

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

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2020 and 2019 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Stockholders  
BizLink Holding Inc.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of BizLink Holding Inc. and its subsidiaries (the Group) as of March 31, 2020 and 2019, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of March 31, 2020 and 2019 and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 15, 2020

Notice to Readers

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

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

# BIZLINK HOLDING INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2020 (Reviewed)		December 31, 2019 (Audited)		March 31, 2019 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 4,934,038	24	\$ 9,020,132	38	\$ 3,274,745	18
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	94,824	1	14,382	-	13,165	-
Financial assets for hedging - current (Notes 24 and 32)	1,462,114	7	4,055	-	654	-
Notes receivable from unrelated parties (Notes 9 and 25)	4,635	-	34,151	-	30,139	-
Trade receivables from unrelated parties (Notes 9 and 25)	4,402,210	21	4,836,085	20	4,930,009	28
Other receivables (Note 9)	90,471	-	114,355	1	91,734	1
Current tax assets (Note 4)	91,372	1	67,646	-	17,779	-
Inventories (Note 10)	3,978,908	19	4,077,127	17	4,158,425	23
Prepayments (Note 18)	216,353	1	220,202	1	157,607	1
Other financial assets - current (Notes 18 and 34)	66,033	-	10,976	-	25,848	-
Other current assets (Note 18)	<u>2,403</u>	<u>-</u>	<u>2,686</u>	<u>-</u>	<u>1,909</u>	<u>-</u>
Total current assets	<u>15,343,361</u>	<u>74</u>	<u>18,401,797</u>	<u>77</u>	<u>12,702,014</u>	<u>71</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	452,743	2	468,220	2	452,761	2
Investments accounted for using the equity method (Note 12)	118,819	-	97,316	-	41,562	-
Property, plant and equipment (Notes 13 and 34)	2,526,911	12	2,505,708	10	2,231,593	12
Right-of-use assets (Notes 14 and 33)	956,719	5	1,028,822	4	902,498	5
Investment properties (Notes 15 and 34)	198,851	1	198,845	1	204,856	1
Goodwill (Note 16)	368,939	2	373,867	2	387,335	2
Other intangible assets (Note 17)	317,480	1	337,376	1	505,544	3
Deferred tax assets (Note 4)	153,389	1	176,291	1	149,716	1
Other financial assets - non-current (Notes 18 and 34)	168,581	1	177,274	1	273,489	2
Other non-current assets (Notes 18 and 33)	<u>223,654</u>	<u>1</u>	<u>247,592</u>	<u>1</u>	<u>158,286</u>	<u>1</u>
Total non-current assets	<u>5,486,086</u>	<u>26</u>	<u>5,611,311</u>	<u>23</u>	<u>5,307,640</u>	<u>29</u>
TOTAL	<u>\$ 20,829,447</u>	<u>100</u>	<u>\$ 24,013,108</u>	<u>100</u>	<u>\$ 18,009,654</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 34)	\$ 64,500	-	\$ 64,500	-	\$ 99,110	1
Financial liabilities at FVTPL - current (Note 7)	22,548	-	8,394	-	1,480	-
Financial liabilities for hedging - current (Notes 24 and 32)	20,646	-	-	-	-	-
Contract liabilities - current (Note 25)	17,260	-	20,202	-	18,961	-
Notes payable (Note 21)	293,971	2	308,767	1	182,367	1
Trade payables to unrelated parties (Note 21)	2,690,847	13	3,371,163	14	2,772,745	15
Trade payables to related parties (Note 33)	383	-	-	-	-	-
Lease liabilities - current (Notes 14 and 33)	247,037	1	253,578	1	243,358	1
Other payables (Note 22)	2,268,589	11	1,243,287	5	1,014,544	6
Current tax liabilities (Note 4)	71,899	1	71,638	1	106,137	1
Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 34)	21,701	-	2,391,131	10	2,953,234	16
Other current liabilities (Note 22)	<u>2,679</u>	<u>-</u>	<u>2,646</u>	<u>-</u>	<u>2,633</u>	<u>-</u>
Total current liabilities	<u>5,722,060</u>	<u>28</u>	<u>7,735,306</u>	<u>32</u>	<u>7,394,569</u>	<u>41</u>
NON-CURRENT LIABILITIES						
Lease liabilities - non-current (Notes 14 and 33)	543,652	3	606,049	3	627,770	4
Bonds payable (Note 20)	2,865,572	14	2,824,912	12	-	-
Long-term borrowings (Notes 19 and 34)	436,478	2	451,012	2	334,558	2
Deferred tax liabilities (Note 4)	103,808	-	106,907	-	52,442	-
Net defined benefit liabilities - non-current (Note 4)	10,430	-	10,336	-	4,370	-
Other non-current liabilities (Note 22)	<u>21,221</u>	<u>-</u>	<u>22,160</u>	<u>-</u>	<u>18,825</u>	<u>-</u>
Total non-current liabilities	<u>3,981,161</u>	<u>19</u>	<u>4,021,376</u>	<u>17</u>	<u>1,037,965</u>	<u>6</u>
Total liabilities	<u>9,703,221</u>	<u>47</u>	<u>11,756,682</u>	<u>49</u>	<u>8,432,534</u>	<u>47</u>
EQUITY ATTRIBUTABLE TO OWNERS OF BIZLINK (Note 24)						
Capital stock						
Common stock	<u>1,305,174</u>	<u>6</u>	<u>1,305,174</u>	<u>5</u>	<u>1,185,174</u>	<u>7</u>
Capital surplus	<u>7,320,765</u>	<u>35</u>	<u>7,320,086</u>	<u>31</u>	<u>4,893,638</u>	<u>27</u>
Retained earnings						
Legal reserve	627,070	3	627,070	2	487,839	3
Special reserve	646,210	3	646,210	3	604,558	3
Unappropriated earnings	<u>2,331,987</u>	<u>11</u>	<u>3,276,915</u>	<u>14</u>	<u>2,837,908</u>	<u>16</u>
Total retained earnings	<u>3,605,267</u>	<u>17</u>	<u>4,550,195</u>	<u>19</u>	<u>3,930,305</u>	<u>22</u>
Other equity	<u>(1,152,708)</u>	<u>(5)</u>	<u>(967,925)</u>	<u>(4)</u>	<u>(488,564)</u>	<u>(3)</u>
Total equity attributable to owners of the BizLink	11,078,498	53	12,207,530	51	9,520,553	53
NON-CONTROLLING INTERESTS (Note 24)	<u>47,728</u>	<u>-</u>	<u>48,896</u>	<u>-</u>	<u>56,567</u>	<u>-</u>
Total equity	<u>11,126,226</u>	<u>53</u>	<u>12,256,426</u>	<u>51</u>	<u>9,577,120</u>	<u>53</u>
TOTAL	<u>\$ 20,829,447</u>	<u>100</u>	<u>\$ 24,013,108</u>	<u>100</u>	<u>\$ 18,009,654</u>	<u>100</u>

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

# BIZLINK HOLDING INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 25)	\$ 4,952,833	100	\$ 5,481,732	100
OPERATING COSTS (Notes 10, 26 and 33)				
Cost of goods sold	<u>3,767,766</u>	<u>76</u>	<u>4,206,689</u>	<u>77</u>
GROSS PROFIT	<u>1,185,067</u>	<u>24</u>	<u>1,275,043</u>	<u>23</u>
OPERATING EXPENSES (Notes 26 and 33)				
Selling and marketing expenses	204,665	4	239,635	4
General and administrative expenses	434,456	9	428,374	8
Research and development expenses	149,251	3	128,513	2
Expected credit loss recognized (Note 9)	<u>13,792</u>	<u>-</u>	<u>4,683</u>	<u>-</u>
Total operating expenses	<u>802,164</u>	<u>16</u>	<u>801,205</u>	<u>14</u>
PROFIT FROM OPERATIONS	<u>382,903</u>	<u>8</u>	<u>473,838</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 14 and 26)	105,236	2	20,585	-
Other gains and losses (Note 26)	(102,910)	(2)	(37,887)	(1)
Finance costs (Notes 20 and 36)	(36,877)	(1)	(23,595)	-
Share of loss of associates	<u>(6,051)</u>	<u>-</u>	<u>(1,034)</u>	<u>-</u>
Total non-operating income and expenses	<u>(40,602)</u>	<u>(1)</u>	<u>(41,931)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX FROM OPERATIONS	342,301	7	431,907	8
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(107,005)</u>	<u>(2)</u>	<u>(99,573)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>235,296</u>	<u>5</u>	<u>332,334</u>	<u>6</u>
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss				
Unrealized (loss) gain on investments in equity instruments at FVTOCI (Note 24)	(67,467)	(1)	68,980	1
(Loss) gain on hedging instruments subject to basis adjustments (Notes 4 and 24)	(40,518)	(1)	4,199	-

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# BIZLINK HOLDING INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
Exchange differences on translation to presentation currency (Note 24)	\$ 88,686	2	\$ 30,818	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 24 and 27)	<u>4,286</u>	<u>-</u>	<u>(1,050)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 24)	<u>(167,547)</u>	<u>(4)</u>	<u>72,302</u>	<u>1</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(182,560)</u>	<u>(4)</u>	<u>175,249</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 52,736</u>	<u>1</u>	<u>\$ 507,583</u>	<u>9</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of BizLink	\$ 236,507	5	\$ 331,365	6
Non-controlling interests	<u>(1,211)</u>	<u>-</u>	<u>969</u>	<u>-</u>
	<u>\$ 235,296</u>	<u>5</u>	<u>\$ 332,334</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of BizLink	\$ 53,904	1	\$ 505,812	9
Non-controlling interests	<u>(1,168)</u>	<u>-</u>	<u>1,771</u>	<u>-</u>
	<u>\$ 52,736</u>	<u>1</u>	<u>\$ 507,583</u>	<u>9</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 1.81</u>		<u>\$ 2.81</u>	
Diluted	<u>\$ 1.73</u>		<u>\$ 2.61</u>	

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

(Concluded)

## BIZLINK HOLDING INC. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the BizLink											
						Other Equity						
	Capital Stock Common Stock	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translating the Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Gain or Loss on the Effective Cash Flow Hedging Instruments	Others	Total	Non-controlling Interest	Total Equity
BALANCE AT JANUARY 1, 2019	\$ 1,185,174	\$ 4,893,638	\$ 487,839	\$ 604,558	\$ 2,506,543	\$ (682,785)	\$ 39,148	\$ (2,572)	\$ (25,588)	\$ 9,005,955	\$ 54,796	\$ 9,060,751
Share-based payment arrangements (Notes 24, 26 and 29)	-	-	-	-	-	-	-	-	8,786	8,786	-	8,786
Net profit for the three months ended March 31, 2019	-	-	-	-	331,365	-	-	-	-	331,365	969	332,334
Other comprehensive income for the three months ended March 31, 2019 (Note 24)	-	-	-	-	-	102,318	68,980	3,149	-	174,447	802	175,249
Total comprehensive income for the three months ended March 31, 2019	-	-	-	-	331,365	102,318	68,980	3,149	-	505,812	1,771	507,583
BALANCE AT MARCH 31, 2019	<u>\$ 1,185,174</u>	<u>\$ 4,893,638</u>	<u>\$ 487,839</u>	<u>\$ 604,558</u>	<u>\$ 2,837,908</u>	<u>\$ (580,467)</u>	<u>\$ 108,128</u>	<u>\$ 577</u>	<u>\$ (16,802)</u>	<u>\$ 9,520,553</u>	<u>\$ 56,567</u>	<u>\$ 9,577,120</u>
BALANCE AT JANUARY 1, 2020	\$ 1,305,174	\$ 7,320,086	\$ 627,070	\$ 646,210	\$ 3,276,915	\$ (1,088,878)	\$ 117,746	\$ 3,207	\$ -	\$ 12,207,530	\$ 48,896	\$ 12,256,426
Appropriation of the 2019 earnings Cash dividends distributed by BizLink (Note 24)	-	-	-	-	(1,174,657)	-	-	-	-	(1,174,657)	-	(1,174,657)
Changes from investments in associates and joint ventures accounted for using equity method (Note 12)	-	-	-	-	(8,958)	-	-	-	-	(8,958)	-	(8,958)
Share-based payment arrangements (Notes 24, 26 and 29)	-	679	-	-	-	-	-	-	-	679	-	679
Disposal of investments in equity investments designated at FVTOCI (Notes 24 and 29)	-	-	-	-	2,180	-	(2,180)	-	-	-	-	-
Net profit for the three months ended March 31, 2020	-	-	-	-	236,507	-	-	-	-	236,507	(1,211)	235,296
Other comprehensive loss for the three months ended March 31, 2020, net of income tax (Note 24)	-	-	-	-	-	(78,904)	(67,467)	(36,232)	-	(182,603)	43	(182,560)
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	236,507	(78,904)	(67,467)	(36,232)	-	53,904	(1,168)	52,736
BALANCE AT MARCH 31, 2020	<u>\$ 1,305,174</u>	<u>\$ 7,320,765</u>	<u>\$ 627,070</u>	<u>\$ 646,210</u>	<u>\$ 2,331,987</u>	<u>\$ (1,167,782)</u>	<u>\$ 48,099</u>	<u>\$ (33,025)</u>	<u>\$ -</u>	<u>\$ 11,078,498</u>	<u>\$ 47,728</u>	<u>\$ 11,126,226</u>

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

# BIZLINK HOLDING INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 342,301	\$ 431,907
Adjustments for:		
Depreciation expenses	162,774	149,992
Amortization expenses	24,852	29,098
Expected credit losses recognized on trade receivables	13,792	4,683
Net loss (gain) on fair value change of financial assets and liabilities designated as at FVTPL	9,048	(28,500)
Finance costs	36,877	23,595
Interest income	(25,250)	(7,890)
Compensation cost of employee stock options	679	8,786
Share of loss of associates	6,051	1,034
Gain on disposal of property, plant and equipment	(132)	(3,760)
Write-downs of inventories	20,338	17,979
Net gain on foreign currency exchange	(65,132)	(5,123)
Loss on redemption of convertible bonds	167,869	-
Changes in operating assets and liabilities		
(Increase) decrease in financial assets mandatorily at designated as at FVTPL	(64,434)	15,030
Decrease in notes receivable	29,674	39,377
Decrease in trade receivables	497,580	169,358
Decrease in other receivables	24,718	13,706
Decrease in inventories	115,119	292,688
Decrease in prepayment	5,626	20,120
Decrease in other current assets	304	41
Decrease in financial liabilities held for trading	(11,449)	-
Decrease in contract liabilities	(3,095)	(3,624)
(Decrease) increase in notes payable	(17,249)	48,404
Decrease in trade payables	(710,694)	(1,072,389)
Increase in trade payables to related parties	383	-
Decrease in other payables	(160,207)	(85,576)
Decrease in deferred revenue	(2,427)	(2,087)
Increase in net defined benefit liabilities	10	29
Increase in other current liabilities	14	334
(Decrease) increase in other operating liabilities	(158)	349
Cash generated from operations	397,782	57,561
Interest received	25,250	7,890
Interest paid	(12,402)	(12,850)
Income tax paid	(105,833)	(152,172)
Net cash generated from (used in) operating activities	304,797	(99,571)

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# BIZLINK HOLDING INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at FVTOCI	\$ (52,857)	\$ -
Proceeds from sale of financial assets at FVTOCI	4,095	-
Acquisition of associates	(36,000)	(30,000)
Payments for property, plant and equipment	(98,908)	(97,753)
Proceeds from disposal of property, plant and equipment	1,442	42,998
Payments for intangible assets	(6,166)	(1,337)
Increase in refundable deposits	(344)	(11,336)
Decrease in refundable deposits	93	64
Increase in other financial assets	(57,783)	(96,903)
Decrease in other financial assets	12,324	2,970
Increase in prepayments for equipment	<u>(6,469)</u>	<u>(31,470)</u>
Net cash used in investing activities	<u>(240,573)</u>	<u>(222,767)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Redemption of convertible bonds	(2,574,057)	-
Proceeds from short-term borrowings	-	34,621
Repayments of long-term borrowings	(3,495)	(3,992)
Proceeds from guarantee deposits received	1,467	-
Refund of guarantee deposits received	-	(827)
Repayment of the principal portion of lease liabilities	<u>(65,254)</u>	<u>(56,285)</u>
Net cash used in financing activities	<u>(2,641,339)</u>	<u>(26,483)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(46,865)</u>	<u>63,294</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(2,623,980)</u>	<u>(285,527)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>9,020,132</u>	<u>3,560,272</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 6,396,152</u>	<u>\$ 3,274,745</u>
	March 31	
	2020	2019
Cash and cash equivalents in the consolidated balance sheets	\$ 4,934,038	\$ 3,274,745
Cash and cash equivalents included in financial assets for hedging	<u>1,462,114</u>	<u>-</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 6,396,152</u>	<u>\$ 3,274,745</u>

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

(Concluded)

# BIZLINK HOLDING INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 1. GENERAL INFORMATION

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

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

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements of BizLink and its subsidiaries, collectively referred to as the “Group”, were approved by BizLink’s board of directors on May 15, 2020.

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

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

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

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note)</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022

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

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

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

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

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

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

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

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

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

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

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

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

See Note 11, Table 7 and Table 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policy

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

1) Hedge accounting

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

### Cash flow hedges

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

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

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

#### 2) Retirement benefits

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

#### 3) Taxation

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

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

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

## 6. CASH AND CASH EQUIVALENTS

	March 31, 2020	December 31, 2019	March 31, 2019
Cash on hand	\$ 1,104	\$ 1,040	\$ 943
Checking accounts and demand deposits	2,858,680	6,145,573	2,574,670
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	2,064,494	2,871,001	690,906
Bank acceptances	<u>9,760</u>	<u>2,518</u>	<u>8,226</u>
	<u>\$ 4,934,038</u>	<u>\$ 9,020,132</u>	<u>\$ 3,274,745</u>

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

	March 31, 2020	December 31, 2019	March 31, 2019
Demand deposits	0%-2.75%	0 %-2.38%	0%-2.03%

## 7. FINANCIAL INSTRUMENTS AT FVTPL

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 2,596	\$ 11,393	\$ 10,251
Convertible bond options (Note 20)	906	747	616
Non-derivative financial assets			
Domestic and foreign listed stocks	1,322	2,242	2,298
Fund beneficiary certificates	<u>90,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 94,824</u>	<u>\$ 14,382</u>	<u>\$ 13,165</u>

### Financial liabilities at FVTPL - current

Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Convertible bond options (Note 20)	\$ -	\$ 8,394	\$ -
Foreign exchange forward contracts	<u>22,548</u>	<u>-</u>	<u>1,480</u>
	<u>\$ 22,548</u>	<u>\$ 8,394</u>	<u>\$ 1,480</u>

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2020</u>			
Sell	USD/RMB	2020.04-2020.07	USD57,381/RMB402,314
Sell	EUR/RMB	2020.04-2020.12	EUR3,848/RMB30,700
<u>December 31, 2019</u>			
Sell	USD/RMB	2020.01-2020.06	USD35,671/RMB251,694
Sell	EUR/RMB	2020.01-2020.12	EUR4,925/RMB39,250
<u>March 31, 2019</u>			
Sell	USD/RMB	2019.04-2020.01	USD40,111/RMB270,099
Sell	EUR/RMB	2019.04-2020.01	EUR4,599/RMB36,795

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

### Investment in Equity Instruments at FVTOCI

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Non-current</u>			
Domestic and foreign equity instruments			
Unlisted stocks	\$ 277,171	\$ 253,609	\$ 452,761
Listed stocks	<u>175,572</u>	<u>214,611</u>	<u>-</u>
	<u>\$ 452,743</u>	<u>\$ 468,220</u>	<u>\$ 452,761</u>

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

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

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

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 4,635	\$ 34,151	\$ 30,139
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,635</u>	<u>\$ 34,151</u>	<u>\$ 30,139</u>
Notes receivable - operating	<u>\$ 4,635</u>	<u>\$ 34,151</u>	<u>\$ 30,139</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 4,459,256	\$ 4,879,021	\$ 4,983,862
Less: Allowance for impairment loss	<u>(57,046)</u>	<u>(42,936)</u>	<u>(53,853)</u>
	<u>\$ 4,402,210</u>	<u>\$ 4,836,085</u>	<u>\$ 4,930,009</u>
<u>Other receivables</u>			
Tax refund receivable	\$ 56,986	\$ 77,692	\$ 77,194
Others	<u>33,485</u>	<u>36,663</u>	<u>14,540</u>
	<u>\$ 90,471</u>	<u>\$ 114,355</u>	<u>\$ 91,734</u>

### a. Notes receivable

The average paid of notes receivable was 150 to 201 days.

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

The aging of receivable was as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Up to 60 days	\$ 4,635	\$ 18,952	\$ 9,705
61 to 90 days	-	10,807	3,441
91 to 120 days	-	285	4,644
121 to 365 days	<u>-</u>	<u>4,107</u>	<u>12,349</u>
	<u>\$ 4,635</u>	<u>\$ 34,151</u>	<u>\$ 30,139</u>

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



b. Trade receivables

At amortized cost

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

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

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

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

March 31, 2020

		Past Due					Total
		Not Past Due	Less than and Including 60 Days	61 to 90 Days	91 to 120 Days	121 to 365 Days	Over 365 Days
Expected credit loss rate	0.00%-0.26%	0.00%-1.83%	0.00%-8.34%	0.00%-26.36%	0.00%-42.03%	100%	
Gross carrying amount	\$ 3,785,227	\$ 564,084	\$ 31,552	\$ 7,677	\$ 33,562	\$ 37,154	\$ 4,459,256
Loss allowance (lifetime ECLs)	(2,923)	(6,825)	(1,826)	(908)	(7,410)	(37,154)	(57,046)
Amortized cost	<u>\$ 3,782,304</u>	<u>\$ 557,259</u>	<u>\$ 29,726</u>	<u>\$ 6,769</u>	<u>\$ 26,152</u>	<u>\$ -</u>	<u>\$ 4,402,210</u>

December 31, 2019

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

## March 31, 2019

	Not Past Due	Past Due					Total
		Less than and Including 60 Days	61 to 90 Days	91 to 120 Days	121 to 365 Days	Over 365 Days	
Expected credit loss rate	0.00%-0.44%	0.00%-7.48%	0.00%-11.54%	0.00%-15.83%	0.00%-27.82%	100%	
Gross carrying amount	\$ 4,596,989	\$ 263,813	\$ 36,012	\$ 21,615	\$ 40,186	\$ 25,247	\$ 4,983,862
Loss allowance (Lifetime ECLs)	<u>(6,517)</u>	<u>(5,916)</u>	<u>(3,498)</u>	<u>(3,431)</u>	<u>(9,244)</u>	<u>(25,247)</u>	<u>(53,853)</u>
Amortized cost	<u>\$ 4,590,472</u>	<u>\$ 257,897</u>	<u>\$ 32,514</u>	<u>\$ 18,184</u>	<u>\$ 30,942</u>	<u>\$ -</u>	<u>\$ 4,930,009</u>

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

	For the Three Months Ended March 31	
	2020	2020
Balance at January 1	\$ 42,936	\$ 49,026
Add: Net remeasurement of loss allowance	13,792	4,683
Foreign exchange translation gains and losses	<u>318</u>	<u>144</u>
Balance at March 31	<u>\$ 57,046</u>	<u>\$ 53,853</u>

### c. Other receivables

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

## 10. INVENTORIES

	March 31, 2020	December 31, 2019	March 31, 2019
Raw materials	\$ 1,679,283	\$ 1,255,199	\$ 1,236,730
Work in progress	294,228	264,976	216,436
Finished goods and merchandise	<u>2,005,397</u>	<u>2,556,952</u>	<u>2,705,259</u>
	<u>\$ 3,978,908</u>	<u>\$ 4,077,127</u>	<u>\$ 4,158,425</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2020 and 2019 were \$3,767,766 thousand and \$4,206,689 thousand, respectively. The cost of goods sold included inventory write-down were \$20,338 thousand and \$17,979 thousand, respectively.

## 11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2020	December 31, 2019	March 31, 2019	
BizLink Holding Inc.	BizLink Technology Inc.	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	
	OW Holding Inc.	Various investment activities.	93.08	93.08	90.58	a
	BizLink (BVI) Corp.	(1) Wholesale and retail of cable assemblies, connectors, power cords, (2) wholesale and retail of computer peripheral products and electronic materials, (3) international trade, and (4) various investment activities.	100.00	100.00	100.00	
	BizLink International Corp.	(1) Wholesale of cable assemblies, connectors and power cords, (2) international trade, and (3) financial center for BizLink's Asian operations.	100.00	100.00	100.00	
	Zellwood International Corp.	Various investment activities.	100.00	100.00	100.00	
	BizLink Technology (S.E.A.) Sdn. Bhd.	(1) Design, manufacture and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	
	Adel Enterprises Corp.	(1) Wholesale and retail of cable assemblies, connectors, and power cords, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	
	BizLink Tech Inc.	(1) Design, manufacture, and sale of cable assemblies, (2) wholesale and retail of computer peripheral products and electronic materials, (3) production of fiberfill moldings, and (4) international business trade.	100.00	100.00	100.00	
	Accell Corp.	(1) Wholesale and retail of brand name connectors, cables and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) its own brand name.	100.00	100.00	100.00	
	BizLink Technology (Ireland) Ltd.	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	
	BizLink Japan	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	
	BizLink (BVI) Corp. Limited	Various investment activities.	100.00	100.00	100.00	
	Bizconn Technology Inc.	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	Bizconn Technology Inc. is not yet in operation.
	EA Cable Assemblies (Hong Kong) Co., Limited	Various investment activities.	100.00	100.00	100.00	
	EA Cable Assemblies GmbH	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	100.00	100.00	100.00	
	BizLink Technology (Belgium) NV	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	100.00	100.00	100.00	
	BizLink Technology (Slovakia) S.R.O.	(1) Manufacture and assembly of cable harnesses for electrical appliance, and (2) wholesale and retail of cable assemblies and power cords.	100.00	100.00	100.00	
	BizLink Technology SRB D.O.O.	(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords.	90.00	90.00	-	b
BizLink Technology Inc. OW Holding Inc.	Bobbi, LLC	Various leasing activities.	100.00	100.00	100.00	
	OptiWorks, Inc.	(1) Wholesale and retail of fiber optical passive components and fiber optical cables, (2) international trade, and (3) various investment activities.	100.00	100.00	100.00	
OptiWorks, Inc.	OptiWorks (Shanghai) Limited	(1) Manufacture, wholesale and retail of fiber optical passive components and fiber optical cables, and (2) international trade.	100.00	100.00	100.00	
	OptiWorks (Kunshan) Limited	(1) Production and development of optical communications optoelectronic devices, components and modules, and (2) sale of own products.	100.00	100.00	100.00	
BizLink (BVI) Corp.	Hwa Zhan Electronics Corp. (Shen Zhen)	Production and operations of computers and communications cables, connectors and fiber jumpers.	100.00	100.00	100.00	
	Jo Yeh Company Limited	(1) Wholesale and retail of connectors, and (2) international trade.	100.00	100.00	100.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2020	December 31, 2019	March 31, 2019	
Jo Yeh Company Limited	Foshan Nanhai Jo Yeh Electronic Co., Ltd.	Production and operations of electrical appliances, electronic equipment, and plug-in connectors.	100.00	100.00	100.00	
Zellwood International Corp.	Bizconn International Corp. (Samoa)	Various investment activities.	100.00	100.00	100.00	
	BizLink (Kun Shan) Co., Ltd.	Design, manufacture and sale of cable assemblies, connectors and power cords.	100.00	100.00	100.00	
	Teralux Technology Co., Ltd.	Research, manufacture and retail of optical and optoelectronic device technology	100.00	100.00	100.00	
Bizconn International Corp. (Samoa)	Bizconn International Corp. (China)	Design, manufacture, sale and assembly of connectors, tooling and cable assemblies.	100.00	100.00	100.00	
Adel Enterprise Corp.	BizLink Electronics (Xiamen) Co., Ltd.	Manufacture and assembly of power cords and cables.	100.00	100.00	100.00	
Asia Wick Ltd.	Asia Wick Ltd.	Various investment activities.	100.00	100.00	100.00	
	TongYing Electronics (Shen Zhen) Ltd.	Manufacture of wire extrusions and cable assemblies.	100.00	100.00	100.00	
BizLink (BVI) Corp. Limited	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	Design, manufacture and sale of cable assemblies, power cords, and connectors.	100.00	100.00	100.00	
BizLink Technology (S.E.A.) Sdn. Bhd.	BizLink Interconnect Technology (India) Private Limited	(1) Design, manufacture, and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	100.00	
BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords.	10.00	10.00	100.00	b
EA Cable Assemblies (Hong Kong) Co., Limited	BizLink Technology (Chang Zhou) Limited	(1) Manufacture of smart instrumental sensors, instrumental connectors and instrumental functional materials, (2) sale of own products, and import and export business.	100.00	100.00	100.00	
	BizLink Technology (Xiamen) Limited	(1) Manufacture of smart instrumental sensors, instrumental connectors, and instrumental functional materials, (2) sale of own products, and import and export business.	100.00	100.00	100.00	

(Concluded)

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

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

## 12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

### Investments in Associates

	March 31, 2020	December 31, 2019	March 31, 2019
Associates that are not individually material	<u>\$ 118,819</u>	<u>\$ 97,316</u>	<u>\$ 41,562</u>

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

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

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

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

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

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

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

Except for Siriustek Inc. and AquaOptics Corp, investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been reviewed for the three months ended March 31, 2020 and 2019. However, the Group's management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of Siriustek Inc. and AquaOptics Corp. that have not been reviewed.

### 13. PROPERTY, PLANT AND EQUIPMENT

#### Assets Used by the Group

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Other Equipment	Property under Construction	Total
<u>Cost</u>							
Balance at January 1, 2020	\$ 348,715	\$ 900,452	\$ 2,590,726	\$ 21,221	\$ 760,076	\$ 32,170	\$ 4,653,360
Additions	-	14,606	41,116	382	42,804	-	98,908
Disposals	-	-	(4,378)	-	(664)	-	(5,042)
Reclassifications (a)	-	3,682	27,555	-	146	-	31,383
Effects of foreign currency exchange differences	1,036	(3,630)	(17,213)	(274)	(7,115)	-	(27,196)
Balance at March 31, 2020	<u>\$ 349,751</u>	<u>\$ 915,110</u>	<u>\$ 2,637,806</u>	<u>\$ 21,329</u>	<u>\$ 795,247</u>	<u>\$ 32,170</u>	<u>\$ 4,751,413</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2020	\$ -	\$ 275,573	\$ 1,424,301	\$ 12,547	\$ 435,231	\$ -	\$ 2,147,652
Disposals	-	-	(3,163)	-	(569)	-	(3,732)
Reclassifications	-	-	491	-	(491)	-	-
Depreciation expense	-	9,864	61,636	531	23,953	-	95,984
Effects of foreign currency exchange differences	-	(1,022)	(10,791)	(172)	(3,417)	-	(15,402)
Balance at March 31, 2020	<u>\$ -</u>	<u>\$ 284,415</u>	<u>\$ 1,472,474</u>	<u>\$ 12,906</u>	<u>\$ 454,707</u>	<u>\$ -</u>	<u>\$ 2,224,502</u>
Carrying amounts at December 31, 2019 and January 1, 2020	<u>\$ 348,715</u>	<u>\$ 624,879</u>	<u>\$ 1,166,425</u>	<u>\$ 8,674</u>	<u>\$ 324,845</u>	<u>\$ 32,170</u>	<u>\$ 2,505,708</u>
Carrying amounts at March 31, 2020	<u>\$ 349,751</u>	<u>\$ 630,695</u>	<u>\$ 1,165,332</u>	<u>\$ 8,423</u>	<u>\$ 340,540</u>	<u>\$ 32,170</u>	<u>\$ 2,526,911</u>

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Other Equipment	Property under Construction	Total
<u>Cost</u>							
Balance at January 1, 2019	\$ 351,825	\$ 819,028	\$ 2,362,298	\$ 20,314	\$ 629,526	\$ -	\$ 4,182,991
Additions	-	799	41,814	1,169	53,971	-	97,753
Disposals	-	(13,595)	(44,504)	-	(8,195)	-	(66,294)
Reclassifications (b)	-	404	16,295	-	321	-	17,020
Effects of foreign currency exchange differences	444	8,914	39,859	433	5,815	-	55,465
Balance at March 31, 2019	<u>\$ 352,269</u>	<u>\$ 815,550</u>	<u>\$ 2,415,762</u>	<u>\$ 21,916</u>	<u>\$ 681,438</u>	<u>\$ -</u>	<u>\$ 4,286,935</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2019	\$ -	\$ 261,635	\$ 1,324,148	\$ 13,732	\$ 361,790	\$ -	\$ 1,961,305
Disposals	-	(13,595)	(12,734)	-	(727)	-	(27,056)
Depreciation expense	-	9,738	46,407	546	28,632	-	85,323
Effects of foreign currency exchange differences	-	4,746	26,300	285	4,439	-	35,770
Balance at March 31, 2019	<u>\$ -</u>	<u>\$ 262,524</u>	<u>\$ 1,384,121</u>	<u>\$ 14,563</u>	<u>\$ 394,134</u>	<u>\$ -</u>	<u>\$ 2,055,342</u>
Carrying amounts at March 31, 2019	<u>\$ 352,269</u>	<u>\$ 553,026</u>	<u>\$ 1,031,641</u>	<u>\$ 7,353</u>	<u>\$ 287,304</u>	<u>\$ -</u>	<u>\$ 2,231,593</u>

(Concluded)

- Reclassifications from inventory and other non-current assets - prepayments for equipment to property, plant and equipment amounted to \$82 thousand and \$31,301 thousand, respectively.
- Reclassifications from inventory and other non-current assets - prepayments for equipment to property, plant and equipment amounted to \$84 thousand and \$16,936 thousand, respectively.

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

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

Refer to Note 34 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings granted to the Group.

## 14. LEASE ARRANGEMENTS

- Right-of-use assets

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Carrying amounts</u>			
Land	\$ 198,509	\$ 202,459	\$ 38,513
Buildings	733,838	802,395	840,020
Transportation equipment	17,951	16,884	21,036
Other equipment	<u>6,421</u>	<u>7,084</u>	<u>2,929</u>
	<u>\$ 956,719</u>	<u>\$ 1,028,822</u>	<u>\$ 902,498</u>

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Additions to right-of-use assets	\$ <u>3,530</u>	\$ <u>102,240</u>
Depreciation charge for right-of-use assets		
Land	\$ 1,186	\$ 308
Buildings	61,684	60,598
Transportation equipment	2,408	2,537
Other equipment	<u>589</u>	<u>287</u>
	\$ <u>65,867</u>	\$ <u>63,730</u>
Income from the subleasing of right-of-use assets (presented in other income)	\$ <u>(3,320)</u>	\$ <u>(3,415)</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2020 and 2019.

b. Lease liabilities

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
<u>Carrying amounts</u>			
Current	\$ <u>247,037</u>	\$ <u>253,578</u>	\$ <u>243,358</u>
Non-current	\$ <u>543,652</u>	\$ <u>606,049</u>	\$ <u>627,770</u>

Range of discount rate for lease liabilities was as follows:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Buildings	2.69%-6.76%	2.69%-6.76%	2.80%-6.76%
Transportation equipment	2.49%-4.59%	2.49%-4.59%	2.49%-4.59%
Other equipment	2.69%-4.25%	2.69%-4.25%	4.25%-4.74%

c. Material lease-in activities and terms

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

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

d. Subleases

The sublease transactions are set out below.

Sublease of right-of-use assets

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

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

	March 31, 2020	December 31, 2019	March 31, 2019
Year 1	\$ 8,460	\$ 6,793	\$ 8,888
Year 2	7,692	5,763	5,589
Year 3	1,302	2,624	5,589
Year 4	<u>-</u>	<u>-</u>	<u>1,397</u>
	<u>\$ 17,454</u>	<u>\$ 15,180</u>	<u>\$ 21,463</u>

e. Other lease information

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

	For the Three Months Ended March 31	
	2020	2019
Expenses relating to short-term leases	<u>\$ 3,440</u>	<u>\$ 4,521</u>
Expenses relating to low-value asset leases	<u>\$ 982</u>	<u>\$ 1,148</u>
Total cash outflow for leases	<u>\$ (78,645)</u>	<u>\$ (71,748)</u>

## 15. INVESTMENT PROPERTIES

	Freehold Land	Building	Total
<u>Cost</u>			
Balance at January 1, 2020	\$ 91,758	\$ 151,373	\$ 243,131
Effects of foreign currency exchange differences	<u>332</u>	<u>821</u>	<u>1,153</u>
Balance at March 31, 2020	<u>\$ 92,090</u>	<u>\$ 152,194</u>	<u>\$ 244,284</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ -	\$ 44,286	\$ 44,286
Depreciation expense	-	923	923
Effect of foreign currency exchange differences	<u>-</u>	<u>224</u>	<u>224</u>
Balance at March 31, 2020	<u>\$ -</u>	<u>\$ 45,433</u>	<u>\$ 45,433</u>

(Continued)



	<b>Freehold Land</b>	<b>Building</b>	<b>Total</b>
Carrying amounts at December 31, 2019 and January 1, 2020	<u>\$ 91,758</u>	<u>\$ 107,087</u>	<u>\$ 198,845</u>
Carrying amounts at March 31, 2020	<u>\$ 92,090</u>	<u>\$ 106,761</u>	<u>\$ 198,851</u>
<u>Cost</u>			
Balance at January 1, 2019	\$ 92,754	\$ 153,836	\$ 246,590
Effects of foreign currency exchange differences	<u>142</u>	<u>351</u>	<u>493</u>
Balance at March 31, 2019	<u>\$ 92,896</u>	<u>\$ 154,187</u>	<u>\$ 247,083</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2019	\$ -	\$ 41,203	\$ 41,203
Depreciation expense	-	939	939
Effects of foreign currency exchange differences	<u>-</u>	<u>85</u>	<u>85</u>
Balance at March 31, 2019	<u>\$ -</u>	<u>\$ 42,227</u>	<u>\$ 42,227</u>
Carrying amounts at March 31, 2019	<u>\$ 92,896</u>	<u>\$ 111,960</u>	<u>\$ 204,856</u>
			(Concluded)

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

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Year 1	\$ 18,815	\$ 19,191	\$ 18,146
Year 2	14,688	14,781	14,880
Year 3	<u>-</u>	<u>-</u>	<u>8,652</u>
	<u>\$ 33,503</u>	<u>\$ 33,972</u>	<u>\$ 41,678</u>

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

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

<b>Building</b>	
Main buildings	39-55 years
Construction appurtenances	5-10 years

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

	March 31, 2020	December 31, 2019	March 31, 2019
Fair value	<u>\$ 312,470</u>	<u>\$ 304,151</u>	<u>\$ 289,612</u>

Refer to Note 34 for the carrying amount of investment properties pledged by the Group to secure borrowings granted to the Group.

## 16. GOODWILL

	For the Three Months Ended March 31	
	2020	2019
<u>Cost</u>		
Balance at January 1	\$ 375,836	\$ 393,855
Effects of foreign currency exchange differences	<u>(4,891)</u>	<u>(6,520)</u>
Balance at March 31	<u>\$ 370,945</u>	<u>\$ 387,335</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ 1,969	\$ -
Effects of foreign currency exchange differences	<u>37</u>	<u>-</u>
Balance at March 31	<u>\$ 2,006</u>	<u>\$ -</u>
Carrying amounts at January 1	<u>\$ 373,867</u>	<u>\$ 393,855</u>
Carrying amounts at March 31	<u>\$ 368,939</u>	<u>\$ 387,335</u>

In January 2017, the board of directors resolved to acquire Leoni AG's Electrical Appliance Assemblies business group on May 2, 2017 and recognized goodwill of EUR11,129 thousand (translated into \$368,939 thousand on March 31, 2020). Any excess of the cost of acquisition and the net fair value of the obtained identifiable assets and liabilities is recognized as goodwill on the acquisition date with provisional prices determined based on the purchase pricing allocation report. The Group will conduct impairment tests on goodwill related to the identified cash generating units regularly in accordance with the recoverable amount based on a discounted cash flow analysis.

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

## 17. OTHER INTANGIBLE ASSETS

	Patents	Computer Software	Trademarks	Customer Relationships	Core Technology	Total
<u>Cost</u>						
Balance at January 1, 2020	\$ 60,323	\$ 316,583	\$ -	\$ 207,304	\$ 230,959	\$ 815,169
Additions	-	6,166	-	-	-	6,166
Reclassifications (Note)	-	228	-	-	-	228
Effects of foreign currency exchange differences	(318)	(1,150)	-	(1,047)	(625)	(3,140)
Balance at March 31, 2020	<u>\$ 60,005</u>	<u>\$ 321,827</u>	<u>\$ -</u>	<u>\$ 206,257</u>	<u>\$ 230,334</u>	<u>\$ 818,423</u>
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2020	\$ 57,662	\$ 182,862	\$ -	\$ 110,331	\$ 126,938	\$ 477,793
Amortization expense	452	9,734	-	6,314	8,352	24,852
Effects of foreign currency exchange differences	(338)	(864)	-	(266)	(234)	(1,702)
Balance at March 31, 2020	<u>\$ 57,776</u>	<u>\$ 191,732</u>	<u>\$ -</u>	<u>\$ 116,379</u>	<u>\$ 135,056</u>	<u>\$ 500,943</u>
Carrying amounts at December 31, 2019 and January 1, 2020	<u>\$ 2,661</u>	<u>\$ 133,721</u>	<u>\$ -</u>	<u>\$ 96,973</u>	<u>\$ 104,021</u>	<u>\$ 337,376</u>
Carrying amounts at March 31, 2020	<u>\$ 2,229</u>	<u>\$ 130,095</u>	<u>\$ -</u>	<u>\$ 89,878</u>	<u>\$ 95,278</u>	<u>\$ 317,480</u>
<u>Cost</u>						
Balance at January 1, 2019	\$ 62,415	\$ 310,607	\$ 63	\$ 215,576	\$ 211,852	\$ 800,513
Additions	-	1,337	-	-	-	1,337
Effects of foreign currency exchange differences	945	3,978	-	1,363	2,035	8,321
Balance at March 31, 2019	<u>\$ 63,360</u>	<u>\$ 315,922</u>	<u>\$ 63</u>	<u>\$ 216,939</u>	<u>\$ 213,887</u>	<u>\$ 810,171</u>
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2019	\$ 20,634	\$ 149,881	\$ 63	\$ 48,237	\$ 53,585	\$ 272,400
Amortization expense	2,394	10,339	-	7,731	8,634	29,098
Effects of foreign currency exchange differences	86	2,174	-	303	566	3,129
Balance at March 31, 2019	<u>\$ 23,114</u>	<u>\$ 162,394</u>	<u>\$ 63</u>	<u>\$ 56,271</u>	<u>\$ 62,785</u>	<u>\$ 304,627</u>
Carrying amounts at March 31, 2019	<u>\$ 40,246</u>	<u>\$ 153,528</u>	<u>\$ -</u>	<u>\$ 160,668</u>	<u>\$ 151,102</u>	<u>\$ 505,544</u>

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

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

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

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
An analysis of amortization by function		
Operating costs	\$ 10,560	\$ 11,403
Selling and marketing expenses	4,365	6,052
General and administrative expenses	8,853	10,620
Research and development expenses	<u>1,074</u>	<u>1,023</u>
	<u>\$ 24,852</u>	<u>\$ 29,098</u>

## 18. OTHER ASSETS

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Current</u>			
Prepayments	\$ 216,353	\$ 220,202	\$ 157,607
Others	<u>2,403</u>	<u>2,686</u>	<u>1,909</u>
	<u>\$ 218,756</u>	<u>\$ 222,888</u>	<u>\$ 159,516</u>
<u>Other financial assets - current</u>			
Time deposits with original maturities of more than 3 months	\$ 30,350	\$ 2,371	\$ -
Pledged bank demand and time deposits (Note 34)	<u>35,683</u>	<u>8,605</u>	<u>25,848</u>
	<u>\$ 66,033</u>	<u>\$ 10,976</u>	<u>\$ 25,848</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 151,691	\$ 175,420	\$ 93,747
Refundable deposits (Note 33)	<u>71,963</u>	<u>72,172</u>	<u>64,539</u>
	<u>\$ 223,654</u>	<u>\$ 247,592</u>	<u>\$ 158,286</u>
<u>Other financial assets - non-current</u>			
Time deposits with original maturities of more than 1 year	\$ -	\$ 10,220	\$ 92,591
Pledged bank demand and time deposits (Note 34)	<u>168,581</u>	<u>167,054</u>	<u>180,898</u>
	<u>\$ 168,581</u>	<u>\$ 177,274</u>	<u>\$ 273,489</u>

## 19. BORROWINGS

### a. Short-term borrowings

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Secured borrowings (Note 34)</u>			
Bank loans	\$ 64,500	\$ 64,500	\$ 64,500
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>-</u>	<u>-</u>	<u>34,610</u>
	<u>\$ 64,500</u>	<u>\$ 64,500</u>	<u>\$ 99,110</u>

The range of interest rate on bank loans was 0.90%-1.05%, 0.96%-1.15% and 1.04%-1.69% per annum as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively.

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

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Secured borrowings (Note 34)</u>			
Bank loans	\$ 363,173	\$ 363,457	\$ 375,568
Less: Current portion (due in one year)	<u>(13,163)</u>	<u>(5,552)</u>	<u>(41,010)</u>
	<u>350,010</u>	<u>357,905</u>	<u>334,558</u>
<u>Unsecured borrowings</u>			
Bank loans	95,006	101,208	-
Less: Current portion (due in one year)	<u>(8,538)</u>	<u>(8,101)</u>	<u>-</u>
	<u>86,468</u>	<u>93,107</u>	<u>-</u>
Long-term borrowings	<u>\$ 436,478</u>	<u>\$ 451,012</u>	<u>\$ 334,558</u>

In February 2016 and May 2014, the long-term secured borrowings were provided with collateral in the form of freehold land and buildings valued at \$237,980 thousand and US\$5,800 thousand, respectively. Such loans are due in January 2026 and July 2024, respectively. As of March 31, 2020, December 31, 2019 and March 31, 2019, the annual effective interest rate was 1.24%-4.19%, 1.24%-4.19% and 1.23%-4.46%, respectively, per annum.

As of March 7, 2019, the long-term borrowing of MYR14,000 thousand was provided by HSBC Bank with BizLink Technology (S.E.A.) Sdn. Bhd. in purchase of land and buildings. The annual effective interest rate is 3.80% with the payment terms due in October 2029.

## 20. BONDS PAYABLE

	March 31, 2020	December 31, 2019	March 31, 2019
Overseas unsecured bonds	\$ 3,022,500	\$ 5,486,340	\$ 3,082,000
Less: Unamortized bond discount	(156,928)	(283,950)	(169,776)
Less: Current portion	<u>-</u>	<u>(2,377,478)</u>	<u>(2,912,224)</u>
	<u>\$ 2,865,572</u>	<u>\$ 2,824,912</u>	<u>\$ -</u>

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

The following items are the primary clauses in the prospectus:

1) Term

From February 1, 2018 to February 1, 2023.

## 2) Maturity repayment

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

## 3) Conversion

### Conversion period

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

### Conversion price and adjustments

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

## 4) Bondholders' put right

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

## 5) Redemption

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

- 6) The option and liability portions are accounted for separately, which are respectively included in financial assets at FVTPL - current, financial liabilities at FVTPL - current, bonds payable and capital surplus - options.
- 7) For the three months ended March 31, 2020 and 2019, amortization of discounts on bonds payable included in financial costs were \$6,971 thousand and \$10,745 thousand, respectively.

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

Liability component as of December 31, 2018	\$ 2,891,598
Amortized interest	10,745
Effect of foreign exchange rate	<u>9,881</u>
Liability component as of March 31, 2019	<u>\$ 2,912,224</u>
Liability component as of January 1, 2020	\$ 2,377,478
Amortized interest	6,971
Redemption of convertible bonds	(2,406,690)
Effect of foreign exchange rate	<u>22,241</u>
Liability component as of March 31, 2020	<u>\$ -</u>

- 8) The bondholders exercised the put right and required BizLink to redeem 332 units of the second unsecured overseas convertible bonds at US\$83,000 thousand with an additional interest compensation of US\$2,095 thousand in February 2020. The redemption decreased bonds payable and financial assets at FVTPL by \$2,406,690 thousand and \$502 thousand, respectively. The difference between the redemption price and the book value of the liability component led to a redemption loss of \$167,869 thousand and was recorded under non-operating income or expense - other gains or losses and the equity component was transferred into capital surplus - expired stock options of \$140,005 thousand. As of March 31, 2020, the second unsecured overseas convertible bonds were not converted but were all redeemed and repurchased.
- b. On December 13, 2019, BizLink issued the third five-year unsecured, zero-coupon overseas convertible bonds with a US\$200 thousand par value, at an aggregate principal amount of US\$100,000 thousand.

The following items are the primary clauses in the prospectus:

1) Term

From December 13, 2019 to December 13, 2024.

2) Maturity repayment

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

3) Conversion

Conversion period

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

### Conversion price and adjustments

The price used by BizLink in determining the number of common stocks to be issued upon conversion is initially NT\$245.77 per share with a fixed exchange rate applicable on conversion of the bonds of NT\$30.482=US\$1.00. The conversion price will be subject to adjustment, according to a formula stated in the prospectus, due to any change in the issuance of common stocks. The conversion price as of March 31, 2020 was NT\$245.77 per share.

#### 4) Bondholders' put rights

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

#### 5) Redemption

- a) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if more than 90% of the principal amount of the bonds has already been converted or redeemed or repurchased and cancelled.
  - b) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if the Group has become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or the Republic of China (R.O.C.).
  - c) From three years to the day after the issue date to the maturity date, if the closing price for 20 transaction days of 30 consecutive business days of BizLink's common stock on the TWSE (converted into U.S. dollars at the spot exchange rate) is greater than the early redemption price applicable on the day decided by the convertible ratio exceeds 130%, then BizLink may redeem the bonds in whole or part at the early redemption amount.
- 6) The option and liability portions are accounted for separately, which are respectively included in financial liabilities at FVTPL - current, bonds payable and capital surplus - options.
- 7) For the three months ended March 31, 2020, amortization of discounts on bonds payable \$17,504 thousand was included in finance costs. As of March 31, 2020, the third unsecured convertible overseas bonds issued were not converted.

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

Liability component as of December 31, 2019	\$ 2,824,912
Amortized interest	17,504
Effect of foreign exchange rate	<u>23,156</u>
Liability component as of March 31, 2020	<u>\$ 2,865,572</u>



## 21. NOTES PAYABLE AND TRADE PAYABLES

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Notes payable</u>			
Operating	\$ 293,971	\$ 308,767	\$ 182,367
<u>Trade payables</u>			
Operating	\$ 2,690,847	\$ 3,371,163	\$ 2,772,745

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

## 22. OTHER LIABILITIES

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Current</u>			
Other payables			
Payables for dividends	\$ 1,174,657	\$ -	\$ -
Salaries or bonuses (includes employee compensations and remuneration of directors)	701,734	800,755	573,125
Welfare funds	32,995	36,808	42,991
Payables for taxes	22,315	40,228	35,142
Payables for professional fees	32,833	43,268	43,601
Payables for shipping	29,504	34,250	37,926
Payables for investments (Note 30)	-	-	7,705
Others	274,551	287,978	274,054
	<u>\$ 2,268,589</u>	<u>\$ 1,243,287</u>	<u>\$ 1,014,544</u>
Other liabilities			
Receipts under custody	\$ 1,387	\$ 1,426	\$ 1,393
Others	1,292	1,220	1,240
	<u>\$ 2,679</u>	<u>\$ 2,646</u>	<u>\$ 2,633</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	\$ 9,452	\$ 7,914	\$ 6,863
Deferred revenue - government grants	8,783	11,128	8,472
Others	2,986	3,118	3,490
	<u>\$ 21,221</u>	<u>\$ 22,160</u>	<u>\$ 18,825</u>

## 23. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined benefit retirement plans were calculated using the respective prior year's actuarially determined pension cost discount rates as of December 31, 2019 and 2018, and the Group recognized \$40 thousand and \$78 thousand for the three months ended March 31, 2020 and 2019, respectively.

## 24. EQUITY

### a. Capital stock

#### 1) Common stocks

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

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

#### 2) Issuance of global depositary receipts

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

As of March 31, 2020, the outstanding number of GDRs issued by the Group is 7 thousand units, which equal to 7 thousand shares of common stock.

### b. Capital surplus

	March 31, 2020	December 31, 2019	March 31, 2019
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)			
Stock premiums	\$ 3,943,843	\$ 3,943,843	\$ 1,557,069
Conversion of bonds	<u>3,010,509</u>	<u>3,010,509</u>	<u>3,010,509</u>
	<u>\$ 6,954,352</u>	<u>\$ 6,954,352</u>	<u>\$ 4,567,578</u>

(Continued)

	March 31, 2020	December 31, 2019	March 31, 2019
<u>May be used to offset a deficit only</u>			
Conversion of employee stock options (2)	\$ 68,087	\$ 68,087	\$ 68,087
Share of changes in capital surplus of associates (3)	-	-	502
Others - expired stock options (2)	144,624	4,619	4,619
Treasury share transactions	<u>12,716</u>	<u>12,716</u>	<u>-</u>
	<u>\$ 225,427</u>	<u>\$ 85,422</u>	<u>\$ 73,208</u>

May not be used for any purpose

Employee stock options	\$ 679	\$ -	\$ -
Employee restricted stocks	-	-	83,075
Stock warrants	<u>140,307</u>	<u>280,312</u>	<u>169,777</u>
	<u>\$ 140,986</u>	<u>\$ 280,312</u>	<u>\$ 252,852</u>

(Concluded)

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

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

	Stock Premiums	Treasury Stocks	Conversion of Employee Stock Options	Conversion of Bonds	Stock Warrants	Employee Restricted Stocks	Employee Stock Options	Others - Expired Stock Options	Changes in Percentage of Ownership Interests in Subsidiaries	Total
Balance at January 1, 2019	\$ 1,557,069	\$ -	\$ 68,087	\$ 3,010,509	\$ 169,777	\$ 83,075	\$ -	\$ 4,619	\$ 502	\$ 4,893,638
Convertible bonds converted to common stocks	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2019	<u>\$ 1,557,069</u>	<u>\$ -</u>	<u>\$ 68,087</u>	<u>\$ 3,010,509</u>	<u>\$ 169,777</u>	<u>\$ 83,075</u>	<u>\$ -</u>	<u>\$ 4,619</u>	<u>\$ 502</u>	<u>\$ 4,893,638</u>
Balance at January 1, 2020	\$ 3,943,843	\$ 12,716	\$ 68,087	\$ 3,010,509	\$ 280,312	\$ -	\$ -	\$ 4,619	\$ -	\$ 7,320,086
Employee stock options	-	-	-	-	-	-	679	-	-	679
Redemption of convertible bonds	-	-	-	-	(140,005)	-	-	140,005	-	-
Balance at March 31, 2020	<u>\$ 3,943,843</u>	<u>\$ 12,716</u>	<u>\$ 68,087</u>	<u>\$ 3,010,509</u>	<u>\$ 140,307</u>	<u>\$ -</u>	<u>\$ 679</u>	<u>\$ 144,624</u>	<u>\$ -</u>	<u>\$ 7,320,765</u>

c. Retained earnings and dividend policy

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

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

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

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

The appropriations of earnings for 2019 and 2018 that were proposed by the board of directors on March 17, 2020 and approved in the shareholders' meeting on June 12, 2019, respectively, were as follows:

	<b>Appropriation of Earnings</b>	
	<b>2019</b>	<b>2018</b>
Legal reserve	\$ 184,399	\$ 139,231
Special reserve	\$ 321,715	\$ 41,651
Cash dividends	\$ 1,174,657	\$ 888,881
Cash dividends per share (NT\$)	\$ 9.0	\$ 7.5

The appropriations of earnings for 2019 are subject to the resolution of the shareholders' meeting to be held on June 19, 2020. The appropriation of cash dividend for 2019 was approved by BizLink's board of directors on March 17, 2020 and will be reported on the shareholders' meeting on June 19, 2020.

d. Other equity items

1) Exchange differences on translating foreign operations

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ (1,088,878)	\$ (682,785)
Exchange differences on translating foreign operations	(167,196)	71,500
Exchange differences on translation to presentation currency	<u>88,292</u>	<u>30,818</u>
Balance at March 31	<u>\$ (1,167,782)</u>	<u>\$ (580,467)</u>

2) Unrealized gain or loss of financial assets at FVTOCI

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ 117,746	\$ 39,148
Recognized during the period		
Unrealized gain (loss) - equity instruments	(67,467)	68,980
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(2,180)</u>	<u>-</u>
Balance at March 31	<u>\$ 48,099</u>	<u>\$ 108,128</u>

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

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ 3,207	\$ (2,572)
Recognized during the period		
(Loss) gain on changes in fair value of hedging instruments		
Raw material price risk - copper futures contracts	(21,276)	2,262
Foreign currency risk - forecasted investment contract	(15,552)	-
Transferred to carrying amount of hedged items		
Raw material initial price risk - copper futures contracts	(3,690)	1,937
Related income tax	<u>4,286</u>	<u>(1,050)</u>
Balance at March 31	<u>\$ (33,025)</u>	<u>\$ 577</u>

4) Others

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

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ -	\$ (25,588)
Share-based payment expenses recognized	<u>-</u>	<u>8,786</u>
Balance at March 31	<u><u>\$ -</u></u>	<u><u>\$ (16,802)</u></u>

e. Non-controlling interests

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ 48,896	\$ 54,796
Share in (loss) profit for the period	(1,211)	969
Other comprehensive loss in the period		
Exchange differences on translating foreign operations	(351)	802
Exchange differences on translation to presentation currency	<u>394</u>	<u>-</u>
Balance at March 31	<u><u>\$ 47,728</u></u>	<u><u>\$ 56,567</u></u>

## 25. REVENUE

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Revenue from contracts with customers		
Revenue from the sale of goods	<u>\$ 4,952,833</u>	<u>\$ 5,481,732</u>

a. Description of customer contracts

Revenue from sales of goods

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

b. Contract balance

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>	<b>January 1, 2019</b>
Notes receivable and trade receivables (Note 9)	<u>\$ 4,406,845</u>	<u>\$ 4,870,236</u>	<u>\$ 4,960,148</u>	<u>\$ 5,138,490</u>
Contract liabilities - current				
Sales of goods	<u>\$ 17,260</u>	<u>\$ 20,202</u>	<u>\$ 18,961</u>	<u>\$ 22,507</u>

c. Sales details of customer contracts

Sales details are disclosed in Note 39.

## 26. NET PROFIT FROM OPERATIONS

a. Other income

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Operating rental income		
Investment properties (Note 15)		
Others	\$ 5,264	\$ 5,307
Other operating leases (Note 14)		
Others	3,320	3,415
Interest income		
Bank deposits	25,250	7,890
Government grants revenue	47,331	2,231
Others	<u>24,071</u>	<u>1,742</u>
	<u>\$ 105,236</u>	<u>\$ 20,585</u>

b. Other gains and losses

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Financial assets and liabilities		
Financial assets mandatorily classified as at FVTPL	\$ 16,430	\$ 23,507
Financial liabilities held for trading	(25,478)	4,993
Gain on disposal of property, plant and equipment	132	3,760
Loss on redemption of convertible bonds	(167,869)	-
Net foreign exchange gains (losses)	75,071	(68,238)
Others	<u>(1,196)</u>	<u>(1,909)</u>
	<u>\$ (102,910)</u>	<u>\$ (37,887)</u>

c. Finance costs

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Interest on bank loans	\$ (3,433)	\$ (3,056)
Interest on convertible bonds	(24,475)	(10,745)
Interest on lease liabilities	<u>(8,969)</u>	<u>(9,794)</u>
	<u>\$ (36,877)</u>	<u>\$ (23,595)</u>

d. Depreciation and amortization

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
An analysis of depreciation by function		
Operating costs	\$ 113,405	\$ 114,256
Operating expenses	<u>49,369</u>	<u>35,736</u>
	<u>\$ 162,774</u>	<u>\$ 149,992</u>
An analysis of amortization by function		
Operating costs	\$ 10,560	\$ 11,403
Operating expenses	<u>14,292</u>	<u>17,695</u>
	<u>\$ 24,852</u>	<u>\$ 29,098</u>

e. Operating expense directly related to investment properties

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Direct operating expenses from properties rental income	<u>\$ 923</u>	<u>\$ 939</u>

f. Employee benefits expense

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Short term benefit	\$ 964,704	\$ 951,589
Post-employment benefits (Note 23)		
Defined contribution plans	26,044	38,936
Defined benefit plans	<u>40</u>	<u>78</u>
	<u>26,084</u>	<u>39,014</u>
Share-based payments	679	8,786
Other employee benefits	<u>92,658</u>	<u>96,707</u>
Total employee benefits expense	<u>\$ 1,084,125</u>	<u>\$ 1,096,096</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 576,926	\$ 640,827
Operating expenses	<u>507,199</u>	<u>455,269</u>
	<u>\$ 1,084,125</u>	<u>\$ 1,096,096</u>



g. Employees' compensation and remuneration of directors

BizLink accrued employees' compensation at rates of no less than 1% and no higher than 5%, and remuneration to directors at rates of no higher than 3% of net profit before income tax, employees' compensation, and remuneration of directors. For the three months ended March 31, 2020 and 2019, the employees' compensation and the remuneration of directors were as follows:

Accrual rate

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Employees' compensation	5.00%	3.67%
Remuneration of directors	0.63%	0.51%

Amount

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Employees' compensation	<u>\$ 18,135</u>	<u>\$ 16,526</u>
Remuneration of directors	<u>\$ 2,267</u>	<u>\$ 2,312</u>

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

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

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

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

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

h. Gain on losses on foreign currency exchange

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Foreign exchange gains	\$ 2,318,204	\$ 1,037,701
Foreign exchange losses	<u>(2,243,133)</u>	<u>(1,105,939)</u>
	<u>\$ 75,071</u>	<u>\$ (68,238)</u>

## 27. INCOME TAXES RELATING TO OPERATIONS

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

The major components of tax expense were as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Current tax		
In respect of the current period	\$ 82,133	\$ 98,458
Deferred tax		
In respect of the current period	<u>24,872</u>	<u>1,115</u>
Income tax expense recognized in profit or loss	<u>\$ 107,005</u>	<u>\$ 99,573</u>

The applicable tax rate for the three months ended March 31, 2020 and 2019 used above are the R.O.C. corporate tax rates of 20%. The applicable tax rate used by subsidiaries in China is 25% except for BizLink (Kun Shan) Co., Ltd., OptiWorks (Kunshan) Limited, Bizconn International Corp. (China), Xiang Yao Electronics (Shen Zhen) Co., Ltd. for the three months ended March 31, 2020 and 2019, and BizLink Technology (Chang Zhou) Limited for the three months ended March 31, 2020. The five of which used a tax rate of 15%, due to their status as holders of high-tech enterprise certificates. The applicable tax rates for the three months ended March 31, 2020 and 2019 used by the subsidiaries in the US are 21%, for federal tax and 8.84% for California state tax. The applicable tax rate for the three months ended March 31, 2020 and 2019 used by the subsidiaries in Ireland is 12.5% according to local law. The applicable tax rate for the three months ended March 31, 2020 and 2019 used by the subsidiaries in Slovakia is 21% according to local law. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

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

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
<u>Deferred tax</u>		
In respect of the current period		
Fair value changes of hedging instruments for cash flow hedges	<u>\$ (4,286)</u>	<u>\$ 1,050</u>
Total income tax recognized in other comprehensive income	<u>\$ (4,286)</u>	<u>\$ 1,050</u>

### c. Income tax assessment

As of March 31, 2020, the Group has no unsettled lawsuit.

## 28. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	For the Three Months Ended March 31	
	2020	2019
Basic earnings per share		
Net income	\$ 236,507	\$ 331,365
Weighted average number of common stocks in computation of basic earnings per thousand share	<u>130,517</u>	<u>117,965</u>
Basic earnings per share	<u>\$ 1.81</u>	<u>\$ 2.81</u>
Diluted earnings per share		
Net income	\$ 236,507	\$ 331,365
Effect of potentially dilutive common stocks:		
Interest on convertible bonds (after tax)	3,462	10,745
Gain on valuation of converted bonds	<u>(9,332)</u>	<u>(7,091)</u>
Earnings used in the computation of diluted earnings per share from continuing operation	<u>\$ 230,637</u>	<u>\$ 335,019</u>
Weighted average number of common stocks in computation of basic earnings per thousand share	130,517	117,965
Effect of potentially dilutive common stocks:		
Convertible bonds	2,453	9,399
Employees' compensation or bonus issued to employees	681	328
Employee restricted stocks	<u>-</u>	<u>468</u>
Weighted average number of common stocks in computation of diluted earnings per thousand share	<u>133,651</u>	<u>128,160</u>
Diluted earnings per share	<u>\$ 1.73</u>	<u>\$ 2.61</u>

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

Since the second overseas convertible bonds and the exercise price of the employee stock option issued by BizLink exceeded the average market price of the shares during the three months ended March 31, 2020, they are anti-dilutive and excluded from the computation of diluted earnings per share.

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

### **Restricted Stocks**

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

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

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

Compensation costs of \$8,786 thousand were recognized within the vesting period for the three months ended March 31, 2019.

### **Employees Share Options**

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

Information on outstanding employee share options is as follows:

	<b>For the Three Months Ended March 31, 2020</b>	
	<b>Number of Options (In Thousands of Units)</b>	<b>Weighted- average Exercise Price (\$)</b>
Balance at January 1	-	\$ -
Options granted	1,170	163.5
Options forfeited	-	-
Options exercised	-	-
Options expired	<u>-</u>	<u>-</u>
Balance at March 31	<u>1,170</u>	163.5
Options exercisable, end of period	<u>-</u>	
Weighted-average fair value of options granted (\$)	<u>\$ -</u>	

As of March 31, 2020, information about employee share options outstanding was as follows:

	<b>March 31, 2020</b>
Range of exercise price (\$)	\$163.5
Weighted average remaining contractual life (in years)	4.7

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

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

The compensation cost for employee share options granted was \$679 thousand for the three months ended March 31, 2020.

### 30. CASH FLOWS INFORMATION

#### a. Non-cash transactions

For the three months ended March 31, 2020 and 2019, the Group entered into the following non-cash investing and financing activities:

- 1) In February 2018, the Group issued common stock of OW Holding Inc. and paid cash US\$2,000 thousand to obtain intangible assets. As of March 31, 2019, \$7,705 thousand (US\$250 thousand) were unpaid and recognized as other payables, respectively.
- 2) Please refer to Notes 22 and 24 for the undistributed cash dividend approved by the board's meeting on March 31, 2020.

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2020

			Non-cash Changes							
	January 1, 2020	Cash Flows	New Leases	Change of Variable Payments	Liability Components	Equity Components	Interest Expense	Effect of Foreign Currency Exchange Differences	Other	March 31, 2020
Short-term borrowings	\$ 64,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,500
Long-term borrowings (included current portion due in one year)	464,665	(3,495)	-	-	-	-	-	(2,991)	-	458,179
Guarantee deposits	7,914	1,467	-	-	-	-	-	71	-	9,452
Bonds payable	5,202,390	(2,574,057)	-	-	-	-	24,475	45,397	167,367	2,865,572
Lease liabilities	859,627	(65,254)	3,530	(2,222)	-	-	8,969	(4,992)	(8,969)	790,689
	<u>\$ 6,599,096</u>	<u>\$ (2,641,339)</u>	<u>\$ 3,530</u>	<u>\$ (2,222)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,444</u>	<u>\$ 37,485</u>	<u>\$ 158,398</u>	<u>\$ 4,188,392</u>

For the three months ended March 31, 2019

			Non-cash Changes							
	January 1, 2019	Cash Flows	New Leases	Change of Variable Payments	Liability Components	Equity Components	Interest Expense	Effect of Foreign Currency Exchange Differences	Other	March 31, 2019
Short-term borrowings	\$ 64,500	\$ 34,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11)	\$ -	\$ 99,110
Long-term borrowings (included current portion due in one year)	379,061	(3,992)	-	-	-	-	-	499	-	375,568
Guarantee deposits	7,664	(827)	-	-	-	-	-	26	-	6,863
Bonds payable	2,891,598	-	-	-	-	-	10,745	9,881	-	2,912,224
Lease liabilities	811,931	(56,285)	102,240	-	-	-	9,794	13,242	(9,794)	871,128
	<u>\$ 4,154,754</u>	<u>\$ (26,483)</u>	<u>\$ 102,240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,539</u>	<u>\$ 23,637</u>	<u>\$ (9,794)</u>	<u>\$ 4,264,893</u>

### 31. CAPITAL MANAGEMENT

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

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

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

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

### 32. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 2,596	\$ -	\$ 2,596
Convertible bonds options	-	-	906	906
Domestic and foreign quoted stocks	1,322	-	-	1,322
Fund beneficiary certificates	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>90,000</u>
	<u>\$ 91,322</u>	<u>\$ 2,596</u>	<u>\$ 906</u>	<u>\$ 94,824</u>
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic and foreign unlisted stocks	\$ -	\$ -	\$ 277,171	\$ 277,171
Domestic listed stocks	<u>175,572</u>	<u>-</u>	<u>-</u>	<u>175,572</u>
	<u>\$ 175,572</u>	<u>\$ -</u>	<u>\$ 277,171</u>	<u>\$ 452,743</u>
Financial assets for hedging				
Non-derivative financial assets				
Cash and equivalent cash	<u>\$ 1,462,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,462,114</u>
Financial liabilities at FVTPL				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 22,548</u>	<u>\$ -</u>	<u>\$ 22,548</u>
Financial liabilities for hedging				
Derivative financial liabilities				
Copper futures contracts	<u>\$ 20,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,646</u>

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 11,393	\$ -	\$ 11,393
Convertible bonds options	-	-	747	747
Domestic and foreign quoted stocks	<u>2,242</u>	<u>-</u>	<u>-</u>	<u>2,242</u>
	<u>\$ 2,242</u>	<u>\$ 11,393</u>	<u>\$ 747</u>	<u>\$ 14,382</u>

(Continued)

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

(Concluded)

March 31, 2019

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 10,251	\$ -	\$ 10,251
Convertible bonds options	-	-	616	616
Domestic and foreign quoted stocks	<u>2,298</u>	<u>-</u>	<u>-</u>	<u>2,298</u>
	<u>\$ 2,298</u>	<u>\$ 10,251</u>	<u>\$ 616</u>	<u>\$ 13,165</u>
Financial assets at FVTPL				
Domestic and foreign unlisted stocks	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 452,761</u>	<u>\$ 452,761</u>
Financial liabilities at FVTPL				
Financial liabilities				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 1,480</u>	<u>\$ -</u>	<u>\$ 1,480</u>

For the three months ended March 31, 2020 and 2019, there were no transfers between Level 1 and Level 2 fair value measurements.



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

For the three months ended March 31, 2020

	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>
	<b>Derivative - Convertible Bonds - Option</b>	<b>Equity Instruments</b>
Financial assets		
Balance at January 1, 2020	\$ 747	\$ 253,609
Purchases	-	51,391
Recognized in profit or loss (included in other gains and losses)	653	-
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	-	(29,621)
Loss on the redemption of convertible bonds	(502)	-
Effect of foreign currency exchange differences	<u>8</u>	<u>1,792</u>
Balance at March 31, 2020	<u>\$ 906</u>	<u>\$ 277,171</u>
		<b>Financial Liabilities at FVTPL</b>
		<b>Derivative - Convertible Bonds - Option</b>
Financial liabilities at FVTPL		
Balance at January 1, 2020		\$ 8,394
Recognized in profit or loss (included in other gains and losses)		
Unrealized		(8,429)
Effect of foreign currency exchange differences		<u>35</u>
Balance at March 31, 2020		<u>\$ -</u>

For the three months ended March 31, 2019

	<b>Financial Assets at FVTOCI</b>
	<b>Equity Instruments</b>
Financial assets	
Balance at January 1, 2019	\$ 382,626
Recognized in other comprehensive income (unrealized gain (loss) on financial assets at FVTOCI)	68,980
Effect of foreign currency exchange differences	<u>1,155</u>
Balance at March 31, 2019	<u>\$ 452,761</u>

	<b>Financial Assets (Liabilities) at FVTPL</b>
	<b>Convertible Bonds - Options</b>
Financial (assets) liabilities at FVTPL	
Balance at January 1, 2019	\$ (6,450)
Recognized in profit or loss (included in other gains and losses)	
Unrealized	7,091
Effect of foreign currency exchange differences	<u>(25)</u>
Balance at March 31, 2019	<u>\$ 616</u>

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

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

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

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Discount for lack of marketability	10.00%-39.47%	10.00%-32.24%	10.00%-31.00%

c. Categories of financial instruments

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Financial assets</u>			
FVTPL			
Mandatorily at FVTPL	\$ 94,824	\$ 14,382	\$ 13,165
Financial assets at amortized cost (1)	9,680,945	14,187,453	8,613,309
Financial assets for hedging	1,462,114	4,055	654
Financial assets at FVTOCI			
Equity instruments	452,743	468,220	452,761
<u>Financial liabilities</u>			
FVTPL			
Held for trading	22,548	8,394	1,480
Amortized cost (2)	6,719,792	9,784,895	6,712,163
Financial liabilities for hedging	20,646	-	-

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

d. Financial risk management objectives and policies

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

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

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

# 1) Market risk

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

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

## a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 37.

### Sensitivity analysis

The Group was mainly exposed to the USD.

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

	<b>USD Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
Profit or loss	\$ 19,048	\$ 18,317

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

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

b) Hedge accounting

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

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

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

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

March 31, 2020

Hedge Instrument	Currency	Contract Price	Maturity	Line Item in Balance Sheet	Carrying Amount	
					Assets	Liabilities
Cash flow hedges						
Forecast investment - firm commitment in foreign currency - cash (i)	Singapore dollars	SGD68,871	2020.4.7	Financial assets for hedging	<u>\$1,462,114</u>	<u>\$ -</u>

Hedged Item	Book Value of Other Equity Continuous Application of Hedge Accounting
Firm commitments in foreign currency (i)	<u>\$ (15,552)</u>

For the three months ended March 31, 2020

Other Comprehensive Income Effect	Recognized Loss in Other Comprehensive Income
Cash flow hedges	
Firm commitments in foreign currency (i) (ii)	<u>\$ (15,552)</u>

i. The Group has bought Singapore dollars and signed the investment contract in Singapore dollars in order to circumvent the risk of exchange rate fluctuations due to the future investment. The amount of originally deferred to equity at the time of the contract signing will be included in the carrying amount of the non - financial hedged item.

ii. For information on other hedging equity adjustments, refer to Note 24.

c) Interest rate risk

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

	March 31, 2020	December 31, 2019	March 31, 2019
Interest rate risk on fair value			
Financial assets	\$ 2,096,399	\$ 2,885,207	\$ 804,690
Financial liabilities	3,720,761	6,126,517	2,976,724
Interest rate risk on cash flow			
Financial assets	2,960,911	6,266,510	2,689,910
Financial liabilities	458,179	464,665	410,178

Sensitivity analysis

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

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2020 and 2019 would have increased/decreased by \$6,257 thousand and \$5,699 thousand, respectively, which would be mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and bank borrowings.

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

d) Other price risk

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

Sensitivity analysis

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

If equity price had been 1% higher/lower, pre-tax income for the three months ended March 31, 2020 and 2019 would have increased/decreased by \$913 thousand and \$23 thousand, respectively. Pre-tax other comprehensive income for the three months ended March 31, 2020 and 2019 would have increased/decreased by \$4,527 thousand and \$4,528 thousand, respectively.

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

## Hedge accounting

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

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

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

The price risk hedging information for the Group is as follows:

### March 31, 2020

	<b>Hedge Instrument</b>	<b>Contract Weight</b>	<b>Maturity</b>	<b>Line Item in Balance Sheet</b>	<b>Carrying Amount</b>	
					<b>Assets</b>	<b>Liabilities</b>
	Cash flow hedges					
	Copper futures contract	615 tons	2020.04-2020.10	Financial liabilities for hedging	\$ -	\$ 20,646
						<b>Book Value of Other Equity</b>
						<b>Continuous Application of Hedge Accounting</b>
	<b>Hedged Item</b>					
	Cash flow hedges					
	Expected purchases (i)					\$ (17,473)
<u>For the three months ended March 31, 2020</u>						
						<b>Recognized Profit (Loss) in Other Comprehensive Income</b>
	<b>Other Comprehensive Income Effect</b>					
	Cash flow hedges					
	Expected purchases (i) (ii)					\$ (24,966)

March 31, 2019

<b>Hedge Instrument</b>	<b>Contract Weight</b>	<b>Maturity</b>	<b>Line Item in Balance Sheet</b>	<b>Carrying Amount Assets</b>
Copper futures contracts	1,015 tons	2019.4-2019.12	Derivative financial liabilities for hedging	<u>\$ 654</u>
				<b>Book Value of Other Equity</b>
				<b>Continuous Application of Hedge Accounting</b>

**Hedged Item**

Cash flow hedges	
Expected purchases (i)	<u>\$ 577</u>

For the three months ended March 31, 2019

	<b>Recognized Profit (Loss) in Other Comprehensive Income</b>
<b>Other Comprehensive Income Effect</b>	

Cash flow hedges	
Expected purchases (i), (ii)	<u>\$ 4,199</u>

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

2) Credit risk

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

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

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



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

The Group's concentration of credit risk of 36%, 39% and 41% of total trade receivables as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively, was related to the Group's three major customers.

### 3) Liquidity risk

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

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

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

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

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

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

#### March 31, 2020

	<b>Less Than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 4,367,279	\$ 129,467	\$ 9,452	\$ -
Lease liabilities	62,110	215,218	509,327	100,911
Variable interest rate	5,681	16,951	305,169	161,663
Fixed interest rate	<u>64,519</u>	<u>-</u>	<u>3,137,657</u>	<u>-</u>
	<u>\$ 4,499,589</u>	<u>\$ 361,636</u>	<u>\$ 3,961,605</u>	<u>\$ 262,574</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 277,328</u>	<u>\$509,327</u>	<u>\$ 100,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2019

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

Additional information about the maturity analysis for lease liabilities:

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

March 31, 2019

	<b>Less Than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 3,261,290	\$ 57,108	\$ 6,863	\$ -
Lease liabilities	68,073	209,563	632,117	38,318
Variable interest rate	45,569	32,400	289,051	67,543
Fixed interest rate	<u>64,593</u>	<u>3,159,663</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,439,525</u>	<u>\$ 3,458,734</u>	<u>\$ 928,031</u>	<u>\$ 105,861</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 277,636</u>	<u>\$ 632,117</u>	<u>\$ 38,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

March 31, 2020

	<b>On Demand or Less Than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Net settled</u>					
Futures contract - copper	\$ (5,850)	\$ (9,843)	\$ (4,953)	\$ -	\$ -
Foreign exchange forward contracts	<u>(9,777)</u>	<u>(10,030)</u>	<u>(2,560)</u>	<u>-</u>	<u>-</u>
	<u>\$ (15,627)</u>	<u>\$ (19,873)</u>	<u>\$ (7,513)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Gross settled</u>					
Foreign exchange forward contracts					
Inflow	\$ 20,286	\$ 34,107	\$ 87,445	\$ -	\$ -
Outflow	<u>(20,023)</u>	<u>(33,637)</u>	<u>(85,763)</u>	<u>-</u>	<u>-</u>
	<u>\$ 263</u>	<u>\$ 470</u>	<u>\$ 1,682</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2019

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

March 31, 2019

	<b>On Demand or Less Than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Net settled</u>					
Futures contract - copper	\$ 559	\$ 29	\$ 66	\$ -	\$ -
Foreign exchange forward contracts	<u>1,332</u>	<u>(950)</u>	<u>47</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,891</u>	<u>\$ (921)</u>	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Gross settled</u>					
Foreign exchange forward contracts	\$ 17,340	\$ 37,403	\$ 147,000	\$ -	\$ -
Inflow	<u>(16,592)</u>	<u>(35,813)</u>	<u>(140,996)</u>	<u>-</u>	<u>-</u>
Outflow	<u>\$ 748</u>	<u>\$ 1,590</u>	<u>\$ 6,004</u>	<u>\$ -</u>	<u>\$ -</u>

c) Financing facilities

	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>March 31, 2019</b>
Secured bank loan facilities:			
Amount used	\$ 427,673	\$ 427,957	\$ 440,068
Amount unused	<u>40,500</u>	<u>40,500</u>	<u>35,059</u>
	<u>\$ 468,173</u>	<u>\$ 468,457</u>	<u>\$ 475,127</u>
Unsecured bank loan facilities:			
Amount used	\$ 95,006	\$ 101,208	\$ 34,610
Amount unused	<u>4,768,976</u>	<u>4,207,655</u>	<u>2,854,893</u>
	<u>\$ 4,863,982</u>	<u>\$ 4,308,863</u>	<u>\$ 2,889,503</u>

### 33. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and categories

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

b. Purchases of goods

Related Party Category/Name	For the Three Months Ended March 31	
	2020	2019
AquaOptics Corp.	\$ 447	\$ -

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

c. Payables to related parties

Line Item	Related Party Category/Name	March 31, 2020	December 31, 2019	March 31, 2019
Trade payables	AquaOptics Corp.	\$ 383	\$ -	\$ -

The outstanding trade payables to related parties are unsecured.

d. Lease arrangements - Group is lessee

Acquisition of right-of-use assets

Related Party Category/Name	For the Three Months Ended March 31	
	2020	2019
Substantive related party		
Kunshan Xianglian Construction Development Limited	\$ -	\$ 24,351

Line Item	Related Party Category/Name	March 31, 2020	December 31, 2019	March 31, 2019
Lease liabilities	Substantive related party Kunshan Xianglian Construction Development Limited	\$ 377,217	\$ 402,850	\$ 329,120

Related Party Category/Name	For the Three Months Ended March 31	
	2020	2019

Interest expense

Substantive related party		
Kunshan Xianglian Construction Development Limited	\$ 4,728	\$ 3,270

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

e. Other transactions with related parties

Refundable deposits (included in other non-current assets)

Related Party Categories/Name	March 31, 2020	December 31, 2019	March 31, 2019
Substantive related party Kunshan Xianglian Construction Development Limited	<u>\$ 20,360</u>	<u>\$ 20,509</u>	<u>\$ 21,432</u>

f. Compensation of key management personnel

	For the Three Months Ended March 31	
	2020	2019
Short-term employee benefits	\$ 22,232	\$ 17,987
Share-based payments	<u>191</u>	<u>2,730</u>
	<u>\$ 22,423</u>	<u>\$ 20,717</u>

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

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

The following assets were provided as collateral for bank borrowings:

	March 31, 2020	December 31, 2019	March 31, 2019
Pledged deposits (classified as other financial assets - current)	\$ 1,405	\$ 1,465	\$ 1,510
Pledged deposits (classified as other financial assets - non-current)	150	150	19,683
Pledged bank deposits (classified as other financial assets - current)	34,278	7,140	24,338
Pledged bank deposits (classified as other financial assets - non-current)	168,431	166,904	161,215
Freehold land (classified as property, plant and equipment)	296,590	295,984	298,061
Buildings (classified as property, plant and equipment)	239,066	227,771	235,902
Freehold land (classified as investment properties)	51,120	51,120	51,120
Buildings (classified as investment properties)	<u>33,434</u>	<u>28,593</u>	<u>29,103</u>
	<u>\$ 824,474</u>	<u>\$ 779,127</u>	<u>\$ 820,932</u>

### 35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

#### Significant Commitments

Unrecognized commitments are as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Acquisition of property, plant and equipment	\$ 99,294	\$ 120,592	\$ 71,469

### 36. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company acquired 100% interest in Speedy Industrial Supplies Pte Ltd on April 7, 2020. According to the contract, the Group has to pay SGD56,800 thousand on the settlement day and the final transaction price is either added or deducted by the agreement set in the contract. The Group will pay at least SGD5,000 thousand to SGD9,000 thousand annually based on the profitability of Speedy Industrial Supplies Pte Ltd in the next two consecutive accounting years. As of May 15, 2020, the Company had paid SGD72,272 thousand (including the estimated contingent).

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

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

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

	March 31, 2020		
	Foreign Currencies	Exchange Rate	Carrying Amount (\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 171,633	7.0872 (USD:RMB)	\$ 5,187,609
USD	4,952	7.7543 (USD:HKD)	149,674
USD	32,506	0.9093 (USD:EUR)	982,494
USD	10,245	4.3025 (USD:MYR)	309,655
<u>Financial liabilities</u>			
Monetary items			
USD	55,212	7.0872 (USD:RMB)	1,668,782
USD	1,796	7.7543 (USD:HKD)	54,284
USD	22,398	0.9093 (USD:EUR)	676,979

December 31, 2019			
	Foreign Currencies	Exchange Rate	Carrying Amount (\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 210,010	6.9784 (USD:RMB)	\$ 6,296,094
USD	5,640	7.7879 (USD:HKD)	169,087
USD	33,487	0.8925 (USD:EUR)	1,003,939
USD	9,636	4.0925 (USD:MYR)	288,887
<u>Financial liabilities</u>			
Monetary items			
USD	68,598	6.9784 (USD:RMB)	2,056,566
USD	1,278	7.7879 (USD:HKD)	38,314
USD	32,899	0.8925 (USD:EUR)	986,311
March 31, 2019			
	Foreign Currencies	Exchange Rate	Carrying Amount (\$)
<u>Financial assets</u>			
Monetary items			
USD	\$ 169,253	6.7340 (USD:RMB)	\$ 5,216,372
USD	9,085	7.8498 (USD:HKD)	279,999
USD	33,955	0.8905 (USD:EUR)	1,046,492
USD	8,970	4.0810 (USD:MYR)	276,455
<u>Financial liabilities</u>			
Monetary items			
USD	72,095	6.7340 (USD:RMB)	2,221,965
USD	2,366	7.8498 (USD:HKD)	72,920
USD	44,182	0.8905 (USD:EUR)	1,361,688

For the three months ended March 31, 2020 and 2019, realized and unrealized net foreign exchange gains are described in Note 26. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group entities.

### 38. SEPARATELY DISCLOSED ITEMS

#### a. Information about significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)



- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
  - 9) Trading in derivative instruments (Notes 7 and 32)
  - 10) Intercompany relationships and significant intercompany transactions (Table 6)
- b. Information on investees (Table 7)
  - c. Information on investments in mainland China
    - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
    - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):
      - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
      - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
      - c) The amount of property transactions and the amount of the resultant gains or losses
      - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
      - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds
      - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
  - d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

#### 40. SEGMENT INFORMATION

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

##### a. Information of reportable segments' gains and losses

	For the Three Months Ended March 31, 2020				
	Computer-Related	Fiber Optics	Home Appliance	Others	Total
Revenue from external customers	\$ 3,803,403	\$ 38,989	\$ 1,101,971	\$ 8,470	\$ 4,952,833
Intersegment revenue	<u>4,780,350</u>	<u>60,274</u>	<u>151,288</u>	<u>36,335</u>	<u>5,028,247</u>
Segment revenue	<u>8,583,753</u>	<u>99,263</u>	<u>1,253,259</u>	<u>44,805</u>	<u>9,981,080</u>
Eliminations					<u>(5,028,247)</u>
Consolidated revenue					<u>4,952,833</u>
Segment income	<u>\$ 418,476</u>	<u>\$ (19,068)</u>	<u>\$ 5,104</u>	<u>\$ 814</u>	<u>\$ 405,326</u>
Reportable segment other income					\$ 105,236
Reportable segment other gains and losses					(102,910)
Reportable segment compensation of management personnel					(22,423)
Reportable segment finance costs					(36,877)
Share of loss of associates accounted for using the equity method					<u>(6,051)</u>
Reportable segment income before income tax					<u>\$ 342,301</u>

	For the Three Months Ended March 31, 2019				
	Computer-Related	Fiber Optics	Home Appliance	Others	Total
Revenue from external customers	\$ 4,043,785	\$ 92,489	\$ 1,336,523	\$ 8,935	\$ 5,481,732
Intersegment revenue	<u>6,461,925</u>	<u>87,077</u>	<u>149,470</u>	<u>59,208</u>	<u>6,757,680</u>
Segment revenue	<u>10,505,710</u>	<u>179,566</u>	<u>1,485,993</u>	<u>68,143</u>	<u>12,239,412</u>
Eliminations					<u>(6,757,680)</u>
Consolidated revenue					<u>5,481,732</u>
Segment income	<u>\$ 387,793</u>	<u>\$ 17,870</u>	<u>\$ 78,242</u>	<u>\$ 10,650</u>	<u>\$ 494,555</u>
Reportable segment other income					\$ 20,585
Reportable segment other gains and losses					(37,887)
Reportable segment compensation of management personnel					(20,717)
Reportable segment finance costs					(23,595)
Share of loss of associates accounted for using the equity method					<u>(1,034)</u>
Reportable segment income before income tax					<u>\$ 431,907</u>

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

b. Segment total asset and liabilities

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

## BIZLINK HOLDING INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Notes 4 and 5)	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	BizLink Holding Inc.	BizLink (BVI) Corp.	Other receivables from related parties	Yes	\$ 2,418,000	\$ -	\$ -	-	2	\$ -	Operating capital financing funds	\$ -	-	-	\$ 4,431,399	\$ 4,431,399
		BizLink (BVI) Corp.	Other receivables from related parties	Yes	906,750	906,750	906,750	-	2	-	Operating capital financing funds	-	-	-	4,431,399	4,431,399
		BizLink (BVI) Corp.	Other receivables from related parties	Yes	604,500	604,500	-	-	2	-	Operating capital financing funds	-	-	-	4,431,399	4,431,399
1	BizLink Technology Inc.	OptiWorks Inc.	Other receivables from related parties	Yes	151,125	151,125	-	3.25	2	-	Operating capital financing funds	-	-	-	404,102	404,102
2	OptiWorks (Shanghai) Limited	OptiWorks (Kunshan) Limited	Other receivables from related parties	Yes	63,990	63,990	63,990	4.35	2	-	Operating capital financing funds	-	-	-	84,925	84,925
3	BizLink (BVI) Corp.	BizLink Holding Inc.	Other receivables from related parties	Yes	1,057,875	-	-	-	2	-	Operating capital financing funds	-	-	-	5,424,077	5,424,077
		BizLink International Corp.	Other receivables from related parties	Yes	302,250	-	-	-	2	-	Operating capital financing funds	-	-	-	5,424,077	5,424,077
		BizLink International Corp.	Other receivables from related parties	Yes	302,250	302,250	302,250	-	2	-	Operating capital financing funds	-	-	-	5,424,077	5,424,077
		BizLink International Corp.	Other receivables from related parties	Yes	75,563	75,563	-	-	2	-	Operating capital financing funds	-	-	-	5,424,077	5,424,077
4	BizLink Technology (Xiamen) Limited	Teralux Technology Co., Ltd.	Other receivables from related parties	Yes	66,123	-	-	-	2	-	Operating capital financing funds	-	-	-	787,934	787,934
5	BizLink Technology (Belgium) NV	BizLink Technology (Slovakia) S.R.O.	Other receivables from related parties	Yes	166,207	166,207	33,241	0.678	2	-	Operating capital financing funds	-	-	-	601,574	601,574
		BizLink Technology SRB D.O.O.	Other receivables from related parties	Yes	66,483	66,483	66,483	0.598	2	-	Operating capital financing funds	-	-	-	601,574	601,574
		BizLink Technology SRB D.O.O.	Other receivables from related parties	Yes	66,483	66,483	66,483	0.598	2	-	Operating capital financing funds	-	-	-	601,574	601,574

Note 1: “0” for the issuer.  
Investees are numbered from “1”.

Note 2: Number 1 represents business relationship between companies or firms.  
Number 2 represents short-term financing is necessary between companies or firms.

- Note 3:
- For short-term financing facility with BizLink, the accumulated financing amount shall not exceed 40% of the net asset value of the Group.
  - The board of directors of the Group has approved on November 8, 2019 that the individual loan amount and total amount of loans between the foreign companies, which are held directly or indirectly 100% of voting share, and loan between BizLink and foreign companies which are held directly or indirectly 100% of voting share should not exceed the five times of the total asset amount of BizLink.
  - For necessary short-term financing facility for BizLink Technology Inc., the individual loan amount and total amount of loans shall not exceed 40% of the net value of the lending company.
  - For BizLink (BVI) Corp., the loan between the foreign subsidiaries that are held directly or indirectly 100% of voting share and loan by BizLink shall not exceed five times of the lending company and five times of the net value of parent company.
  - For necessary short-term financing facility for OptiWorks (Shanghai) Limited, the individual loan amount and total amount of loans shall not exceed 40% of the net value of the lending company.
  - For BizLink Technology (Belgium) NV, the individual loan amount and total amount of loans between the foreign subsidiaries which are held directly or indirectly 100% of voting share by BizLink shall not exceed two times of the net value of the lending company and five times of the net value of parent company.
  - For BizLink Technology (Xiamen) Limited, the individual loan amount and total amount of loans between the foreign subsidiaries which are held directly or indirectly 100% of voting share by BizLink shall not exceed the net value of the lending company and five times of the net value of parent company.

Note 4: The highest balance for the period and ending balance present in NT\$. Foreign currencies are converted into NT\$; the exchange rate was US\$1=NT\$30.2250, RMB1=NT\$4.2660, EUR1=NT\$33.2415 as of March 31, 2020.

Note 5: The amount was eliminated upon consolidation.

**TABLE 2**

**BIZLINK HOLDING INC. AND SUBSIDIARIES**

**ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Endorser/Guarantor Provider	Endorsee/Guaranteee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 10)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 9 and 10)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	BizLink Holding Inc.	BizLink Technology Inc., BizLink Tech Inc.	b	\$ 11,078,498	\$ 120,900 (US\$ 4,000)	\$ 120,900 (US\$ 4,000)	\$ 75,563 (US\$ 2,500)	\$ -	1.09	\$ 11,078,498	Y	N	N
		BizLink (BVI) Corp.	b	11,078,498	2,357,853 (US\$ 78,010)	2,357,853 (US\$ 78,010)	193,004 (US\$ 6,386)	-	21.28	11,078,498	Y	N	N
		BizLink (BVI) Corp., BizLink International Corp. (Note 4)	b	11,078,498	1,057,875 (US\$ 35,000)	1,057,875 (US\$ 35,000)	207,467 (US\$ 6,864)	-	9.55	11,078,498	Y	N	N
		BizLink International Corp.	b	11,078,498	30,000	30,000	-	-	0.27	11,078,498	Y	N	N
		BizLink Technology (S.E.A.) Sdn. Bhd. (Note 7)	b	11,078,498	151,125 (US\$ 5,000)	151,125 (US\$ 5,000)	-	-	1.36	11,078,498	Y	N	N
		BizLink Technology (S.E.A.) Sdn. Bhd.	b	11,078,498	7,025 (MYR 1,000)	7,025 (MYR 1,000)	-	-	0.06	11,078,498	Y	N	N
		BizLink Technology (Xiamen) Limited, BizLink Technology (Chang Zhou) Limited, BizLink (Kun Shan) Co., Ltd., Xiang Yao Electronics (Shen Zhen) Co., Ltd.	b	11,078,498	759,347 (RMB 178,000)	759,347 (RMB 178,000)	289,258 (RMB 67,806)	-	6.85	11,078,498	Y	N	Y
		BizLink Technology (Chang Zhou) Limited (Note 5)	b	11,078,498	302,250 (US\$ 10,000)	302,250 (US\$ 10,000)	-	-	2.73	11,078,498	Y	N	Y
		BizLink Technology (Slovakia) S.R.O.	b	11,078,498	120,900 (US\$ 4,000)	120,900 (US\$ 4,000)	120,900 (US\$ 4,000)	-	1.09	11,078,498	Y	N	N
		BizLink Technology (Slovakia) S.R.O. (Note 6)	b	11,078,498	302,250 (US\$ 10,000)	302,250 (US\$ 10,000)	-	-	2.73	11,078,498	Y	N	N
1	BizLink Technology Inc.	BizLink Technology Inc. (Note 8)	-	2,020,512	75,563 (US\$ 2,500)	75,563 (US\$ 2,500)	75,563 (US\$ 2,500)	-	0.68	2,020,512	N	N	N
		BizLink Tech Inc.	b	2,020,512	69,996 (US\$ 2,316)	69,996 (US\$ 2,316)	53,664 (US\$ 1,775)	-	0.63	2,020,512	N	N	N
2	BizLink (BVI) Corp.	BizLink International Corp. (Note 4)	b	3,254,446	997,425 (US\$ 33,000)	997,425 (US\$ 33,000)	29,500 (US\$ 976)	-	9.00	3,254,446	N	N	N
		BizLink Technology (S.E.A.) Sdn. Bhd. (Note 7)	b	3,254,446	151,125 (US\$ 5,000)	151,125 (US\$ 5,000)	-	-	1.36	3,254,446	N	N	N
		BizLink Technology (Chang Zhou) Limited (Note 5)	b	3,254,446	302,250 (US\$ 10,000)	302,250 (US\$ 10,000)	-	-	2.73	3,254,446	N	N	Y
		BizLink Technology SRB D.O.O.	b	3,254,446	144,898 (EUR 4,359)	144,898 (EUR 4,359)	144,898 (EUR 4,359)	166,843 (US\$ 5,520)	1.30	3,254,446	N	N	N
		BizLink Technology (Slovakia) S.R.O. (Note 6)	b	3,254,446	302,250 (US\$ 10,000)	302,250 (US\$ 10,000)	-	-	2.73	3,254,446	N	N	N
3	BizLink International Corp.	BizLink (BVI) Corp. (Note 4)	b	2,800,169	1,057,875 (US\$ 35,000)	1,057,875 (US\$ 35,000)	177,967 (US\$ 5,888)	-	9.55	2,800,169	N	N	N
		BizLink Technology (Chang Zhou) Limited (Note 5)	b	2,800,169	302,250 (US\$ 10,000)	302,250 (US\$ 10,000)	-	-	2.73	2,800,169	N	N	Y
		BizLink Technology (Slovakia) S.R.O. (Note 6)	b	2,800,169	302,250 (US\$ 10,000)	302,250 (US\$ 10,000)	-	-	2.73	2,800,169	N	N	N

(Continued)

Note 1: “0” for the issuer.  
Investees are numbered from “1”.

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

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

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

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

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

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

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

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

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

Note 9: The amount was eliminated upon consolidation.

Note 10: The highest balance for the period and ending balance present in NT\$. Foreign currencies are converted into NT\$; the exchange rate was US\$1=NT\$30.2250; MYR1=NT\$7.0250, RMB1=NT\$4.2660 and EUR1=NT\$33.2415 as of March 31, 2020.

(Concluded)

**TABLE 3****BIZLINK HOLDING INC. AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****MARCH 31, 2020****(In Thousands of New Taiwan Dollars and Shares)**

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Number of Stock/Unit	Carrying Value (Note 2)	Percentage of Ownership (%)	Fair Value (Note 2)	
BizLink Holding Inc.	<u>Stocks</u>							
	Lilee Systems, Ltd.	-	Financial assets at FVTOCI - non-current	142,857	\$ -	1.20	\$ -	-
	Tilopa Holding Inc.	Substantive related party	Financial assets at FVTOCI - non-current	2,400,000	115,772	18.00	115,772	-
BizLink Technology Inc.	<u>Stocks</u>							
	Wells Fargo & Co.	-	Financial assets at FVTPL - current	400	356	-	356	-
	Transocean Ltd.	-	Financial assets at FVTPL - current	800	37	-	37	-
	CNOOC Ltd.	-	Financial assets at FVTPL - current	200	626	-	626	-
	Walt Disney Co.	-	Financial assets at FVTPL - current	100	303	-	303	-
BizLink (BVI) Corp.	<u>Stocks</u>							
	Rainbow Star Group Limited (Note 5)	-	Financial assets at FVTOCI - non-current	20,000	31,838	26.05	31,838	-
	Lintes Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,125,580	159,418	4.17	159,418	-
	Prime Rich International Co., Ltd.	-	Financial assets at FVTOCI - non-current	600,000	33,732	6.67	33,732	-
BizLink International Corp.	<u>Stocks</u>							
	Anqing Innovation Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,076,000	13,225	4.50	13,225	-
	Lintes Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	215,382	16,154	0.38	16,154	-
	Usenlight Corp.	-	Financial assets at FVTOCI - non-current	1,302,000	27,563	3.57	27,563	-
	Centra Photonics Inc.	-	Financial assets at FVTOCI - non-current	1,000,000	33,300	3.18	33,300	-
	<u>Beneficiary certificate - domestic</u>							
	Yuanta Taiwan High-Yield Leading Company Fund - NTD (A)	-	Financial assets at FVTPL - current	9,000,000	90,000	-	90,000	-
Zellwood International Corp.	<u>Equity investments</u>							
	Amed Venture I, L.P.	-	Financial assets at FVTOCI - non-current	Note 3	20,536	4.55	20,536	-
BizLink BVI Corp. Limited	<u>Equity investments</u>							
	Datlink Electronic (Shenzhen) Co., Ltd.	-	Financial assets at FVTOCI - non-current	Note 3	1,205	9.00	1,205	-

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

Note 2: Above amounts present in New Taiwan dollar (NT\$). Foreign currency is converted into NT\$; the exchange rate was US\$1=NT\$30.2250 as of March 31, 2020.

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

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

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

**TABLE 4****BIZLINK HOLDING INC. AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 3)	% to Total	
BizLink (BVI) Corp.	BizLink Technology Inc.	The same parent company	Sales	\$ 1,046,037	31	1-365 days	Set by agreement of both parties (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	\$ 1,820,169	37	Note 2
	BizLink (Kun Shan) Co., Ltd.	The same parent company	Sales	670,462	20	0-180 days	Profit 0%-10% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	1,206,736	24	Note 2
	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	The same parent company	Sales	206,723	6	90-365 days	Profit 0%-10% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	290,632	6	Note 2
	BizLink Technology (Ireland) Ltd.	The same parent company	Sales	507,373	15	0-365 days	Set by agreement of both parties (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	636,218	13	Note 2
BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	1,215,139	92	0-120 days	BVI sale price 90%-100% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	2,561,355	94	Note 2
BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp	The same parent company	Sales	116,523	84	0-120 days	BVI sale price 100% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	179,350	84	Note 2
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	516,809	100	1-365 days	Profit 0%-21% (Note 5)	1-365 days (Note 5)	1,214,658	100	Note 2

Note 1: The above amounts of asses accounts and liabilities accounts are converted by exchange rate US\$1=NT\$30.2250 into NT\$ as of March 31, 2020. The amounts of income accounts are converted by quarterly average exchange rate US\$1=NT\$30.1029. into NT\$ as of March 31, 2020.

Note 2: The amount was eliminated upon consolidation.

Note 3: Trade receivables from related parties.

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

Note 5: There is no sales to unrelated parties.



**TABLE 5**

**BIZLINK HOLDING INC. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
MARCH 31, 2020  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 3)	Allowance for Impairment Loss
					Amount	Actions Taken		
<u>Trade receivables</u>								
BizLink (BVI) Corp.	BizLink Technology Inc.	The same parent company	\$ 1,820,169	2.15	\$ -	-	\$ 363,484	\$ -
BizLink (BVI) Corp.	BizLink (Kun Shan) Co., Ltd.	The same parent company	1,206,736	2.04	-	-	540,726	-
BizLink (BVI) Corp.	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	The same parent company	290,632	2.79	-	-	83,046	-
BizLink (BVI) Corp.	BizLink Technology (Ireland) Ltd.	The same parent company	636,218	2.51	-	-	249,352	-
BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	2,561,355	1.68	-	-	802,671	-
BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	179,350	2.77	-	-	62,340	-
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	1,214,658	1.61	-	-	262,780	-
Bizconn International Corp.	BizLink (BVI) Corp.	The same parent company	117,173	1.99	-	-	-	-
<u>Other receivables</u>								
BizLink Holding Inc.	BizLink (BVI) Corp.	Subsidiary	906,750	Not applicable	-	-	-	-
BizLink (BVI) Corp.	BizLink International Corp.	The same parent company	372,626	Not applicable	-	-	-	-
TongYing Electronics (Shen Zhen) Ltd.	BizLink (BVI) Corp.	The same parent company	181,306	Not applicable	-	-	-	-
BizLink Technology (Belgium) NV	BizLink Technology SRB D.O.O.	The same parent company	132,966	Not applicable	-	-	-	-

Note 1: Above amounts present in New Taiwan dollar (NT\$). Foreign currency is converted into NT\$; the exchange rate was US\$1=NT\$30.2250 as of March 31, 2020.

Note 2: The amount was eliminated upon consolidation.

Note 3: As of May 11, 2020.

**TABLE 6**

**BIZLINK HOLDING AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	BizLink Holding Inc.	BizLink Technology Inc.	1	Endorsements/guarantees	\$ 120,900		0.58
		BizLink (BVI) Corp.	1	Endorsements/guarantees	3,415,728		16.40
		BizLink International Corp.	1	Endorsements/guarantees	1,087,875		5.22
		BizLink (Kun Shan) Co., Ltd.	1	Endorsements/guarantees	759,347		3.65
		BizLink Technology (S.E.A.) SDN. BHD.	1	Endorsements/guarantees	158,150		0.76
		BizLink Tech Inc.	1	Endorsements/guarantees	120,900		0.58
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	1	Endorsements/guarantees	759,347		3.65
		BizLink Technology (Xiamen) Limited	1	Endorsements/guarantees	759,347		3.65
		BizLink Technology (Chang Zhou) Limited	1	Endorsements/guarantees	1,061,597		5.10
		BizLink Technology (Slovakia) S.R.O.	1	Endorsements/guarantees	423,150		2.03
		BizLink (BVI) Corp.	1	Other receivables	906,750		4.35
1	BizLink Technology Inc.	BizLink Tech Inc.	3	Endorsements/guarantees	69,996		0.34
		BizLink (BVI) Corp.	3	Sales	52,708	Markup 5% of purchase price and payment term 30-120 days	1.06
		BizLink (BVI) Corp.	3	Trade receivables	84,053	Markup 5% of purchase price and payment term 30-120 days	0.40
2	OptiWorks (Shanghai) Limited	OptiWorks (Kunshan) Limited	3	Other receivables	63,990		0.31
3	OptiWorks (Kunshan) Limited	BizLink (BVI) Corp.	3	Trade receivables	63,640	Sale price is 100% of BIZLINK BVI sale price and payment term 0-180 days	0.31
4	BizLink (BVI) Corp.	BizLink International Corp.	3	Endorsements/guarantees	997,425		4.79
		BizLink Technology (S.E.A.) SDN. BHD.	3	Endorsements/guarantees	151,125		0.73
		BizLink Technology (Chang Zhou) Limited	3	Endorsements/guarantees	302,250		1.45
		BizLink Technology (Slovakia) S.R.O.	3	Endorsements/guarantees	302,250		1.45
		BizLink Technology SRB D.O.O.	3	Endorsements/guarantees	144,898		0.70
		BizLink Technology Inc.	3	Sales	1,046,037	Set by agreement of both parties and payment term 1-365 days	21.12
		BizLink Technology Inc.	3	Trade receivables	1,820,169	Set by agreement of both parties and payment term 1-365 days	8.74
		OptiWorks Inc.	3	Trade receivables	35,338	Sale price is 100% of BIZLINK BVI purchase price and payment term 0-90 days	0.17
		Hwa Zhan Electronics Corp. (Shen Zhen)	3	Trade receivables	36,591	Profit 0%-8% and payment term 0-365 days	0.18
		BizLink International Corp.	3	Other receivables	372,626		1.79

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
		BizLink (Kun Shan) Co., Ltd.	3	Sales	\$ 670,462	Profit 0%-10% and payment term 0-180 days	13.54
		BizLink (Kun Shan) Co., Ltd.	3	Trade receivables	1,206,736	Profit 0%-10% and payment term 0-180 days	5.79
		BizLink Technology (S.E.A.) SDN. BHD.	3	Sales	82,297	Set by agreement of both parties and payment term 0-150 days	1.66
		BizLink Technology (S.E.A.) SDN. BHD.	3	Trade receivables	96,949	Set by agreement of both parties and payment term 0-150 days	0.47
		BizLink Electronics (Xiamen) Co., Ltd.	3	Trade receivables	37,344	Profit 0%-2% and payment term 0-90 days	0.18
		BizLink Tech Inc.	3	Other receivables	50,010		0.24
		Accell Corp.	3	Other receivables	30,443		0.15
		BizLink Technology (Ireland) Ltd.	3	Sales	507,373	Set by agreement of both parties and payment term 0-365 days	10.24
		BizLink Technology (Ireland) Ltd.	3	Trade receivables	636,218	Set by agreement of both parties and payment term 0-365 days	3.05
		BizLink Technology (Ireland) Ltd.	3	Other receivables	34,212		0.16
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Sales	206,723	Profit 0%-10% and payment term 90-365 days	4.17
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Trade receivables	290,632	Profit 0%-10% and payment term 90-365 days	1.40
5	BizLink International Corp.	BizLink (BVI) Corp.	3	Endorsements/guarantees	1,057,875		5.08
		BizLink Technology (Chang Zhou) Limited	3	Endorsements/guarantees	302,250		1.45
		BizLink Technology (Slovakia) S.R.O.	3	Endorsements/guarantees	302,250		1.45
6	Bizconn International Corporation	BizLink (BVI) Corp.	3	Other receivables	43,708		0.21
7	BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	1,215,139	Sale price is 90%-100% of BIZLINK BVI sale price and payment term 0-120 days	24.53
		BizLink (BVI) Corp.	3	Trade receivables	2,561,355	Sale price is 90%-100% of BIZLINK BVI sale price and payment term 0-120 days	12.30
8	BizLink Technology (S.E.A.) SDN. BHD.	BizLink (BVI) Corp.	3	Sales	59,402	Set by agreement of both parties and prepayment term 120 days	1.20
9	Adel Enterprises Corp.	Asia Wick Ltd.	3	Other receivables	30,862		0.15
		TongYing Electronics (Shen Zhen) Ltd.	3	Other receivables	51,711		0.25
10	BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	116,523	Sale price is 100% of BIZLINK BVI sale price and payment term 0-120 days	2.35
		BizLink (BVI) Corp.	3	Trade receivables	179,350	Sale price is 100% of BIZLINK BVI sale price and payment term 0-120 days	0.86
11	TongYing Electronics (Shen Zhen) Ltd.	BizLink (BVI) Corp.	3	Trade receivables	43,395	Sale price is 98%-100% of BIZLINK BVI sale price and payment term 0-90 days	0.21
		BizLink (BVI) Corp.	3	Other receivables	181,306		0.87
		BizLink (Kun Shan) Co., Ltd.	3	Trade receivables	37,103	Payment term 30-365 days	0.18
12	BizLink Tech Inc.	BizLink Technology Inc.	3	Sales	51,633	Set by agreement of both parties and payment term 30-90 days	1.04
		BizLink Technology Inc.	3	Trade receivables	52,700	Set by agreement of both parties and payment term 30-90 days	0.25

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
13	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	\$ 516,809	Profit 0%-21% and payment term 1-365 days	10.43
		BizLink (BVI) Corp.	3	Trade receivables	1,214,658	Profit 0%-21% and payment term 1-365 days	5.83
14	Bizconn International Corp. (China)	BizLink (BVI) Corp.	3	Sales	59,359	Sale price is 90%-100% of BIZLINK BVI sale price and payment term 0-365 days	1.20
		BizLink (BVI) Corp.	3	Trade receivables	117,173	Sale price is 90%-100% of BIZLINK BVI sale price and payment term 0-365 days	0.56
		BizLink (Kun Shan) Co., Ltd.	3	Trade receivables	46,794	Set by agreement of both parties and payment term 90-120 days	0.22
15	BizLink Technology (Xiamen) Limited	BizLink Technology (Belgium) NV	3	Sales	39,385	Markup 5% of purchase price and payment term 0-60 days	0.80
		BizLink Technology (Belgium) NV	3	Trade receivables	35,922	Markup 5% of purchase price and payment term 0-60 days	0.17
16	BizLink Technology (Belgium) NV	BizLink Technology (Slovakia) S.R.O.	3	Other receivables	33,241		0.16
		BizLink Technology SRB D.O.O.	3	Other receivables	132,966		0.64
17	BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	3	Sales	52,907	Markup 5% of purchase price and payment term 0-30 days	1.07

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

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

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

- a. “1” represents transactions from parent company to subsidiaries.
- b. “2” represents transactions from subsidiaries to parent company.
- c. “3” represents transactions between subsidiaries.

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

Note 4: The above amounts of asset account and liability account are converted by exchange rate US\$1=NT\$30.2250 into New Taiwan dollar as of March 31, 2020. The amounts of income accounts are converted by quarterly average exchange rate US\$1=NT\$30.1029 into NT\$ as of March 31, 2020.

(Concluded)

TABLE 7

## BIZLINK HOLDING INC. AND SUBSIDIARIES

## INFORMATION ON INVESTEEES

FOR THE THREE MONTHS ENDED MARCH 31, 2020

(In Thousands of New Taiwan Dollars and Foreign Currencies, and Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
				March 31, 2020	December 31, 2019	Number of Stock (Shares)	%	Carrying Value			
BizLink	BizLink Technology Inc.	CA 94538, USA	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	\$ 118,482 (US\$ 3,920)	\$ 118,482 (US\$ 3,920)	10,000	100.00	\$ 1,010,256	\$ 7,193	\$ 7,193	Subsidiary (Note 1)
	BizLink (BVI) Corp.	Tortola, British Virgin Islands	(1) Wholesale and retail of cable assemblies, connectors, power cords, (2) wholesale and retail of computer peripheral products and electronic materials, (3) international trade, and (4) various investment activities.	1,511 (US\$ 50)	1,511 (US\$ 50)	50,000	100.00	831,084	19,400	182,922	Subsidiary (Note 1)
	BizLink International Corp.	Zhonghe Dist., New Taipei City	(1) Wholesale of cable assemblies, connectors and power cords, (2) international trade, and (3) financial center for BizLink's Asian operations.	70,000	70,000	70,000	100.00	93,260	(6,818)	(6,832)	Subsidiary (Note 1)
	Zellwood International Corp.	Tortola, British Virgin Islands	Various investment activities.	75,563 (US\$ 2,500)	75,563 (US\$ 2,500)	2,500,000	100.00	2,683,590	76,413	87,444	Subsidiary (Note 1)
	BizLink Technology (S.E.A.) Sdn. Bhd.	Johor, Malaysia	(1) Design, manufacture and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	8,430 (MYR 1,200)	8,430 (MYR 1,200)	1,200,000	100.00	566,349	41,787	41,787	Subsidiary (Note 1)
	Adel Enterprises Corp.	Tortola, British Virgin Islands	(1) Wholesale and retail of cable assemblies, connectors, and power cords, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	49,871 (US\$ 1,650)	49,871 (US\$ 1,650)	1,650,000	100.00	580,345	31,966	37,013	Subsidiary (Note 1)
	BizLink Tech Inc.	El Paso, TX 79912 USA	(1) Design, manufacture, and sale of cable assemblies, (2) wholesale and retail of computer peripheral products and electronic materials, (3) production of fiberfill moldings, and (4) international business trade.	349,099 (US\$ 11,550)	349,099 (US\$ 11,550)	230,000	100.00	293,711	(9,270)	(10,475)	Subsidiary (Note 1)
	Accell Corp.	CA 94538, USA	(1) Wholesale and retail of brand name connectors, cables and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) its own brand name.	-	-	10,000	100.00	(16,478)	(2,556)	(2,556)	Subsidiary (Note 1)
	BizLink Technology (Ireland) Ltd.	Dublin 24, Ireland	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	9,068 (US\$ 300)	9,068 (US\$ 300)	300,000	100.00	770,884	34,874	35,132	Subsidiary (Note 1)
	BizLink Japan	Tokyo, Japan 108-0073	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	2,796 (JPY 10,000)	2,796 (JPY 10,000)	200	100.00	4,638	517	517	Subsidiary (Note 1)
	BizLink (BVI) Corp. Limited	Central, Hong Kong	Various investment activities.	39 (HK\$ 10)	-	10,000	100.00	1,094,360	28,919	25,691	Subsidiary (Note 1)
	Bizconn Technology Inc.	CA 94538, USA	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	-	-	-	100.00	-	-	-	Subsidiary (Note 1)
	EA Cable Assemblies (Hong Kong) Co., Limited	Wan Chai, Hong Kong	Various investment activities.	941,130 (EUR 24,676) (US\$ 4,000)	941,130 (EUR 24,676) (US\$ 4,000)	170,332,000	100.00	1,895,112	66,874	68,981	Subsidiary (Note 1)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
				March 31, 2020	December 31, 2019	Number of Stock (Shares)	%	Carrying Value			
BizLink Technology Inc.	EA Cable Assemblies GmbH	Nuremberg, German	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	\$ 21,905 (EUR 659)	\$ 21,905 (EUR 659)	1	100.00	\$ 29,113	\$ (798)	\$ (798)	Subsidiary (Note 1)
	BizLink Technology (Belgium) NV	Hasselt, Belgium	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	409,716 (EUR 12,326)	409,716 (EUR 12,326)	915	100.00	532,994	7,324	7,324	Subsidiary (Note 1)
	BizLink Technology (Slovakia) S.R.O.	Trencin, Slovakia	(1) Manufacture and assembly of cable harnesses for electrical appliance, and (2) wholesale and retail of cable assemblies and power cords.	971,838 (EUR 29,237)	971,838 (EUR 29,237)	(Note 4)	100.00	589,472	(11,345)	(11,345)	Subsidiary (Note 1)
	BizLink Technology SRB D.O.O.	Prokuplje, Republic of Serbia	(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords.	216,060 (EUR 6,500)	216,060 (EUR 6,500)	(Note 4)	90.00	190,891	(18,598)	(16,738)	Subsidiary (Note 1)
	OW Holding Inc.	Grand Cayman, Cayman Islands	Various investment activities.	672,536 (US\$ 22,251)	672,536 (US\$ 22,251)	2,105,120	93.08	642,214	(17,502)	(16,291)	Subsidiary (Note 1)
	Bobt, LLC	CA 94538,USA	Various leasing activities.	60,450 (US\$ 2,000)	60,450 (US\$ 2,000)	(Note 4)	100.00	60,148	(4)	(4)	Sub-subsiidiary (Note 1)
	Jo Yeh Company Limited	Kowloon, Hong Kong	(1) Wholesale and retail of connectors, and (2) international trade.	118,331 (US\$ 3,915)	118,331 (US\$ 3,915)	10,000	100.00	128,237	516	516	Sub-subsiidiary (Note 1)
	Siriustek Inc.	Xinshi Dist., Tainan City	Provide customized LED (light emitting diode) lighting products and solutions.	20,000	20,000	2,000,000	40.00	9,538	(2,278)	(911)	-
	ProOptics International Corp.	Grand Cayman, Cayman Islands	Design, manufacture and sale of optical film.	68,157 (US\$ 2,255)	68,157 (US\$ 2,255)	2,050,000	Proportion of holding 21.35% Proportion of voting right 27.00%	60,027	(9,675)	(2,180)	-
	AquaOptics Corp.	Zhubei City, Hsinchu County	Design, manufacture and sale of optical system integration	66,000	30,000	32,000,000	44.00	49,254	(6,835)	(2,960)	-
Zellwood International Corp.	Bizconn International Corporation	APIA, SAMOA	Various investment activities.	50,385 (US\$ 1,667)	50,385 (US\$ 1,667)	1,666,667	100.00	335,630	21,908	23,040	Sub-subsiidiary (Note 1)
Adel Enterprises Corp.	Asia Wick Ltd.	Central, Hong Kong	Various investment activities.	-	-	1,000	100.00	254,900	3,094	3,063	Sub-subsiidiary (Note 1)
BizLink Technology (S.E.A.) Sdn. Bhd.	BizLink Interconnect Technology (India) Private Limited	Chennai 600042, India.	(1) Design, manufacture and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	401 (INR 1,000)	401 (INR 1,000)	100,000	100.00	2,008	88	88	Sub-subsiidiary (Note 1)
BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	Prokuplje, Republic of Serbia	(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords.	951 (RSD 3,357)	951 (RSD 3,357)	(Note 4)	10.00	21,210	(18,598)	(1,860)	Sub-subsiidiary (Note 1)
OW Holding Inc.	OptiWorks Inc.	CA 94538, USA	(1) Wholesale and retail of fiber optical passive components and fiber optical cables, (2) international trade, and (3) various investment activities.	610,545 (US\$ 20,200)	610,545 (US\$ 20,200)	2,000	100.00	676,623	(17,502)	(17,502)	Sub-subsiidiary (Note 1)

Note 1: The amount was eliminated upon consolidation.

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

Note 3: For information of investments in mainland China, refer to Table 8.

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

(Concluded)

**TABLE 8**

**BIZLINK HOLDING INC. AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(In Thousands of New Taiwan Dollars and Foreign Currencies)**

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 13)	Carrying Amount as of March 31, 2020	Accumulated Repatriation of Investment Income as of March 31, 2020
					Outflow	Inflow						
Bizconn International Corp. (China)	Design, manufacture, sale and assembly of connectors, tooling and cable assemblies.	\$ 75,082 (RMB 17,600)	(2) Note 4	Note 3	Note 3	Note 3	Note 3	\$ 23,674	100.00	\$ 23,674	\$ 296,032	Note 3
TongYing Electronics (Shen Zhen) Ltd.	Manufacture of wire extrusions and cable assemblies.	104,992 (HK\$ 26,936)	(2) Note 5	Note 3	Note 3	Note 3	Note 3	2,930	100.00	2,930	285,286	Note 3
Teralux Technology Co., Ltd.	Research, manufacture and retail of optical and optoelectronic device technology	45,640 (US\$ 1,510)	(2) Note 6	Note 3	Note 3	Note 3	Note 3	15,156	100.00	15,156	1,767	Note 3
OptiWorks (Shanghai) Limited	(1) Manufacture, wholesale and retail of fiber optical passive components and fiber optical cables, and (2) international trade.	181,350 (US\$ 6,000)	(2) Note 7	Note 3	Note 3	Note 3	Note 3	(71)	93.08	(66)	197,620	Note 3
OptiWorks (Kunshan) Limited	(1) Production and development of optical communications optoelectronic devices, components and modules, and (2) sale of own products.	90,675 (US\$ 3,000)	(2) Note 7	Note 3	Note 3	Note 3	Note 3	(2,424)	93.08	(2,256)	105,765	Note 3
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	Design, manufacture and sale of cable assemblies, power cords, and connectors.	30,225 (US\$ 1,000)	(2) Note 8	Note 3	Note 3	Note 3	Note 3	33,173	100.00	33,173	1,140,553	Note 3
Hwa Zhan Electronics Corp. (Shen Zhen)	Production and operations of computers and communications cables, connectors and fiber jumpers.	9,745 (HK\$ 2,500)	(2) Note 9	Note 3	Note 3	Note 3	Note 3	12,336	100.00	12,336	354,514	Note 3
BizLink (Kun Shan) Co., Ltd.	Design, manufacture and sale of cable assemblies, connectors and power cords.	302,250 (US\$ 10,000)	(2) Note 6	Note 3	Note 3	Note 3	Note 3	37,243	100.00	37,243	2,338,974	Note 3
BizLink Electronics (Xiamen) Co., Ltd.	Manufacture and assembly of power cords and cables.	16,926 (US\$ 560)	(2) Note 10	Note 3	Note 3	Note 3	Note 3	29,312	100.00	29,312	271,420	Note 3
Foshan Nanhai Jo Yeh Electronic Co., Ltd.	Production and operations of electrical appliances, electronic equipment, and plug-in connectors.	60,450 (US\$ 2,000)	(2) Note 11	Note 3	Note 3	Note 3	Note 3	(26)	100.00	(26)	115,758	Note 3
BizLink Technology (Chang Zhou) Limited	(1) Manufacture of smart instrumentational sensors, instrumentational connectors and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	389,706 (US\$ 8,950) and (RMB 27,940)	(2) Note 12	Note 3	Note 3	Note 3	Note 3	43,091	100.00	43,067	1,160,250	Note 3
BizLink Technology (Xiamen) Limited	(1) Manufacture of smart instrumentational sensors, instrumentational connectors and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	99,622 (US\$ 3,296)	(2) Note 12	Note 3	Note 3	Note 3	Note 3	23,839	100.00	23,839	787,894	Note 3

(Continued)

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

Accumulated Outflow Remittance for Investment in Mainland China as of March 31, 2020	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Note 3	Note 3	Note 3

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period, refer to Table 4.
- b. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period, refer to Table 4.
- c. The amount of property transactions and the amount of the resultant gains or losses: None.
- d. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
- e. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. There is no actual drawn to subsidiaries in mainland China from BizLink (BVI) Corp.; therefore, the interest is 0. Remaining financing to others: None.
- f. Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

(Concluded)



**TABLE 9****BIZLINK HOLDING INC. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2020**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Hwa Tse Liang and InRuKuo Family Trust	8,624,467	6.60

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

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