizLinktech.com	Tel : (86)592-6218051

Name : TONGYING ELECTRONICS (SHENZHEN) LTD.	Address : No. 18 Jiejiabao Road, Shutian Village Shiyan Town, Baoan District, Shenzhen City, Guangdong Province
Website : http://www.bizLinktech.com	Tel : (86)755-338609881
Name : BIZLINK TECH, INC.	Address : 8001 Aircraft Rd, EL Paso, TX 79932, USA
Website : http://www.bizLinktech.com	Tel : (1)915-8774888
Name : ACCELL CORPORATION	Address : 47211 Bayside Parkway. Fremont, CA 94538, USA
Website : http://www.bizLinktech.com	Tel : (1)510-438-9288
Name : BIZLINK TECHNOLOGY (IRELAND) LTD.	Address : G.D. House, Tallaght Business Park, Tallaght, Dublin 24, Ireland
Website : http://www.bizLinktech.com	Tel : (353)1-4626126
Name : ビズリンク株式会社	Address : TTD Building 3F Room No. 312. 1-2-18 Mita Minato-ku, Tokyo, Japan 108-0073
Website : http://www.bizLinktech.com	Tel : (81)3-6435-2918
Name : BIZLINK WIDE LIMITED	Address : Room B, 19th floor, Wing Hang Insurance Building, 11 Wing Kut Street, Central, Hong Kong
Website : http://www.bizLinktech.com	Tel : (886)2-8226-1000
Name : XIANG YAO ELECTRONICS (SHENZHEN) CO., LTD.	Address : No.86, Lingxia Road, Fenghuang Park, Fuyong Town, Baoan District, Shenzhen City
Website : http://www.bizLinktech.com	Tel : (86)755-33889898
Name : BIZCONN INTERNATIONAL CORPORATION	Address : No.86, Lingxia Road, Fenghuang Park, Fuyong Town, Baoan District, Shenzhen City
Website : http://www.bizLinktech.com	Tel : (86)755-33845888
Name : BIZCONN TECHNOLOGY INC.	Address : 47211 Bayside Parkway. Fremont, CA 94538, USA
Website : http://www.bizLinktech.com	Tel : (1)510-252-0786
Name : BOBI, LLC	Address : 47211 Bayside Parkway. Fremont, CA 94538, USA
Website : http://www.bizLinktech.com	Tel : (1) 510-252-0786
Name : JO YEH COMPANY LIMITED	Address : 1004 AXA Center, 151 Gloucester Road, Wan Chai, Hong Kong
Website : http://www.bizLinktech.com	Tel : (852) 2687-2002
Name : NANHAI JO YEH ELECTRONIC CO., LTD.	Address : Jiujiang Industrial Park, Dun Gen Section, Longkao Road, Jiujiang Town, Nanhai District, Foshan City
Website : http://www.bizLinktech.com	Tel : (86) 0757-86503111
Name : EA CABLE ASSEMBLIES (HONGKONG) CO., LIMITED	Address : 1004 AXA Center, 151 Gloucester Road, Wan Chai, Hong Kong
Website : http://www.bizLinktech.com	Tel : (886)2-8226-1000
Name : EA CABLE ASSEMBLIES GMBH	Address : Längenmühlweg 24, D-86633 Neuburg an der Donau, Germany
Website : http://www.bizLinktech.com	Tel : (49) 911 8919 9698
Name : BIZLINK TECHNOLOGY (BELGIUM) N.V.	Address : Kempische Steenweg 293/10, B-3500 Hasselt, Belgium
Website : http://www.bizLinktech.com	Tel : (32) 11 260 239
Name : BIZLINK TECHNOLOGY (SLOVAKIA) S.R.O.	Address : 914 01 Trenčianska Teplá 1356, Slovakia
Website : http://www.bizLinktech.com	Tel : (421) 32 6570 515
Name : BIZLINK TECHNOLOGY SRB D.O.O.	Address : Vasilija Djurovica Zarkog 56, 18400 Prokuplje, Serbia
Website : http://www.bizLinktech.com	Tel : (381) 27 240 450
Name : BizLink Technology (Changzhou) Ltd.	Address : No.6, North Changjiang Rd., New Dist., Changzhou, Jiangsu 213022
Website : http://www.bizLinktech.com	Tel : (886)2-8226-1000
Name : BizLink Technology (Xiamen) Ltd.	Address : No. 28, Pingcheng Central Rd., Haicang, Xiamen, Fujian 361026
Website : http://www.bizLinktech.com	Tel : (86) 592 770 1801
Name : OW HOLDING INC.	Address : P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands
Website : http://www.bizLinktech.com	Tel : (886)2-8226-1000
TERALUX TECHNOLOGY CO., LTD.	Address : No. 88 Rose Road, Japan Industrial Park. Kunshan City, Jiangsu Province
Website : http://www.bizLinktech.com	Tel : (86)512-36852656

III. The name, address, e-mail address, and telephone number of the agency handling share transfers

Name: Fubon Securities, Stock Affair Agency

Address: 6F., No.6, Sec. 1, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City, Taiwan

Website: <http://www.gfortune.com.tw>

Tel: (886) 2-2371-1658

IV. The name of the certified public accountant who duly audited the annual financial report for last fiscal year, and the name, address and telephone number of the accounting firm:

CPA: Mr. Chung-Chen Chen and Mr. Cheng-Quan Yu

CPA firm: Deloitte & Touche

Website: <http://www.deloitte.com.tw>

Address: 1 20F, No. 100, Songren Rd., Xinyi Dist., Taipei 11073, Taiwan

Tel: (886)2-2545-9988

V. The name of any exchanges where the company's securities are traded offshore, and the way to access information on said offshore securities:
N.A.

VI. Company website: <http://www.bizlinktech.com>

VII. Board members:

Title	Name	Note	Selected Experience
Chairman	Hwa-Tse Liang (Nationality USA)		Please refer to page 10~12 in this chapter
Director	Inru Kuo (Nationality USA)		
Director	Chien-Hua Teng (Nationality R.O.C.)		
Director	Representative of juristic person : Jui-Hsiung Yen (Nationality R.O.C.)		
Independent director	Jr-Wen Huang (Nationality R.O.C.)		
Independent director	Ming-Chun Chen (Nationality R.O.C.)		
Independent director	Chun-Yen Chang (Nationality R.O.C.)	Relieved on Oct.12th, 2018	

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One Message to Shareholders

Dear Madam/ Sir:

The Company hereby reports 2018 operating results and provides the following business plan summary for 2019:

Financial Performance

In 2018, both revenues and profits of the Company significantly grew. The cumulative consolidated revenue for 2018 totaled NT\$21,309,240,000, an increase of 37.14% year-on-year, and net profit increased by 17.98%, with earnings per share after tax (attributed to owners of the Company) reaching NT\$11.86.

Company Development

In 2018, the global economy faced several challenges, from high costs of key components at the beginning of the year, and sudden changes in exchange rates and fluctuations in copper prices from the first quarter on due to the China-US trade conflict in the second quarter; in particular, the China-US trade conflict impacted the global economy far and wide. New challenges constantly emerged, and some even occurred concurrently. The Company's 2018 revenue continued to hit a record high due to continuous productivity improvements in response to external uncertainties. Net profit rebounded in the second half of the year due to such efforts, which were aided by steady prices of raw materials and of key components as well as gradually stabilizing exchange rates. In the face of an ever-changing environment, the Company quickly adjusted its business strategy, identified solutions, and carefully implemented expansion plans to overcome any possible economic turmoil through strategic utilization of resources and built up sufficient funds.

Last year, the U.S. adopted a tariff policy on almost every category of commodities, which prompted China to initiate trade negotiations to resolve the escalating trade gap. As our products manufactured in China for export to the U.S. were also affected by the increased tariffs, the Company planned to relocate its production capacity to areas outside of China. Our team made quick adjustments, and joined forces with Taiwan's production partners to complete preparations for the mass production of specific products at the end of last year. To respond to the needs of our customers, we also transferred part of the production capacity to Malaysia, and expanded the capacity in Mexico as a reserve measure.

In 2018, IT wire and cable revenues continued to grow; in particular, customers heaped praise on our cable docking products, showing that the Company led in the technology of imaging IC, firmware, wires and cables, and connectors. Today, USB-C is becoming the mainstream specification for notebooks, tablets, and their peripherals. The trend of lightweight products continues to drive the demand for external applications. The growth in electrical vehicle (EV) cable and wire harnesses was also rapid as EV customers broke through production bottlenecks. Shipments of EV cable and wire harnesses rose quarter by quarter. As customers increased their production capacity, we expect to supply more EV cable and wire harnesses in the future. In industrial applications, the demand for wires and cables for medical and semiconductor equipment continued to grow. The future shows strong promise for the Company.

The local Electrical Appliances Business Unit team took a series of measures to improve business performance. Under existing capacity constraints, the Company chose customer orders that yielded higher returns and optimized the product portfolio over the past year. We built a PVC

compound production line in Slovakia based on our experience of plants in China to encourage the plant in Eastern Europe to increasing internal sourcing for raw material to control costs. We plan to gradually introduce new products in Europe, such as automotive cable and wire harnesses, medical cables, and industrial wires and cables, at our new plant in Serbia, which was inaugurated in 2018. We also expect to seize opportunities in Europe by developing localized products and offering a local one-stop service for mass production. Looking back, the Company gradually realized that the goals set at the time of acquisition are slowly coming to fruition. We hope to see the Electrical Appliances Business Unit achieve even more synergy in the future.

Corporate Sustainability

In 2018, the Company published its first corporate sustainability report, which included the essentials of the Company's decision-making process, and demonstrated the Company's efforts and achievements in economic, environmental and social sustainability.

In environmental protection, the Company made great progress with suppliers in energy-saving and pollution reduction measures, including those for greenhouse gas, waste, and carbon, as well as logistics control. The Company will continue to strengthen controls to reduce its environmental footprint.

In ethical corporate management, the Company was listed in the Top 50 in Taiwan's Top 2000 Survey conducted by the CommonWealth Magazine, and also won the best supplier award from global brands. The Company was included in TWSE's CG 100 Index by the Taiwan Stock Exchange Corporation for two consecutive years for its outstanding ethical corporate practices.

Development Highlights in 2018

Transformation to a Global Company

As a diversified organization, the Company aims to manufacture products in-line with local needs to capture the global market through our tightly-knit operations in Asia, America, and Europe from sales and marketing to research and development. Our ultimate goal is to transform from a multi-national company to a global company where regional business units support and cooperate with each other to achieve a common goal.

As the Company's production lines expanded in response to the growth in revenue, the Company continued to upgrade towards automation as well as improve the overall quality of our production facilities to the levels of the world's leading manufacturers. A lean global team, the capacity for in-depth research and development, and advanced manufacturing of high-quality products are the key drivers to the Company's continuous growth.

Continuous Improvement in Forward-looking Applications

The Company continued to develop diversified products and applications. In the future, 5G will help to realize the Internet of Things (IoT) and more powerful cloud storage via wider bandwidth; high-speed data transmission wire and cable harness demand are expected to increase significantly. The Company continued to develop active fiber optic cables and direct attach copper cables to meet future demand for cloud storage. In motor vehicles, the Company developed electrical vehicle supply equipment (EVSE) and automotive accessories, both of which are sold through several channels in the U.S. In addition to wires and cables, the Company applied wireless technology to video signals, mobile phone charging, and IoT. High current connection modules were applied to EVs and energy storage devices; the Company began developing products for more forward-looking applications, such as self-driving vehicles for logistics and transportation, virtual reality (VR) or augmented reality (AR), etc. In medical equipment, the

Company focused on more applications for Category 2 cables. In industrial applications, the Company gradually saw order activity from green energy equipment and engineering vehicles.

Production Site Planning

In response to our continued revenue growth, we plan to expand production capacity in China, Malaysia, Mexico, and Serbia. In addition, we set high-quality management goals this year to maintain the Company's excellent global production quality, which is tightly aligned with each region.

More Strategic Investments and Business Partnerships

We adopted prudent investment strategies. As products are becoming more intelligent and sophisticated, we collaborated with high-quality technical partners to develop more advanced products to secure the Company's future market share. The Company and our technical partners can shorten the time to market with mutual investment or strategic cooperation; this alliance will enable both parties to enjoy a bigger slice of the market through an expanded production capacity and enhanced technology capability.

Future Prospects

The Company is cautiously optimistic about our outlook in 2019. The challenges faced and adjustments made in 2018 strengthened our global operations and finances. Uncertainties arising from the China-US trade conflict along with slowing demand for automotive and semiconductor applications. Economic research institutions, such as the International Monetary Fund (IMF), have a conservative economic outlook for 2019; however, the Company hopes that new fields, such as EV and smart applications, will grow uninterrupted.

Change brings in new challenges as well as new opportunities. Management sincerely thanks all shareholders for the continued support, and gives credit to our employees for the achievements and efforts made throughout 2018. The Company will continue to develop forward-looking applications with customers, integrate internal and external resources, and strive towards adding the world's leading brand customers as our best partners to create value for both customers and our shareholders, and ultimately achieve corporate sustainability.

BIZLINK HOLDING INC.

Chairman Hwa-Tse Liang

Chief Executive Officer Chien-Hua Teng

Chief Financial Officer Shiou-Lin Chen

Two Company Overview

I. Establishment Date and Organization Overview

BizLink Holding Inc. was founded on June 1, 2000, in the Cayman Islands. Headquartered in Silicon Valley, California, the Company is currently a leading global supplier for interconnect solutions. All 15 production bases in 12 different counties are 100% owned. Our wholly owned subsidiaries include BizLink Technology Inc., OptiWorks Inc. in US, BizLink International Corp. in Taiwan, Teralux Technology Co. Ltd. in Kunshan, OptiWorks (Shanghai) Co., Ltd., BizLink (Kunshan) Co., Ltd., Xiang Yao Electronics (Shenzhen) Co., Ltd., and BizLink Electronics (Xiamen) Co., Ltd., Jo Yeh Company Ltd. in Foshan, BizLink Technology (Changzhou) Ltd., BizLink Technology (Xiamen) Ltd., BizLink Technology (Ireland) Ltd., Bizlink Technology (Belgium) N.V., EA Cable Assemblies GmbH, BizLink Technology (Slovakia) s.r.o., BizLink Technology SRB d.o.o., and subsidiaries in the British Virgin Islands, including BizLink (BVI) Corp. and ADEL Enterprises Corporation.

Our core business is to provide interconnect solutions, covering R&D, manufacturing and selling wiring and connector modules applied in areas such as information technology, computer peripherals, data centers, consumer electronics, appliances, vehicles, medical equipment, optical fiber communication, solar power generation, industrial equipment and semiconductor equipment.

II. Group Overview

Year	Milestones
1996	BizLink was founded in Taiwan, registered under the Chinese name “貿聯國際有限公司.”
1997	BizLink Technology was established in the US as the corporate headquarters with a list of established brand names as its first customers, including Dell, Intel, and Gateway.
1998	BizLink Xiamen was established and received certification to the ISO9002 Quality Management Systems. BizLink Ireland was established in Dublin to serve European customers, such as Siemens. Acquired Excel Products Inc. and obtained customers such as Compaq, Philips, etc. in response to NAFTA.
1999	BizLink Shenzhen received certification for QS9000 Quality Management Systems and entered the vehicle wiring harness market. Malaysian office formed, serving Southeast Asian customers such as Flextronics.
2000	BizLink Holding Inc. was established (hereinafter referred to as “the Company” and “the Group” with its subsidiaries) and registered in the Cayman Islands. Manufacturing computer connectors, Bizconn Technology was established in the first step of the Group’s vertical integration plan. OptiWorks US started business operations, followed by OptiWorks Shanghai, and manufactured its first opto-isolator.
2001	Bizconn products obtained UL and CSA certification. Manufacturing industrial rubber, K-Link’s new plant was established in Shenzhen as part of the Group’s vertical integration plan.

Year	Milestones
	New Malaysian plant started operation to expand local services.
2002	Finalized vertical integration by acquiring Tongying Electronics Co., Ltd. and obtaining wire harness technology. By establishing Hua Zhan Electronics (Shenzhen) Co., Ltd., BizLink entered China's medical device market.
2003	Shenzhen plant received SONY GP certification. Xiamen plant relocated to Asiaworld in Xinglin town. Established BizLink (Kunshan) Co., Ltd. to serve customers in the East China region. OptiWorks (Shanghai) received international certification for TL9000, and was recognized by the Science and Technology Commission of Shanghai Municipality as a high technology enterprise.
2004	The cadmium testing capacity of lead in the chemical laboratory of the Shenzhen plant received Microsoft certification. Xiamen plant passed OHSAS18001 certification. Bizconn started to supply Microsoft XBOX connectors. The variable fiber optical attenuators manufactured by OptiWorks Shanghai received China patent No. 651375.
2005	Shenzhen plant received ISO/IEC17025 certification for National Laboratory Accreditation Standards. Light switch manufactured by OptiWorks Shanghai received China patent No. 719673 and 719836. BizLink Japan was established, serving Japanese customers such as Sony and NEC. BizLink group imported Tiptop and ERP systems.
2006	Tongying plant received ISO14001:2004 certification for environmental management systems. Bizconn obtained patent certification (China, US) for resilient cards that are used in wire connectors.
2007	Shenzhen plant set up a business unit of motor vehicle wiring harnesses. Tongying plant received QC080000 certification for Hazardous Substance Process Management. Established Xiang Yao Electronics (Shenzhen) Co., Ltd.. BizLink's eLearning system received a grant from Industrial Development and Promotion of e-Learning Project that launched by Industrial Development Bureau, Ministry of Economic Affairs, and obtained Class A certification for service quality.
2008	By obtaining ISO13485 certification, the Shenzhen plant was able to penetrate deeper into the international medical device market. By successful development of BFR/PVC Free products, the Xiamen plant marked a leading position in environmental products. Bizconn obtained 8 patents (US & China) for solar energy products. The successful development of a solar junction device opened up the door of the solar device market for BizLink. By establishing an India office, Bizconn aimed to enter the local solar energy and medical device market.
2009	K-Link plant developed halogen-free materials. The optical components developed by OptiWorks Shanghai obtained 7 China patents. Bizconn was recognized as a China High Technology Enterprise.

Year	Milestones
	<p>BizLink purchased new group headquarters in the US.</p> <p>Partial product line of OptiWorks Shanghai was transferred to the Kunshan plant's clean room.</p> <p>Three independent directors were elected in the extraordinary shareholder meeting dated November 12.</p>
2010	<p>Set up an audit committee.</p> <p>In the forefront of the development of integrated modules and subsystems by OptiWorks Shanghai, the product line was extended to the mid and downstream of optical communications.</p> <p>With direction heading toward fine, high pressure, & high temperature, and high fire proof, the Tongying plant has successfully developed a Teflon line.</p> <p>The Kunshan plant set up a product line of wire harnesses and connectors, and an All-In-One plan is progressing well.</p> <p>BizLink India was relocated to Hyderabad India.</p> <p>BizLink Int'l Electronics (Shenzhen) Co., Ltd. imported a Green House Gas GHG system and obtained temperature & humidity test standards.</p>
2011	<p>Approved by the Financial Supervisory Commission, Executive Yuan, on January 17 to issue shares under an Initial Public Offering in the Republic of China. Listed on the stock exchange dated April 21.</p> <p>Formed a Compensation Committee.</p> <p>Converted an ERP system, imported SAP, and enhanced integration into the global system.</p>
2012	<p>By obtaining AS9100 certification, the Malaysian plant entered the product line of the aviation industry.</p> <p>Imported defibrillator cables and anesthesia monitor cables.</p> <p>Developed a high-frequency audio signal adapter and thin mobile device adapter.</p> <p>Developed server cables.</p> <p>BizLink US signed a contract for the purchase of land for a new plant project in New Mexico in September.</p> <p>Sunbolts is the BizLink's solar energy brand. It was recognized by PHOTON International (September) as the best brand for the second consecutive year.</p>
2013	<p>F-BizLink (3665-TW) was elected to the MSCI global mid-small cap indices.</p> <p>Obtained certification for a US regulation electric vehicle charging coupler.</p> <p>Collaborated with the National Taiwan University of Science and Technology to develop a solar energy smart junction box.</p> <p>Obtained certification for a solar energy connector (1500V).</p> <p>Supplied cable and wire harnesses for petroleum/gas exploration equipment.</p> <p>Supplied cable and wire harnesses for sport yacht engines.</p> <p>Set up a simulation device for Fremont Electro-Magnetic Interference (EMI).</p> <p>Enabled the Kunshan EMI laboratory.</p> <p>Set up a high-frequency team for the Taipei R&D center.</p>

Year	Milestones
2014	<p>Completed 4K2K docking station product line development.</p> <p>At the 2015 Consumer Electronics Show, the UltraAV Mini DisplayPort 1.2 to 2 DisplayPort Multi-Display MST Hub received the innovation award in the computer accessories category.</p> <p>Establishing a new wire extrusion plant in El Paso, U.S.A.</p> <p>Phasing in manufacturing execution system (MES) for product traceability.</p> <p>Expanded capacity of plants in Kunshan, Malaysia, and Mexico.</p>
2015	<p>The Shenzhen factory received certification to the AS9100 Quality Management Systems, used in the aerospace industry.</p> <p>Leading global supplier of USB Type-C products.</p>
2016	<p>Acquired Jo Yeh Co., Ltd. in Hong Kong to expand into motor vehicle application space</p> <p>Selected as a constituent under the “TWSE Corporate Governance 100 Index”</p> <p>Expanded production capacity in Kunshan China, Malaysia, Texas and U.S.A., and added a new production plant in Fremont, California</p>
2017	<p>Acquired of LEONI’s Electrical Appliance Assemblies Business Group and obtained production sites and customers in Europe</p> <p>Our NPI has tapped into the wiring application of the semiconductor equipment sector</p> <p>Complete the development of electronic vehicle supply equipment EVSE</p>
2018	<p>Listed in Deloitte’s Technology Fast 500 Asia Pacific companies</p> <p>Inaugurated BizLink’s Corporate Sustainability report</p> <p>Acquired Teralux Technology Co., Ltd. Expanded high-speed transmission product offerings for data-centers.</p> <p>Mass production of Thunderbolt-3 based docking stations</p>

III. Group Structure

Please see p.113 of the Company’s Annual Report.

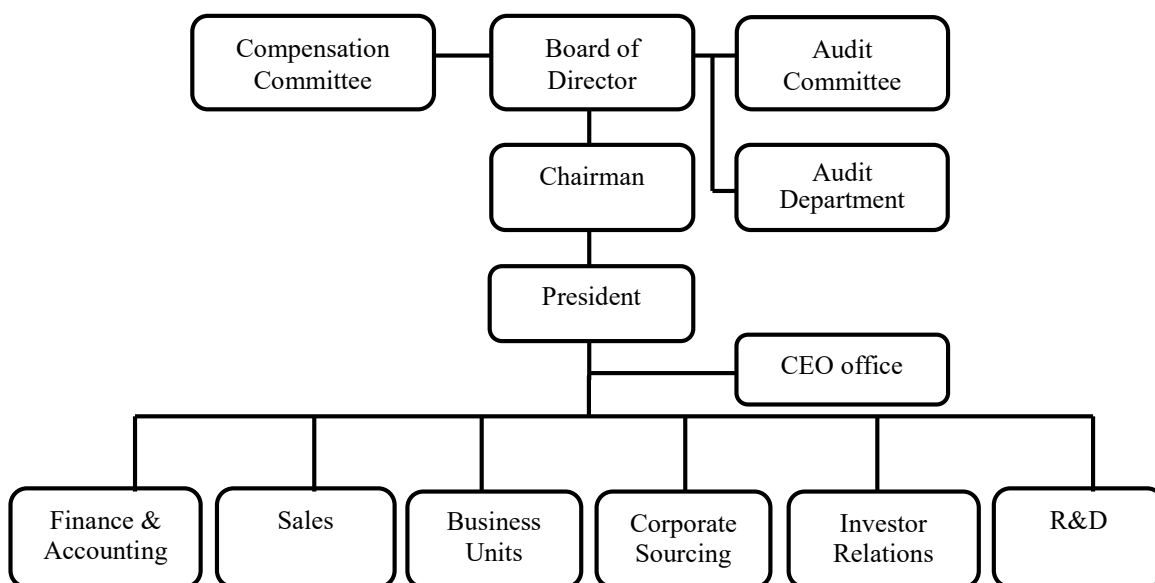
IV. Risk Management

Please see p.106~112 of the Company’s Annual Report.

Three Corporate Governance

I. Organizational Chart

(I) Organizational Structure



(II) Business operations of the respective departments

Department Name	Responsibility
Chairman	Stipulating policy directives and objective guidelines for the Company's operations and assigning managers to execute business operations.
President	Implementing the resolution of the "board of directors" and the Company's general administration.
Audit Department	Based on the Articles of Association and under the authorization of the Board, the audit committee is in charge of guiding the operation of the audit department to conduct various audit projects by applying objective, fair and impartial attitudes to complete each project independently.
CEO Office	Stipulating and improving operation tactics and planning according to business status and mission, motivating employees to work hard under the company's growing strategies, as well as fulfilling the Company's corporate and mission.
R&D	Executing R&D plans to create new products and upgrade existing products, as well as enhance technology level and product competitiveness based on the needs of business production and operation.
Investor relations	Issuing and responding to the Company's information to the external parties and handling relationships with domestic and international investors for better communication. Collecting information regarding market and industry changes to assist management strategy and decision making.
Corporate Sourcing	Integrating supplier resources to build an optimal supply chain that ensures superior delivery, costs and quality of production materials for better competitiveness based on the Company's business plan and organization structure.

Business Units	Collecting market information relevant to business objectives and strategies and providing effective support to daily operation to ensure economic efficiency.
Sales	As a critical part of the for sales and marketing operation, that is responsible for bridging the psychological gap between products and customers and establishing ground to shorten the physical gap between them.
Finance & Accounting	Formulating and executing budget plan and financial management according to the Company's strategies. Making precise accounting journals and providing both internal and external parties, in a timely fashion, financial and operating information. Supplying concrete evidence to assist in business strategies and financial planning. Safeguarding capital and controlling operation costs to enhance capital efficiency and bring about operation goals.

II. Biographies of Company Directors, Supervisors, President, Vice Presidents, Asst. VPs, and Heads of Departments and Branches

(I) Biographies of directors and supervisors (the Company did not appoint supervisors)

1. Directors' name, educational background (professional experiences), number and nature of shares held

04.14.2019

Title	Nationality	Name	Elected date	Term of service	Date of first term	Shares held on election day		Number of shares held		Shares held by spouse and minor children		Shares held under name of another		Selected experience	Services concurrently with other companies	Directors/supervisors, senior executives, who are spouse or 2 nd degree of kinship		
						Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation
Chairman	U.S.A.	Hwa-Tse Liang	2018/06/21	3 years	2000/6/1	7,580,991	6.39%	7,610,991	6.42%	9,266,465	7.82%	148,497	0.13%	MSEE, Penn State U., NCTU Electronics Engineering CEO, Greatlink USA	Director of BIZLINK TECHNOLOGY INC. Director of OPTIWORKS, INC. Director of ビズリンク株式会社 Director/Manager of BIZLINK INT'L CORP. Director of BIZLINK TECHNOLOGY (IRELAND) LTD. Director of BIZLINK TECHNOLOGY (S.E.A.) SDN. BHD. Director of BIZLINK TECH, INC. Director of ACCELL CORPORATION Director of BIZCONN TECHNOLOGY INC. Director of BIZWIDE LIMITED Legal Person/Executive Director of OPTIWORKS(SHANGHAI) CO., LTD. Legal Person/ Executive Director of OPTIWORKS (KUNSHAN) CO., LTD. Director BIZLINK (KUNSHAN) CO., LTD. Director ASIA WICK LTD. Director of OW HOLDING INC.	Director	Inru Kuo	Spouse
Director	U.S.A.	Inru Kuo	2018/06/21	3years	2000/6/1	9,762,465	8.23%	9,266,465	7.82%	7,610,991	6.42%	0	0.00%	MS Actuarial Georgia State Department of Physics National Kaohsiung Normal University VP, Greatlink USA	Director /General Manager of BIZLINK TECHNOLOGY INC. Director of OPTIWORKS, INC. Director of ビズリンク株式会社 Director of BIZLINK (BVI) CORP. Chairman BIZLINK INT'L CORP. Director of ZELLWOOD INTERNATIONAL CORPORATION Director of BIZLINK TECHNOLOGY (IRELAND) LTD. BIZLINK TECH, INC. Director of ADEL ENTERPRISES CORPORATION Director of ACCELL CORPORATION Director of BIZCONN TECHNOLOGY INC. Supervisor OPTIWORKS(SHANGHAI) CO., LTD. Supervisor OPTIWORKS(KUNSHAN) CO., LTD. Executive Director HUA ZHAN ELECTRONICS (SHENZHEN) CO., LTD. Director BIZCONN INTERNATIONAL CORPORATION Legal Person/Executive Director of BIZLINK INT'L ELECTRONICS (SHENZHEN)CO., LTD. Legal Person/Executive Director of BIZLINK (KUNSHAN) CO., LTD. Legal Person/Executive Director of BIZLINK ELECTRONICS (XIAMEN) CO., LTD. Legal Person/General Manager/Executive Director of XIANG YAO ELECTRONICS (SHENZHEN) CO., LTD. Legal Person/Executive Director of BIZCONN INT'L CORP. Executive Director of TONGYING ELECTRONICS (SHENZHEN) LTD.	Director	Hwa-Tse Liang	Spouse

Title	Nationality	Name	Elected date	Term of service	Date of first term	Shares held on election day		Number of shares held		Shares held by spouse and minor children		Shares held under name of another		Selected experience	Services concurrently with other companies	Directors/supervisors, senior executives, who are spouse or 2 nd degree of kinship		
						Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation
Director	Republic of China	Chien-Hua Teng	2018/06/21	3years	2000/6/1	1,472,000	1.24%	1,463,654	1.23%	0	0.00%	0	0.00%	MBA, San Francisco State U., Institute of Electrical and Control Engineering of NCTU Engineering Manager, Greatlink USA	Director of ビズリンク株式会社 Director of BIZLINK INT'L CORP. Director of BIZCONN TECHNOLOGY INC. General Manager of BIZLINK (KUNSHAN) CO., LTD. Legal Person/General Manager of HUA ZHAN ELECTRONICS (SHENZHEN) CO., LTD. Supervisor of BIZLINK ELECTRONICS (XIAMEN) CO., LTD. Director of ASIA WICK LTD. Supervisor of BIZCONN INT'L (SHENZHEN) CORP. Director of JO YEH COMPANY LIMITED Director of NANHAI JO YEH ELECTRONIC CO., LTD.	-	-	-
Director	Republic of China	Yifen Investment Co., Ltd Representative of juristic person : Jui-Hsiung Yen	2018/06/21	3years	2012/06/12	148,497	0.13%	148,497	0.13%	0	0.00%	0	0.00%	Bachelor's degree in Department of Mechanical Engineering at National Cheng Kung University General Manager of Tongtai Machine & Tool Co., Ltd. Chairman of Precision Machinery Research & Development Center Vice Chairman of Taiwan Machine Tool & Accessory Builders' Association	Director of Cyber Laser Taiwan Co., Ltd. Chairman of Tongtai Machine & Tool Co., Ltd. Chairman of Contrel Technology Co., Ltd.			
Independent director	Republic of China	Ming-Chun Chen	2018/06/21	3years	2009/11/12	5,121	0.00%	5,121	0.00%	0	0.00%	0	0.00%	Institute of Management Science of NCTU Aurotek Corporation Elitegroup Computer Systems Co., Ltd General Manager Aurotek (Shang Hai) Inc. Chairman 3e YAMAICHI Electronics Co., Ltd Chairman Promaster Technology Corporation Director	Director of Aurotek Corporation Chairman of 3e YAMAICHI Electronics Co., Ltd Independent director of Promaster Technology Corporation	-	-	-
Independent director	Republic of China	Chun-Yen Chang	2018/06/21	3years	2010/10/29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Electrical Engineering, NCTU B.S. in Electrical Engineering, NCTU Senior Researcher of Bell Labs, U.S.A. Dean of Electrical and Computer Engineering Dept. NCTU Visiting Professor in Stuttgart U. Germany Academician of Academia Sinica Member of The National Academy of Engineering	Lifetime Chair Professor of National Chiao Tung University Independent director of United Microelectronics Corp. UMC Contract Professor of International College of Semiconductor Technology, NCTU	-	-	-

Title	Nationality	Name	Elected date	Term of service	Date of first term	Shares held on election day		Number of shares held		Shares held by spouse and minor children		Shares held under name of another		Selected experience	Services concurrently with other companies	Directors/supervisors, senior executives, who are spouse or 2 nd degree of kinship		
						Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation
Independent director	Republic of China	Jr-Wen Huang	2018/06/21	3years	2012/06/12	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Institute of MS-Finance, Saint Louis University(USA) Investment Dept. Supervisor in Waterland Venture Capital Co., Ltd. Investment & Research Dept.in China Development Industrial Bank Sparkle Power Inc.San Jose/Los Angeles , USA	Research Manager of Waterland Venture Capital Co., Ltd. Supervisor of FSP TECHNOLOGY INC. Supervisor of Touch Cloud Inc.	-	-	-

Note 1: In addition to 730,155 shares held by Hua Tse, Liang and 2,385,629 shares held by Inru Kuo, the trust shares included Hwa-Tse Liang and Inru Kuo Family Trust (8,624,427 shares) that was created on April 15,1999, and the Liang Family Irrevocable Trust (5,137,245 shares).

Note 2: Hong-Chang Chen resigned from the Board of Directors on November 14, 2017.

2. Representative of corporate shareholders:

Corporate Shareholder	Representative of corporate shareholders
Yifen Investment Co., Ltd	Inru Kuo(51%); Hwa-Tse Liang(49%)

3. Biographies of the director and independent director (professional expertise and independency)

Qualifications Name	Five or more years of work experience, together with the following professional qualification			Is in conformity with independency (Note)										# of companies served concurrently as independent directors of public companies
	An instructor or higher up in a department of commerce, law, finance, accounting or other academic department related to corporate business in a public or private college or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and has been awarded a certificate in a professional capacity that is necessary for corporate business	Work experience in the field of commerce, law, finance, accounting, or otherwise necessary for corporate business	1	2	3	4	5	6	7	8	9	10	
Ming-Chun Chen	-	-	V	V	V	V	V	V	V	V	V	V	V	1
Chun-Yen Chang	V	-	V	V	V	V	V	V	V	V	V	V	V	1
Jr-Wen Huang	-	-	V	V	V	V	V	V	V	V	V	V	V	0
Yifen Investment Co., Ltd Representative of juristic person : Jui-Hsiung Yen	-	-	V	V	V	V	V	V	V	V	V	V	-	0
Hwa-Tse Liang	-	-	V	-	-	-	-	V	V	V	-	V	V	0
Chien-Hua Teng	-	-	V	-	-	-	-	V	V	V	-	V	V	0
Inru Kuo	-	-	V	-	-	-	-	V	V	V	V	V	V	0

Note 1 : During the two years before being elected or joining the term office, directors or supervisors shall meet the following terms with "V" mark.

- (1) Not an employee of the Company or its affiliated companies
- (2) Not a director or supervisor of the Company's affiliated companies (unless the person is an independent director of the Company, the Company's parent company or any subsidiary in which the Company holds, directly or indirectly, more than 50 percent of the voting shares)
- (3) Not a shareholder whose total holdings, including that of his/her spouse and minor children, or shares held under others' names reach or exceed 1 percent of the total outstanding shares of the Company or rank among the top 10 individual shareholders
- (4) Not a spouse or relative within second degree by affinity, or within five degrees by consanguinity to any person specified in criteria 1 to 3
- (5) Neither a director, supervisor, or employee of an entity that directly and/or indirectly holds more than 5% of the Company's shares, nor one of the Company's top five shareholders
- (6) Not a director, supervisor, manager, or shareholder owning more than 5% of the outstanding shares of any company that has financial or business relations with the Company
- (7) Not an owner, partner, director, supervisor, manager, or spouse of any of the aforementioned, of any sole proprietorship, partnership, company, or institution that provides commercial, legal, financial and accounting services or consultation to the Company or its affiliates. However, members of the Compensation Committee are not covered by this restriction per Article 7 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter
- (8) Not a spouse or relative within second degree by affinity to other directors
- (9) Not in contravention of Article 30 of the Company Act
- (10) Not an institutional shareholder or its representative pursuant to Article 27 of the Company Act

Note 2: Independent Director Chun-Yen Chang passed away and was relieved from the Board of Directors on October 12, 2018.

(II) Biographies of president and Vice President

Title	Nationality	Name	Date of assumption of duty	Shareholding held		Shareholding by spouse and minor children		Shares held under name of another		Selected experience	Services concurrently with other companies	Managers who are spouse or 2 nd degree of kinship		
				Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation
Chief Executive Officer	Republic of China	Chien-Hua Teng	2000/06/01	1,463,654	1.23%	89,895	0.00%	0	0	MBA, San Francisco State U., Institute of Electrical and Control Engineering of NCTU Engineering Manager, Greatlink USA	Director of ビズリンク株式会社 BIZLINK INT'L CORP. Director of BIZCONN TECHNOLOGY INC. General Manager of BIZLINK (KUNSHAN) CO., LTD. Legal Person/General Manager of HUA ZHAN ELECTRONICS (SHENZHEN) CO., LTD. Supervisor of BIZLINK ELECTRONICS (XIAMEN) CO., LTD. Director of ASIA WICK LTD. Supervisor of BIZCONN INT'L (SHENZHEN) CORP. Director of JO YEH COMPANY LIMITED Director of NANHAI JO YEH ELECTRONIC CO., LTD.	-	-	-
Group CFO	Republic of China	Shiou-Lin Chen	2012/02/01	106,469	0.09%	0	0.00%	0	0	Institute of Accounting, NTU Vice CFO of Dimerco Express Corporation Associate Financial General Manager, China Synthetic Rubber Corp.	-	-	-	-
Vice President	Republic of China	Chia-Cheng Lin	2010/08/01	0	0%	0	0.00%	0	0	College of Management, NCHU Financial Manager of Neevax	-	-	-	-
Vice President	Republic of China	Chen-Shen Chou	105/06/30	18,621	0.02%	0	00.00%	0	0	MBA, University of Missouri-Columbia Department of Transportation Engineering and Management of NCTU China Development Industrial Bank Capital Securities Corp.	-	-	-	-

Title	Nationality	Name	Date of assumption of duty	Shareholding held		Shareholding by spouse and minor children		Shares held under name of another		Selected experience	Services concurrently with other companies	Managers who are spouse or 2 nd degree of kinship		
				Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation
General Manager of Subsidiaries	U.S.A.	Inru Kuo	2000/06/01	9,266,465	7.82%	7,610,991	6.42%	0	0	MS Actuarial Georgia State Department of Physics National Kaohsiung Normal University VP, Greatlink USA	BIZLINK TECHNOLOGY INC., Director/General Manager OPTIWORKS, INC. Director ビズリンク株式会社 Director BIZLINK (BVI) CORP. Director BizLink International Corp. Chairman ZELLWOOD INTERNATIONAL CORPORATION Director BIZLINK TECHNOLOGY (IRELAND) LTD. Director BIZLINK TECH, INC. Director ADEL ENTERPRISES CORPORATION Director ACCELL CORPORATION Director BIZCONN TECHNOLOGY INC. Director OptiWorks (Shanghai) Co., Ltd. Supervisor OptiWorks (Kunshan) Co., Ltd. Supervisor OPTIWORK HOLDING INC. Director Hua Zhan Electronics (Shenzhen) Co., Ltd. Executive Director BIZCONN INTERNATIONAL CORPORATION Director BizLink International Electronics (Shenzhen) Co., Ltd. Legal Person / Executive Director BizLink (Kunshan) Co., Ltd. Legal Person/ Executive Director BizLink Electronics (Xiamen) Co., Ltd. Legal Person / Executive Director Xiang Yao Electronics (Shen Zhen) Co., Ltd. Legal Person / General Manager/ Executive Director BizConn (Shenzhen) International Corp. Legal Person / Executive Director Tongying Electronics (Shen Zhen) Ltd. Executive Director	Financial Vice President of Subsidiaries	Chun-Pin Liang	Relatives within 2nd degree relationship

Note 1: In addition to 730,155 shares held by Hwa-Tse Liang and 2,385,629 shares held by Inru Kuo, the trust shares included the Hwa-Tse Liang and Inru Kuo Family Trust (8,624,427 shares) that was created on April 15, 1999, and the Liang Family Irrevocable Trust (5,137,245 shares).

(III) Compensation to directors and management executives

1. Compensation to directors

Unit: NT\$ Thousands

Title	Name	Compensation to directors								Percent of A+B+C+D to Net Income		Relevant compensation received by directors who are also employees								Percent of A+B+C+D+E+F+G to Net Income		Compensation paid to directors from an invested company other than the company's subsidiary
		Compensation (A)		Retirement Pension (B)		Compensation Paid on Earnings Distribution (C)		Expenses for Execution of Business(D)				Salaries, Bonus, and Special Expenditures (E)		Retirement Pension(F)		Employee Bonus in Earnings Distribution(G)						
										The Company	All companies in the financial statement									The Company	All companies in the financial statement	
Chairman	Hwa-Tse Liang	0	0	0	0	0	9,044	0	173	0	0.66%	0	30,521	0	0	0	0	7,237	25,938	0	5.21%	-
Director	Chien-Hua Teng																					
Director	Inru Kuo																					
Director	Huong-Chang Chen																					
Independent director	Ming-Chun Chen																					
Independent director	Chun-Yen Chang																					
Independent director	Jr-Wen Huang																					
*Other than disclosure in the above table, Directors remunerations earned by providing services (e.g. providing consulting services as a non-employee) to BizLink and all consolidated entities in the 2018 financial statements: None																						

Note 1: 2018 Compensation still not paid to the directors was not resolved at shareholders' meeting.

Note 2: Hong-Chang Chen resigned from the Board of Directors on November 14, 2017.

Note 3: Independent Director Chun-Yen Chang passed away and was relieved from the Board of Directors on October 12, 2018.

Note 4: Yifen Investment Co., Ltd. Representative of juristic person Jui-Hsiung Yen was elected on June 21, 2018.

Range of Compensation

Numerical range of Compensation (Directors)	Name of directors			
	Total of A+B+C+D		Total of A+B+C+D+E+F+G	
	The Company	All companies I in the financial statement	The Company	All companies J in the financial statement
Below \$2,000,000	Hwa-Tse Liang Chien-Hua Teng Inru Kuo Huong-Chang Chen Ming-Chun Chen Chun-Yen Chang Jr-Wen Huang	Hwa-Tse Liang Chien-Hua Teng Inru Kuo Huong-Chang Chen Ming-Chun Chen Chun-Yen Chang Jr-Wen Huang	Hwa-Tse Liang Chien-Hua Teng Inru Kuo Huong-Chang Chen Ming-Chun Chen Chun-Yen Chang Jr-Wen Huang	Huong-Chang Chen Ming-Chun Chen Chun-Yen Chang Jr-Wen Huang
\$2,000,000 (included) ~ \$5,000,000 (not included)	-	-	-	-
\$5,000,000 (included) ~ \$10,000,000 (not included)	-	-	-	Inru Kuo
\$10,000,000 (included) ~ \$15,000,000 (not included)	-	-	-	Hwa-Tse Liang Chien-Hua Teng
\$15,000,000 (included) ~ \$30,000,000 (not included)	-	-	-	-
\$30,000,000 (included) ~ \$50,000,000 (not included)	-	-	-	-
\$50,000,000 (included) ~ \$100,000,000 (not included)	-	-	-	-
More than \$ 100,000,000	-	-	-	-
Total	7	7	7	7

Note 1: Hong-Chang Chen resigned from the Board of Directors on November 14, 2017.

Note 2: Independent Director Chun-Yen Chang passed away and was relieved from the Board of Directors on October 12, 2018.

Note 3: Director Yifen Investment Co., Ltd. Representative of juristic person Jui-Hsiung Yen was elected on June 21, 2018.

2. Compensation to Supervisors: None.

3. Compensation to Presidents and Vice Presidents

Compensation to Presidents and Vice Presidents (information provided in numerical range and disclosure of names)

Unit: NT\$ Thousands

Title	Name	Salaries (A)		Retirement Pension (B)		Bonus and Special Expenditures..., etc (C)		Employee Bonus in Earnings Distribution (D)				Percent of A+B+C+D to Net Income		Compensation paid to directors from an invested company other than the company's subsidiary
		The Company	All companies in the financial statement	The Company	All companies in the financial statement	The Company	All companies in the financial statement	The Company		All companies in the financial statement		The Company	All companies in the financial statement	
								Cash dividend	Stock dividend	Cash dividend	Stock dividend			
Chairman	Hwa-Tse Liang	0	NT\$23,204	0	0	NT\$12,452	NT\$12,452	0	0	0	0	0.88%	2.55%	-
Chief Executive Officer	Chien-Hua Teng													
General Manager of Subsidiaries	Inru Kuo													
CFO	Shiou Lin, Chen													
Vice President	Chia-Cheng Lin													
Vice President	Chen-Shen Chou													

Range of Compensation

Range of Compensation (Presidents & Vice Presidents)	Name of presidents and vice-presidents	
	The Company	All companies in the financial statement (E)
Below \$2,000,000	Hwa-Tse Liang Chien-Hua Teng Inru, Ku Shiou Lin, Chen Chia Cheng, Lin Chen-Shen Chou	-
\$2,000,000 (included) ~ \$5,000,000 (not included)	-	Shiou Lin, Chen Chia Cheng, Lin Chen-Shen Chou
\$5,000,000 (included) ~ \$10,000,000 (not included)	-	Inru Kuo
\$10,000,000 (included) ~ \$15,000,000 (not included)	-	Chien-Hua Teng Hwa-Tse Liang
\$15,000,000 (included) ~ \$30,000,000 (not included)	-	-
\$30,000,000 (included) ~ \$50,000,000 (not included)	-	-
\$50,000,000 (included) ~ \$100,000,000 (not included)	-	-
More than \$ 100,000,000	-	-
Total	6	6

4. Name of managers responsible for distribution of employee bonus and distribution status: No employee bonus available.

(IV) Analysis of compensation for directors, independent directors, presidents and Vice Presidents in the most recent two fiscal years and compensation policy for directors, independent directors, presidents and Vice Presidents, along with information related to the policies, standards, and portfolios for the payment of compensation, the procedures for determining compensation, and the correlation with business performance and future risks.

1. The ratio of total compensation paid by the Company and by all companies included in the consolidated financial reports to directors, independent directors, presidents and Vice Presidents of the Company, to the net income.

Unit: In thousand NTD; %

Item	2017		2018	
	Amount	%	Amount	%
Directors	9,132	0.79	9,044	0.65
Presidents and Vice Presidents	29,112	2.50	35,656	2.55
Consolidated net profit	1,162,465	100.00	1,399,589	100.00

Note 1: Shareholders' meeting has not resolved to pay 2017 compensation

2. Policy, standards and combinations, as well as the procedures for deciding compensation and the relations with operation performance and risks.

- (1) In accordance with clause 34.1 of the Company's Articles of Association, before a special reserve is appropriated subject to regulations of public listings and the competent authority, previous losses shall be offset against net profit and 10% of the remaining profit shall be appropriated as a legal reserve until the accumulated legal reserve is equivalent to the Company's capital; remuneration to directors shall not exceed 0%~3% of the remaining profit.
- (2) Based on the Company Act, amended in May 2015, and the Company's Articles of Incorporation, amended in June 2016 by shareholders' resolution, the Company shall set aside no less than 1% and not more than 10% of its pre-tax income for its employees as profit sharing and no more than 3% of the same base above as remuneration for the directors.
- (3) Remuneration to presidents and Vice Presidents is based on position, years of service, performance, and contribution; it has no effect on future risk.

III. Corporate Governance Practices

(I) Board of Directors Operation:

1. 5 meetings were held by the Board of Directors in the current calendar year, with attendance of directors in Board Meetings as follows:

Title	Name	Frequency of actual attendance	Frequency of proxy-attendance	Actual attendance ratio	Note
Director	Hwa-Tse Liang	7	0	100%	—
Director	Chien-Hua Teng	7	0	100%	—
Director	Inru Kuo	7	0	100%	—
Director	Yifen Investment Co., Ltd Representative of juristic person : Jui-Hsiung Yen	1	3	25%	New appointment of Director on June 21 st , 2018
Independent director	Ming-Chun Chen	7	0	100%	—
Independent director	Chun-Yen Chang	3	3	50%	—
Independent director	Jr-Wen Huang	7	0	100%	—
<p>Other Notes</p> <p>(1) In matters specified in Article 14-3 of the Securities and Exchange Act, or Board resolutions where independent directors have expressed opposition or qualified opinions that have been noted in the record or declared in writing, meeting minutes shall record the date and session of the board meeting, the content of the resolution, and the response of the Company regarding the opinion of the Independent Director: None.</p> <p>(2) So as to avoid any conflict of interest by directors, meeting minutes shall record the names of directors, the content of any resolution, reasons for avoidance of conflict of interest, and the result of voting: None.</p> <p>(3) Assessment of objectives and implementation status in the area of strengthening the powers of the board of directors for the current and immediate past years will be carried out: The Company established an Auditing Committee on February 4, 2010, and the Board of Directors approved the establishment of a Compensation Committee on December 15, 2011, Corporate Governance and Sustainability Committee on July 20, 2018, Corporate Governance and Sustainability Committee Charter on August 10 of the same year, and appointed 2 Independent Directors and 1 Director as Committee members.</p>					

2. Major Resolutions of the Board Meetings in 2018

Time	Major Subject	Dissent or Qualified Opinion from Independent Directors	Company Reaction Base on the Opinion of Independent Directors	Resolution
Jan. 12, 2018 The 1 st Board Meeting	Approved to transfer 100% shares of OptiWorks Inc. to OW Holding Inc	None	Not applicable	Approved by all attendees of Directors
March 13, 2018 The 2 nd Board Meeting	1) Approved Year 2017 Consolidated Financial Statements and Business Report (2) Approved Year 2017 Proposal for Distribution of Profits. (3) Approved Year 2017 Statement on Internal Control. (4) Approved Year 2017 Remuneration	None	Not applicable	Approved by all attendees of Directors

	<p>Proposal for Directors.</p> <p>(5) Approved Year 2017 Incentive Pay Proposal for Employees.</p> <p>(6) Approved on the proposal for “Re-election of Directors”.</p> <p>(7) Approved on the Nominated candidates for Directors, including Independent Directors.</p> <p>(8) Approved amendment to the Company's Articles of Incorporation.</p> <p>(9) Approved Proposal to revise the “Procedures for Acquisition or Disposal of Assets.”</p> <p>(10) Approved amendment to the Rules of Procedure for Board of Directors Meetings.</p> <p>(11) Approved on 2018 Cash Injection and Issuance of Global Depository Receipts.</p> <p>(12) Approved for a cash offering by private placement.</p> <p>(13) Approved Proposal to Convene Year 2018 Annual General Shareholders' Meeting.</p> <p>(14) Approved to authorize the Company Chairman to open new bank accounts with correspondent banks on behalf of the Company.</p> <p>(15) Approved Validation and Appointment of the Effectiveness and Independence of auditing Certified Public Accountants.</p> <p>(16) Resolution on the record date for cancelation of shares for resigned employees under the 2016 Employee Restricted Stock Ownership Plan.</p> <p>(17) Approved on the Endorsements/Guarantees for making of general credit limit.</p> <p>(18) Approved on the extension of Endorsements/Guarantees for making of general credit limit, granted by HSBC Bank (Taiwan) Limited, for subsidiary - “BIZLINK (BVI) CORP”. (19) Approved on the extension of Endorsements/Guarantees for making Comprehensive Credit limit for” BIZLINK (BVI) CORP” and “BIZLINK INTERNATIONAL CORP”, as granted by “E.SUN COMMERCIAL BANK, LTD.”</p> <p>(20) Approved on the extension of Endorsements/Guarantees for making the Short-term Comprehensive Credit for” BIZLINK (BVI) CORP”, as granted by “TAIPEI FUBON COMMERCIAL BANK CO., LTD.”</p> <p>(21) Approved on the Pre-Settlement Risk Limit for “BIZLINK (BVI) CORP - Taiwan Branch” granted by “E.SUN COMMERCIAL BANK, LTD.”</p> <p>(22) Extended Loan Terms between Subsidiaries wholly owned by the Company.</p> <p>(23) Extended Loan Terms between</p>			
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	<p>Subsidiaries wholly owned by the Company.</p> <p>(24) Granted Loan Terms between Subsidiaries wholly owned by the Company.</p> <p>(25) Extended Loan Terms between the Company and the Subsidiaries wholly owned by the Company.</p> <p>(26) Approved Comprehensive Credit Extension between Subsidiaries.</p>			
May 11, 2018 The 3 rd Board Meeting	<p>(1) Approved 2018Q1 Consolidated Financial Statements.</p> <p>(2) Approved on the Roster of Director (Including Independent Directors) Candidates or their representatives.</p> <p>(3) Approved to authorize the Company Chairman to decide the date and related issues for earning distribution.</p> <p>(4) Approved to the release of the prohibition on directors or their representatives from participation in competitive businesses.</p> <p>(5) Approved on the changes of limits for extending Loan Terms between wholly owned subsidiary and the Company.</p> <p>(6) Approved new Loan Terms between Subsidiaries wholly owned by the Company.</p> <p>(7) Approved extend of Loan Terms between Subsidiaries wholly owned by the Company.</p>	None	Not applicable	Approved by all attendees of Directors
Jun. 21, 2018 The 4 th Board Meeting	<p>(1) Approved election of the Company Chairman.</p> <p>(2) Approved appointment the members of the 3rd term of Compensation Committee.</p>	None	Not applicable	Approved by all attendees of Directors
Jul. 20, 2018 The 5 th Board Meeting	<p>(1) Approved the increase of investment in a subsidiary “Bizlink Technology (Slovakia) s.r.o.” by transformation of existing shareholder loan into share capital</p> <p>(2) Approved to setup the “Corporate Governance and Sustainable development Committee”.</p> <p>(3) Resolution on the record date for cancelation of shares for resigned employees under the 2016 Employee Restricted Stock Ownership Plan.</p>	None	Not applicable	Approved by all attendees of Directors
Aug. 10, 2018 The 6 th Board Meeting	<p>(1) Approved 2018Q2 Consolidated Financial Statements.</p> <p>(2) Approved the “Governance and Sustainable Development Committee Organizational Procedures” and members.</p> <p>(3) Approved to extend the loan to subsidiaries - Bizlink Technology (Slovakia) s.r.o..</p> <p>(4) Approved on the extension of Guarantee for Bank short-term loan to Subsidiary, as granted by Cathay United Bank</p> <p>(5) Approved on the extension of Guarantee for Bank short-term loan to Subsidiary as granted by First Commercial Bank.</p> <p>(6) Approved extension of Loan Terms</p>	None	Not applicable	Approved by all attendees of Directors

	between Subsidiaries wholly owned by the Company.			
Nov. 9, 2018 The 7 th Board Meeting	<p>(1) Approved the 2018Q3 Consolidated Financial statements.</p> <p>(2) Approved 2018 Business Plan and Financial Budget.</p> <p>(3) Approved 2018 Audit Plan.</p> <p>(4) Approved the 2018 Distribution Proposal of “Phantom Stock Plan for Selected Employees”.</p> <p>(5) Approved the 2018 Employee Stock Option.</p> <p>(6) Approved Proposal to Revise the “Procedures for Acquisition or Disposal of Assets.”</p> <p>(7) Approved Proposal to Revise the “Procedures for Loans to others.”</p> <p>(8) Approved to authorize the Chairman to open Custodian account.</p> <p>(9) Approved the new additions of Payment Guarantee to Subsidiary - “BIZLINK (BVI) COR.”.</p> <p>(10) Approved on the extension of Endorsements/Guarantees for making of general credit limit, granted by China Trust Commercial Bank, for subsidiary - ”BIZLINK (BVI) CORP”.</p> <p>(11) Approved on the extension of Endorsements/Guarantees for making of general credit limit, granted by Citibank Taiwan Ltd., for subsidiary - “BIZLINK (BVI) CORP”.</p> <p>(12) Approved on the amendments of Endorsements/Guarantees for making of general credit limit, granted by HSBC Bank (China) Company Limited for subsidiary - “BizLink Technology (Xiamen) Ltd.” , and “Bizlink Technology (Changzhou) Ltd., Bizlink (Kunshan) Co., Ltd., Xiang Yao Electronics (Shen Zhen) Co., Ltd”.</p> <p>(13) Approved on the extension of Endorsements/Guarantees, granted by China Trust Commercial Bank (USA), for subsidiary - “BIZLINK TECHNOLOGY INC.</p> <p>(14) Approved on the extension of Endorsements/Guarantees, granted by China Trust Commercial Bank (USA), between 100% owned subsidiary.</p> <p>(15) Approved on the extension of Guarantee between Subsidiaries.</p> <p>(16) Approved on the new additions of Loaning of Funds between Subsidiaries.</p>	None	Not applicable	Approved by all attendees of Directors

(II) Audit Committee Operation:

1. 6 meetings were held by the Auditing Committee in the current calendar year, with attendance of independent directors as follows:

Title	Name	Frequency of actual attendance	Frequency of proxy-attendance	Actual attendance ratio	Note
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Independent director	Ming-Chun Chen	6	0	100%	—
Independent director	Chun-Yen Chang	3	3	50%	Passed away on Oct. 12, 2018
Independent director	Jr-Wen Huang	6	0	100%	—
<p>Other Notes</p> <p>(1) In matters specified in Article 14-5 of the Securities and Exchange Act, or approved by 2/3 of the Board of Directors but denied by Audit committee, meeting minutes shall record the date and session of the board meeting, the content of the resolution, and the response of the Company regarding the opinion of the Audit Committee: None.</p> <p>(2) So as to avoid any conflict of interest by independent directors, meeting minutes shall record the names of the independent directors, the content of the resolution, the reasons for avoidance of conflict of interest, and the result of voting: None.</p> <p>(3) Descriptions of the communications between the independent directors, the internal auditors, and the independent auditors in 2018 (which should include the material items, channels, and results of the audits on the corporate finance and/or operations, etc.):</p> <ul style="list-style-type: none"> ● Regular discussions on the audit report are conducted by the Company's internal auditor and audit committee, and the internal audit report is made at the meeting of audit committee on a quarterly basis. The independent auditors are also required to immediately communicate to the Audit Committee any material matters that they have discovered. ● The Company's CFO and Audit Officer both attended Audit Committee meetings. The independent directors have presented the findings of reporting and discussion subjects, with reply and follow-up by relative personnel. 					

2. The communication channels between the Audit Committee and the Internal Audit Officer functioned well. No irregularity on internal audit was reported during 2018.

Date	Means of Communication	Receiving Party of the Communication	Communication Item	Results of the Communication
March 13, 2018	Audit Committee	Internal Audit Officer	<ul style="list-style-type: none"> ● 4Q2017 Internal audit implementation and reporting ● 2017 Statement of Internal Control 	Acknowledged by all attending members and will further discuss in the board meeting
May 11, 2018	Audit Committee	Internal Audit Officer	<ul style="list-style-type: none"> ● 1Q2018 Internal audit implementation and reporting 	Acknowledged by all attending members
Aug. 11, 2018	Audit Committee	Internal Audit Officer	<ul style="list-style-type: none"> ● 2Q2018 Internal audit implementation and reporting 	Acknowledged by all attending members
Nov. 09, 2018	Audit Committee	Internal Audit Officer	<ul style="list-style-type: none"> ● 3Q2018 Internal audit implementation and reporting ● 2018 Audit plan 	Acknowledged by all attending members and will further discuss in the board meeting
March 14, 2019	Audit Committee	Internal Audit Officer	<ul style="list-style-type: none"> ● 4Q2018 Internal audit reporting 	Acknowledged by all attending members

3. The communication channels between the Audit Committee and the Independent Auditors functioned well. The Company's Independent Auditors have presented the findings of their review or audits when required on the Company's financial results and other matters required by laws and regulations to the Audit Committee. No irregularity on finance was reported during 2018.

Date	Means of Communication	Receiving Party of the Communication	Communication Item	Results of the Communication
March 13, 2018	Audit Committee	Independent Auditors	2017 Audit result communication	Acknowledged by all attending members
May 11, 2018	Audit Committee	Independent Auditors	1Q2018 Audit result communication	Acknowledged by all attending members
Jun. 21, 2018	Audit Committee	Independent Auditors	Introduction of the latest IFRS	Acknowledged by all attending members
Aug. 10, 2018	Audit Committee	Independent Auditors	2Q2018 Audit result communication	Acknowledged by all attending members
Nov. 09, 2018	Audit Committee	Independent Auditors	3Q2018 Audit result communication	Acknowledged by all attending members
March 14, 2019	Audit Committee	Independent Auditors	2018 Audit result communication	Acknowledged by all attending members

4. Major Resolutions of the Audit Committee Meetings in 2018

Time	Major Subject	Company Reaction Base on the Opinion of Independent Directors	Resolution
Jan. 12, 2018 The 1 st Audit Committee Meeting	Approved to transfer 100% shares of Optiworks Inc. to OW Holding Inc	Not applicable	Approved by all attendees of the Committee
March 13, 2018 The 2 nd Audit Committee Meeting	1) Approved Year 2017 Consolidated Financial Statements and Business Report (2) Approved Year 2017 Proposal for Distribution of Profits. (3) Approved Year 2017 Statement on Internal Control. (4) Approved amendment to the Company's Articles of Incorporation. (5) Approved Proposal to revise the "Procedures for Acquisition or Disposal of Assets." (6) Approved amendment to the Rules of Procedure for Board of Directors Meetings. (7) Approved on 2018 Cash Injection and Issuance of Global Depository Receipts. (8) Approved for a cash offering by private placement. (9) Approved to authorize the Company Chairman to open new bank accounts with correspondent banks on behalf of the Company. (10) Approved Validation and Appointment of the Effectiveness and Independence of auditing Certified Public Accountants. (11) Approved on the Endorsements/Guarantees for making of general credit limit. (12) Approved on the extension of Endorsements/Guarantees for making of general credit limit, granted by HSBC Bank (Taiwan) Limited, for subsidiary -" BIZLINK (BVI) CORP". (13) Approved on the extension of Endorsements/Guarantees for making Comprehensive Credit limit for "BIZLINK (BVI) CORP" and "BIZLINK INTERNATIONAL CORP", as granted by "E.SUN COMMERCIAL BANK, LTD."	Not applicable	Approved by all attendees of the Committee

	<p>(14) Approved on the extension of Endorsements/Guarantees for making the Short-term Comprehensive Credit for” BIZLINK (BVI) CORP”, as granted by “TAIPEI FUBON COMMERCIAL BANK CO., LTD.”</p> <p>(15) Approved on the Pre-Settlement Risk Limit for “BIZLINK (BVI) CORP - Taiwan Branch” granted by “E.SUN COMMERCIAL BANK, LTD.”</p> <p>(16) Extended Loan Terms between Subsidiaries wholly owned by the Company.</p> <p>(17) Extended Loan Terms between Subsidiaries wholly owned by the Company.</p> <p>(18) Granted Loan Terms between Subsidiaries wholly owned by the Company.</p> <p>(19) Extended Loan Terms between the Company and the Subsidiaries wholly owned by the Company.</p> <p>(20) Approved Comprehensive Credit Extension between Subsidiaries.</p>		
May 11, 2018 The 3 rd Audit Committee Meeting	<p>(1) Approved 2018Q1 Consolidated Financial Statements.</p> <p>(2) Approved on the changes of limits for extending Loan Terms between wholly owned subsidiary and the Company.</p> <p>(3) Approved new Loan Terms between Subsidiaries wholly owned by the Company.</p> <p>(4) Approved extend of Loan Terms between Subsidiaries wholly owned by the Company.</p>	Not applicable	Approved by all attendees of the Committee
Jul. 20, 2018 The 4 th Audit Committee Meeting	<p>(1) Approved the increase of investment in a subsidiary “Bizlink Technology (Slovakia) s.r.o.” by transformation of existing shareholder loan into share capital</p> <p>(2) Approved to setup the “Corporate Governance and Sustainable development Committee”.</p> <p>(3) Resolution on the record date for cancellation of shares for resigned employees under the 2016 Employee Restricted Stock Ownership Plan.</p>	Not applicable	Approved by all attendees of the Committee
Aug. 10, 2018 The 5 th Audit Committee Meeting	<p>(1) Approved 2018Q2 Consolidated Financial Statements.</p> <p>(2) Approved to extend the loan to subsidiaries - Bizlink Technology (Slovakia) s.r.o..</p> <p>(3) Approved on the extension of Guarantee for Bank short-term loan to Subsidiary, as granted by Cathay United Bank</p> <p>(4) Approved on the extension of Guarantee for Bank short-term loan to Subsidiary as granted by First Commercial Bank.</p> <p>(5) Approved extension of Loan Terms between Subsidiaries wholly owned by the Company.</p>	Not applicable	Approved by all attendees of the Committee
Nov. 9, 2018 The 6 th Audit Committee Meeting	<p>(1) Approved the 2018Q3 Consolidated Financial statements.</p> <p>(2) Approved 2018 Audit Plan.</p> <p>(3) Approved Proposal to Revise the “Procedures for Acquisition or Disposal of Assets.”</p> <p>(4) Approved Proposal to Revise the “Procedures for Loans to others.”</p> <p>(5) Approved to authorize the Chairman to open Custodian account.</p> <p>(6) Approved the new additions of Payment Guarantee to Subsidiary - “BIZLINK (BVI) COR.”.</p> <p>(7) Approved on the extension of Endorsements/Guarantees for making of general</p>	Not applicable	Approved by all attendees of the Committee

	<p>credit limit, granted by China Trust Commercial Bank, for subsidiary - "BIZLINK (BVI) CORP".</p> <p>(8) Approved on the extension of Endorsements/Guarantees for making of general credit limit, granted by Citibank Taiwan Ltd., for subsidiary - "BIZLINK (BVI) CORP".</p> <p>(9) Approved on the amendments of Endorsements/Guarantees for making of general credit limit, granted by HSBC Bank (China) Company Limited for subsidiary – "Bizlink Technology (Xiamen) Ltd." , and "Bizlink Technology (Changzhou) Ltd.", "Bizlink (Kunshan) Co., Ltd., Xiang Yao Electronics (Shen Zhen) Co., Ltd".</p> <p>(10) Approved on the extension of Endorsements/Guarantees, granted by China Trust Commercial Bank (USA), for subsidiary - "BIZLINK TECHNOLOGY INC.</p> <p>(11) Approved on the extension of Endorsements/Guarantees, granted by China Trust Commercial Bank (USA), between 100% owned subsidiary.</p> <p>(12) Approved on the extension of Guarantee between Subsidiaries.</p> <p>(13) Approved on the new additions of Loaning of Funds between Subsidiaries.</p>		
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(III) Variations (if any) with the Corporate Governance Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies

1. Implementation of Corporate Governance Practices:

Item	Operation			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Implementation Status	
1. The Company's establishment and disclosure of a Corporate Governance in accordance with "Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Company".	✓		The Company has established and disclosed principles for Corporate Governance practice in accordance with "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Company".	None
2. Shareholding structure and shareholder rights (1) The Company's establishment and implementation of internal operating procedures for matters relating to shareholder suggestion, question, conflict and litigation. (2) The Company's possession of a list of major shareholders and a list of ultimate owners of these major shareholders. (3) The Company's establishment and implementation of a risk management mechanism and firewalls between the Company and its affiliates. (4) The Company's establishment of internal standards to prevent internal personnel trade based on non-public information.	✓		(1) The Company has designated a spokesperson, deputy spokesperson, exclusive personnel, and a phone line for investors along with an e-mail box to handle shareholder suggestions or complaints based on "Corporate Governance Practices". (2) The Company is able to maintain a list of major shareholders and a list of the end parties in control of these major shareholders to make regular disclosure accordingly. Please see p.51 of the annual report for the list of major shareholders. (3) The Company has established a risk management mechanism and firewalls based on internal guidelines on supervision of subsidiaries, providing endorsement and guarantee, financing to others, acquisition and disposition of asset, as well as, other related internal regulations. All business activities with affiliates will be handled as with third-parties to avoid irregular transactions. (4) The Company has established "Procedures of Handling Significant Information & Insider Trading policy" to prevent insider trading.	None
3. Composition and responsibilities of the Board of Directors (1) The Board's establishment and implementation of a guideline for forming a board of diversification.	✓		(1) In accordance with Article #19-3 under the Company's "Corporate Governance Best Practice Principle," the composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations and development needs. As for the current commission, we have one female director out of the total seven	None

Item	Operation			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Implementation Status	
<p>(2) The Company's establishment of committees other than Compensation and Audit Committees required by the law.</p> <p>(3) The Company's establishment of evaluation procedures and methodology to assess Board performance annually.</p> <p>(4) The Company's regular evaluation of external auditors' independence.</p>			<p>members and three independent directors. All of our directors possess the necessary knowledge, skills, and areas of expertise covering—but not limited to— commerce, finance, accounting, and our specific business operations.</p> <p>(2) In order to strengthen our corporate governance and environmental protection initiatives, and to fulfill our social responsibility, a “Corporate Governance and Sustainability Committee” was established through the resolution of the Board Meeting held on 08/10/2018 to assist the Board to continue promoting and implementing corporate social responsibility and sustainable management.</p> <p>(3) We have established the “methodology for evaluating the performance of the Board of Directors.” The evaluation will be given at the end of each year and the results will be posted on the Company’s website.</p> <p>(4) The Company makes regular evaluation of external auditors’ independence according to Corporate Governance Practices on the guidance of "Integrity, Objectivity and Independence" under The Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10.</p>	
4. Does the Company established a full- (or part-) time corporate governance unit or personnel to be in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors, handle matters relating to board meetings and shareholders’ meetings according to laws, handle corporate registration and amendment registration, produce (or record?) minutes of board meetings and shareholders meetings, etc.	✓		There is a dedicated corporate governance operating unit which is led by a vice president who has had 5 years of corporate governance experience while working for another public company. The major duties of the unit include collecting and sharing information on the latest laws or regulations regarding corporate management for the directors and assisting in matters related to regulatory compliance.	None

Item	Operation			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Implementation Status	
5. The Company's establishment of communication channel with shareholders, a related dedicated website on its company site, and due response for issues regarding social responsibility.	✓		The Company has set up a dedicated page for “Stakeholder Engagement” on its website under “Investors” that includes contact details for the Company Spokesperson, Deputy Spokesperson, and the Investor Relations Department. Issues regarding social responsibility are published on MOPS and the Company website.	None
6. The Company's commission of professional stock affair services to handle matters regarding the shareholders' meeting.	✓		Gfourtime Stock Agency has been commissioned.	None
7. Disclosure of information (1) Establishment of a corporate website to disclose information regarding the Company's financials, business, and corporate governance status. (2) Other information disclosure channels.	✓		(1) Information regarding the financials, business, and corporate governance status is available on the Company's website, (http://www.BizLinktech.com). The Company has designated personnel to handle required disclosure on Market Observation Post System and the Company's website. (2) The Company has designated appropriate personnel to handle the collection and disclosure of information. As required by relevant laws and regulations, the company has assigned a spokesperson and deputy spokesperson. In addition, investor conferences are held on a regular and irregular basis and new press containing operation results in Chinese and English are used to enhance the transparency of the Company.	None
8. Other important information for facilitating better understanding of the Company's corporate governance practices:	✓		(1) Employee Rights: Please see Labor Relations under Section Five-Operating Summary on page 73 to 94.” (2) Investor Relations, Stakeholder Engagement, and Supplier Relations: The Company uses MOPS and its website as channels to inform all parties of its operations. Additionally, the Investor Relations Department was established to better liaison with investors and stakeholders and also serves as Public Relations. A “Stakeholder Engagement” section was added onto the Company website. (3) Status of continued education for	None

Item	Operation			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Implementation Status	
			<p>directors and supervisors: All Board members and relevant supervisors participated in financial, business, and professional refresher courses. Please see page 27 for more details.</p> <p>(4) Implementation of risk management and risk evaluation: Internal regulations were established in line with regulatory laws, along with the performance of risk management and assessment.</p> <p>(5) Implementation of Customer Service Policy: The Company has Quality Assurance and Customer Support departments to provide transparency and streamline the resolution of service or product issues.</p> <p>(6) Status of the company purchased liability insurance for directors: The Company has purchased D&O Insurance for its directors.</p>	
9.	<p>The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange</p> <p>(1) Improvement status: Posting information regarding the diversification policy in the Board of Directors composition (fulfillment status from individual Board members on diversified core competence) is stated below:</p> <p>(2) Prioritized enforcements and measures: Web posting on information regarding the diversification policy for the composition of its Board of Directors (fulfillment status from individual Board members on diversified core competence).</p>			

Implementation of the diversification policy for the composition of its Board of Directors

Director	Position	Gender	Key diversified core competence							
			The ability to make judgments about operations	Accounting and financial analysis ability.	Business management ability.	Crisis control ability.	Industry knowledge.	An international market perspective.	Ability to lead.	Decision-making ability.
Hwa-Tse Liang	Chairman	M	V	V	V	V	V	V	V	V
Chien-Hua Teng	Director	M	V	V	V	V	V	V	V	V
Inru Kuo	Director	F	V	V	V	V	V	V	V	V
Yifen Investment Co., Ltd Representative of juristic person : Jui-Hsiung Yen	Director	M	V	V	V	V	V	V	V	V
Ming-Chun Chen	Independent director	M	V	V	V	V	V	V	V	V

Chun-Yen Chang (Note)	Independent director	M	V	V	V	V	V	V	V	V
Jr-Wen Huang	Independent director	M	V	V	V	V	V	V	V	V

Note: The Independent Director Chun-Yen Chang passed away in October 12, 2018. The vacancy is expected to be filled no later than the next election of Directors.

2. Continuing education of the directors and independent directors

Title	Name	Date of assumption of duty	Date of the first assumption of duty	Training date		Organizer	Class name	Training hours	Has continuing education complied with laws and regulations? (Note)
				From	To				
Director	Yifen Investment Co., Ltd Representative of juristic person : Jui-Hsiung Yen	2018/06/21	2018/06/21	2018/08/09	2018/08/09	TCGA	Strengthening Corporate Governance: Trade Secret Protection and Fraud Prevention	3	Yes
				2018/08/09	2018/08/09	TCGA	The latest trends and analysis of the Company Act amendments	3	
				2018/06/21	2018/06/21	TCGA	How Directors Review Financial Reports	3	
Director	Chien-Hua Teng	2018/06/21	2000/06/01	2018/10/20	2018/10/20	MAPECT	M&A Professional Training Program	6	Yes
				2018/06/21	2018/06/21	TCGA	How Directors Review Financial Reports	3	
Directors	Inru Kuo	2018/06/21	2000/06/01	2018/06/24	2018/06/24	MAPECT	M&A Professional Training Program	6	Yes
				2018/06/21	2018/06/21	TCGA	How Directors Review Financial Reports	3	
Independent director	Ming-Chun Chen	2018/06/21	2009/11/12	2018/12/25	2018/12/25	TCGA	How the Recent Company Act Amendments Affect Corporate Governance	3	Yes
				2018/06/21	2018/06/21	TCGA	How Directors Review Financial Reports	3	
Independent director	Jr-Wen Huang	2018/06/21	2012/06/12	2018/11/08	2018/11/08	SFI	The Impact of US-China Trade Conflict to Taiwanese Companies	3	Yes
				2018/08/02	2018/08/02	TCGA	The Impact to the Company's Board, Audit, and Compensation Committees from the Company Act Amendments	3	
				2017/06/21	2017/06/21	TCGA	How Directors Review Financial Reports	3	
Director	Hwa-Tse Liang	2018/06/21	2010/06/01	2018/06/24	2018/06/24	MAPECT	M&A Professional Training Program	6	Yes
				2018/06/21	2018/06/21	TCGA	How Directors Review Financial Reports	3	

Note: Comply with time, scope, system, arrangement and information disclosures stated in “Directions for the implementation of continuing education for directors and supervisors of TWSE Listed and GTSM Listed companies.”

(IV) The composition, responsibilities, and operation of the Compensation Committee:
The Board of Directors approved the establishment of a Compensation Committee on December 15, 2011, and formulated a “Compensation Committee Charter.” The responsibilities of the Compensation Committee are to formulate and discuss on a regular basis the performance of directors, supervisors, and managers, along with the policy, system, standard, and structure of compensation, while evaluating and determining the remuneration for directors, supervisors, and managers.

1. Member of Compensation Committee

Identity (Note 1)	Qualifications	Five or more years of work experience, together with the following professional qualification			is in conformity with independency (Note 2)								Number of listed companies concurrently served as member of Compensation Committee	Remarks (Note 3)
		An instructor or higher up in a department of commerce, law, finance, accounting or other academic department related to corporate business in a public or private college or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and has been awarded a certificate in a professional capacity that is necessary for corporate business.	Work experience in the field of commerce, law, finance, accounting, or otherwise necessary for corporate business	1	2	3	4	5	6	7	8		
Independent director	Ming-Chun Chen	-	-	V	V	V	V	V	V	V	V	V	0	None
Other	Chin-Teh Hsu	-	V	-	V	V	V	V	V	V	V	V	0	Resignation on March 13, 2019
Other	Chia-Jiun Cherng	-	-	V	V	V	V	V	V	V	V	V	0	None
Independent director	Jr-Wen Huang	-	-	V	V	V	V	V	V	V	V	V	0	Appointment on March 14, 2019

Note 1: Identity refers to director, independent director, or others.

Note 2: During the two years before being elected or joining the term office, directors or supervisors shall meet the following terms with “✓” mark.

- (1) Is not an employee of the Company; nor an employee of its affiliated enterprises.
- (2) Is not a director, supervisor of the Company nor an employee of its affiliated enterprises. Provided that this shall not apply where the director/supervisor is an independent director of the Company or its parent company, and any company of which over 50% of shares with voting right are held by the Company directly or indirectly.
- (3) Natural shareholders who are not any persons other than the director / supervisor, and the director’s / supervisor’s spouse or minor children possessing more than 1% of the Company’s total issued shares, or natural shareholders who possess more than 1% of the Company’s total issued shares in the name of another person, or top ten natural shareholders.
- (4) Other than spouses, relatives within 2nd degree relationship or lineal relatives within 3rd degree relationship of the personnel referred to in the preceding three subparagraphs.
- (5) Is not a director, supervisor, or employee of a juridical individual shareholder who directly owns more than 5% of the Company’s outstanding shares; nor a director, supervisor or employee of a top five juridical individual shareholder who is an owner of

Company issued shares.

- (6) Is not a director, supervisor, or officer of a company which has a business relationship with the Company; nor a shareholder who owns more than 5% of such a company.
- (7) Is not a professional individual, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the company, or a spouse thereof.
- (8) Not any of the circumstances in the subparagraphs of Article 30 of the Company Act.

Note 3: If the member is a director, please specify conformity with Article 6.5 of "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company whose Stock is listed on the Stock Exchange or traded Over the Counter."

2. Compensation Committee meeting status

- (1) The Company has 3 members in the Compensation Committee.
- (2) Term of office: June 21, 2018 to June 20, 2021. Two meetings were convened in the current calendar year, with the qualification and attendance of members as follows:

Title	Name	Attendance in person	Frequency of proxy-attendance	Attendance rate in person (%)	Note
Convener	Ming-Chun Chen	2	0	100%	
Auditors	Chin-Teh Hsu	2	0	100%	
Auditors	Chia-Jiun Cherng	2	0	100%	
Other notes (1) The Compensation Committee is responsible for enhancing the corporate governance, strengthening the Board functions, assisting the Board to execute and evaluate the general remuneration and beneficial policies, and the remuneration for managers. (2) If the recommendation of the Compensation Committee is denied by the Board of Directors, meeting minutes shall record the date and session of the board meeting, the content of the resolution, and the response of the Company regarding the opinion of the Compensation Committee: None. (3) If any member of the Compensation Committee denied the resolution or expressed opinions put in writing, meeting minutes shall record the date and session of the meeting, the content of the resolution, the members' opinions, and the response regarding the opinion of the members: None.					

3. Major Resolutions of the Compensation Committee Meetings in 2018

Time	Major Subject	Company Reaction Base on the Opinion of the Compensation Committee	Resolution
March 13, 2018 The 1 st Compensation Committee Meeting	(1) Approved Year 2017 Remuneration Proposal for Directors. (2) Approved Year 2017 Incentive Pay Proposal For Employees.	Not applicable	Approved by all attendees of the Committee
Nov. 9, 2018 The 6 th Audit Committee Meeting	Approved the 2018 Distribution Proposal of "Phantom Stock Plan for Selected Managers".	Not applicable	Approved by all attendees of the Committee

(V) The implementation of social responsibility

Item	Operation			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Implementation Status	
<p>I. Actualizing the promotion of corporate governance policies</p> <p>1. Condition where the Company sets forth corporate social responsibility policies or regulations and examines performance results from the implementation.</p> <p>2. The Company's promotion of corporate social responsibility by holding regular related trainings.</p> <p>3. The Company's establishment of a dedicated Board authorized task force, to promote corporate social responsibility and present relevant reports to the Board.</p>	✓		<p>1. The Company's establishment of "Corporate Social Responsibility Best Practices" to stipulate employee policy with code of conduct and regulations, ensuring safe and clean environment as well as safekeeping of hazardous materials (regarding energy, production material and waste). The Company will also conduct regular reviews held by the task force and associated departments.</p> <p>2. The Company has designated instructors and arranged routine trainings on corporate social responsibility.</p> <p>3. A "Corporate Governance and Sustainability Committee" was established through the resolution of the Board Meeting held on 08/10/2018, chaired by Mr. Chien-Hua Teng and staffed by two independent directors. The Committee is subdivided into four task forces covering corporate governance, economics, society, and environment to continue promoting and implementing corporate social responsibility and sustainable management to achieve better corporate governance, environmental protection, and fulfill social responsibility. The committee will hold relevant discussions regularly and make no less than one report to the Board Meeting every year.</p> <p>Project planning and job description Our CEO Office is in charge of assuring the Company's commitments to the society, covering employee relations, staff care, corporate governance, environmental protection and public welfare. Moreover, special attention will be paid to social and environment responsibilities, including regulation compliance, job security, workplace health and safety, green product and environmental impact, as well as customer requirements and satisfaction.</p>	None
4. The Company's establishment of a			4. The Company has established a sound	

Item	Operation			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Implementation Status	
sound salary and compensation policy connecting employee performance evaluations to corporate social responsibility and delineating a clear and effective review system.			salary and compensation policy connecting employee performance evaluations to corporate social responsibility. Employees will be rewarded when participating in community activities or benefiting others significantly.	
<p>II. Develop sustainable environments</p> <p>1. Condition where the Company is devoted to enhancing the effective use of all resources and making use of recycled materials that pose the least impact to the environment.</p> <p>2. Condition facilitating the Company establishment of an appropriate environment management system compliant with industry characteristics</p>	✓		<p>1. The Company has established effective waste management procedures that separate waste into three types in accordance with their natures and entrust certified waste management services for disposition and recycling. Environmentally friendly materials are chosen during product development (the Company halted the use of Styrofoam in 2015).</p> <p>2. The Company’s product line includes connecting wires, connectors, solar junction boxes, wire harnesses and cables, and optical components. The Company is dedicated to establishing the optimal environment management system to fulfill environmental protection responsibilities by insisting on pollution prevention and continuous improvement of green product manufacturing while implementing Quality Management Systems to promote social development and enhance operational efficiency.</p> <p>Certifications:</p> <p>(1) ISO 14001:2004 Environment Management System: plants that receive the certificate include Shenzhen plants (Xiang Yao, Bizconn, TongYing), Queen Mao, OptiWorks, BizLink Electronics and Malaysia plant for implementation measures on energy saving, environment protection, and waste disposition. This builds a foundation for the continuous improvement of procedures to reduce environmental hazards for long term ecological balance.</p> <p>(2) Microsoft certification laboratory: Laboratory Accreditation for OEM (ISO/IEC 17025) and testing laboratory for lead and hazardous materials</p> <p>(3) Environment protection plant:</p>	None

Item	Operation			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons												
	Yes	No	Implementation Status													
3. The Company's awareness of impacts from climate change to business activities, implementation of greenhouse gas inventory, stipulation of a strategy for energy conservation, as well as carbon and greenhouse gas reduction.			<p>Certifications for EU RoHS (Restriction of Hazardous Substances Directive) and OHSAS 18001 occupational health and Safety environmental plant</p> <p>3. To ensure that the production and manufacturing processes of our halogen free materials conform with the European RoHS Standards an environment evaluation report and sewage discharge permission were obtained before establishing a halogen free material production plant. In addition, industry waste such as the residue of ink solvent from processing wire harnesses, stamping process, and chemical residue from the maintenance of mold and injection molding machines is relatively low, and has been approved by the QC080000 Hazardous Substance Process Management system. The Company takes corporate social responsibility seriously; and strives to conform with environmental protection standards by reducing its’ carbon footprint every step of the way.</p> <p>Greenhouse gas emission for the past two years:</p> <p style="text-align: right;">Unit: CO2e tons</p> <table><tr><th>Year</th><th>2017</th><th>2018</th></tr><tr><td>Direct emission</td><td>1,328.85</td><td>1,441.38</td></tr><tr><td>Indirect emission</td><td>18,633.84</td><td>30,719.18</td></tr><tr><td>Total emission</td><td>19,962.70</td><td>32,160.56</td></tr></table> <p>The current inventory checks were conducted in the Kunshan and Shenzhen. Changzhou, Xiamen sites were included from 2017. All China sites are planned to be included in inventory check eventually.</p> <p>In-house R&D procedures were executed in order to reduce energy usage and greenhouse emissions. Reduction target for energy intensity: 10% of energy intensity decrease by 2025 compared to the intensity in 2017.</p> <p>Reduction target for greenhouse gas emission: 2% emission intensity decrease from that of the previous year.</p>	Year	2017	2018	Direct emission	1,328.85	1,441.38	Indirect emission	18,633.84	30,719.18	Total emission	19,962.70	32,160.56	
Year	2017	2018														
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Item	Operation			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Implementation Status	
<p>III. Maintenance of social welfare</p> <p>1. The Company's complies with relevant laws and regulations, and the International Bill of Human Rights to establish related management policies and procedures.</p> <p>2. The Company's establishment of due mechanism and channels handling employee complaints.</p> <p>3. The Company's offers a safe and healthy working environment for its employees and provides safety and health education regularly..</p> <p>4. The Company establishment of an internal communication platform to , notify employees of any significant operational changes.</p>	✓		<p>1. To conduct due diligence on human rights issues and stipulate related management policies and procedures the Company has conformed with the International Bill of Human Rights; including the U.N. "Universal Declaration of Human Rights" and "Labor Standard from ILO". The Company has also established the "Business and Human Rights: Protect, Respect and Remedy Framework" and "Guiding Principles" to support this initiative.</p> <p>2. To address this issue, the Company has created "Management Practices for Employee Complaints" located in the employee handbook. In principle, claimants shall appeal via chain of command system. For extraordinary matters, employees are allowed to appeal via channels that he or she finds appropriate.</p> <p>3. The Company aims to provide a secure, healthy and comfortable working environment for the employees. A healthy environment will be achieved by promoting the right mindset, sound bodies and sound minds. In addition to employee health, BizLink conducts safety tests and hygiene education sessions on a regular basis. Regulations and related files regarding worker safety and hygiene are made available for viewing on internal website.</p> <p>4. Diverse channels to communicate with employees and provide business strategy updates: (1) To facilitate bi-directional communication within managerial layers: all-manager meetings are held every six months. (2) Each subsidiary maintains a presidential mailbox: employees can send all suggestions directly to the mailbox. (3) Internal network communication system: the internal network keeps all information for future search and updates timely new release, product</p>	None

Item	Operation			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Implementation Status	
<p>5. The availability of effective career development plans employees.</p> <p>6. The Company's creation of consumer rights policies and communication channels regarding its processes on R&D, procurement, production, operational processing and service.</p> <p>7. The Compliance of relevant laws, regulations and international guidelines when marketing or labeling its' products.</p> <p>8. The Company's verification of records pertaining to its' suppliers' negative impact on the environment and society.</p>			<p>information and management policies.</p> <p>5. Personality & aptitude tests will be given to newly-hired college graduates when during the on-boarding process. Guidance regarding career paths will be provided after. A dual promotion system is adopted for existing staff to develop their career in a professional or management field based on personal will and characteristics. Four-month training, including on-job education and rotation, will be required for a new manager to strengthen their management capabilities.</p> <p>6. With a core value of integrity and being customer oriented, the Company considers customers to be partners and aims to create mutual benefits for both parties. The Customer Service department is responsible for customer complaints, and conducts an annual satisfaction survey for continuous improvement.</p> <p>7. The Company has established "Corporate Social Responsibility Best Practice Principles" in addition to following the related regulations and international standards regarding the marketing and labeling of its' services and products.</p> <p>8. To encourage supplier corporate social responsibility, suppliers must comply with the "Guarantee for maintaining corporate social responsibility" policy. Before engaging with BizLink, the suppliers must obtain the corresponding environment protection document and ROHS certification. Prior impact on environment and society from the suppliers is evaluated on the below criteria:</p> <p>(1) Availability of technology, quality criteria and testing methodology for raw materials</p> <p>(2) Availability of conducting quality system examinations on material vendors</p> <p>(3) Completed records when making orders to qualified vendors</p> <p>(4) Availability of tracking procurement</p>	

Item	Operation			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Implementation Status	
9. The Company's capability to terminate contracts with its suppliers any time the supplier has violated such policy or has caused significant negative impact on the environment and society.			<p>procedures</p> <p>(5) Availability of environment protection labeling on packaging</p> <p>(6) Availability of signing eco-friendly agreement with raw material suppliers'.</p> <p>(7) Records of violating environmental protection and social responsibility.</p> <p>9. The Company has included its corporate social responsibility in supplier contracts. The Company has the right to terminate a contract any time a supplier violates any of the policy stated below or makes significant negative impact to the environment and society. Terms and conditions:</p> <p>(1) Based on "Raw Material Procurement Contract", the Company stipulates environmental protection standards, termination clauses and associated damages with the vendor. These require that the supplier conduct business activities with due consideration of labor health and safety, friendly working environment, legal compliance, code of ethics, EICC qualification and ban on using metal from controversial mining areas.</p> <p>(2) According to suppliers' "Guarantee for maintaining corporate social responsibility", vendors shall not apply materials from controversial mining areas. However, vendors shall comply with all related laws and regulations, as well as related standards covering employee management, health and safety, environment and ethics. Vendors will also understand the Company's right to terminate any transaction when violating corporate social responsibility.</p>	
IV. Reinforce information disclosure The Company's disclosure regarding status of corporate social responsibility on its website and Market Observation Post System.	✓		The Company has voluntarily compiled the Corporate Sustainability Reports starting from 2018. Our 2019 Report is certified by a third party based on the latest GRI standards to present the Company's efforts on sustainable development. The report will be open for public viewing under https://www.bizlinktech.com/zh-tw/about/corporate	None

Item	Operation			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Implementation Status	
V. If the company has established its corporate social responsibility code of practice in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE / GTSM-Listed Companies" please describe the operational status and differences: None. The Company has long upheld integrity as its core value and integrated corporate social responsibility to its daily business activities and management. The Board approved the "Corporate Social Responsibility Best Practices" policy to facilitate our implementation of the concept and fulfill our promise to society.				
VI. Other important information to facilitate better understanding of the Company's implementation of corporate social responsibility (e.g., environmental protection, community participation, social contribution, social services, social welfare, consumer rights, human rights, and safety and health): 1. Employee rights and employee care: Please refer to labor-management relations in the business operation section of the annual report. 2. Rights of the shareholders: There is an open communication channel with banks, employees, consumers and suppliers, whose legitimate rights are respected and maintained. In addition, there is a spokesperson, deputy spokesperson, and litigation and non-litigation agent available for the Company. The Company provides shareholders with honest financial and business records to protect the rights of shareholders. The Company's transactions with subsidiaries follow strictly by “Administrative measures governing related party transactions” and “Procedures governing the monitoring and management of subsidiaries”. 3. Environmental protection: In addition to following global design and manufacturing trends, responding to the demands of RoHS, HSF (Hazardous Substances Free) of the Company, and customers so as to ensure that the Company’s products satisfy international standards and customers’ requirements, the Company complies strictly with the Trash Clearance Act, Water Pollution Controls Act and Air Pollution Controls Act to protect environmental quality. 4. Community participation, social contribution, social services and social welfare: donations to social groups, participation in educational, welfare and cultural activities and implementation of corporate social responsibilities: (1) BizLink has sponsored aerospace R&D projects chaired by Profession Zong-Xin Wu from the National Chiao Tung University, and teamed up with students from NCTU Mechanical Engineering Department, Taipei Tech Electronic Engineering Department, and NCUT Department of Engineering Science from the Advanced Rocket Research Center (ARRC) since 2016. A total of NT\$ 200,000 was granted to create locally-developed satellite carriers in 2018. A rocket developed by ARRC was successfully launched on 12/01/2018, and although the recycle system did not open as expected, this has started a new era for spaceship development in Taiwan. The Company will closely follow-up on the projects’ progress, and provide professional assistance. (2) Sponsoring children's baseball summer camp to allow them experience new technology The Company made a NT\$ 50,000 donations to the Steam Professional Organization that hosted a summer camp to provide disadvantaged school children from remote areas with professional assistance and an opportunity to develop their talents in order to help bridge educational gaps. The Company sponsored 12 players from the baseball team of Bei-Nan Elementary School in Taitung County to participate in the SuperCamp, where they learned about fundamental skills associated with modern technologies such as the principle of robots, programming, and drones under the guidance of professional teachers and enthusiastic volunteers. The purpose of the camp is to foster interaction between children from rural and urban areas so that they can all learn new knowledge. (3) Continuing support for vulnerable children and related charity organizations Love knows no bounds, so BizLink pays extra attention to children’s welfare and medical care. The Company is a long-time donor to NPOs such as UNICEF, World Vision, Doctors Without Borders (Médecins sans frontières), Washington Hospital for building of emergency and intensive care facilities, S.G. Komen Breast Foundation, Friends of Children with Special Needs (FCSN), UCSF Children Hospital, Smile Train Cleft Lip and Palate Children's Charity, etc. Total donations given during 2018 was US\$ 114,000.				

Item	Operation			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Implementation Status	
5. Consumer rights: Improve the Company’s competitiveness by providing aggressive, efficient, and effective services to meet the satisfaction of existing and potential customers.				
6. Human rights: the Company offers equal opportunity to all genders, religious groups, and political parties, and provides a working environment free of discrimination and harassment.				
7. Occupational safety and health: The Company provides the best safety and health environment so as to comply with the Labor Safety and Health Act (please refer to Labor safety and health code of practice for details).				
8. Public organizations: The Company shares its experiences in public organizations and seminars in hopes of enhancing industry competitiveness and contributing to a better society.				
VII. Other information regarding products or the "Corporate Social Responsibility Report" which are verified by certification authority shall be specified: An independent third party (SGS Taiwan Ltd.) has been engaged to provide assurance for AA 1000 AS (2008) type 1, Moderate -level accountability and GRI Standards disclosure in accordance with Core Option.				

(VI) The implementation of integrity management and the responsive measures

Item	Operation			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	No	Implementation Status	
<p>I. Establishment of corporate ethical conduct policy and implementation measures</p> <p>1. The Company’s guidelines on corporate ethical conduct policy are provided in internal policy and disclosed publicly. The Board of Directors and management team demonstrate their commitment to implement the policies.</p> <p>2. The Company sets forth policies to prevent unethical conduct. The implementation of the relevant procedures, guidelines and training mechanism are provided in the policies.</p> <p>3. The Company's protection measures regarding activities that are at a possible higher risk of unethical conduct or described under Article #7.2 under "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies".</p>	✓		<p>1. In our “Ethical Corporate Management Best Practice Principle,” information regarding the related policies with practices and the commitment to implement the operating policies from the Board and the top management have been disclosed. Our “Ethical Corporate Management Best Practice Principle” and “Procedures for Ethical Management and Guidance on Conduct” have been available on the internal employee website, the company website and the Market Observation Post System.</p> <p>2. The Company formulated “Procedures for Ethical Management and Guidelines for Conduct” which governs the important matters when conducting business and covers the reporting of improper conducts both internally and externally, including whistleblower protection and their associated handling.</p> <p>3. The Company’s “Procedures for Handling Material Inside Information” and “Employee Practices” sets forth restrictions on revealing any material insider information by directors, management, and employees to others, along with restrictions on inquiring about or collecting any material insider information that is not related to his/her scope of responsibility, with any material insider information arising from non-implementation of business not being revealed to others. Bribery, corruption, providing illegal political contributions, improper charitable donations or sponsorship, unreasonable gifts, services or other improper benefits are restricted during business operations. Employees, management and directors shall be aware of “Procedures for Handling Material Insider Information” and “Employee Practices” to avoid unethical conduct.</p>	None
II. Carry out corporate conduct and ethical operation	✓			None

Item	Operation			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	No	Implementation Status	
<p>1. Conditions where the Company shall prevent doing business with those who have unethical records and include clauses with ethical conduct in the business contract.</p> <p>2. Conditions where the Company sets up full (part) time department to promote the operation of corporate ethical conduct policy and oversee by the Board of Directors.</p> <p>3. Conditions where the Company sets forth policy to prevent conflict of interest and provide appropriate communication channels.</p> <p>4. Conditions where the Company establishes effective accounting system, internal control system and internal auditing for the implementation of ethical conduct.</p> <p>5. Availability of internal and external training programs regarding ethical corporate practice.</p>			<p>1. Any agreements/contracts signed between the Company and an outside party shall include an ethical operation policy, and the Company may at any time terminate or cancel the agreement/contract should there be unethical conduct by the counterparties.</p> <p>2. To perfect the management of an ethical corporation, the Company has followed the “Ethical Corporate Management Best Practice Principle” to set the "CEO Office" as the task force unit and designated our General Manager, Mr. Chien-Hua Teng, as the convener to carry out the associated tasks, including formulating the operations and prevention, and the follow-up supervision. The implementation level varies depending on each division’s operating nature and responsibility. A regular report of the implementation status will be sent to the Board for review each year.</p> <p>3. To prevent conflict of interest and to provide suitable complaining channels, the Company has formulated and implemented the “Procedures for Ethical Management and Guidance on Conduct.”</p> <p>4. Formulate and implement ethical corporate management best practices for management and employees, and internal control systems for related party transactions and insider transactions; All cooperation parties are required to sign a Letter of Undertaking of Integrity, and no kickbacks, commissions, or unethical conduct are allowed. In addition to regular auditing, any verified and confirmed reporting shall immediately be communicated to the Audit Committee and Board of Directors to ensure the efficiency of the system.</p> <p>5. In 2018, the total training on ethical management, including employee ethics, patent retrieval, and information security/risk conducted by the Company internally and externally was 363.5 hours, involving 136 people. More education will be provided to continue increasing employee awareness on the subject.</p>	
III. Condition where the Company establishes appropriate punishment				None

Item	Operation			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Implementation Status	
<p>and complaint system for reporting of any ethical irregulars.</p> <p>1. The Company's establishment of a complaint and reward system with a convenient reporting functions and dedicated personnel for reported person.</p> <p>2. The Company's establishment of handling procedures and protection mechanisms for reported cases.</p> <p>3. The Company's establishment of measures to protect the whistleblowers from improper treatment.</p>			<p>1. The Company has made mailboxes available for employees and suppliers to send complaints. These mailboxes are disclosed in the employee handbook and the honest supplier contract. The internal audit department will conduct an investigation after receiving complaints and report the findings to the Company. Disciplinary action will be taken when necessary. Under HR policy, the corporate integrity policies have been linked to employee performance evaluations in an effort to establish a clear, rewarding and disciplinary system.</p> <p>2. The Company has established a handling procedure for non-integrity events. After an receiving a complaint, the Company or the group will assign special personnel or a review committee to conduct a private investigation. The handling personnel shall not release the identification of the whistleblower to protect his or her safety. If leaked, action will be taken in the same manner as giving out major company classified information.</p> <p>3. The Company's responsibility to handle the whistle-blowing matters:</p> <p>(1) The whistleblower shall take full responsibility of the reported content to prevent fabrication and exaggeration of facts for malicious reasons. If the investigation findings do not agree with the accusation, the Company may apply the heaviest punishment or take litigation action against the whistleblower.</p> <p>(2) The handling personnel shall take full responsibility for the entire procedures and the result. If any unfair treatment or improper disclosure is found, the Company may apply the heaviest punishment to the personnel and his or her supervisor, or take litigation for pursuing legal responsibility.</p> <p>(3) If personnel involved in this investigation are found perjuring or misreporting the Company may apply the heaviest punishment or take</p>	

Item	Operation			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	No	Implementation Status	
			litigation action against him/her. (4) Retaliation to the whistleblower is not permitted. The Company may apply the heaviest punishment to or take litigation action against the retaliating party. (5) Parties involved who do not object to the verdict of the arbitration but refuse to perform the resulting tasks may to be forcibly removed by the Company or subject to other disciplinary actions.	
IV. Reinforce information disclosure The Company's disclosure on its Ethical Corporate Management Best Practice Principles and information regarding the status of implementation on its website and Market Observation Post System.	✓		The company maintains a corporate website (http://www.BizLinktech.com) where relevant information relating to the Company's financials, business, and corporate governance is updated on a regular basis.	None
V. If the company has established ethical corporate management best practices Principles for TWSE/GTSM Listed Companies and Ethics Best Practices Principles please describe any discrepancy between the policies and their implementation: None.				
VI. Other important information to facilitate better understanding of the Company's corporate ethical conduct compliance practice (i.e. Promote and demonstrate the Company's commitment to ethical standard and provide training to its business partners; review the Company's corporate ethical conduct policy. The Company invites its business partners to participate in regular educational training and promotional activities and facilitate their understanding of the Company's commitment, policy, avoidance measures for ethical operations, and the outcome of violations.				

(VII) Information shall be provided for any further corporate governance best practices and regulations

The Board of Directors resolved the revision of “Ethical corporate management best practices” on March 13, 2014, with relevant information detailing corporate governance rules, resolutions of the Board of Directors, and material information being available on June 11, 2014, on the Company's website (<http://www.BizLinktech.com>) once approved by the resolution of a shareholders' meeting.

(VIII) Other important information to facilitate better understanding of the company's corporate governance practices.

An investor conference is convened for the disclosure of any material information to maintain the transparency of information. The audit Committee is comprised of three independent directors to carry out best corporate governance practices. Corporate governance practice updates and rules will be available on the Company's website once approved by the resolution of the shareholders' meeting.

(IX) The following disclosure is required for the practice of Internal Control:

1. Statement of Internal Control

BizLink Holding Inc.

Statement of Internal Control

Date: March 14, 2019

Based on the findings of a self-assessment, the Company stated the following with regard to its internal control system during the fiscal year 2018:

- I. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurances concerning the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability of our financial reporting, and compliance with applicable laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, and 5. Monitoring. Each key component includes various criteria. Please refer to "Regulations" for the criteria.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the Regulations.
- V. Based on the findings of such evaluation, the Company believes that, on December 31, 2018, we have maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), so as to provide reasonable assurances concerning our operational effectiveness and efficiency, the reliability of financial reporting, and compliance with applicable laws and regulations.
- VI. This Statement will be an integral part of the Company's Annual Report and Prospectus, and will be made public. Any falsehoods, concealments, or other illegalities in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
- VII. This Statement was passed by the Board of Directors in their meeting held on March 14, 2019, with none of the six attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

BizLink Holding Inc.

Chairman: Hwa-Tse Liang

Chief Executive Officer: Chien-Hua Teng

(X) Violation of internal control policy: None

(XI) The major Resolutions of Shareholders' Meeting and Board Meetings of the current calendar year as of the date of this annual report.

1. Major Resolutions of Shareholders' Meeting

Time	Major Subject
06.15.2017 Shareholder meeting	(1) Approved 2016 business report and final accounts (2) Approved 2016 earnings distribution (3) Approved the revision of "Procedures for the Acquisition or Disposal of Assets" (4) Approved the issuance of new common shares for cash and/or issue new common shares for cash to sponsor the GDRs Offering (5) Approved the issuance of new common shares for cash through private placement

2. Major Resolutions of Board Meetings: Please see pages 21~24 in Chapter Three. Corporate Governance

3. Review of resolution implementation from the 2018 general shareholders' meeting
2018 Annual General Meeting was held on June 21, 2018, B2 Meeting Room, No. 726 Zhongzheng Rd., Zhonghe Dist., New Taipei City. The resolutions shareholders present in person or by proxy approved at the meeting and implementation status are as the following:

Resolutions	Implementation Status
(1) Approved 2017 earnings distribution	• Total profit sharing made for 2017 operation included NT\$ 9,132 thousand distributed as director remuneration, NT\$ 52,188 thousand distributed as employee bonus and NT\$ 809,210 thousand as cash dividends.
(2) Approved 2017 business report and final Statements.	For the year of 2017, the Company made an annual sale of NT\$ 15,599,207 thousand and a net income of NT\$ 1,162,465 thousand with an EPS of NT\$ 10.68 per share.
(3) Approved the revision of "Procedures for the Acquisition or Disposal of Assets".	Executed as resolved.
(4) Approved the Amendment to the Company's Articles of Association.	Executed as resolved.
(5) Approved the issuance of new common shares for cash and/or issue new common shares for cash to sponsor the GDRs Offering.	Executed as resolved.
(6) Approved the issuance of new common shares for cash through private placement.	Executed as resolved.

(XII) In the recent calendar year and up to the date of the publication of the annual report, if there is a disagreement that was already recorded or announced by statement among

board directors or supervisors concerning material decisions approved at a board meeting, along with the major content of those disagreements: None.

- (XIII) In the recent calendar year and up to the date of the publication of the annual report, the disclosure of the resignation or dismissal of any directors, managers, accounting managers, finance manager, internal auditing managers, or R& D managers: None.

IV. Information on Accountant's Fee

- (I) Numerical range of accountant's fee

Certified Public Accountants	CPA	Auditing period	Note
Deloitte & Touche	Angus Chang Cheng-Chun Yu	2018.1.1 -2018.12.31	None

Range \ Items		2017		
		Auditing fee	Non-auditing fee	Total
1	Below \$2,000,000	-	-	-
2	\$2,000,000 (included) ~ \$4,000,000	-	V	-
3	\$4,000,000 (included) ~ \$6,000,000	-	-	-
4	\$6,000,000 (included) ~ \$8,000,000	-	-	-
5	\$8,000,000 (included) ~ \$10,000,000	-	-	-
6	Above \$10,000,000 (included)	V	-	V

- (II) formation on Accountant's Fee

Unit: NT\$ Thousands

Certified Public Accountants	CPA	Auditing fee	Non-auditing fee					Auditing period by CPA	Note
			System design	Business registration	Human resource	Others (Note 2)	Sub-total		
Deloitte & Touche	Angus Chang Cheng-Chun Yu	12,750	0	0	0	2,550	2,550	2018.01.01-2018.12.31	Advisory services, Tax consuladation services

Note 1: In the recent calendar year, if there was a change in accountants or the accounting firm, please specify the inspection period, the reasons for the change, and the auditing and non-auditing fees: None.

Note 2: Non-auditing fees shall be recorded in accordance with service types, with detailed information being specified if "others" exceeded 25% of the non-auditing fee: None.

- (III) Change in accounting firm and the audit fee is less than the previous year: None.
- (IV) A decrease over 15% from the previous year in the audit fee: None

V. Change of Accountant: In compliance with regulatory requirements on rotation, the certified public accountant was replaced in 2018.

VI. Declaration of the Company's Chairman, President, or any finance and accounting officers ever holding a position in the accounting firm or its affiliates of the company's CPA: None

VII. Declaration of share transfers and pledges by directors, supervisors, and

shareholders holding more than 10% of the company shares, in last fiscal year and year to date of the annual report publication

(I) Shareholding changes for directors, supervisors, managers and major shareholders
Unit: In shares

Title	Name	2018		As of April 23, of this year	
		Increase (Decrease) in shareholding	Increase (Decrease) in share pledge	Increase (Decrease) in shareholding	Increase (Decrease) in share pledge
Chairman	Hwa-Tse Liang (Note 1)	45,663	0	0	0
Director	Inru Kuo (Note 1)	453,554	600,000	(66,000)	0
Director	Chien-Hua Teng	14,391	0	(27,000)	0
Director	Yifen Investment Co., Ltd Representative of juristic person : Jui-Hsiung Yen	0	0	0	0
Independent director	Ming-Chun Chen	(1,856)	0	0	0
Independent director	Chun-Yen Chang	0	0	0	0
Independent director	Jr-Wen Huang	0	0	0	0
Vice President	Chia-Cheng Lin	0	0	0	0
Vice President	Chen-Shen Chou	9,621	0	0	0
CFO	Shiou-Lin Chen	23,734	0	0	0

Note 1: Including shares of Hwa-Tse Liang and Inru Kuo Family Trust, and Liang Family Irrevocable Trust

Note2: The Independent Director Chun-Yen Chang passed away in October 12, 2018. The vacancy is expected to be filled no later than the next election of Directors.

(II) Related party transactions for shareholding transfers: None

(III) Related party transactions for shareholding pledges: None

VIII. Information on the top 10 shareholders who meet the related party disclosure terms

Declaration of relationships among top 10 shareholders per defined in the Statement of Financial Accounting Standards No. 6, or if spouse or relatives within the 2nd degree of kinships to each other

April 23, 2018

Name	Personnel stockholding		Shareholding by spouse and minor children		Shareholding under another's name		Name and relationship of a related party or spouse or relatives within second degree of kinship with the top 10 shareholders.		Note
	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Name	Relation	
Hwa-Tse Liang and InRu Kuo Family Trust	8,624,427	7.28%	0	0	0	0	Hwa-Tse Liang Inru Kuo	Trustee	Note
JPMorgan in Custody for Stitching Depositary APG Emerging Markets Equity Pool	5,199,000	4.39%							
Liang Family Irrevocable Trust	5,137,245	4.34%	0	0	0	0	Hwa-Tse Liang Inru Kuo	Trustee	Note
Cathay Financial Holdings Co.,Ltd.	5,016,919	4.23%	0	0	0	0	Not applicable	Not applicable	-
Fubon Life Insurance Co., Ltd.	4,396,000	3.71%	0	0	0	0	Not applicable	Not applicable	-
InRu Kuo	2,385,629	2.01%	730,155	0.62%	0	0	Chun-Pin Liang	Relatives within 2nd degree relationship	-
New Labor Pension Fund	2,313,091	1.95%	0	0	0	0	Not applicable	Not applicable	-
Chun-Pin Liang	2,298,132	1.94%	85,803	0.07%	432,002	0.36%	Hwa-Tse Liang Inru Kuo	Relatives within 2nd degree relationship	
Deutsche Bank in Custody for Richard small company stock trust investment account	1,986,000	1.68%	0	0	0	0	Not applicable	Not applicable	
Deutsche Bank in Custody for the U.S. Pension & Emerging Market Fund	1,962,000	1.66%	0	0	0	0	Not applicable	Not applicable	

Note 1: The mutual shareholding of trust is held by Hwa-Tse Liang and Inru Kuo, also including the Hwa-Tse Liang and Inru Kuo Family Trust, created on April 15, 1999, and Liang Family Irrevocable Trust.

**IX. Declaration of shareholdings and the accumulated holding percentages on investments
by the company, directors, supervisors, managers, direct, or indirect subsidiaries**

12/31/2017 Unit: shares; %

Reinvestment business	The Company's investment		Director, supervisor, manager and direct or indirect controlled business that reinvests		Comprehensive investment	
	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %
BIZLINK TECHNOLOGY INC.	10,000	100%	0	0%	10,000	100%
OPTIWORKS, INC.	1,400	100%	0	0%	1,400	90.58%
BIZLINK (BVI) CORP.	50,000	100%	0	0%	50,000	100%
BIZLINK INT'L CORP.	70,000	100%	0	0%	70,000	100%
ZELLWOOD INTERNATIONAL CORPORATION	2,500,000	100%	0	0%	2,500,000	100%
BIZLINK TECHNOLOGY (S.E.A.) SDN. BHD.	1,200,000	100%	0	0%	1,200,000	100%
ADEL ENTERPRISES CORPORATION	1,650,000	100%	0	0%	1,650,000	100%
BIZLINK TECH, INC.	180,000	100%	0	0%	180,000	100%
ACCELL CORPORATION	10,000	100%	0	0%	10,000	100%
BIZLINK TECHNOLOGY (IRELAND) LTD.	300,000	100%	0	0%	300,000	100%
ビズリンク株式会社	200	100%	0	0%	200	100%
BIZLINK WIDE LIMITED	10,000	100%	0	0%	10,000	100%
BIZCONN TECHNOLOGY INC.	-	100%	0	0%	-	100%
EA CABLE ASSEMBLIES (HONGKONG) CO., LIMITED	10,000	100%	0	0%	10,000	100%
EA CABLE ASSEMBLIES GMBH	1	100%	0	0%	1	100%
BIZLINK TECHNOLOGY (BELGIUM) N.V.	915	100%	0	0%	915	100%
BIZLINK TECHNOLOGY (SLOVAKIA) S.R.O.	Note 1	100%	0	0%	Note 1	100%
OW HOLDING INC.	1,505,120	90.58%	0	0%	1,505,120	90.58%
BOBI, LLC.	Note 1	100%	0	0%	Note 1	100%
JO YEH COMPANY LIMITED	10,000	100%	0	0%	10,000	100%
BIZCONN INTERNATIONAL CORPORATION	1,666,667	100%	0	0%	1,666,667	100%
ASIA WICK LTD.	1,000	100%	0	0%	1,000	100%
BIZLINK INTERCONNECT TECHNOLOGY (INDIA) PRIVATE LIMITED	100,000	100%	0	0%	100,000	100%
BIZLINK TECHNOLOGY SRB D.O.O.	Note 1	100%	0	0%	Note 1	100%
BIZCONN (SHENZHEN) INTERNATIONAL CORP.	Note 1	100%	0	0%	Note 1	100%
TONGYING ELECTRONICS (SHEN ZHEN) LTD.	Note 1	100%	0	0%	Note 1	100%
OPTIWORKS (SHANGHAI) CO., LTD.	Note 1	90.58%	0	0%	Note 1	90.58%
OPTIWORKS (KUNSHAN) CO., LTD.	Note 1	90.58%	0	0%	Note 1	90.58%
XIANG YAO ELECTRONICS (SHEN ZHEN) CO., LTD.	Note 1	100%	0	0%	Note 1	100%
HUA ZHAN ELECTRONICS (SHENZHEN) CO., LTD.	Note 1	100%	0	0%	Note 1	100%
BIZLINK (KUNSHAN) CO., LTD.	Note 1	100%	0	0%	Note 1	100%

Reinvestment business	The Company's investment		Director, supervisor, manager and direct or indirect controlled business that reinvests		Comprehensive investment	
	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %
BIZLINK ELECTRONICS (XIAMEN) CO., LTD.	Note 1	100%	0	0%	Note 1	100%
FOSHAN CITY NANHAI JO YEH ELECTRONIC CO., LTD.	Note 1	100%	0	0%	Note 1	100%
BIZLINK TECHNOLOGY (CHANGZHOU) LTD.	Note 1	100%	0	0%	Note 1	100%
BIZLINK TECHNOLOGY (XIAMEN) LTD.	Note 1	100%	0	0%	Note 1	100%
TERALUX TECHNOLOGY CO., LTD.	Note 1	100%	0	0%	Note 1	100%

Note 1: No shares or par value was issued for a limited company

Four Capitalization

I. Capital and Shares

(I) Capital

1. Capitalization

Unit: Thousand shares/ NT\$ thousand

Year Month	Issuing Price	Registered Capital		Paid In Capital		Note	
		Share	Amount	Share	Amount	Source of Capital	Capital Payments Made by Assets Other Than Cash
6/2000	0.85	20,000	117,000	15,000	12,750	Original capital: 15,000,000 shares	None
5/2002	0.2833	60,000	117,000	45,000	12,750	Stock split: 1:3	None
7/2002	0.2833	60,000	117,000	45,882	13,000	Addition and conversion: 881,614 shares	None
10/2003	0.2833	60,000	117,000	51,556	14,608	Addition and conversion: 5,674,797 shares	None
12/2006	0.2833	60,000	117,000	51,028	14,458	Shares buyback: 528,149 shares	None
12/2007	0.2833	60,000	117,000	49,468	14,016	Shares buyback: 1,560,625 shares	None
6/2009	0.2833	60,000	117,000	49,468	14,072	New share issued through cash injection: 200,000 shares	None
11/2009	10	500,000	5,000,000,000	49,468	496,676	Capitalization of capital reserve: NT\$ 41,853 thousand	None
8/2010	10	500,000	5,000,000,000	55,628	556,278	Earnings capitalization: NT\$ 59,601 thousand	None
9/2010	60	500,000	5,000,000,000	57,628	576,278	New share issued through cash injection: 2,000,000 shares	None
4/2011	56	500,000	5,000,000,000	65,312	653,118	New share issued through cash injection: 7,684,000 shares	None
8/2012	10	500,000	5,000,000,000	66,618	666,180	Capitalization of capital reserve: NT\$ 13,062 thousand	None
9/2012	26	500,000	5,000,000,000	73,037	730,371	Capitalization through the conversion of unsecured convertible bonds: 6,419,118 shares	None
12/2012	26	500,000	5,000,000,000	73,391	733,9091	Capitalization through the conversion of unsecured convertible bonds: 353,840 shares	None
3/2013	26	500,000	5,000,000,000	75,84	758,448	Capitalization through the conversion of unsecured convertible bonds: 2,453,829 shares	None

Year Month	Issuing Price	Registered Capital		Paid In Capital		Note	
		Share	Amount	Share	Amount	Source of Capital	Capital Payments Made by Assets Other Than Cash
6/2013	26	500,000	5,000,000,000	77,387	773,871	Capitalization through the conversion of unsecured convertible bonds: 1,542,301 shares	None
9/2013	24.4	500,000	5,000,000,000	79,320	793,202	Capitalization through the conversion of unsecured convertible bonds: 819,663 shares	None
	47.6					Capitalization through the exercise of employee stock options: 1,113,500 shares	
12/2013	47.6	500,000	5,000,000,000	79,797	797,967	Capitalization through the exercise of employee stock options: 476,500 shares	None
3/2014	47.6	500,000	5,000,000,000	79,835	798,347	Capitalization through the exercise of employee stock options: 38,000 shares	None
6/2014	47.6	500,000	5,000,000,000	79,9145	799,147	Capitalization through the exercise of employee stock options: 80,000 shares	None
8/2014	10	500,000	5,000,000,000	83,905	839,046	Capitalization of earnings: NT\$ 39,898 thousand	None
9/2014	112.2	500,000	5,000,000,000	86,420	864,201	New share issued through cash injection: 2,500,000 shares	None
	43.7					Capitalization through the exercise of employee stock options: 15,500 shares	
12/2014	43.7	500,000	5,000,000,000	86,869	868,691	Capitalization through the exercise of employee stock options: 449,000 shares	None
3/2015	43.7	500,000	5,000,000,000	87,010	870,101	Capitalization through the exercise of employee stock options: 141,000 shares	None
6/2015	43.7	500,000	5,000,000	87,086	870,860	Capitalization through the exercise of employee stock options: 61,000 shares	None
	134.1					Capitalization through the conversion of unsecured convertible bonds: 14,914 shares	
8/2015	10	500,000	5,000,000	91,429	914,294	Earnings capitalization: NT\$ 43,435 thousand	

Year Month	Issuing Price	Registered Capital		Paid In Capital		Note	
		Share	Amount	Share	Amount	Source of Capital	Capital Payments Made by Assets Other Than Cash
9/2015	43.7 40.5	500,000	5,000,000	91,783	917,826	Capitalization through the exercise of employee stock options: 75,000 shares	None
	134.1					Capitalization through the conversion of unsecured convertible bonds: 278,121 shares	None
12/2015	124.1	500,000	5,000,000	91,819	918,192	Capitalization through the conversion of unsecured convertible bonds: 1,611 shares	None
	40.5					Capitalization through the exercise of employee stock options: 35,000 shares	None
3/2016	124.1	500,000	5,000,000	92,190	921,896	Capitalization through the conversion of unsecured convertible bonds: 327,951 shares	None
	40.5					Capitalization through the exercise of employee stock options: 42,500 shares	None
6/2016	124.1 179.4	500,000	5,000,000	93,341	933,409	Capitalization through the conversion of unsecured convertible bonds: 1,151,241 shares	None
8/2016	10	500,000	5,000,000	97,932	979,318	Earnings capitalization: NT\$ 45,910 thousand	None
9/2016	124.1 179.4/166.1	500,000	5,000,000	101,449	1,014,493	Capitalization through the conversion of unsecured convertible bonds: 3,383,521 shares	None
	37.5					Capitalization through the exercise of employee stock options: 134,000 shares	
12/2016	37.5	500,000	5,000,000	101,459	1,014,593	Capitalization through the exercise of employee stock options: 10,000 shares	None
2/2017	10	500,000	5,000,000	102,959	1,029,593	Capitalization through the exercise of new restricted employee stock options: 1,500,000 shares	None
3/2017	166.1	500,000	5,000,000	106,299	1,062,991	Capitalization through the conversion of unsecured convertible bonds: 3,339,732 shares	None

Year Month	Issuing Price	Registered Capital		Paid In Capital		Note	
		Share	Amount	Share	Amount	Source of Capital	Capital Payments Made by Assets Other Than Cash
6/2017	166.1	500,000	5,000,000	113,788	1,137,882	Capitalization through the conversion of unsecured convertible bonds: 7,489,099 shares	None
9/2017	166.1/ 161.3	500,000	5,000,000	115,601	1,156,014	Capitalization through the conversion of unsecured convertible bonds: 1,813,231 shares	None
1/2018	210	500,000	5,000,000	118,601	1,186,014	New share issued through cash injection: 3,000,000 shares	None
3/2018	10	500,000	5,000,000	118,566	1,185,664	Cancellation of new restricted employee stock options: 35,000 shares	None
8/2018	10	500,000	5,000,000	118,517	1,185,174	Cancellation of new restricted employee stock options: 49,000 shares	None

Note 1: The par value was changed to NT\$ 10 per share on 11/12/2009 with a total common capital of 49,667,637 shares

Note 2: Par value at NT\$ 10 per share with an issuing value at NT\$ 60 per share.

Note 3: Par value at NT\$ 10 per share with an issuing value at NT\$ 56 per share.

2. Share type

4/14/2019

Share type	Registered capital			Note
	Outstanding shares (Note)	Un-issued shares	Total	
Registered common stocks	118,517,407	381,482,593	500,000,000	The interim shareholders' meeting held on 11/12/2009 resolved to adopt an exchange rate of NT\$32. 32 to US\$ 1 for conversion

Note: Listed shares

3. Information regarding shelf registration: None.

(II) Shareholder structure

4/14/2019

Unit: one share

Shareholder structure	Government agency	Financial Institution	Institutions of the Mainland Area	Other institutional investor	Individual investor	Foreign institutional and individual investor	Total
Number of shareholders	5	59	3	78	8,986	245	9,376
Shareholding (one share)	3,674,591	14,986,369	1,179,000	4,639,546	36,141,154	57,896,747	118,517,407
Shareholding percentage (%)	3.10%	12.65%	0.99%	3.92%	30.49%	48.85%	100.00%

Note: A primary exchange listed company shall disclosed its shareholding of Mainland area investors, who are juristic persons, groups, or other institutions of the Mainland Area, or companies invested through a third jurisdiction in accordance with Article 3 of the Regulations Governing Permission for People from the Mainland Area to Invest in the Taiwan Area.

(III) Distribution of share ownership

1. Common stocks:

4/23/2018

Unit: one share

Shareholding distribution	Number of shareholders	Shareholding	Shareholding percentage
1 ~ 999	2,880	340,971	0.29%
1,000 ~ 5,000	5,237	9,022,076	7.61%
5,001 ~ 10,000	537	4,016,823	3.39%
10,001 ~ 15,000	166	2,084,373	1.76%
15,001 ~ 20,000	116	2,097,382	1.77%
20,001 ~ 30,000	97	2,432,000	2.05%
30,001 ~ 40,000	60	2,139,396	1.81%
40,001 ~ 50,000	49	2,240,468	1.89%
50,001 ~ 100,000	94	6,686,055	5.64%
100,001 ~ 200,000	57	8,188,189	6.91%
200,001 ~ 400,000	35	9,668,939	8.16%
400,001 ~ 600,000	20	9,587,205	8.09%
600,001 ~ 800,000	7	5,117,812	4.32%
800,001 ~ 1,000,000	1	903,569	0.76%
Over 1,000,001	20	53,992,149	45.55%
Total	9,376	118,517,407	100.00%

2. Preferred shares: Not applicable.

(IV) Major shareholders: Names, shareholding of shareholders with an ownership of 5 percent or greater, or the names of the top ten shareholders

4/17/2018

Unit: one share

Shareholding	Shareholding	Shareholding percentage
Major shareholders		
Hwa-Tse Liang and InRu Kuo Family Trust	8,624,427	7.28%
JPMorgan in Custody for Stichting Depositary APG Emerging Markets Equity Pool	5,199,000	4.39%
Liang Family Irrevocable Trust	5,137,245	4.34%
Cathay Financial Holdings Co.,Ltd.	5,016,919	4.23%
Fubon Life Insurance Co., Ltd.	4,396,000	3.71%
InRu Kuo	2,385,629	2.01%
New Labor Pension Fund	2,313,091	1.95%
Chun-Pin Liang	2,298,132	1.94%
Deutsche Bank in custody for Richard small company stock trust investment account	1,986,000	1.68%
Deutsche Bank in Custody for the U.S. Pension & Emerging Market Fund	1,962,000	1.66%

(V) Per share market price, book value, earnings, dividend and other information.

Unit: NT\$ thousands: one thousand shares

Year			2017	2018	As of 03/31/2019 (Note 8)
Item					
Per share market value (Note 1)	The highest		327.50	295.5	227.50
	The lowest		163.00	123.5	179.00
	Average		227.24	211.0	200.19
Per share book value (Note 2)	Before distribution		65.67	76.45	80.81
	After distribution		58.71	(Note 9)	(Note 9)
Per share earnings (Note 3)	Weighted Average Shares		108,850	117,429	117,965
	Per share earnings, before adjustment		10.68	11.86	2.81
	Per share earnings, after adjustment		10.84	(Note 9)	(Note 9)
Per share dividend	Per share cash dividend		7.0	(Note 9)	(Note 9)
	Stock dividend	Retained Earnings	-	(Note 9)	(Note 9)
		Capital Reserve	-	-	-
	Accumulated unpaid dividend (Note 4)		-	(Note 9)	(Note 9)

Investment return analysis	PE ratio (Note 5)	20.96	17.79	17.81
	Dividend ratio (Note 6)	32.46	(Note 9)	(Note 9)
	Cash dividend yield (Note 7)	3.08%	(Note 9)	(Note 9)

Note 1: the highest and lowest market prices per common share for each fiscal year. And calculating the average market price per period based upon the actual transaction prices and volume.

Note 2: Please use the number of the outstanding issued shares at year end as the basis to fill in the earning appropriation from the shareholders' resolution of the following year.

Note 3: In the case of retroactive adjustment due to stock dividends, both before and after adjustment EPS shall be disclosed.

Note 4: If the issuing terms of the security specify unpaid dividends will be accumulated until paid off, cumulated and unpaid dividends for individual year shall be disclosed as of then year

Note 5: Price-earnings (P/E) ratio = Average Market Price/ Earnings Per Share.

Note 6: Price-dividend (P/D) ratio = Average Market Price/Cash Dividends Per Share.

Note 7: Cash dividend yield: Cash Dividends Per Share/Average Market Price.

Note 8: Per share book value and earnings information shall be included to cover the data from the most recent quarter, and reviewed by a CPA. Information of the rest fields shall be updated as of the most recent fiscal as indicated in the annual report.

Note 9: Per share dividend will be based on the appropriation resolution in 2019 shareholders' meeting, which has not held. Thus the information is not available yet.

(VI) Dividend policy and execution

1. Dividend policy as stipulated in the Company's Articles of Association

As approved at the regular shareholders' meeting on 06/16/2011, the Company has amended Article#34.1 to allow the earnings appropriation to be proposed by the Board and resolved by the shareholders through ordinary resolution. The Board shall propose the appropriation based on the following guidelines: The Company shall, from the current year's earnings, offset for prior years' deficit and appropriate 10% of the residual earnings as legal reserve until the accumulated legal reserve equal to the Company's capital. Then 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. Finally, no more than 3% and 5% of the balance can be allotted as Board remuneration and employee bonus (as prescribed in employee motivation plan under Article#11. 1), respectively. The Board shall articulate the appropriation percentage for the Board and employees in the earning distribution meeting. The shareholders have the right to amend the proposal before resolution. Board members who are also a member of the Company executive are qualified for both Board remuneration and employee bonus. The residual earnings, which shall not be less than 10% of the net earnings, can be distributed to shareholders as earning appropriation based on the related laws and regulations for public companies, but after the consideration for the financial and business needs of the Company. The distribution, either in new shares or cash, shall be made up of 10% cash or more.

In line with amendments to the Company's Articles of Association by the Board of Directors in June 2016: remuneration to ex officio employees, Directors, and Management before tax and interest cannot be lower than 1% nor exceed 10% of normal employee remuneration and not exceed 3% of Director and Management remuneration. Estimated employee remuneration for the year ended 2017 totaled NTD 52,188 thousand, while Director and Management remuneration totaled an estimated NTD 9,132 thousand. The ex officio remunerations, before tax and interest, were budgeted at 3.33% and 0.58% respectively. On March 13 2018, the Board of Director's decided that the remuneration shall be paid in cash. In accordance to regulation amendments passed in May 2015, dividends and bonuses can only be distributed to shareholders. Employees are ineligible for distributions. The Company has formalized the amendments and employees distributions policy to the Articles of Association during the 2016 General Shareholders' Meeting.

If there are substantial changes to the distributed payments that occur after the Board of Directors' approval of the Company's consolidated financial statements, the adjustments have to be made to the original costs. If the consolidated financial statements have already been published, the adjustments will be entered into the following year's accounts.

2. 2018 earnings appropriation

- (1) The Board, on 03/13/2019, has resolved an earnings appropriation for 2018 including a cash dividend of NT\$888,880,553 to the common shareholders). Per share distribution of total outstanding shares as of 12/31/2018 is US\$0.244180 (or NT\$ 7.5) in cash. The proposal is pending for approval from shareholders' meeting. The shareholders' meeting will be held on 06/12/2019.
- (2) If the total number of outstanding shares is amended due to exercise of employee stock options and conversion of convertible bonds before the record day, the Board shall be authorized by the shareholders' meeting to adjust the distribution ratio according to the updated floating share number as of the record day.

BIZLINK HOLDING INC. 2018 Earnings Distribution	
Item	Amount (NT\$)
Beginning unappropriated earnings	1,097,869,654
Retrospective application of new accounting policies without restating prior financials	27,006,743
Adjustment of undistributed surplus at the beginning of the period	1,124,876,397
Adjustment of retained earnings due to investment in equity method	(14,820,756)
Appropriated retained earnings for employee compensation	131,230
Retain earning adjustment for cancellation of restricted employee stock rights	343,000
Disposal of investments in equity instruments at FVTOCI, direct transfer the accumulated profit or loss to retained earnings	3,701,385
Unappropriated earnings after adjustment	1,114,231,256
Plus: net income	1,392,309,637
Accumulative unappropriated earnings	2,506,540,893
Reserve Items	
Less: legal reserve (10%)	139,230,964
Less: Special reserves	41,651,507
Distributable net profit	2,325,658,422
Distribution	
Cash dividend – NT\$7.5 per share	888,880,553
Stock dividend - NT\$0. 0 per share	0
Ending unappropriated earnings	1,436,777,869
<p>1. The earning appropriation is based on the total outstanding shares (118,571,407 shares) as of 12/31/2018 and includes a cash dividend of NT\$ 7.5 (or US\$ 0.244180) in cash and no stock dividend. Upon the approval of the general shareholders meeting, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date and ex-right date, and other relevant issues. If the total number of outstanding shares is amended due to exercise of employee stock options and convertible bonds are executed before the record day, the Board shall be authorized by the shareholders' meeting to adjust the distribution ratio according to the updated floating share number as of the record day.</p> <p>2. The functional currency of the Company is US Dollars (US\$). The NT\$ chart above was converted according to IAS #21 "The Effects of Changes in Foreign Exchange Rates".</p>	

(VII) The upcoming shareholders' meeting will discuss the effect brought by stock dividend to the operation and per share performance.

Unit: NT\$

Item		Year	2019 (estimated)
Beginning actual paid-in capital (NT\$ thousands)			1,185,174
2018 earnings distribution	Per share cash dividend		NT\$7.5 (Note 1)
	Per share stock dividend from earnings recapitalization		-
	Per share stock dividend from legal reserve recapitalization		-
Change of operating performance	Operating income (NT\$ thousands)		Note 2
	Percentage change in operating income, compared with last year		
	Net income (NT\$ thousands)		
	Percentage change in net income, compared with last year		
Assumptions of EPS and PE ratio	When all stock dividends are distributed in cash	EPS assumption (NT\$)	Note 2
		Assumption of annualized average return	
	If no legal reserve recapitalization	EPS assumption (NT\$)	
		Assumption of annualized average return	
	If stock dividends from legal reserve recapitalization are distributed in cash	EPS assumption (NT\$)	
		Assumption of annualized average return	

Note 1: Estimated dividend distribution in 2019 was based on the Board's appropriation resolution made on 03/14/2019.

Note 2: The Company did not make financial forecast for 2019; therefore, no financial information or assumption for 2019 is required to be disclosed.

(VIII) Remuneration paid to directors and supervisors (the Company has not had supervisors)

1. Range of earnings appropriation to directors and supervisors remuneration in the Company's Articles of Association:

The Company's Articles of Association #34.1, the Company makes earnings distribution according to profit appropriation proposal resolved by the Board and approved by the shareholders. The Board shall propose the appropriation based on the following guidelines: The Company shall, from the current year's earnings, offset for prior years' deficit and appropriate 10% of the residual earnings as legal reserve until the accumulated legal reserve equal to the Company's capital. Then 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. The residual earnings, which shall not be less than 10% of the net earnings, can be distributed to shareholders as earning appropriation based on the related laws and regulations for public companies, but after the consideration for the financial and business needs of the Company. The distribution, either in new shares or cash, shall be made up of 10% cash. The profit before tax of the fiscal year without deducting employees' compensation and remuneration of directors

and supervisors can be allocated 1%~10% as employees' compensation and no more than 3% as directors and supervisors' remuneration.

2. Handling of the discrepancy between the actual appropriation and the original proposal (including distribution estimate for directors/supervisors, employees and the calculation of outstanding shares)

The Company makes appropriation estimate according to the guidance under the Company's Articles of Association. If the actual amounts subsequently resolved by the shareholders differ from the proposed amounts, the differences will be recorded in the following year's Profit & Loss as a change in accounting estimate. Moreover, the Company has not had a supervisor.

3. Proposal of employee stock bonus and total employee bonus as a percentage of the net income in consolidated and individual financial statements: not applicable
4. Per share earnings after deduction of the Board's proposal of remuneration paid to directors and supervisors and bonus distributed to employees.
The Board has adopted a proposal for distribution of 2017 profits. Please refer to the profit distribution below:
 - (1) Employee bonus of US\$2,144,160.
 - (2) Distribution of US\$300,000 as remuneration to the directors.
 - (3) The proposal amount is US\$199 thousand different from the expensed item for the compensation to the directors. Any actual discrepancy incurred after the actual distribution will be recorded as changes in accounting estimates and adjusted in the income statement next year (2019).
 - (4) Per share earnings after deduction of the proposal of remuneration paid to directors and supervisors and bonus distributed to employees: not applicable
5. Proposal of earning distribution approved by the shareholders' meeting: 2019 shareholders' meeting is scheduled on June 12, 2019.
6. Actual appropriations to employee bonus and remuneration to directors and supervisors: 2017 actual earnings distributions as employee bonus and remuneration to directors and supervisors are as follows:

Unit: US\$

	Actual distribution via the approval of the shareholders' meeting	Proposed distribution made by the Board	Difference	Reason of difference
Distribution	0	0	0	None
Employee cash bonus	1,714,400	1,714,400	0	None
Employee stock bonus	0	0	0	None
Director remuneration	300,000	300,000	0	None

(IX) Share buyback: None

II. Issuance of Corporate Bonds (Including Overseas Corporate Bonds)

(I) Outstanding and Issuing Unconverted bonds:

Types of corporate bond	Second Overseas Unsecured Foreign Convertible Bond
Issuing Date	02/01/2018
Face value	US\$250,000
Issuing and listing	Singapore Exchange Limited
Issuing price	Issuing at par
Total amount	US\$ 100,000,000
Interest	0.00%
Tenor and Maturity Date	Five years, mature on 02/01/2023.
Guarantor	Not applicable
Trustee	The Bank of New York Mellon, London Branch
Underwriter	Domestic: Yuanta Securities Co., Ltd Overseas: Yuanta Securities (Hong Kong) Company Limited
Legal Counsel	Domestic: Jheding Law Office Overseas: K&L Gates LLP, USA 、Mayer Brown JSM, Hong Kong 、Maples and Calder (Hong Kong) LLP, Hong Kong 、LCS & Partners, China 、Allen & Gledhill LLP, Singapore
Independent auditors	Deloitte & Touche
Repayment	Unless the bonds have been converted, repurchased, or redeemed, the Company will redeem the bonds on the maturity date at a redemption price equal to 100% of the outstanding principal amount thereof.
Unpaid principal amount	US\$ 100,000 thousand
Early redemption or repayment clause	The Company is obligated to redeem the bonds under the following circumstances: 1. Beginning from 2 years after the Issuance Date to the Maturity Day, the Issuer may redeem the Bonds in whole or in part, at the Early Redemption Amount, provided that the closing price of Issuer's common shares on the Taiwan Stock Exchange ("TWSE"), converted into US dollars at the prevailing rate, for a period of 20 out of 30 consecutive trading days is at least 130% of the amount, which is the price of Early Redemption Amount divided by the then Conversion Rate (as defined below). 2. If more than 90% in principal amount of the Bonds have been redeemed, repurchased, and cancelled or converted, the issuing Company shall redeem all remaining outstanding debt linked with the Corporate Bonds. 3. If the Company has become obliged to pay additional amounts—increases in tax burdens, extra interest charges, or increased costs among others—as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or the Republic of China. The bond holders may not request the issuing Company the burden of any extra taxes or fees.
Covenant clause	None
Credit Rating, including name of the agency, rating date and rating result	Not applicable

Other Rights of Bondholders	Amount converted (via exchange or subscription) to common share, GDRs or other securities as of the date of this Annual Report	None
	Issuance and conversion (through swap or subscription)	Please refer to page 76~106 in the prospectus
The impact to existing shareholders is a dilution effect on existing shareholders due to share issuance and conversion and rights to exchange or subscribe.		Number of total shares issued through exercise of the conversion of unsecured convertible bonds as a percentage of total outstanding shares is 7.12% which has limited dilution effect to the existing shareholders.
Custodian institute		None

(II) Convertible bonds details

1. Second Domestic Unsecured Foreign Convertible Bond

Unit: NT\$

Types of corporate bonds		Second domestic unsecured convertible bond	
Item	Year	2018	As of March 31, 2019
Market price of the convertible bond	The highest	107.676	104.228
	The lowest	99.405	100.635
	Average	103.415	102.272
Conversion price		320/309.34 (After Ex-dividend)	309.34
Issuing date and conversion price		02/01/2018: 320	
Exercise of conversion		Issuing new shares	

2. Status of Implementation and Benefits

Unit: NT\$

Project	Target Completion Date	Total Fund	Fund Implementation Plan				
			2018				2019
			Q1	Q2	Q3	Q4	Q1
Overseas purchases	2019 Q1	2,430,000	-	607,500	607,500	607,500	607,500
Repayment of borrowings in foreign currency	2018 Q1	570,000	570,000	-	-	-	-
Total		3,000,000	570,000	607,500	607,500	607,500	607,500
Expect benefits		Repayment of borrowings in foreign currency: Adjusting long-term and short-term funding structures and strengthen repayment capability. Expect to save 9,900~11,730 thousand monthly interest.					

3. Status of Fund Implementation

Unit: NT\$

Project	Implement Status		As of March 31, 2019	Reasons for advance or delay the schedule and improving plans
Overseas purchases	Amount expended	Projected	2,430,000	Expended as plan
		Actual	2,430,000	
	Progress (%)	Projected	100.00	
		Actual	100.00	
Repayment of borrowings in foreign currency	Amount expended	Projected	570,000	Expended as plan
		Actual	570,000	
	Progress (%)	Projected	100.00	
		Actual	100.00	
Total	Amount expended	Projected	3,000,000	-
		Actual	3,000,000	
	Progress (%)	Projected	100.00	
		Actual	100.00	

III. Preferred Shares: None.

IV. Issuance of Global Depositary Receipts Shares: None.

V. Issuance of Employee Stock Options

To retain the talent needed and maintain employee morale to the shareholders' benefits, the Company had offered employee stock options and made associate exercise plan in 2018 according to the Company's Articles of Association to motivate employees.

(I) Unexpired employee stock option:

Types of employee stock options granted	2018 The 1 st employee stock option
Date of authority approval	May 2, 2019
Date of issuance	Un-issued
Number of Options Granted	1,000,000 shares
Percentage of shares exercisable to total outstanding shares (Note)	8.44%
Option Duration	Option duration is 6 years. Valid duration (Or the stated duration in the Option Agreement signed by the employee). Employees that have yet to exercise their rights to subscribe forfeit this right upon options expiry, and the holder of the warrant may not claim any remedy or compensation.
Source of option shares	New Common Shares
Vesting schedule	Un-issued
Shares exercised	Un-issued

Value of shares exercised	Un-issued
Shares unexercised	Un-issued
Price per share unexercised	Un-issued
Percentage of shares unexercised to total outstanding shares	Un-issued
Number of shares vested to unexercised shares as a percentage of total outstanding shares (%)	Dilution rate 0.86% is limited to existing Shareholders' Equity

Note: Based on total outstanding shares of 118,571,407 as of December 31, 2019.

- (II) Employee restricted stock granted to management team and the top 10 employees as of the date of this annual report: None

VI. Issuance of New Employee Stock Options as of the date of this Annual Report

To retain the talent needed and maintain employee morale to the shareholders' benefits, the Company had made associate exercise plan of new employee stock option in compliance with FSC "Regulations Governing the Offering and Issuance of Securities by Securities Issuers".

(I) Issuance of New Employee Stock Options

4/23/2018

Types of employee stock options granted	2016 employee stock option
Date of authority approval	07/28/2016
Date of issuance	12/09//2016
Number of options granted	1,500,000 shares
Issue price	NT\$ 15,000,000
Percentage of shares exercisable to total outstanding shares	1.27%
Vesting condition	<p>A. Business condition</p> <p>(a) When the company's annual sales or net income (meaning the disclosed annual net income) for the period ended one year before the vested day, as shown on the audited financial statements, has grown by 5% or more compared to that of the previous period, 60% of shares vested for the year become exercisable;</p> <p>(b) When the growth reaches 10% or above, 100% of shares vested for the year would be exercisable.</p> <p>B. Condition of employee's performance and conduct evaluations:</p> <p>(a) All performance evaluations are rated "B" during the year before the option is exercisable;</p> <p>(b) There is no breach of the employment contract or issuing of any major demerit due to a violation of the company's rules for employee reward and punishment system.</p> <p>C. When condition (a) and (b) are both met for</p>

	<p>vesting condition, the granted shares will be vested based on the schedule below:</p> <p>(a) 30%: when the employee has been on the job for a full year or longer, starting from the issuing date of the restricted employee stock option.</p> <p>(b) 30%: when the employee has been on the job for two full years or longer, starting from the issuing date of the restricted employee stock option.</p> <p>(c) 40%: when the employee has been on the job for three full years or longer, starting from the issuing date of the restricted employee stock option.</p> <p>D. No shares will be vested when either vesting condition, (a) or (b), is not met, even if the employee has been on the job for three full years or longer.</p>
Restricted rights	<p>A. No shares, under the restricted stock option plan, shall be sold, pledged, transferred, gifted to others, set or disposed of through any other means.</p> <p>B. Options issued but not vested under the plan are eligible for stock and cash dividend distributions and subscription rights for new-shares issuance for cash.</p> <p>C. After the restricted employee stock option plan is issued, all rights shall be handed to professional trust or custodian agencies for administering. Prior to being vested, rights granted will not be returned by the trustee custodian bank to the employee.</p>
Custody status	<p>During the custodial period, the company will be fully authorized by the employees to deal with the trust agency for the following issues (including but not limited to): service contract negotiations, signing, revision, extensions, cancellations and terminations, and instructions on the entrusted asset's delivery, execution and disposition.</p>
Measures to be taken when vesting conditions are not met	<p>The company will retrieve and cancel rights granted under the plan without compensation. Any stock or cash dividends appropriated during the vesting period will be paid by the company without charge.</p>
Redeemed or repurchased share(s)	84,000 shares
Vested to exercised share(s)	900,000 shares
Vested to unexercised shares(S)	516,000 shares
Number of shares vested to unexercised shares as a percentage of total outstanding shares (%)	0.44%

Note: Based on total outstanding shares of 118,517,407 as of March 31, 2019.

(II) Employee stock option granted to management team and top-ten holders of the employee stock option as of the date of this Annual Report:

2016 Employee Stock Option

	Title	Name	Number of shares vested	Number of shares vested as a percentage of total outstanding shares	Exercised				Unexercised			
					Number of shares subscribed	Subscription price	Subscription amount in NT\$	Ratio of the number of subscribed shares to total outstanding shares (Note)	Number of shares subscribed	Subscription price	Subscription amount in NT\$	Ratio of the number of subscribed shares to total outstanding shares
Management team	Chief Executive Officer	Chien-Hua Teng	890,000 shares	0.75%	534,000 shares	NT\$ 0	NT\$0	045%	356,000 shares	NT\$ 0	NT\$0	0.30%
	CFO	Shiou-Lin Chen										
	Vice President	Chia-Cheng Lin										
	Vice President	Chen-Shen Chou										
Employees	Chairman	Hwa-Tse Liang										
	General Manager of Subsidiaries	Inru Kuo										
	General Manager of Subsidiaries	Jack Leo										
	General Manager of Subsidiaries	Daniel Liang										
	General Manager of Subsidiaries	Terrence Ng										
	Vice President of Subsidiaries	Younger Wang										
	Vice President of Subsidiaries	KS Dung										
	Vice President of Subsidiaries	Yvonne Wang										
	Vice President of Subsidiaries	Peili Wu										
	Vice President of Subsidiaries	Anders Peterson										

Note: Based on total outstanding shares of 118,517,407 as of March 31, 2019.

VII. Mergers & Acquisitions, and the issuance of new shares due to acquisition of shares of other companies: None

VIII. Capital allocation

(II) Description of the plan: Previous uncompleted public issue or private placement and issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: None

(III) Implementation status: Not applicable

Five Operating Summary

I. Business Operation

(I) Business Scope

1. Main business

Our core business is developing, manufacturing and selling wiring and connector modules applied in areas such as information technology, computer peripherals, data centers, consumer electronics, appliance, vehicles, medical equipment, optical fiber communication, solar power generation, industrial equipment, and semiconductor manufacturing equipment.

2. Sales mix of major products

Unit: %

Product \ Year	2017	2018
	Percentage	Percentage
Cable Assemblies (Note)	17.68%	17.55%
Wire Harnesses	25.53%	22.54%
Power Cables(Note)	14.45%	13.34%
Docking Stations	20.33%	29.35%
Adaptors and Connectors	8.57%	5.93%
Systems Assembly (Cord Winder)	5.42%	7.58%
Others	8.02%	3.71%
Total	100.00%	100.00%

Note: Product re-organized

3. Product (Service)

Cable Assemblies	<ul style="list-style-type: none"> - Computers and handheld peripherals: Cable dockings, long distance cables used for data centers, dongle and display cables - Electrical appliances cables: home appliance, power tool, smart furniture harness -ATV main harness, EV battery management system harness, battery pack harness, universal EV charging devices, ADAS wire harness and temperature-controlled wire harness -High-frequency transmission server cable and connector, power cord for industrial servers
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	-High-frequency transmission cable for consumer electronics, audio system cable, wiring for augmented reality (AR) and virtual reality (VR) -Medical sensor cable, balun signal cable, electric filter
Wire Harnesses	Automobile harnesses, interior wires for medical equipment, wire harnesses for industrial use, and power harnesses for automatic production facilities
Adaptors and Connectors	Vehicle harness, medical equipment raw wires, industrial harness, electrical signal wire harness used in semiconductor manufacturing equipment and automation production equipment.
Photovoltaic	Connecting solutions for rooftop photovoltaic system and solar power plants, high-current DC branch cable series and branch fuse holders, energy storage wire harness and customized connecting devices
Raw Cables	High-frequency cables used in 3C products, high-speed data transmission cable for servers, industrial power cords, signal cables, and telecommunication applications, high-rated flame-retardant building cables, Teflon cables, wearable devices, optical cable and optical and electrical hybrid cables
Passive Optical Components	Fiber jumper wire, trunk cable, fiber transmitter, external firmware, fiber connecting devices used in medical equipment and active optical devices.

4. Product development

Future product development will focus on high-speed cables in data centers, high-frequency wire for computer peripherals, wire harness for motor vehicles, high-current cable for electronic vehicles, high-end cable for medical equipment, wire harnesses for semiconductor manufacturing facilities and smart appliances.

(II) Industry Overview

1. Industry overview and outlooks

(1) Active Cable

The commercial and consumer laptop and tablet trend towards compactness and weight reduction places limitations on the number of connector interfaces supported in new products. Compounded with the continued requirement for data transmission across increased differing devices and formats, this translates to an

increased need for high-speed low-loss signal conversion in the form of Adaptors, Dongles, and Docking Stations. Meanwhile, there is also ripe opportunity in the high-speed transmission of high-resolution graphics across multiple monitors for gaming, commercial design, workstations, and medical equipment.

(2) Cable Assembly & Passive Cable

The global aging population is accelerating demand for medical equipment. Quality standards in medical equipment wires for signal integrity, electromagnetic interference, and durability are constantly raised. Continued importance is being placed on manufacturing technology, quality control, and assembly skills.

The advent of smart phones in automotive infotainment, increased potential in driverless technology, and continued digitalization of cars have led to the rise of automotive networking. Combined with breakthroughs in battery technology, the electric vehicle industry is maturing.

(3) Connector

USB-Type C is the new interface for lighter and laminar device design. It not only supports faster and larger capacity charging, but also higher transmission rates (10Gbps) than USB 3.0 and is smaller in size (8.4×2.6mm). The product requires technology that has a high barrier to entry due to its micro components, embedded circuitry, and software integration. Consumer and commercial products alike have been accelerating adoption of this new technology over the past year.

(4) Server Interconnect

To process the ever-increasing amount of data and bandwidth from services running through cloud computing, we need to keep upgrading related transmission technologies for better wiring speed and efficiency.

(5) Photovoltaic

Due to the decreasing unit cost of solar power generation, larger and increasing numbers of solar power plants will accelerate to boost the need for photovoltaic components, associated products, and specific models that support high voltage.

2. Supply chain

We use vertical integration to produce connectors and wiring

material essential to our end-product, cable assemblies. Besides wires and connectors by subsidiaries, components are largely procured from external upstream vendors. Our customers are generally EMS players or international brand companies that make or sell the end products.

3. Product development trends

Below are the latest interface standards:

(1) Video interfaces:

Supporting 4K and above resolution with 3D features, high-speed transmission, multi-screen display, quick charging, automobile interfaces, and new-generation interconnect technology

(2) Long-distance optical transmission: anti-interference for long-distance applications, data centers, communication, medical equipment, and industrial applications

(3) Data center transmission: we will continue to offer transmission cable with faster speed to cater the ever-increasing applications

(4) Solar energy: High voltage and current module components

4. Competition

Long-term strategies to establish competitive differentiation from peers: replacing parts of production procedures with automatic manufacturing to enhance production efficiency. We aim to further establish a global operation network close to target markets and major customers. Through multiple strategic partnerships and investments, we are gaining reciprocal technologies that will help us attain sustainable operation and stable profitability.

(III) Technology and R&D

1. Current technologies and R&D development

Our core business is to provide interconnect solutions, covering R&D, manufacturing and selling wiring and connector modules applied in areas such as information technology, computer peripherals, data centers, consumer electronics, electrical appliances, vehicles, medical equipment, optical fiber communication, solar power generation, industrial equipment, and semiconductor equipment.

Our R&D team actively participates in our customers' new product development efforts from the beginning to mass production in order to strive for high-end interconnect solutions. Our products allow reliable and superior current and data transmission with anti-interruption

capacity to ensure the operation of electrical systems for each end product. We are also integrating IC components, such as signal converter, wireless connection module and active signal output, into our products to further distinguish our products.

2. R&D expenses from 2014 to 2018

Unit: NT\$ thousands; %

Item	2014	2015	2016	2017	2018
R&D Expenses	200,437	230,247	230,928	383,040	453,840
Net Sales	7,482,011	8,416,972	9,208,059	15,599,207	21,392,398
% of Net Sales	2.68%	2.74%	2.51%	2.46%	2.12%

3. Successful developments from 2014 to 2018

Year	R&D Result	Descriptions/Applications
2014	Charging station cables	Equipment in charging stations
	Wiring harnesses for the new-generation of computerized tomography.	Next generation CT technology
	Video displays for medical devices	High-resolution multi-screen outputs for medical devices
	DockPort application series.	Support 4K2K and multi-screen video output hubs
	Computer docking systems	Support 4K2K and multi-screen video output and multiple signals input
	Super-thin high-frequency cables	High-speed transmission wires used in 3C products
2015	USB Type-C Connector	USB-IF certified connector
	USB Type-C 3.1 Gen2 10Gbps High-speed Cables	USB-IF certified cables
	USB Type-C 3.1 Power Delivery Docking Stations	One of the few companies globally that have achieved consistent and safe power delivery through USB Type-C 3.1
	Energy Storage Device Harnesses	Energy storage for household, commercial, and industrial use.
2016	USB Type C display ports and cable dockings	Extending peripheral functions for IT products
	Thunderbolt docking stations	Extending peripheral functions for IT products

Year	R&D Result	Descriptions/Applications
	Electric vehicle charging modules and controllers	EV charging
2017	USB Type-C related docking stations and dongles	Extending peripheral functions for IT products
	New-generation Thunderbolt docking stations	Extending peripheral functions for IT products
	Electric vehicle charging modules and controllers	EV charging
	Wireless charging modules	Extending peripheral functions for IT products
2018	USB Type-C related docking stations and dongles	Extending peripheral functions for IT products
	New-generation Thunderbolt docking stations	Extending peripheral functions for IT products
	Portable USB-C docking station and dongles	Extending peripheral functions, slim, and portable for IT products
	Electric vehicle charging module and controllers	EV charging
	Wireless charging modules	Extending peripheral functions for IT products
	VR cables and connectors	Extending peripheral functions for VR products
2018	New-generation Thunderbolt docking station	Extending peripheral functions for IT products
	USB-C related docking station and expanding and extending devices	Extending peripheral functions for IT products
	Portable USB-C related docking station and expanding and extending devices	Extending peripheral functions for IT products with slim and mobile design
	Electric vehicle charging module and controller	For charging electric vehicles
	Wireless charging module	Extending peripheral functions for IT products
	VR cords and adaptor	VR peripherals

(IV) Short to long-term development strategies and plans

1. Short-term development strategies and plans

(1) Information technology: Developing advanced applications

- Exploring further applications in image distribution
- Thunderbolt docking stations
- Applications of wireless transmission and power supply
- Data center applications: active optical cable (AOC) and direct attach cable

(2) Vehicular products: High current and car electronics

- Electric vehicle supply equipment (EVSE) in target markets Europe, N. America, and Asia
- Co-developing ADAS and auto pilot system
- Car electronics, including automobile HUB, and wireless charging

(3) Smart electronic appliances

- New business model: Cross-industry product development
- IoT with electrical appliances: Bringing about smart home appliances
- IoT will further enable the sharing economy, timeshare leasing, and resource sharing

(4) Capacity expansion and automation upgrades

- Capacity expansion: In addition to establishing a PVC production line in Slovakia, we plan to expand current capacity in Kunshan and Changzhou in China, Malaysia, Mexico and Republic of Serbia.
- Production management system: Set up timely production line management systems.
- Continued strategic investments: Extending our product pipeline to gain orders from target customers.

2. Long-term development strategies and plans

- Focus on advanced-technology product development with strategic diversification for new markets.
- Focus on patented technologies, machinery facilities, production techniques, and the enhancement of production efficiency and automation.
- Deepening of technology levels in high frequency and EMI control.
- Further connector product development for electric vehicles, in-vehicle electronics, medical devices, and solar energy.

- Develop data-center related products
- Continued development and promotion of ultra-high speed optical product lines.
- Provide a total solution for customers by targeting service driven product development plans and technology applications.
- Increase proximity of production line facilities to customer sites.
- Sustainably integrate more products into people's daily lives.

II. Overview of the Market, Production, and Sales

(I) Market analysis

1. Major sales (service) regions

Unit: NT\$ thousands

Region	2017		2018	
Asia	6,890,093	44.17%	9,309,958	43.52%
America	5,028,928	32.24%	5,601,455	26.18%
Europe	3,668,843	23.52%	6,416,145	30.00%
Others	10,343	0.07%	64,840	0.30%
Total	15,599,207	100.00%	21,392,398	100.00%

2. Market share

Increasing the market share for individual products is a challenge due to product customization for industry and customer specific requirements as well as connector distribution to branded end-product manufacturers. Through our continuous exploration into new applications for cable assembly and connector products and the related technologies, as well as global network expansion, we expect our market share will gradually expand.

3. Industry demands, supplies, and growing potentials

Our new cable docking product continues to win us new potential accounts. The new USB-C interface has increased the need of using adaptors like dongles to interface between different generations, models, and types of electronic devices.

In-line with the growth of clean and renewable energy, our battery management system harnesses for electric vehicles, storage devices, and portable charging devices for electric vehicles have great market potential.

The medical sector will develop around the theme of smart and

healthy living for an aging society. Future development trends for biomedical and healthcare will tie closely to the issue of aging, including medical assistive devices, treatment kits for ophthalmology, dentistry and respiratory therapy, as well as smart devices for better treatment and efficient diagnosis, and wearable preventive, mobile and smart devices. We expect the industry to integrate with medical material, software platforms, decision making systems and Cloud and Mega Data to begin another round of new development.

4. Competitive advantages

- (1) Vertical integration: We co-develop with our customers to integrate production procedures from up to down streams to offer a complete series of products and connecting solutions
- (2) Flexible production capacity: Adjust production flexibility based on the customer requirements and shipping deadlines to better cope with high-mix and low-volume orders
- (3) International certifications: All plants have received ISO9000, ISO14001, AS9100, TS16949 and OHSAS18001 certification. The solar energy products have obtained UL and TUV verification
- (4) Management team: We will continue our established new product development procedures to ensure a long and stable relationship with all of our customers
- (5) Extend our global operation network: We will continue to set up local new operation spots to be close to product markets and customers

5. Positive and negative factors to future development and the addressing plans

① Positive factors

A. Our connection technology covers a vast range of applications, including computers and peripherals, automobiles, digital communications, medical care, industrial, semiconductor manufacturing equipment, solar energy, and many others.

B. Penetration into top global companies

With extensive experience in R&D and co-working with customers for new product development, our product quality and technologies have won deep trust from top-tier international companies.

② Negative factors and the addressing plans

A. Growth slowdown in the technology information industry

The overall growth of IT end products is slowing down; the ability to offer innovative products is the only way to stay competitive.

Addressing plans

Aggressively expanding product applications, such as for vehicle electronics, medical equipment, industrial usage, semiconductor manufacturing equipment, aerospace and solar energy.

B. Competitions

Due to fierce competition in the electronic and information technology industries, the cost down pressure is high

Addressing plans

- (a) Raise the technological entry barrier. Continue to invest in technology development, product design, automation, and improve production system, production flexibility, and quality control maintain price competitiveness
- (b) We will expand our European and US markets through additional marketing efforts and the generation of differentiated, high value-added applications

C. Volatile upstream material prices

Copper and key components pricing move with commodity prices. When prices significantly fluctuate, it will affect the cost structure.

Reactive plans

- (a) Long-term contract with upstream sources to stabilize supplies and production cost
- (b) Monitoring markets and utilizing group purchasing in price negotiation

(II) Major applications and production procedures

1. Applications of the major products

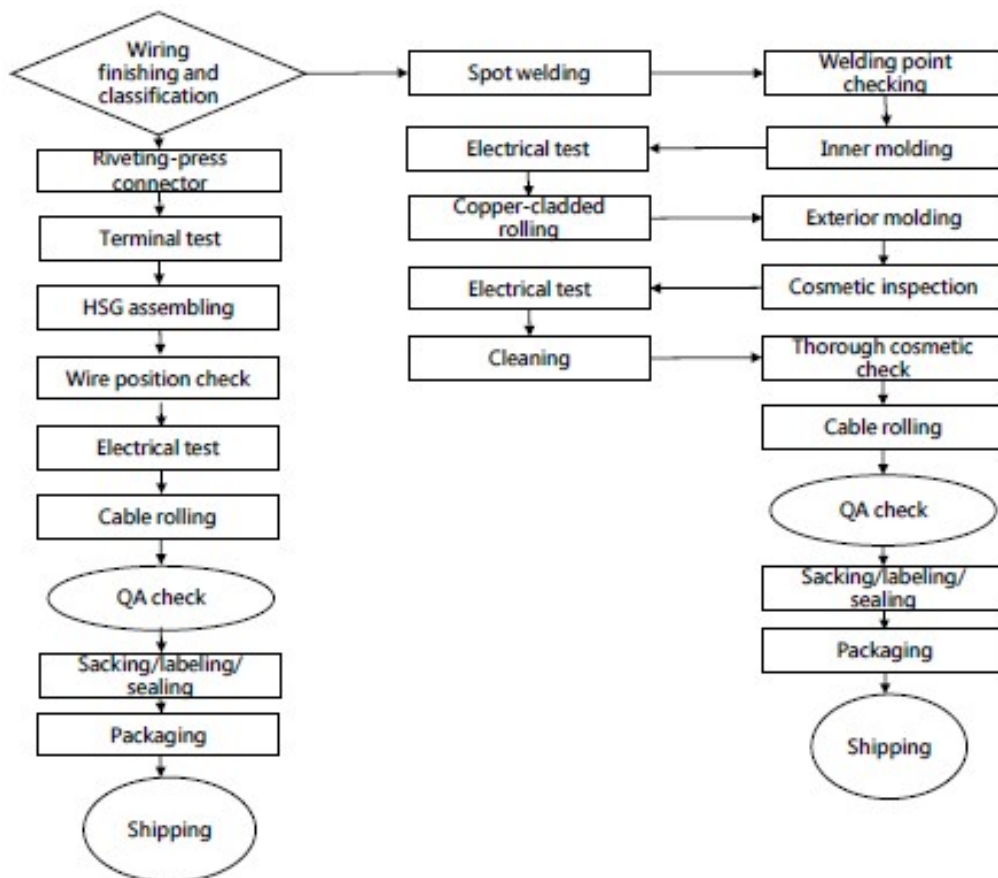
The Group manufactures data cables, power cords, vehicle harnesses, medical cables and harness, connectors/adaptors, bulk cables, and optical components. Applications for these products include computers, home appliances, medical equipment, automobiles, communication gears, solar power equipment, and industrial machinery.

Product categories	Applications
Connectors, harnesses, cable assemblies and solar power junction boxes	<p>Signal transmission: High-frequency wire harness for IT products, high-speed transmission cable for data centers, vehicle wire harness, electronic vehicle battery management system harnesses, main harness for off-road vehicles and harness for medical equipment, sensors and remote signal monitoring devices.</p> <p>Power transmission: Electrical appliances and electronic hand tools, high-voltage solar power harness for solar power, high-voltage cable for electric vehicle charging, and quick charging interface for commercial docking stations.</p>
Passive optical devices	<p>Passive optical devices are the fundamental and core components of optical data transmission systems, also the most critical elements when building fiber-optic communication networks. Optical transmissions transmit data at higher speeds.</p> <p>Applications: telecommunications, broadcasting, and data processing centers.</p>

2. Manufacturing processes

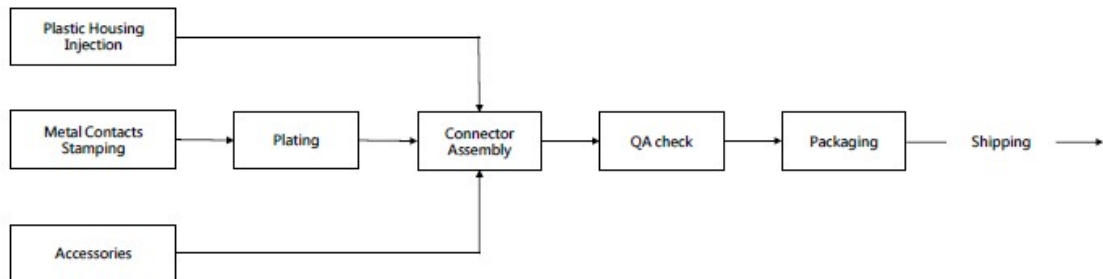
Cable assembly processes, from designs, material assembly, to shipment processes:

① Production procedures of cable assemblies



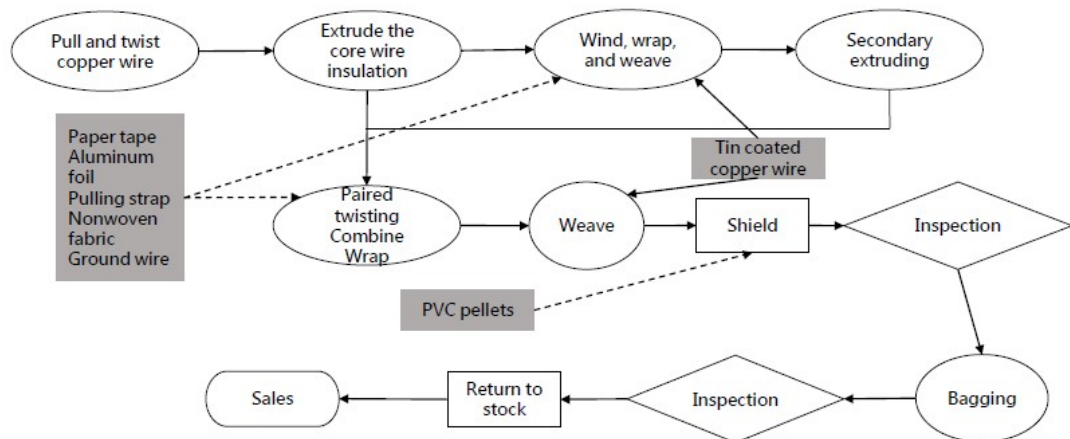
② Production procedures of connectors:

Materials and processes from suppliers are copper tapes, plastics, plating processes. The majority of connectors are sold to system-providers and connector assembly manufacturers.



③ Production procedure for raw wires:

Materials and services from suppliers are copper rods and industrial plastics. Our bulk wire customers typically include name brands, module-suppliers and assembly manufacturers in photovoltaic industry.



(III) Supplies of key materials

Our key materials include wires, connectors, terminals, etc. In order to secure our supplies, the Company mainly sources from quality and long-term vendors who offer high-quality and cost-effective materials in timely manner. The Company controls safety stock levels per customers' orders and MRP calculations.

(IV) Explanations if significant changes on gross profit margin in the last two

years: If changes were over 20%, provide analysis on major causes and their impact on the gross profit margins.

2017		2018	
Gross margin	Fluctuation percentage	Gross margin	Fluctuation percentage
24.39%	(18.15%)	21.46%	(12.12%)

No further analysis since changes of gross margin rates less than 20%

(V) List of major suppliers and customers:

List a customer with amount, percentage, and reasons of changes if, in the last two years, purchases/sales from/to it ever accounted for higher than 10% of the total purchases/revenues. Designated customer codes, instead of real company names, are acceptable if NDA are signed to protect the names of the customers/suppliers.

1. Major suppliers in 2017 and 2018

None of the purchase to 3rd party accounted for more than 10% of the total purchases. Total purchases to top 10 suppliers were 32.56%, 35.84 % and 25.18% of total in the last 2 years. Over the last 2 years, the company has not favored any one particular supplier. Unless stipulated by the client, the company's purchasing policy states that two suppliers must be available for any material. In addition to price comparison purposes, the supplier flexibility is also increased; therefore, there is no risk of over centralized supply.

2 Major customers in 2017 and 2018

Unit: NT\$ thousands; %

Item	2017				As of March 31, 2018			
	Name	Amount	Percentage	Relation	Name	Amount	Percentage	Relation
1	AAA	2,470,306	15.84	None	AAA	5,174,531	24.19	None
2	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)
	Net sales	9,208,059	100.00	-	Net Sales	21,392,398	100.00	-

Note 1: Changes of suppliers and customers are mainly driven by shifts of market trends and demands

Note 2: None of the income from single supplier accounted for more than 10% of the consolidated revenue.

(VI) Production volume and value in 2017 and 2018

Unit: pcs/ NT\$ thousands

Products (or department)	2017			2018		
	Capacity	Outputs	Value	Capacity	Outputs	Value
Cable assemblies	110,609,336	101,575,602	2,355,693	204,889,727	263,688,028	3,692,295
Harnesses	60,484,703	48,296,512	2,611,125	103,880,313	71,136,199	3,794,589
Power cords	70,953,644	55,100,617	1,705,511	98,923,659	864,979,099	2,012,006
Adaptors and connectors	953,946,585	1,368,664,355	450,007	1,176,201,629	1,063,120,969	469,490
Bulk cables	61,719,729	63,163,473	423,123	76,649,355	64,918,753	444,632
Passive optical components	495,032	768,916	363,263	805,164	889,473	499,945
Solar	20,598,323	29,006,722	268,084	28,009,232	32,104,797	308,453
Docking	1,943,000	2,573,513	3,078,460	4,784,799	5,115,713	5,414,662
Dongle	6,928,459	8,528,909	884,838	8,418,656	7,716,512	909,744
Systems Assembly (Cord winder)	13,998,189	11,219,438	603,291	53,156,031	40,955,519	1,938,460
Other	954,373,966	1,012,492,545	4,842,522	1,320,781,064	1,058,406,468	5,670,654
Total	2,256,050,966	2,701,390,602	17,585,917	3,076,499,629	3,473,031,530	25,154,930

Note 1: Capacity is the production volume from existing facility under normal production schedule which factored in necessary suspension and holidays.

Note 2: Capacities, if complementary to each other, will be combined in calculation with footnote.

Note 3: Unit price may be different from different products.

(VII) Sales volume and value in 2017 and 2018

Unit: pcs/ NT\$ thousands

Sales volume and value Sales volume	Year	2017				2018			
		Domestic sales		International sales		Domestic sales		International sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cable assemblies		0	0	72,201,655	2,757,389	0	0	76,069,411	3,294,213
Harnesses		0	0	42,889,254	3,982,361	0	0	57,992,379	4,746,581
Power cords		0	0	55,448,705	2,254,724	0	0	63,090,279	2,853,679
Connectors		0	0	14,357,945	113,205	0	0	4,194,305	186,230
Raw cables		0	0	6,043,358	82,648	0	0	5,616,786	75,351
Passive optical components		0	0	466,930	460,804	0	0	898,552	459,478
Solar		0	0	3,063,388	189,049	0	0	3,211,002	117,887
Dockings		0	0	1,401,571	3,171,381	0	0	2,663,741	6,279,055
Dongles		0	0	6,961,582	1,337,377	0	0	6,520,299	1,268,413
Assembly (Cord winder)		0	0	11,163,883	844,886	0	0	24,071,467	1,620,576
Others		0	0	277,988,089	405,383	0	0	303,769,120	490,935
Total		0	0	491,986,360	15,599,207	0	0	568,097,341	21,392,398

Notes: All sales are for export.

III. Employees in 2017 and 2018, and as of the date of this Annual Report

Year		2017 end		2018 end		As of end of March 2019	
Number of employees	Managers	249		259		246	
	Clerical	1,826		2,305		1,833	
	Operators	6,435		6,059		6,747	
	Total	8,510		8,623		8,876	
Average age		37.21		37.11		37.84	
Average service years		5.77		6.00		5.72	
Education	PhD	9	0.11%	10	0.10%	9	0.10%
	Master	225	2.64%	239	2.77%	228	2.57%

	College	1,369	16.09%	1,556	18.04%	1,405	15.83%
	High school	2,507	29.46%	2,360	27.37%	2,608	29.38%
	Others	4,400	51.70%	4,458	51.70%	4,626	52.12%

IV. Environment Protection Expenditures

- (I) Status if any applications of pollution facilities or waste drainages, if any payments for anti-pollution purposes, or if exclusively personnel setup for environmental issues:

Major production lines are in China.

All factories have Environmental Impact Assessment and the permits on waste water sewage. For recycling and general wastes, the Company has contracts with certified waste management companies

BizLink (Kunshan) Co., Ltd., OptiWorks (Kunshan) Co., Ltd., and Shiang Lien Construction & Development in Kunshan completed sewage infrastructure and received waste water sewage permit from government on 11/28/2011.

BizLink International Electronics (Shenzhen) Co., Ltd. received "Eco-Friendly Certificate" (Shen-Bao-Huan-Sho-Zi: 2010#021) from the Environment Bureau of Baoan District in Shenzhen. There were also "Environmental Impact Report" released by the government environmental committee in Shenzhen on 2013/4/10; (2013) 601055 from the water district in Shenzhen, and permit from the Environmental Bureau and Tax Bureau of Baoan District in Shenzhen.

BizConn (Shenzhen) International Corp. Shenzhen received "Eco-Friendly Certificate" from the Environment Bureau of Baoan District in Shenzhen

BizConn Certificate of Hazard Management, QC080000: Valid to 2020/1/9

BizConn Certificate of Environment Management, ISO 14001:2015: Valid to 2021/9/14

BizLink Electronics (Xiamen) Co., Ltd. On 05/07/2018, received waste water sewage permit from government, valid for three years.

All waste emission, including waste water, gas and salvaged material, from Tongying Electronics (Shenzhen) have met local regulation standards and received approval on November 25th, 2011, (Shen-Bao-Hen-Shui-Pi: 2011: #604827) from the Environment Bureau of the Baoan District of Shenzhen. In addition, all waste emissions are tested by an independent third party to ensure compliance with government regulations;

- (II) List if any investment on anti-pollution equipment, the applications, and possible ROI:

The productions in our factories do not have high pollution processes. Our anti- production operation mainly focuses on waste management, which is currently handled by certified waste management companies. No investment on the major anti-pollution facility is required.

All solid waste generated during the production is properly classified and recycled by certified waste management companies. Our industrial wastes are managed by disposition stations certified by environmental authority. Our production procedures generate no significant pollutions to the environment.

General sewage per DB4426-2001 Level II standards, and industrial

emission were processed before dispersed through pipes to high air per DB4427-2001 Level II, passed the inspection by certified 3rd party inspectors. Noise elimination control is per GB12348-2008 Level III or $\leq 65\text{dB}$ in the daytime and $\leq 55\text{dB}$ during the night time. There were no radiation sources, radioactive substances nor industrial sewage generated.

The pipes at soldering stations are our primary anti-pollution facilities. They take in the unleaded emission from the production and to release through the roof, keeping any possible damages away from human beings and the environment.

- (III) Information about the processes taken by the Company on environmental pollution improvement for the last 2 years and up to the date of this Annual Report. If any pollution disputes, list the handling processes: There were no pollution disputes.
- (IV) List if any damage or loss (including compensation paid) by the Company on environmental pollution incidents in the last 2 years and up to the date of this Annual Report. The total penalty/fine amount, as well as the preventive actions (including improvement) and possible liabilities (including possible loss if no preventive measures are taken, and the penalties and estimated compensation amount; if a reasonable estimation cannot be made, then reasons): None.
- (V) Information about the current pollution management processes and their impacts to profits, competitiveness and capital expenditures of the Company, as well as the projected major environment-related capital expenses to be made for the next two fiscal years:
- All products manufactured by the Company are eco-friendly and meet local and international environmental regulations. There are no toxic waste or wastewater byproducts from the production process. The stamping and maintenance steps of equipment and product maintenance generate residual solvent inks and negligible chemical solutions. These substances are now 100% managed by certified waste management companies. Procedures for using, storage, and disposing chemical substances are compliant with the local regulations. Documentation regarding hazard waste in case of emergency is filed at the local environmental authority level. Therefore, we foresee no environment-related capital expenses, or impact to the profits and competitive position of the Company due to environmental issues.

V. Labor Relation

- (I) Information regarding employee benefits, continuing education, training, retirement programs, and the status of their implementation, as well as the contracts between the employees and the Company, and all measures aimed at preserving the rights and interests of employees.
1. Employee benefit programs and execution

Talents are the most precious assets of the Company. We strive to incubate, cherish and care for every employee to ensure them a balance development among work, life and leisure. The Company made the salary policy based on profit sharing and performance evaluation to provide sound benefit programs as seen in the following examples (Note: may vary by

regions):

- A. Labor insurances per local government's requirements
- B. Social insurances, housing funds, work-related injuries, pension funds, medical insurances, unemployment insurances and maternity insurance, etc.
- C. Gifts in routine birthday parties and traditional holidays
- D. Annual paid time-off per regulations
- E. Various recreational events and employee outings.
- F. Free annual health checkups; free meals and dorm program.
- G. OHSAS18001 occupational safety and health management system.
- H. Regular pay raises and generous annual bonus to the middle managers.

2. Employee education and trainings:

Talented people are the most important and core aspects to BizLink's competitiveness. The Company uses continuous training programs to nurture employees' potential and enhance their knowledge, meanwhile increasing their loyalty to the company. This also provides them with the tools and expertise to improve the Company's operational efficiency to reach business goals. The execution of employee training is as follows:

- A. Accumulated training hours in 2018 was 106,182 hours, or 11.46 hours/employee, with a total expense of NT\$ 2.85 million.

The programs covered professional and general education, including skills for middle management, quality assurance, R&D and engineering, production management, human resources & general administrations, sales & marketing, financial management, and material management.

- B. New employee trainings:

Dedicated mentors are assigned when new employees come onboard for orientation, covering an introduction to the working environment and helping them acquaint themselves with the company, coworkers, and corporate culture. Departmental training programs are available to new employees to equip them with basic knowledge for their job. These include, but are not limited to, the company background, organizational structure, employee handbook, awareness of environmental protection, quality/environment policy and the Articles of Association, salary & benefits, training programs, performance appraisal, production safety and hygiene, 6S, and knowledge regarding quality controls.

- C. On-the-job trainings:

Our human resource department sets up open-class schedules for the following year at year end. The schedules combine both internal sessions from departments and the Company, and external programs. Internal sessions are lead by lectures from either internal instructors or external professionals with professional knowledge and machinery operation experience. The external programs are done by professional training institutes, such as Ahead International Management Consulting and The

Association of Pioneer Quality Control Research for special training projects.

D. Management trainings:

For managers, various trainings were provided according to their level and work nature to create team vision and operating consensus. The Management Training Program is provided to the Company's managers and fully subsidized by the Company to foster individual leadership and management skills.

E. E-Learning:

The Company has established a corporate learning platform online, BizLink eLearning. Employees are free to utilize the programs. The classes are updated regularly and cover management, professional skills, finance, information system, and quality assurance. BizLink eLearning was awarded a Grade A certification in 2007 for its quality in the program of digital learning industry promotion and development from the Industrial Development Bureau, Ministry of Economic Affairs.

F. Internal instructors:

To pass down and circulate organizational and professional knowledge, the Company has formed an instructor team for the classes, and improved the teachers' abilities to develop new training programs and to integrate the materials into practical operations.

G. Special skill training:

For trainings that require sophisticated skills and professionalism, the Company has partnered with 3rd party training institutes to develop special skill programs, such as IPC-620 and English writing and speaking.

H. Management trainee program:

To fulfill the need for talented and higher-quality employees for business development and company recognition, the Company regularly recruits new graduates from universities, and internally promotes employees with outstanding performance to management trainee programs to staff future development.

3. Retirement program and execution

1. After the announcement of the Labor Pension Act on July 4th, 2007, the Company began offering the then employees to either continue the pension program under the Labor Standards Act or to change to the program under the Labor Pension Act. Two people elected to stay with the Labor Standard Act; eight others chose to retain the old system for service years accumulated before 2007 and switch to the new system thereafter.
2. Employees who qualify for the pension program under the Labor Pension Act are defined as the description in the law's Article 53: A worker may apply for voluntary retirement under any of the following conditions: "1. A worker who attains the age of fifty-five and has worked for fifteen years. 2. A worker who has worked for more than

twenty-five years. 3. A worker who attains the age of sixty and has worked for ten years. Or as the description in the law's Article 54: "1. Where the worker attains the age of sixty-five. 2. Where the worker is unable to perform his/her duties due to mental handicap or physical disability. When a worker retires involuntarily, based on the Law's Article 55, two bases are given to the worker for each full year of his/her service. Those having served over 15 years are given one base for each full year of service and the total number of bases shall be no more than 45. Length of service is calculated as half year when it is less than six months and as one year when it is more than six months. 2. As set forth in sub-paragraph 2 of Paragraph 1 of Article 54, an additional 20% on top of the amount calculated according to the preceding sub-paragraph shall be given to workers forced to retire due to mental disorders or physical disabilities incurred from the execution of their duties.

3. The Company has allocated an amount stipulated by the Labor Department and computed according to Article 56 under Labor Standard Act to employee's individual account to cover pension withdrawals in the future.
4. For employees who joined after July 4th, 2007, the Company will only elect the regulations in Article 14 under Labor Pension Act to contribute an amount equal to 6% of his/her monthly wage to an employee's individual account of labor pension. Once the employee retires, either voluntarily or involuntarily, he or she can withdraw the pension either at once or via a monthly basis."

4. Contracts between the employees and the Company, and all measures aimed at protecting the rights and interests of employees.

- A: Union establishment: Unions are formed per related local regulations, and Union meetings are held regularly based on the related local regulations. Representatives from the employees are invited to facilitate the communication with employees as they can get opinions and requests from the meetings for employees' needs and issues, and invite unions' participation to the benefit program and policy setting. As of today, all union members are willing to dedicate to the related matters to assist the win-win situation for the Company and employees.
- B. Suggestions deposits: An appeal and complaint channel for the employees, managed by dedicated personnel. Employees are encouraged to bring up suggestions, which will be used as references for continuous improvements on company policies.

5. Code of employee conduct and morale

The Company has employee handbooks available as a guideline for daily operation and conduct. The following articles are from Code of employee conduct and morale from the Company:

- (1) Honesty and integrity
Employees must abide by the honesty and integrity articles stipulated by the Company, not to solicit any improper interests, like

- rebates, commissions, gifts, or entertainments from any trading parties, including partners, customers, material vendors and service providers, regardless the result of the transactions
- (2) No harassments in any form is allowed
Employees have the right to work under harassment-free environment. Harassments targeting cultural backgrounds are prohibited
 - (3) Promises and implementation
The Company has declared an honest policy. The board and the management team shall strive to implement the promise and carry out necessary procedures and management within internal and external business activities.
 - (4) Honest business activities
The Company shall conduct its business in fair and transparent manners. Before any transactions with agents, suppliers, customers or trading partners, the Company shall ensure its honest business policy is included in the contracts to implement terminations or cancellations of the transactions if the policies are violated
 - (5) No bribery
The Company strictly forbids its employees to directly or indirectly offer/promise or to take/receive any kind of improper interests including rebates, commissions, or any payments to or from customers, agents, contractors, suppliers, government officers, or any other interest parties.
 - (6) No illegal political contributions
The Company strictly forbids its employees to offer illegal contributions to any political parties or events in exchange for business interests or advantages.
 - (7) No illegal charity contributions or sponsorships
The Company strictly forbids its employees to give charity donations or sponsorships per laws and internal policies to avoid de facto bribery.
 - (8) No inappropriate gifts, entertainment or interests
The Company strictly forbids its employees to give improper gifts, entertainment, or interests to influence the business transactions or make impact to the legitimate of the deals. Dealings with partners who have records of unethical conduct shall be avoided. Personal direct or indirect donations shall abide by Political Donations Act and company policies.

(II) Information regarding the loss suffered by the Company due to labor disputes occurring in the last 2 years, and up to the date of this Annual Report, and the estimated amount expected incur for the present and future as well as the preventive measures. If a reasonable estimation cannot be made, reasons should be stated herein:

No major labor disputes in 2018 and up to the date of this Annual Report. Through constant promotion and improvement of various employee benefit measures, the potential risk of major losses incurred due to labor-capital disputes in the future is minimized.

VI. Important contracts

Item	Type of contract	The parties	Valid Period	Major transaction	Covenant clause
1	Licensing	Apple Inc.	Two years starting from 12/3/2007 and automatically renewed thereafter	Technology Licensing	--
2	Licensing	Molex Incorporated	7/30/2007- Patent expiration	License to use patents	--
3	Licensing	VESA	3/11/2008- contract termination with VESA	License to use Trademark Icons	--
4	Licensing	Molex Incorporated	11/7/2011 - Mature date of the right to use the patent.	License to use patents	--
5	Qualify assurance contract	Beijing Xiaomi Technology Co., Ltd	Period is for five years starting from 08/18/2014	Agreement to product liabilities	
6	Logistics	Flextronics International S.R.O	Stating from 8/1/2009 until termination notice from either side	Logistics agreement	--
7	Licensing	Amphenol Corporation	6/23/2016 until licensed patents expire	License to use patents	--
8	Licensing	Molex LLC	5/27/2016 until licensed patents expire	License to use patents	
9	Product Supply Agreement	Microsoft	9/5/2016 until terminated by either party	Product Supply Agreement	
10	Licensing	USB Implementers Forum, Inc	02/07/2019 until terminated by either party	License to use patents	

Six Financial Highlights

I. Financial Information from 2013 to 2017

(I) Consolidated Condensed Balance Sheets and Statements of Comprehensive Income – Based on IFRS1.

1. Consolidated Condensed Balance Sheets

Unit: NT\$ Thousand

Year Item		Financial Information (Note 1)					Financial Information As of March 31, 2019 (Note 2)
		2014	2015	2016	2017	2018	
Current assets		4,909,171	5,217,194	7,629,676	9,889,891	13,484,697	12,702,014
Property, plant and equipment, net		1,192,576	1,318,067	1,554,399	2,095,113	2,221,686	2,231,593
Intangible assets		104,444	94,875	117,869	888,502	921,968	892,879
Other assets		100,219	198,373	226,621	393,207	351,087	431,775
Total assets		6,523,935	7,084,812	9,946,432	13,849,053	17,736,102	18,809,654
Current liabilities	Before appropriation	1,913,267	2,243,442	2,303,024	5,774,777	5,359,860	7,394,569
	After appropriation	2,347,612	2,748,447	3,023,739	4,965,567	(Note 3)	(Note 3)
Non-current liabilities		481,808	455,341	2,311,855	485,377	3,315,491	1,037,965
Total liabilities	Before appropriation	2,395,075	2,698,783	4,614,879	6,260,154	8,675,351	8,432,534
	After appropriation	2,829,420	3,203,788	5,335,594	5,450,944	(Note 3)	(Note 3)
Equity attributable to owners of the parent		4,128,860	4,386,029	5,331,553	7,588,899	9,005,955	9,520,553
Paid-in capital		868,690	918,191	1,029,593	1,155,664	1,185,174	1,185,174
Capital surplus		1,113,903	1,165,845	2,277,793	4,130,734	4,893,638	4,893,638
Retained earnings	Before appropriation	1,918,208	2,199,647	2,557,845	2,999,479	3,598,940	3,930,305
	After appropriation	1,440,428	1,648,732	1,837,130	2,190,269	(Note 3)	(Note 3)
Other components of equity		228,059	102,346	(533,678)	(696,978)	(671,797)	(488,564)
Treasury Stock		-	-	-	-	-	-
Non-controlling interest		-	-	-	-	54,796	56,567
Total equity	Before appropriation	4,128,860	4,386,029	5,331,553	7,588,899	9,060,751	9,577,120
	After appropriation	3,694,515	3,881,024	4,610,838	6,779,689	(Note 3)	(Note 3)

Note 1: Consolidated financial statements of the recent 5 years have been audited by independent auditors.

Note 2: Consolidated financial statements for 2019 Q1 have been reviewed by independent auditors.

Note 3: The appropriation amount for the 2018 earnings have not yet been approved in the annual general shareholders' meeting.

2. Consolidated Condensed Statements of Comprehensive Income

Unit: In NT\$ Thousand

Year Item	Financial Information (Note 1)					Financial Information As of March 31, 2019 (Note 2)
	2014	2015	2016	2017	2018	
Revenue	7,482,011	8,416,972	9,208,059	15,599,207	21,392,398	5,481,732
Gross margin	2,083,494	2,241,488	2,743,577	3,805,405	4,589,867	1,275,043
Operating income (loss)	778,734	786,373	1,018,079	1,548,218	1,788,828	473,838
Non-operating income (expenses)	38,649	178,827	144,190	(43,174)	68,886	(41,931)
Pre-tax net income	817,383	965,200	1,162,269	1,505,044	1,857,714	431,907
Net income from Continuing operations	616,934	759,950	909,945	1,162,465	1,399,589	332,334
Losses from discontinued operations	-	-	-	-	-	-
Net profit (loss)	616,934	759,950	909,945	1,162,465	1,399,589	332,334
Other comprehensive income (loss) (after tax)	145,359	(126,444)	(407,809)	(300,288)	19,271	175,249
Total comprehensive income	762,293	633,506	502,136	862,177	1,418,860	507,583
Net income attributable to owners of the parent	616,934	759,950	909,945	1,162,465	1,392,311	331,365
Net income attributable to non-controlling interest	-	-	-	-	7,278	969
Total comprehensive income attributable to owners of the parent	762,293	633,506	502,136	862,177	1,411,347	505,812
Total comprehensive income attributable to no-controlling interest	-	-	-	-	7,513	1,771
Earnings per share (NT\$) (Note 3)	6.93	7.90	9.23	10.68	11.86	2.81

Note 1: Consolidated financial statements of the recent 5 years have been audited by independent auditors.

Note 2: Consolidated financial statements for 2019 Q1 have been reviewed by independent auditors.

Note 3: Earnings per share are calculated by the released common shares in weighted average method, as the shares in capital increase, are retroactively adjusted.

(II) Auditors' Names and Opinions from 2014 to 2018

1. Auditors' Names and Opinions from 2014 to 2018

Year	Name of CPA	Accounting Firm	Audit opinion
2014	Wei Zhong Cheng-Quan Yu	Deloitte & Touche	Unqualified opinion
2015	Cheng-Quan Yu Angus Chang	Deloitte & Touche	Modified unqualified opinion
2016	Chung-Chen Chen Cheng-Quan Yu	Deloitte & Touche	Unqualified opinion
2017	Chung-Chen Chen Cheng-Quan Yu	Deloitte & Touche	Unqualified opinion
2018	Chung-Chen Chen Cheng-Quan Yu	Deloitte & Touche	Unqualified opinion

2. For CPA changes, the names of former and succeeding CPA firms and independent accountants in the last 5 years as well as the reasons for the changes, shall be provided: The change was due to the internal rotation within the CPA firm, Deloitte & Touche.

II. Financial Ratio Analysis from 2014 to 2018

(I) Financial Ratio Analysis- Based on IFRS

<div>Year (Note 1)</div> <div>Item (Note 3)</div>		Financial Analysis from 2013 to 2017					Financial Information As of March 31, 2019 (Note 2)
		2014	2015	2016	2017	2018	
Financial structure (%)	Debt to asset ratio	36.71	38.09	46.40	45.20	48.91	46.82
	Long-term fund to Property, plant and equipment ratio	386.61	367.31	453.52	350.99	557.07	475.67
Solvency (%)	Current ratio	256.59	232.55	331.29	171.26	251.59	113.41
	Quick ratio	166.22	155.76	252.30	111.39	165.10	169.64
	Interest coverage ratio	74.74	61.30	27.16	46.45	36.73	19.31
Operations	Account receivables turnover (times)	4.46	4.67	4.52	4.68	4.39	4.30
	Average collection days	81.83	78.15	80.75	77.99	83.06	84.91
	Inventory turnover (times)	3.64	3.60	3.64	4.48	4.11	3.66
	Account payables turnover (times)	5.11	5.19	5.10	4.99	4.54	4.86
	Average days sales	100.27	101.38	100.27	81.47	88.90	99.71
	Fixed assets turnover (times)	7.38	6.71	6.41	8.55	10.43	10.32
	Total assets turnover (times)	1.28	1.24	1.08	1.31	1.36	1.23
Profitability	Return on assets (%)	10.76	11.40	11.21	10.05	9.21	7.97
	Return on equity (%)	16.27	17.85	18.73	17.99	16.81	14.26
	<u>Pre-tax income as a percentage of total paid-in capital (%)</u>	94.09	105.12	112.89	130.23	156.75	145.77
	Profit margin (%)	8.25	9.03	9.88	7.45	6.54	6.06
	Earnings per share	6.93	7.90	9.23	10.68	11.86	2.81
Cash Flows	Cash flow ratio (%)	40.55	42.66	50.31	2.17	15.97	(1.35)
	Cash flow adequacy ratio (%)	53.27	81.96	94.01	58.16	50.25	44.72
	Cash flow reinvestment ratio (%)	7.24	9.42	7.80	(6.75)	0.36	(0.95)
Leverage	Operating leverage	3.61	3.75	3.34	3.23	3.44	3.65
	Financial leverage	1.01	1.02	1.05	1.02	1.03	1.05

Financial ratio variance over 20% in 2018 compared to 2017:

1. Long-term fund to Property, Plant and Equipment ratio increased due to long-term fund increased from the issuance of overseas convertible bonds.
2. Current ratio and quick ratio both increased due to the issuance of overseas convertible bonds. Cash and cash equivalents also increased.
3. Interest coverage ratio decreased due to the issuance of overseas convertible bonds. Interest expense increased.
4. Fixed assets turnover (times) increased as profit increased from the increased revenue.
5. Cash flow ratio and cash flow reinvestment ratio increased due to cash flow increased from operating activities.

Note 1: Consolidated financial statements for the last 2 years had been audited by independent auditors.

Note 2: Consolidated financial statements for 2019 Q1 have been reviewed by independent auditors.

Note 3: Formulas:

1. Financial structure
 - (1) Debt to asset ratio = Total liabilities / Total assets.
 - (2) Long-term fund to Property, plant and equipment ratio = (Shareholders' equity + Noncurrent liability) / Property, plant and facility, net.
2. Solvency (%)
 - (1) Current ration = Current assets / Current liabilities.
 - (2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liabilities.
 - (3) Interest coverage ratio= Income before interest and taxes / Interest expenses.
3. Operations
 - (1) Account receivables (Including account receivables and notes receivables from operating activities) turnover = Net sales / Average account receivables (Including account receivables and notes receivables from operating activities).
 - (2) Average collection days = 365 / Average account receivables.
 - (3) Inventory turnover = Cost of goods sold / average inventory.
 - (4) Account payables (including account payables and notes payables due to operating activities from each period) turnover = Cost of Sales / Account payables turnover (including account payables and notes payables from operating activities in each period).
 - (5) Average days sales = 365 / Inventory turnover.
 - (6) Fixed assets turnover= Net sales / Average Fixed assets, net
 - (7) Total assets turnover = Net sales / Average total assets.
4. Profitability
 - (1) Returns on assets = [Net income + Interest expense× (1- tax rate)] / average total assets
 - (2) Return on equity = Net income / Average shareholders' equity.
 - (3) Profit margin = Net income / net sales.
 - (4) Earnings per share = (Net income attributable to owners of the parent company— preferred dividend) / Weighted, average number of shares outstanding.
5. Cash Flows
 - (1) Cash flow ratio = Net cash provided by operating activities / Current liabilities.
 - (2) Net cash flow adequacy ratio = Five-year sum of net cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividend.
 - (3) Cash re-investment ratio = (Net cash provided by operating activities - Cash dividends) / (Gross fixed assets + Long-term Investment + Other noncurrent assets + Working capital).
6. Leverage:
 - (1) Operating leverage = (Net Sales - Variable cost) / Income from operations.
 - (2) Financial leverage = Income from operations / (Income from operations - Interest expenses).

III. Audit Committee Report

Audit Committee Report

The Board of Directors of BizLink Holding Inc. has submitted the Company's 2018 business report, financial statements, and earnings appropriation proposal to the Audit Committee. The CPA firm, Deloitte & Touche, was retained to audit the financial statements and has issued an audit report accordingly. The business report, financial statements, and earnings appropriation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

BizLink Holding Inc.

Independent director,

Ming-Chun Chen

Independent director,

Jr-Wen Huang

March 14, 2019

IV. Financial reports in recent years, including CPA audit reports, two comparable balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows

Please refer to page 115 through page 128.

V. Audited stand-alone financial statements in recent years, not including detailed list of important items: None.

VI. The Company should disclose the financial impact to the Company if the Company and its affiliates have incurred any financial or cash flow difficulties in recent years or as of the date of this Annual Report: None.

Seven Financial Status, Performance Review, and Risk Analysis

I. Financial Condition Analysis

Unit: NT\$ Thousand; %

Item \ Year	2017	2018	Change	
			Amount	Change percentage%
Current assets	9,889,891	13,484,697	3,594,806	36.35%
Property, plant and equipment	2,087,042	2,221,686	134,644	6.45%
Intangible assets	822,526	921,968	99,442	12.09%
Other assets	393,207	351,087	(42,120)	(10.71%)
Total assets	13,775,006	17,736,102	3,961,096	28.76%
Current liabilities	5,695,538	5,359,860	(335,678)	(5.89%)
Non-current liabilities	485,377	3,315,491	2,830,114	583.08%
Total liabilities	6,180,915	8,675,351	2,494,436	40.36%
Paid-in capital	1,155,664	1,185,174	29,510	2.55%
Capital surplus	4,130,734	4,893,638	762,904	18.47%
Retained earnings	3,017,193	3,598,940	581,747	19.28%
Other equity	(709,500)	(671,797)	37,703	(5.31%)
Non-controlling equity	-	54,796	54,796	NA
Total shareholders' equity	7,594,091	9,060,751	1,466,660	19.31%
<p>Analysis of significant variance: (variance % over 10% compared with prior period or amount over 1% of total assets of current period).</p> <ol style="list-style-type: none"> 1. Current assets: account receivables and inventory increased from the new Electrical Appliances Business Unit 2. Intangible assets: acquired intangible assets and goodwill 3. Other assets: mainly from the increase of financial assets 4. Current liabilities: mainly from the repayment of short-term debts 5. Non-current liabilities: mainly from the issuance of US\$ 100 million overseas convertible bonds in 2018 6. Capital surplus: due to the premium of cash injection increased 7. Retained earnings: 2018 revenue growth led to increases of profits 8. Non-controlling equity: mainly from the increase of non-controlling equity in the issuance of common shares by sub-company 				

II. Financial Performance

(I) Operation Analysis

Unit: NT\$ Thousand; %

Item \ Year	2017 (Audited after Measurement Period Adjustments)	2018	Change	
			Amount	Change percentage %
Revenue	15,599,207	21,392,398	5,793,191	37.14%
Operating costs	11,790,358	16,802,531	5,012,173	42.51%
Gross margin	3,808,849	4,589,867	781,018	20.51%
Operating expenses	2,257,125	2,801,039	543,914	24.10%
Net operating income	1,551,724	1,788,828	237,104	15.28%
Non-operating income and expenses	(28,966)	68,886	97,852	(337.82%)
Pre-tax net income	1,522,758	1,857,714	334,956	22.00%
Less: Income tax expense	342,579	458,125	115,546	33.73%
Net income	1,180,179	1,399,589	219,410	18.59%
Other comprehensive income (after tax)	(312,810)	19,271	332,081	(106.16%)
Total comprehensive income	867,369	1,418,860	551,491	63.58%
<p>Analysis of significant variance: (variance % over 10% compared with previous period or amount over 1% of total assets in current period).</p> <p>Revenue, operating costs, and operating expenses were increased due to the acquisition of LEONI's Electrical Appliance Assemblies Business Group in May 2017.</p> <ol style="list-style-type: none"> 1. Revenue: due to the acquired Electrical Appliances Business Unit and revenue growth in IT products 2. Operating costs: due to the acquired Electrical Appliances Business Unit, revenue growth, and operating costs increased 3. Operating expenses: operating costs in absolute terms rose due to the acquired Electrical Appliances Business Unit 4. Non-operating income and expenses: non-operating expenses increased due to foreign currency exchange losses 5. Net income: due to the increase of sales revenue 6. Total comprehensive income: due to foreign currency exchange difference 				

(II) Revenue Outlook and Key Assumptions

We expect both sales quantity and value in 2019 will continue to grow on a yearly basis due to continuing exploitation in high-end connecting cable, value-added cable docking, and electric vehicle charging products; and on-going cultivation into new products in automobile fields Docking and Type- C categories. Please refer to the

business report for related market research and an analysis of the current and future developments in the industry.

- (III) Potential impacts to the Company's future financial plan and corresponding plans
Our product applications will continue to expand through new technology and innovation. We are currently enjoying a stable growth phase and will continue to offer new products and acquire new markets for better margins, in an effort to sustain the growth trend. We plan to use bank loans to support our operational needs and strengthen the financial structure.

III. Cash Flow

(I) Cash Flows Analysis for 2017 and 2018

Analysis unit: In NT\$ Thousand; %

Item \ Year	2017 (Audited after Measurement Period Adjustments)	2018	Increase (decrease) amount	Increase (decrease) percentage %
Operating activities	52,576)	856,177	908,753	(1,728.46%)
Investing activities	(671,562)	(618,519)	53,043	(7.90%)
Financing activities	(651)	1,672,135	1,672,786	(256,956.37%)
Difference analysis: 1. Operating activities: Operation cash inflow increased as a result of the newly acquired Electrical Appliances Business Unit, profit increased. 2. Investing activities: Net cash outflow in investment activities increased due to the investments in Electrical Appliances Business Unit in 2017. 3. Financing activities: Increase in cash inflow from financing activities is attributed to the newly issued US\$100 million convertible bonds in 2018.				

- (II) Plans to Improve Liquidity: The Company's sales and profits continue to grow and, funding will be supported by fund raising and by bank loans. There is no liquidity shortage up to the date of this Annual Report.

(III) Cash Liquidity Analysis for 2019:

Unit: NT\$ Thousand

Cash at beginning of year	Net Cash provided by operating activities in 2019	Net Cash used in investing and financing activities in 2019	Cash balance	Preparations for shortage of cash	
				Investment plan	Financing plan
3,560,272	1,152,945	(1,384,533)	3,328,684	-	-
1. Cash Liquidity Analysis for 2019 (1) Operating activities: Cash inflows 1,152,945 thousand, mainly from operating profit (2) Investing activities: Cash outflows 472,533 thousand, mainly from renovation of production buildings, purchasing of land, and investment projects. (3) Financing activities: Cash outflows 912,000 thousand, mainly from debt repayment and					

Cash dividends paid.

2. Preparations for shortage of cash: support by bank loans or fund raising from capital market.

IV. Major Capital Expenditures and Impact on Finance and Business in 2017

The Company acquired Leoni AG Electrical Appliance Assemblies business group (“BizLink Home Appliances Division”) in May 2017. 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.

V. Investment Policies, Reasons for Gains (Loss), Plans for Improvement, and Future Investment Plans

(I) Investment Policies

The Company’s current investment policy mainly targets on businesses related to connectors. The investment plan is analyzed and evaluated for its potential benefit to the Group and then executed by corresponding departments according to the internal control policies, which included “Investment Cycle”, “Administrative Measures on Governing subsidiaries”, “Administrative Measures on related party Transactions” and “Procedures on Acquisition or Disposal of Assets”. The Measures and Procedures shall be approved by the Board of Directors or the Shareholders’ Meeting.

(II) Reasons for Gains or Losses from Long-term Investments in 2017

Our investment strategy is driven by specific needs from our group companies and global expansion; we place an emphasis on main production sites in China with a labor advantage and knowhow repository while expanding our reach through establishing overseas operating sites in the U.S., Ireland, Germany, Belgium, Malaysia, Japan, and India. Under the current global management, business results from our investee companies as a whole remains profitable.

(III) Investment Plans in 2019

Our investment plan for 2019 will be carefully evaluated and decided by the management team according to the business needs and the approval procedures to ensure long-term competitiveness.

I. Analysis of Risk Items in 2017 and 2018 and Up to the Date of Annual Report

(I) Risks associated with interest and exchange rate fluctuations, inflation, and impact to the Company’s Profit and Preventive Actions:

1. Impact of interest rate fluctuations to the Company’s profit and preventive actions:

Item / Year	2017	2018
Net interest income (expense)	(15,165)	(12,244)
Net interest income (expense) as a percentage of revenue	(0.10%)	(0.06%)

Net interest income (expense) as a percentage of COGS and expenses	0.11%	0.06%
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Net interest expense in 2018 was NT\$ 12,244 thousand, or 0.06% of the revenue or 0.06% of COGS and expenses. Interest rate fluctuations had minimal impact to the Company, as the net interest expense to revenue, COGS and expenses was immaterial.

2. Exchange rate fluctuations

Item / Year	2018
Net foreign exchange (loss) gains	105,296
Net foreign exchange (loss) gains as a percentage of revenue	0.49%
Net foreign exchange (loss) gains as a percentage of COGS and expenses	(0.54%)

Most of the sales were made to Europe and America regions and were dominated primary in US dollars and few in Euros. Sales in China were dominated in RMB. The Company hedges risk from management team by closely monitoring the market trend and professional opinion from financial institution when the fluctuation is immaterial. When the exchange rate fluctuates intensively, the Company will consider to use risk-free hedging tool, followed by closely monitoring foreign currency position and exchange rate to minimize its impact. Our financial hedge strategy is mainly to avoid fluctuations on fair value and risk of cash flows. As the result of our operation, foreign exchange losses for 2017 and 2018, respectively, was NT\$(81,766) thousands and NT\$105,296 thousands, or (0.52%) and 0.49% to revenue, and had limited impact to the financial status. To minimize the impact of currency fluctuation to the Company's profitability, there are preventive actions to take:

- A. Open foreign currency accounts to manage foreign currency position and dispose foreign currency when time is appropriate; or use foreign currencies received from sales to pay for purchases dominated in foreign currencies to limit the impact of currency fluctuations to Company's profitability.
- B. Finance personnel are required to make judgment to future exchange rate trend to determine the appropriate foreign currency position to reduce the impact of currency fluctuation to the Company's profitability.
- C. To sell or purchase foreign currency forward to hedge risk according to the changes and demands of foreign currency market in order to minimize the impact of currency fluctuations to the Company's profitability.

3. Inflation

According to IMF's World Economic Outlook in April 2019, global economic growth in 2018 was about 3.3%. With improved prospects for the second half of 2019, global growth in 2020 is projected to return to 3.6 percent.

The price of our product is mostly affected by the price of copper, one of the key components. Most of time, the price of material can be reflected in our selling price. To prevent possible cost fluctuations due to sharp uprising on

copper price, the Company will purchase the material in advance when the price of commodity is surging or adjust purchasing strategy and trading term to reduce the price impact from the commodity. As summarize, no immediate significant impact from the inflation or deflation risks described above.

(II) Investment policy and reasons for gains & losses for high-risk/high-leverage financial products, derivatives, loans to others and guarantees of debts

The Company is committed to maintain steadiness and integrity as its core value of operations. Up to the date of Annual Report, the company was not involved in any high risk or high leverage financial transactions. The Company has established “Procedures on Lending to Others” and “Procedures on Making Endorsement and Guarantee” to ensure process for the matters. For forwards transaction used to hedge foreign currency risk, the Company has set up “Procedures on Acquisition or Disposal of Assets, (including derivative products)”. Up to the date of Annual Report, no endorsement, guarantee, or loans were made to parties outside of the Group.

(III) Future Research & Development Plans and Estimated expenses:

The Company’s future R&D plans are as follows:

We focus on connecting technologically complex products. Our major R&D projects include:

1. Multifunctional docking station
2. High-end interconnect cables
3. Wireless charging modules
4. Multiple-screen docking station
5. In-car charging and video transmission technology
6. Video transmission technology for vehicle
7. In-car device controller module

Products	Unit (thousand RMB)	Applications
Multi-functional docking station	1,000	Consumable materials and testing equipment
Multiple-screen docking station	1,000	Consumable materials and testing equipment
Wireless charging modules	500	Consumable materials and testing equipment
In-car video transmission technology	1,500	Consumable materials and testing equipment
In car charging technology	1,000	Consumable materials and testing equipment
High-end interconnect cables	22,050	Consumable materials and testing equipment

(IV) Impacts to the Company's Finance Associated with Major Changes in International and Domestic Policies and Laws, and Preventive Actions: None.

(V) Impacts to the Company's finance Associated with Changes in Technology and Industry, and Preventive Actions:

Our product portfolio caters to many industries. This product diversity allows us to hedge our risks and mitigate the effects of volatile markets. To maintain industry leadership, we closely monitor changes in technology and continue our R&D efforts.

(VI) Impacts to the Company's Crisis Management from changes in Corporate Image, and Preventive actions:

Operating under the core values of "Integrity, customer-oriented service, teamwork, and environmental protection" has led us to industry-wide recognition and a positive image. On corporate governance, we are under the supervision of Taiwan Stock Exchange and related authorities to focus on our core businesses, maintaining a steady financial structure with corporate information transparency, and a positive image listed company.

(VII) Expected benefits and risks from merger and acquisition and preventive actions:

We've completed the 100% acquisition of Teralux Technology Co. Ltd. from Kunshan in December 2018. Sales from Teralux has been merged into the Group's revenue starting from that same month.

1. Expected benefits: Product line expansion to acquire new customers.
2. Potential risk: Lower than expected results from our investee companies due to the conditions of the macro economy.
3. Addressing plan: Review operations of the investee companies

(VIII) Expected Benefits and Risks from Capacity expansion and Preventive Actions:

Expected benefits	1. Expand current production scale and capabilities 2. Expand production sites according to the growth of orders and demand of customers, as well as leverage the advantage/disadvantage of production cost
Potential risks	1. Negative liquidity impacts due to large investments 2. Capacity is not utilized as expected
Preventive actions	Replace phase-out production equipment gradually or relocate production equipment to utilize capacity in order to minimize investment risks
	Establish competitive overseas production sites to utilize production capacity, and proper control over production cost

(IX) Risks from Purchase or Sales Concentrations and Preventive Actions:

1. Purchase concentration risk

Changes of purchase between 2017 and 2018 were mainly due to changes of the Company's product mix, purchase prices and shipping terms. Moreover, due to ample sources of suppliers available in the market, the Company was able to maintain a diversified vendor base. No key material or goods was accounted for more than 30% of purchase in 2018; thus there was no specific vendor or affiliates has provided more than 70% key material or goods to the Company in 2017. There was no single vendor contributed more than 9% purchase to the

Company between 2017 and 2018, which indicated the purchase concentration risk was limited.

2. Sales concentration risk

Sales of the top one customer to total sales was 24.19% and 15.84% in 2017 and 2018, respectively, while the top ten customers made up 49.88% and 54.90% of total sales in 2017 and 2018. The revenue in 2018 significantly increased YoY. The top 20 revenue-contributing customers whose sales increased by over 20% accounted for 44% of consolidated operating revenue. Moreover, the Company is striving to develop new products, such as motor wires, medical cable, solar junction box, etc. to diversify the customer base and to minimize such risk.

(X) Impact and Risks from Significant Changes in Shareholdings Directors, Supervisors, or Major Shareholders Who Own 10% or More of the Company's Shares, and Preventive Actions: None.

(XI) Impact and Risks from changes in Management Control and Preventive Actions: Up to the date of publication, no incidence associated with change of management control. Moreover, the Company is in the process to strengthen corporate governance, hire independent directors and establish the audit committee to better facilitate shareholders' rights. Also, the existing management team is well supported by the shareholders. If any changes in management control, it will not impact the continuity of advantage of management and operations.

(XII) Litigations or Non-litigious Matters

1. Litigation and non-litigation matters of the Company and its subsidiaries: None.
2. Directors, Supervisors, General Managers, In-charge Personnel, Major shareholders with more than 10% of shareholding and subsidiaries should be disclosed. Lawsuits that may significantly affect the shareholders' equity or the stock price of the Company, the disclosure should include the factual accounts of the case, the underlying amount, the commencement date of judiciary proceeding, involved parties, and the current status of the case as of the date of this annual report: None.

(XIII) Other Significant Risks and the Preventive Actions as of the Date of this Annual Report:

1. For other major operating risks and the remedial actions, please refer to page 105 of this annual report for favorable/unfavorable factors associated with future development and remedial actions and measures.
2. Risks associated with patent violation: As international competition getting fierce under the global economy, pattern infringement lawsuit has become a competing strategy adopted by the industry practice. Moreover, there are increasing amount of patent trolls using all sorts of means to take advantage from companies in the industry. This means our chance to face such charges from either competitors or patent trolls are increasing along the development of the business.
3. Despite a unit specialized on the application and management of our patents and trademarks have been set, there is no guarantee that our intellectual property will not free from trespass from others.

4. Circumstances that may not have sufficient protection: We believe there are risks and hazards that cannot be fully warranted under the current management, including machinery malfunction, damage and abnormality, belated delivery of facility orders, capacity limitation, labor strike, fire accidents, natural disasters from earthquakes, typhoons, climate changes and occupational accidents. These could bring significant adversity to our Group. The Group has purchased insurance to cover our fixed assets and inventories based on the circumstances of the location of the operating sites. However, we are aware of these protections might not be sufficient under extreme incidents and the Group's operation might be affected un-favorably.

VII. Other Material Matters

(I) Assessment Basis for Making Provision on Appraisals of Assets and Liabilities

Item	Assets and liabilities under appraisal	Assessment basis	Assessment foundation
1	Bad debt provision	Impairment loss assessment	When there's objective evidence showing signs of impairment, assessment will be made from future cash flows received. The impairment should be equal to the difference between the carrying amount of the financial assets and the present value of the cash flows discounted at the original effective rate.
2	Allowance for inventory valuation and obsolescence	Lower of cost or net realizable value	Using lower of cost or net realizable value to determine value for inventories under its respective category. Net realizable value is computed from: estimated selling price – additional cost needed to finish the product – cost of selling. Weighted averages method is used to account cost of inventory.
3	Financial assets and liabilities	Fair Value	Financial assets at fair value through profit or loss 1. Derivative instruments used for trading: The fair value of the asset is determined through the deduction of observable direct value (the market price) and indirect value (deduced from the market price). 2. Non-derivative instrument used for trading: The fair value is determined through quote price from the active market for the same asset category (un-adjusted). Financial liabilities at fair value through profit or loss 1. Derivative instruments used for trading: The fair value of the liability is determined through the deduction of observable direct value (the market price) and indirect value (deduced from the market price). 2. Convertible bond embedded with option: The fair value of the liability is determined through the deduction of observable direct value (the

			market price) and indirect value (deduced from the market price).
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(II) Certificates received via the guidance of supervising authorities

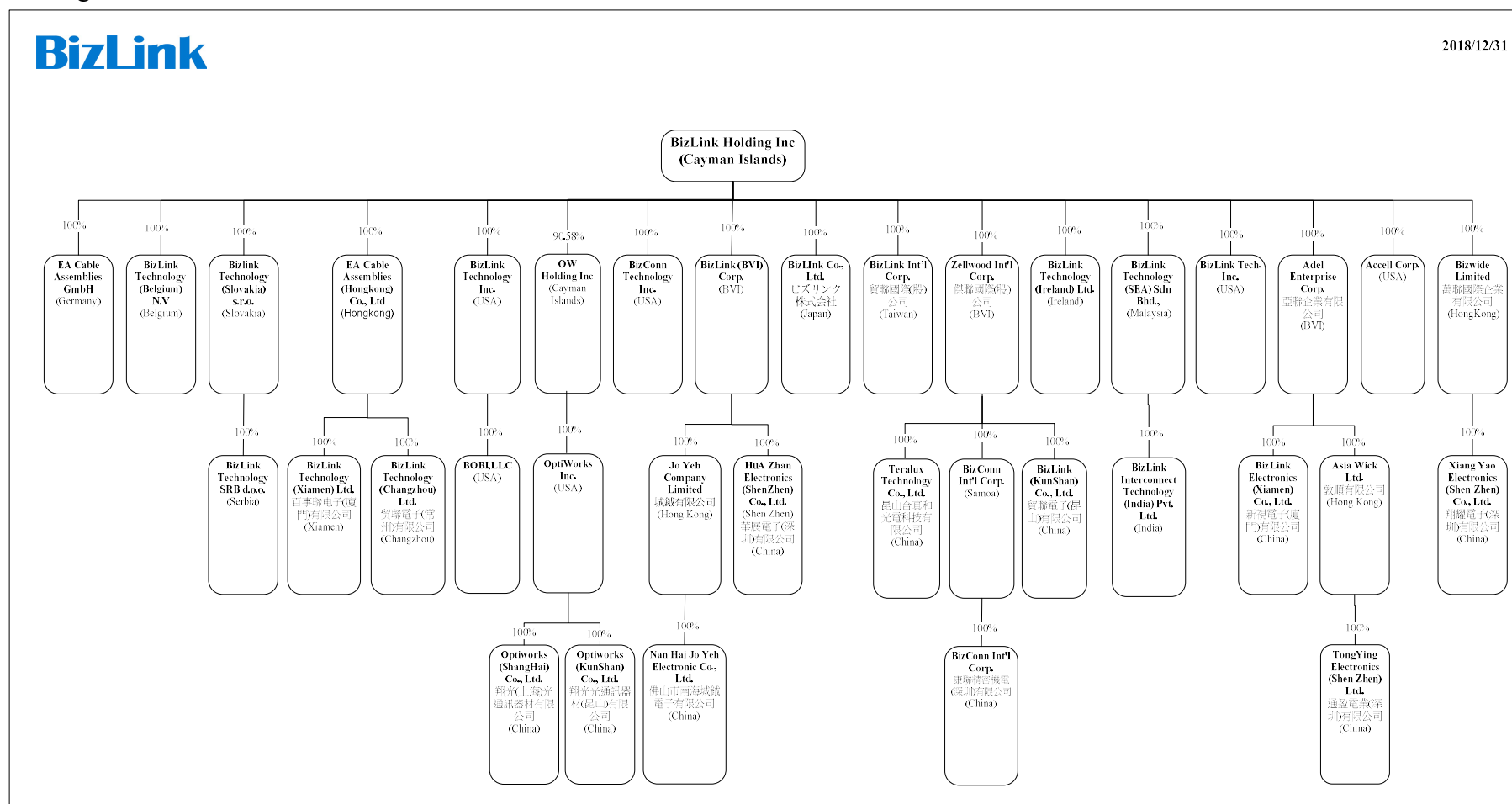
The personnel related to financial transparency of the Company received related certificates via the guidance of supervising authorities are as the following:

1. Certified Internal Auditor (CIA): 2 employees in internal audit dept.
2. Certified Public Accountant (CPA): 1 employee in finance dept.
3. Basic Ability Exams for Enterprise Internal Control: 2 employees in internal audit dept.

Eight Special Notes and Others

I. Affiliates' Information

(I) Holding Structure



(II) Relationship with the Company

December 31, 2016

Name	Holding %	Shares	Amount (in thousands)	Relationship with the Company	Shares of the Company
BIZLINK TECHNOLOGY INC.	100%	10,000	USD 3,920	Subsidiary	None
OPTIWORKS, INC.	100%	1,400	USD 20,382	Subsidiary	None
BIZLINK (BVI) CORP.	100%	50,000	USD 50	Subsidiary	None
BIZLINK INTERNATIONAL CORP.	100%	70,000	NTD 70,000	Subsidiary	None
ZELLWOOD INTERNATIONAL CORPORATION	100%	2,500,000	USD 2,500	Subsidiary	None
BIZLINK TECHNOLOGY (S.E.A.) SDN. BHD.	100%	1,200,000	MYR 1,200	Subsidiary	None
ADEL ENTERPRISES CORPORATION	100%	1,650,000	USD 1,650	Subsidiary	None
BIZLINK TECH, INC.	100%	60,000	USD 3,050	Subsidiary	None
ACCELL CORPORATION	100%	10,000	-	Subsidiary	None
BIZLINK TECHNOLOGY (IRELAND) LTD.	100%	300,000	USD 300	Subsidiary	None
ビズリンク株式会社	100%	200	JPY 10,000	Subsidiary	None
BIZWIDE LIMITED	100%	10,000	-	Subsidiary	None
BIZCONN TECHNOLOGY INC.	100%	-	-	Subsidiary	None
EA CABLE ASSEMBLIES (HONGKONG) CO., LIMITED	100%	10,000	EUR24,676	Subsidiary	None
EA CABLE ASSEMBLIES GMBH	100%	1	EUR659	Subsidiary	None
BIZLINK TECHNOLOGY (BELGIUM) N.V.	100%	915	EUR12,326	Subsidiary	None
BIZLINK TECHNOLOGY (SLOVAKIA) S.R.O.	100%	Note 1	EUR15,966	Subsidiary	None
OW HOLDING INC.	100%	-	-	Subsidiary	None
BOBI, LLC	100%	Note 1	USD2,000	Sub- subsidiary	None
JO YEH COMPANY LIMITED	100%	10,000	USD3,915	Sub- subsidiary	None
BIZCONN INTERNATIONAL CORPORATION	100%	1,666,667	USD 1,667	Sub- subsidiary	None
ASIA WICK LTD.	100%	1,000	-	Sub- subsidiary	None
BIZLINK INTERCONNECT TECHNOLOGY (INDIA) PRIVATE (LIMITED)	100%	100,000	INR 1,000	Sub- subsidiary	None
BIZLINK TECHNOLOGY SRB D.O.O.	100%	Note 1	RSD3,357	Sub- subsidiary	None
BIZCONN (SHENZHEN) INTERNATIONAL CORP.	100%	Note 1	CNY 17,600	Third-tier subsidiary	None
TONGYING ELECTRONICS (SHENZHEN) LTD.	100%	Note 1	HKD 29,936	Third-tier subsidiary	None
BIZLINK INTERNATIONAL ELECTRONICS (SHENZHEN) CO., LTD.	Note 2	Note 2	Note 2	Sub- subsidiary	None
OPTIWORKS (SHANGHAI) CO., LTD.	100%	Note 1	USD 6,000	Sub- subsidiary	None
OPTIWORKS (KUNSHAN) CO., LTD.	100%	Note 1	USD 3,000	Sub- subsidiary	None
XIANG YAO ELECTRONICS (SHENZHEN) CO., LTD.	100%	Note 1	USD 1,000	Sub- subsidiary	None

HUA ZHAN ELECTRONICS (SHENZHEN) CO., LTD.	100%	Note 1	HKD 2,500	Sub- subsidiary	None
BIZLINK (KUNSHAN) CO., LTD.	100%	Note 1	USD 10,000	Sub- subsidiary	None
BIZLINK ELECTRONICS (XIAMEN) CO., LTD.	100%	Note 1	USD 560	Sub- subsidiary	None
FOSHAN CITY NANHAI JO YEH ELECTRONIC CO., LTD.	100%	Note 1	USD2,000	Third-tier subsidiary	None
BIZLINK TECHNOLOGY (CHANGZHOU) LTD.	100%	Note 1	USD5,000	Sub- subsidiary	None
BIZLINK TECHNOLOGY (XIAMEN) LTD.	100%	Note 1	USD 3,296	Sub- subsidiary	None
TERALUX TECHNOLOGY CO., LTD.	100%	Note 1	USD 910	Sub- subsidiary	None

Note 1: No shares or par value was issued for a limited company

II. Private placement securities in 2018 and as of the date of this annual report: None.

III. Shares of the Company acquired, disposed of, and held by subsidiaries in 2018 and as of the date of this annual report: None.

IV. Other Necessary Supplements: None.

V. Occurrence, in 2018 and as of the date of this annual report, of matters that significantly affected the shareholders' equity or the stock price of the Company as described under Article #36-3-2 of the Securities and Exchange Act: None.

VI. Exercising shareholders' rights

Please refer to the Company's Articles of Association

Appendix- 2017 and 2018 Financial Statements

BIZLINK HOLDING INC. AND SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS As of 2017 and 2018

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Report of Independent Accountants

To BIZLINK HOLDING INC.

Auditor's Opinion

We have audited the accompanying balance sheets of BIZLINK HOLDING INC. (the "Company") as of December 31, 2018 and 2017, and the related statements of Consolidated Income Statement, Statement of Stockholders' Equity and Statements of Cash Flows for the years then ended.

In our opinion, the accompanying consolidated financial statements accurately present, in all material respects, the Company's consolidated financial position, its consolidated financial performance, and its consolidated cash flows as of December 31, 2018 and of 2017 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standard (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of 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 BIZLINK HOLDING INC. and its subsidiaries (or 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 Group's consolidated financial statements for the fiscal year of 2018. 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 fiscal year of 2018 are stated as follows:

Occurrence and Authenticity of Revenue from Major Customers

A sizeable portion of the Company's consolidated operating revenue comes from a small number of customers. There was a significant revenue increase from 2017 to 2018. The top 20 revenue-contributing customers whose sales increased by over 20% accounted for 44% of consolidated operating revenue. Therefore, we identified this group of top 20 revenue-contributing customers whose sales rose by more than 20% as a key audit matter.

In response, we performed the following audit procedures:

1. We understood the sales transaction internal controls over the top 20 revenue-contributing customers whose sales increased by more than 20% and assessed the effectiveness of the design and implementation thereof.
2. We examined the Company's background checks performed on the top 20 revenue-contributing customers whose sales increased by more than 20% 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 top 20 revenue-contributing customers whose sales increased by more than 20% 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, 2018 from top 20 revenue-contributing customers whose sales increased by more than 20% in order to verify the authenticity of consolidated operating revenue.

Impairments on tangible assets, intangible assets and goodwill from the acquisition of the home appliances division.

During 2017, BizLink acquired Leoni AG Electrical Appliance Assemblies business group ("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 disclosed in Note 32 of the consolidated financial statements. As of December 31, 2018, the book values of property, plant and equipment, intangible assets and goodwill of BizLink Home Appliances Divisions were NT\$608,347 thousand, NT\$256,027 thousand and NT\$391,792 thousand, respectively.

The assumptions made in the forecasts for BizLink Home Appliance Division's future cash flows might be subjective and contain a high degree of uncertainty. This may significantly impact the aforementioned amount of recoverable assets and goodwill, which could then impact their estimated year-end impairment amounts. Therefore, we identified this impairment assessment of the tangible and intangible assets and goodwill from the Company's BizLink Home Appliance Division acquisition 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) of the consolidated financial statements. As for the related accounting estimations and uncertainty of assumptions, refer to Note 5 of the consolidated financial statements.

In response, we performed the following audit procedures:

1. We acquired evaluation reports issued by the Company 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 the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the associated interpretations from the governing agencies 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 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 members of 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. 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 appropriate audit evidence regarding the financial information of the individual entity 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, 2018 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.

Deloitte & Touche

March 14, 2019

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BIZLINK HOLDING INC. AND SUBSIDIARIES
Consolidated Balance Sheets
Years Ended December 31, 2018 & 2017

Unit: NT\$ Thousand

Code	Asset	2018/12/31		2017/12/31 (Audited after Measurement Period Adjustment)	%
		Amount	%	Amount	
	Current assets				
1100	Cash and cash equivalents	\$ 3,560,272	20	\$ 1,68	12
1110	Current financial assets at fair value through profit or loss	4,675	-	2	-
1147	Current bond investment without active market	-	-	3	-
1150	Notes receivable – un-related parties	69,267	-	17	1
1170	Accounts receivable – un-related parties	5,069,223	29	4,33	32
1200	Other receivables	104,967	1	14	1
1220	Current tax assets	17,720	-	-	-
130X	Inventories	4,457,156	25	3,24	24
1410	Prepayments	178,345	1	21	2
1476	Other current financial assets	21,128	-	1	-
1479	Other current assets	1,944	-	-	-
11XX	Total current assets	<u>13,484,697</u>	<u>76</u>	<u>9,88</u>	<u>72</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current	382,626	2	-	-
1543	Non-current financial assets at cost	-	-	23	2
1550	Investments accounted for using equity method	12,584	-	1	-
1600	Property, plant and equipment	2,221,686	13	2,08	15
1760	Investment property	205,387	1	20	1
1805	Goodwill	393,855	2	39	3
1821	Other intangible assets	528,113	3	42	3
1840	Deferred tax assets	156,067	1	11	1
1980	Other non-current financial assets	183,252	1	21	2
1985	Long-term prepaid rents	36,728	-	3	-
1990	Other non-current assets	131,107	1	14	1
15XX	Total non-current assets	<u>4,251,405</u>	<u>24</u>	<u>3,88</u>	<u>28</u>
1XXX	Total assets	<u>\$ 17,736,102</u>	<u>100</u>	<u>\$ 13,77</u>	<u>100</u>
Code	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings	\$ 64,500	-	\$ 90	6
2120	Current financial liabilities at fair value through profit or loss	6,450	-	-	-
2125	Derivative financial liability for hedging - current	3,473	-	-	-
2130	Contract liability— current	22,507	-	-	-
2150	Notes payable	133,522	1	18	1
2170	Accounts payable	3,831,669	22	3,24	24
2200	Other payables	1,096,270	6	1,07	8
2230	Current tax liabilities	161,464	1	13	1
2320	Long-term borrowings, current portion	37,713	-	12	1
2399	Other current liabilities	<u>2,292</u>	<u>-</u>	<u>2</u>	<u>-</u>

21XX	Total current liabilities	<u>5,359,860</u>	<u>30</u>	<u>5,69</u>	<u>41</u>
	Non-current liabilities				
2530	Corporate bonds payable	2,891,598	16		-
2540	Long-term borrowings	341,348	2	40	3
2570	Deferred tax liabilities	56,887	1	4	1
2640	Accrued pension liabilities	4,341	-		-
2670	Other non-current liabilities	<u>21,317</u>	<u>-</u>	<u>2</u>	<u>-</u>
25XX	Total non-current liabilities	<u>3,315,491</u>	<u>19</u>	<u>48</u>	<u>4</u>
2XXX	Total liabilities	<u>8,675,351</u>	<u>49</u>	<u>6,18</u>	<u>45</u>
	Equity attributable to owners of parent				
3110	Share capital	<u>1,185,174</u>	<u>7</u>	<u>1,15</u>	<u>8</u>
3200	Capital surplus	<u>4,893,638</u>	<u>28</u>	<u>4,13</u>	<u>30</u>
	Retained earnings				
3310	Legal reserve	487,839	3	37	3
3320	Special reserve	604,558	3	30	2
3350	Unappropriated retained earnings	<u>2,506,543</u>	<u>14</u>	<u>2,34</u>	<u>17</u>
3300	Total retained earnings	<u>3,598,940</u>	<u>20</u>	<u>3,01</u>	<u>22</u>
3400	Other equity	(<u>671,797</u>)	(<u>4</u>)	(<u>70</u>)	(<u>5</u>)
31XX	Total equity attributable to owners of the BizLink	9,005,955	51	7,59	55
36XX	Non-controlling interests	<u>54,796</u>	<u>-</u>		<u>-</u>
3XXX	Total equity	<u>9,060,751</u>	<u>51</u>	<u>7,59</u>	<u>55</u>
	Total Liabilities and equity	<u>\$ 17,736,102</u>	<u>100</u>	<u>\$ 13,77</u>	<u>100</u>

BIZLINK HOLDING INC. AND SUBSIDIARIES
Consolidated Income Statement
Periods Ended Jan. 1 to December 31, 2018 & 2017

Unit: NT\$ thousand, excepting earnings per share

Code		2018		2017 (Audited after Measurement Period Adjustments)	
		Amount	%	Amount	%
	Operating revenue				
4100	Net sales revenue	\$ 21,392,398	100	\$ 15,599,207	100
	Operating expenses				
5110	Selling expenses	<u>16,802,531</u>	<u>78</u>	<u>11,790,358</u>	<u>76</u>
5900	Gross profit (loss)	<u>4,589,867</u>	<u>22</u>	<u>3,808,849</u>	<u>24</u>
	Operating expenses				
6100	Selling expenses	883,145	4	693,751	4
6200	Administrative expenses	1,469,819	7	1,180,334	8
6300	Research and development expenses	453,840	2	383,040	2
6450	Expected credit loss reversed	(<u>5,765</u>)	-	-	-
6000	Total operating expenses	<u>2,801,039</u>	<u>13</u>	<u>2,257,125</u>	<u>14</u>
6900	Net operating income	<u>1,788,828</u>	<u>9</u>	<u>1,551,724</u>	<u>10</u>
	Non-operating income and expenses				
7010	Other income	124,782	-	67,378	-
7020	Other gains and losses	(640)	-	(62,347)	-
7050	Finance costs	(51,999)	-	(33,111)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	(\$ <u>3,257</u>)	-	(\$ <u>886</u>)	-
7000	Total non-operating income and expenses	<u>68,886</u>	-	(<u>28,966</u>)	-
7900	Profit (loss) from continuing operations before tax	1,857,714	9	1,522,758	10
7950	Tax expense	<u>458,125</u>	<u>2</u>	<u>342,579</u>	<u>2</u>
8200	Profit (loss) from continuing operations	<u>1,399,589</u>	<u>7</u>	<u>1,180,179</u>	<u>8</u>
	Other comprehensive income				

	Items that will not be reclassified subsequently to profit or loss:				
8311	Actuarial gain and loss arising from defined benefit plans	164	-	(435)	-
8316	Unrealized gain on investments in equity instruments	87,182	-	-	-
8317	Gain on hedging instruments subject to basis adjustments	(3,429)	-	-	-
8341	Exchange differences on translation to the presentation currency	244,619	1	(675,297)	(4)
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>824</u>	<u>-</u>	<u>74</u>	<u>-</u>
8310		<u>329,360</u>	<u>1</u>	<u>(675,658)</u>	<u>(4)</u>
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating foreign operations	(\$ 310,089)	(1)	\$ 362,848	2
8300	Other comprehensive income, net	<u>19,271</u>	<u>-</u>	<u>(312,810)</u>	<u>(2)</u>
8500	Total comprehensive income	<u>\$ 1,418,860</u>	<u>7</u>	<u>\$ 867,369</u>	<u>6</u>
	Net profit attributable to:				
8610	Owners of BizLink	\$ 1,392,311	7	\$ 1,180,179	8
8620	Non-controlling interests	<u>7,278</u>	<u>-</u>	<u>-</u>	<u>-</u>
8600		<u>\$ 1,399,589</u>	<u>7</u>	<u>\$ 1,180,179</u>	<u>8</u>
	Total comprehensive income attributable to :				
8710	Owners of BizLink	\$ 1,411,347	7	\$ 867,369	6
8720	Non-controlling interests	<u>7,513</u>	<u>-</u>	<u>-</u>	<u>-</u>
8700		<u>\$ 1,418,860</u>	<u>7</u>	<u>\$ 867,369</u>	<u>6</u>

	Earnings per share		
9750	Basic earnings per share	<u>\$ 11.86</u>	<u>\$ 10.84</u>
9850	Diluted earnings per share	<u>\$ 11.35</u>	<u>\$ 10.35</u>

BIZLINK HOLDING INC. AND SUBSIDIARIES
Statement of Stockholders' Equity
Periods Ended Jan. 1 to December 31, 2018 & 2017

Unit: NT\$ Thousand

		Equity Attributable to Owners of the BizLink											
		Other equity interest											
		Capital		Retained earnings			Exchange Differences	Gain or Loss on	Unrealized Gain			Non-controlling	
代 碼		Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	on Translating Foreign Operations	Effective Cash Flow Hedging Instruments	(Loss) on Financial Assets	Others	Total Equity	interests	T o t a l E q u i t y
A1	2017/1/1 Equity Balance	\$ 1,029,593	\$ 2,277,793	\$ 280,598	\$ 298,638	\$ 1,978,609	(\$ 304,631)	\$ -	\$ -	(\$ 229,047)	\$ 5,331,553	\$ -	\$ 5,331,553
	2016 earnings allocation and distribution :												
B1	Legal Reserve	-	-	90,995	-	(90,995)	-	-	-	-	-	-	-
B3	Special Reserve	-	-	-	5,993	(5,993)	-	-	-	-	-	-	-
B5	Cash dividend	-	-	-	-	(720,715)	-	-	-	-	(720,715)	-	(720,715)
I1	Corporate bonds converted to common shares	126,421	1,840,154	-	-	-	-	-	-	-	1,966,575	-	1,966,575
N1	Common shares issued from execution of employee stock warrants	(350)	12,787	-	-	245	-	-	-	136,627	149,309	-	149,309
D1	2017 Net earnings	-	-	-	-	1,180,179	-	-	-	-	1,180,179	-	1,180,179
D3	2017 Net earnings and other comprehensive income/loss	-	-	-	-	(361)	(312,449)	-	-	-	(312,810)	-	(312,810)
D5	2017 Total comprehensive income/loss	-	-	-	-	1,179,818	(312,449)	-	-	-	867,369	-	867,369
Z1	2017/12/31 Equity balance (Measurement Period Adjustment)	1,155,664	4,130,734	371,593	304,631	2,340,969	(617,080)	-	-	(92,420)	7,594,091	-	7,594,091
A3	Effect of retrospective application	-	-	-	-	9,292	-	-	(44,333)	-	(35,041)	-	(35,041)
A5	2018 BALANCE AT JANUARY 1, 2018 AS RESTATED	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
	2017 Earnings allocation and distribution :												
B1	Legal Reserve	-	-	116,246	-	(116,246)	-	-	-	-	-	-	-
B3	Special Reserve	-	-	-	299,927	(299,927)	-	-	-	-	-	-	-
B5	Cash dividend	-	-	-	-	(809,210)	-	-	-	-	(809,210)	-	(809,210)
M7	Change in percentage of ownership interests in subsidiaries	-	502	-	-	-	-	-	-	-	502	(502)	-
C1	Equity component of convertible bonds	-	169,777	-	-	-	-	-	-	-	169,777	-	169,777
E1	Issuance of common stock for cash	30,000	600,000	-	-	-	-	-	-	-	630,000	-	630,000
Q1	Disposal of investments in equity instruments	-	-	-	-	3,701	-	-	(3,701)	-	-	-	-
O1	Changes in non-controlling interests	-	-	-	-	(14,821)	-	-	-	-	(14,821)	47,785	32,964
N1	Stock-based payment arrangements	(490)	(7,375)	-	-	343	-	-	-	66,832	59,310	-	59,310
D1	2018 Net earnings	-	-	-	-	1,392,311	-	-	-	-	1,392,311	7,278	1,399,589
D3	2018 Net earnings and other comprehensive income/loss	-	-	-	-	131	(65,705)	(2,572)	87,182	-	19,036	235	19,271
D5	2018 Total comprehensive income/loss	-	-	-	-	1,392,442	(65,705)	(2,572)	87,182	-	1,411,347	7,513	1,418,860
Z1	2018/12/31 Equity balance	\$ 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

BIZLINK HOLDING INC. AND SUBSIDIARIES
Statements of Cash Flows
Years Ended December 31, 2018 & 2017

Unit: NT\$ thousand

C o d e		2018	2017 (Audited after Measurement Period Adjustment)
	Cash flows from (used in) operating activities		
A10000	Profit from continuing operations before tax	\$ 1,857,714	\$ 1,522,758
A20010	Adjustments to reconcile profit (loss)		
A20300	Expected credit loss on trade receivables reversed	(5,765)	-
A20300	Impairment loss recognized on trade receivables	-	12,871
A20100	Depreciation expense	334,078	273,821
A20200	Amortization expense	100,536	65,673
A29900	Amortization of prepayments for leases	1,108	1,095
A20400	Net loss on fair value change of financial assets and liabilities designated as at fair value through profit or loss	65,725	(34,777)
A20900	Financial costs	51,999	33,111
A21200	Interest income	(39,755)	(17,946)
A21900	Share-based payments	59,310	149,309
A22300	Share of Profit of Associates Accounted for Using Equity Method	3,257	886
A22500	Loss on disposal of property, plant and equipment	9,253	6,187
A22800	Loss on sale of intangible assets	152	32
A23200	Loss on sale of Investments accounted for using equity method	-	1,517
A23500	Impairment loss on financial assets	3,351	-
A23700	Allowance for inventory valuation and obsolescence losses	96,988	64,641
A24100	Net loss on currency exchange	(33,269)	108,444
A30000	Changes in operating assets and liabilities		
A31110	Financial assets held for trading	-	9,269
A31115	financial assets mandatorily classified	50,157	-
A31130	Notes receivable	112,928	(172,972)
A31150	Accounts receivable	(568,960)	(1,414,515)
A31160	Accounts receivable due from related parties	-	1,161

A31180	Other receivable	41,579	(816)
A31200	Inventories	(1,169,775)	(1,219,374)
A31230	Prepayments	51,408	12,625
A31240	Other current assets	\$ 247	(\$ 2,175)
A32110	Financial liability held for trading	(104,871)	-
A32125	Contract liability	(36,738)	-
A32130	Notes payable	(57,432)	(59,972)
A32150	Accounts payable	463,887	1,245,322
A32180	Other payable	19,063	(347,838)
A32210	Deferred revenue	(7,369)	17,870
A32240	Accrued pension liabilities	111	86
A32230	Other current liabilities	(13)	(740)
A32990	Other operating liabilities	<u>1,626</u>	<u>9,981</u>
A33000	Cash inflow generated from operations	1,300,530	265,534
A33100	Interest received	39,755	17,946
A33300	Interest paid	(13,802)	(19,322)
A33500	Income taxes paid	(<u>470,306</u>)	(<u>316,734</u>)
AAAA	Net cash flows from operating activities	<u>856,177</u>	(<u>52,576</u>)
Cash flows from (used in) investing activities			
B00100	Acquisition of financial asset or financial liability carrying at fair value through profit or loss	(51,490)	(213,894)
B00020	Proceeds from sale of financial assets	3,701	-
B00200	Disposition of financial asset or financial liability held at fair value through profit or loss	-	208,471
B00700	Proceeds on sale of debt investments with no active market	-	1,090,460
B01800	Acquisition of long-term equity investment using the equity method	-	(20,000)
B01900	Disposition of long-term equity investment using the equity method	-	1,457
B02200	Acquisition of subsidiaries (cash deducted)	(104,199)	(1,059,407)
B01200	Acquisition of financial assets at cost	-	(100,978)
B02700	Acquisition of property, plant and equipment	(439,789)	(290,529)
B02800	Proceeds from disposal of property, plant and equipment	39,017	9,482
B04500	Acquisition of intangible assets	(71,834)	(20,393)
B03700	Increase in refundable deposits	(6,416)	(5,059)
B03800	Decrease in refundable deposits	3,889	2,607
B06500	Increase in other financial assets	(9,873)	(184,055)
B06600	Decrease in other financial assets	\$ 77,211	\$ 36,174
B06700	Increase in other non-current assets	-	(33,790)
B07100	Increase in prepayments for business facilities	(<u>58,736</u>)	(<u>92,108</u>)

BBBB	Net cash used in financing activities	(<u>618,519</u>)	(<u>671,562</u>)
	Cash flows from (used in) financing activities		
C01200	Issuing convertible bonds	2,919,500	-
C09900	Paying costs of debt issuance	(27,221)	-
C04600	Proceeds from issuance of common stock for cash	630,000	-
C00100	Increase in short-term loans	-	573,785
C00200	Decrease in short-term loans	(852,359)	-
C01600	Proceeds from long-term debt	-	153,567
C01700	Repayments of long-term debt	(187,193)	(11,469)
C03000	Increase in guarantee deposits received	-	4,181
C03100	Decrease in guarantee deposits received	(1,382)	-
C04500	Cash dividends paid	(<u>809,210</u>)	(<u>720,715</u>)
CCCC	Net cash used in financing activities	<u>1,672,135</u>	(<u>651</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>33,939</u>)	(<u>8,332</u>)
EEEE	Net decrease in cash and cash equivalents	1,875,854	(733,121)
E00100	Cash and cash equivalents at beginning of period	<u>1,684,418</u>	<u>2,417,539</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 3,560,272</u>	<u>\$ 1,684,418</u>

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