

BizLink Holding Inc. and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
BizLink Holding Inc.

Opinion

We have audited the accompanying consolidated financial statements of BizLink Holding Inc. ("BizLink") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2021 is stated as follows:

Occurrence and Existence of Revenue from Major Customers

The Group's consolidated operating revenue is relatively concentrated on major customers, and revenue recognition has higher inherent risk. Among all the customers in 2021, operating revenue from customers whose individual growth rates exceeded the overall growth rates and whose total transaction amounts for the whole year were significant, representing 39% of the consolidated operating revenue. Therefore, we identified revenue recognition related to the actual occurrence of the sales transaction from customers whose individual growth rates exceeded the overall growth rates and whose total transaction amounts for the whole year were significant as a key audit matter.

In response, we performed the following audit procedures:

1. We obtained an understanding of the sales transaction internal controls over the customers mentioned above. We evaluated the design of key controls and determined that key controls had been implemented. We tested the operating effectiveness of key controls.
2. We obtained the Group's performed background checks on the customers mentioned above and verified that the transaction amounts and customer credit limits granted were reasonably compatible with the respective customers' sizes.
3. We performed substantive testing on the transactions with the customers mentioned above by inspecting third-party shipping documents, statements from customers and sellers, and documents of receivables after year end in order to verify the occurrence of the transactions.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 31, 2022

Notice to Readers

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

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

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

| ASSETS | 2021 | | 2020 | |
|--|----------------------|------------|----------------------|------------|
| | Amount | % | Amount | % |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents (Notes 4 and 6) | \$ 3,209,592 | 13 | \$ 5,360,003 | 24 |
| Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7) | 77,605 | - | 43,277 | - |
| Financial assets for hedging - current (Notes 4, 24 and 33) | 4,163 | - | 10,641 | - |
| Notes receivable from unrelated parties (Notes 4, 9 and 25) | 10,991 | - | 6,968 | - |
| Trade receivables from unrelated parties (Notes 4, 9 and 25) | 6,909,794 | 27 | 5,235,100 | 23 |
| Other receivables (Notes 4 and 9) | 558,772 | 2 | 92,295 | - |
| Current tax assets (Notes 4 and 27) | 34,943 | - | 40,762 | - |
| Inventories (Notes 4 and 10) | 6,378,838 | 25 | 4,649,474 | 21 |
| Prepayments (Note 18) | 367,273 | 2 | 314,832 | 1 |
| Other financial assets - current (Notes 18 and 35) | 190,569 | 1 | 111,546 | 1 |
| Other current assets (Note 18) | 716 | - | 2,206 | - |
| Total current assets | <u>17,743,256</u> | <u>70</u> | <u>15,867,104</u> | <u>70</u> |
| NON-CURRENT ASSETS | | | | |
| Financial assets at FVTPL - non-current (Notes 4 and 7) | 89,320 | - | 17,088 | - |
| Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8) | 281,242 | 1 | 308,606 | 1 |
| Investments accounted for using equity method (Notes 4 and 12) | 51,217 | - | 90,527 | 1 |
| Property, plant and equipment (Notes 4, 13 and 35) | 3,864,308 | 15 | 3,224,081 | 14 |
| Right-of-use assets (Notes 4 and 14) | 1,194,123 | 5 | 763,231 | 3 |
| Investment properties (Notes 4, 15 and 35) | 183,211 | 1 | 189,588 | 1 |
| Goodwill (Notes 4, 5, 16 and 30) | 671,751 | 3 | 730,307 | 3 |
| Other intangible assets (Notes 4 and 17) | 847,460 | 3 | 1,016,656 | 5 |
| Deferred tax assets (Notes 4 and 27) | 294,050 | 1 | 270,291 | 1 |
| Other financial assets - non-current (Notes 4, 18 and 35) | 10,559 | - | 64,982 | - |
| Other non-current assets (Notes 4, 18 and 34) | 246,199 | 1 | 174,728 | 1 |
| Total non-current assets | <u>7,733,440</u> | <u>30</u> | <u>6,850,085</u> | <u>30</u> |
| TOTAL | <u>\$ 25,476,696</u> | <u>100</u> | <u>\$ 22,717,189</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Short-term borrowings (Notes 19 and 35) | \$ 827,652 | 3 | \$ 259,833 | 1 |
| Financial liabilities at FVTPL - current (Notes 4 and 7) | 288 | - | 51 | - |
| Financial liabilities for hedging - current (Notes 4, 24 and 33) | 709 | - | - | - |
| Contract liabilities - current (Notes 4 and 25) | 29,494 | - | 15,586 | - |
| Notes payable (Note 21) | 376,944 | 2 | 269,354 | 1 |
| Trade payables to unrelated parties (Note 21) | 4,492,550 | 18 | 3,501,322 | 16 |
| Trade payables to related parties (Note 34) | - | - | 5 | - |
| Other payables to unrelated parties (Note 22) | 1,571,126 | 6 | 1,372,585 | 6 |
| Other payables to related parties (Note 34) | 261 | - | 220 | - |
| Current tax liabilities (Notes 4 and 27) | 192,974 | 1 | 131,983 | 1 |
| Lease liabilities - current (Notes 4, 14 and 34) | 300,155 | 1 | 265,656 | 1 |
| Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 35) | 1,362,561 | 5 | 55,719 | - |
| Other current liabilities (Note 22) | 4,471 | - | 3,348 | - |
| Total current liabilities | <u>9,159,185</u> | <u>36</u> | <u>5,875,662</u> | <u>26</u> |
| NON-CURRENT LIABILITIES | | | | |
| Bonds payable (Notes 4 and 20) | - | - | 2,739,430 | 12 |
| Long-term borrowings (Notes 19 and 35) | 314,664 | 2 | 385,162 | 2 |
| Deferred tax liabilities (Notes 4 and 27) | 42,464 | - | 68,446 | - |
| Lease liabilities - non-current (Notes 4, 14 and 34) | 743,193 | 3 | 343,868 | 2 |
| Net defined benefit liabilities - non-current (Notes 4 and 23) | 10,852 | - | 10,718 | - |
| Other non-current liabilities (Note 22) | 56,196 | - | 16,378 | - |
| Total non-current liabilities | <u>1,167,369</u> | <u>5</u> | <u>3,564,002</u> | <u>16</u> |
| Total liabilities | <u>10,326,554</u> | <u>41</u> | <u>9,439,664</u> | <u>42</u> |
| EQUITY ATTRIBUTABLE TO OWNERS OF BizLink (Note 24) | | | | |
| Capital stock | | | | |
| Common stock | 1,374,573 | 5 | 1,305,694 | 6 |
| Capital surplus | 8,847,327 | 35 | 7,342,311 | 32 |
| Retained earnings | | | | |
| Legal reserve | 1,015,975 | 4 | 811,469 | 4 |
| Special reserve | 831,267 | 3 | 967,925 | 4 |
| Unappropriated earnings | 4,526,643 | 18 | 3,641,209 | 16 |
| Total retained earnings | 6,373,885 | 25 | 5,420,603 | 24 |
| Other equity | (1,471,200) | (6) | (831,267) | (4) |
| Total equity attributable to owners of BizLink | 15,124,585 | 59 | 13,237,341 | 58 |
| NON-CONTROLLING INTERESTS (Note 24) | 25,557 | - | 40,184 | - |
| Total equity | <u>15,150,142</u> | <u>59</u> | <u>13,277,525</u> | <u>58</u> |
| TOTAL | <u>\$ 25,476,696</u> | <u>100</u> | <u>\$ 22,717,189</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 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2021 | | 2020 | |
|--|-------------------|-----------|-------------------|------------|
| | Amount | % | Amount | % |
| OPERATING REVENUE (Notes 4, 25 and 34) | | | | |
| Sales | \$ 28,564,375 | 100 | \$ 22,537,767 | 100 |
| OPERATING COSTS (Notes 10, 26 and 34) | | | | |
| Cost of goods sold | <u>21,934,903</u> | <u>77</u> | <u>16,827,443</u> | <u>75</u> |
| GROSS PROFIT | <u>6,629,472</u> | <u>23</u> | <u>5,710,324</u> | <u>25</u> |
| OPERATING EXPENSES (Notes 26 and 34) | | | | |
| Selling and marketing expenses | 1,132,889 | 4 | 961,164 | 4 |
| General and administrative expenses | 1,958,702 | 7 | 1,667,900 | 7 |
| Research and development expenses | 862,521 | 3 | 651,167 | 3 |
| Expected credit loss (gain) (Notes 4 and 9) | <u>16,959</u> | <u>-</u> | <u>(14,935)</u> | <u>-</u> |
| Total operating expenses | <u>3,971,071</u> | <u>14</u> | <u>3,265,296</u> | <u>14</u> |
| PROFIT FROM OPERATIONS | <u>2,658,401</u> | <u>9</u> | <u>2,445,028</u> | <u>11</u> |
| NON-OPERATING INCOME AND EXPENSES | | | | |
| Interest income (Note 26) | 32,099 | - | 55,411 | - |
| Other income (Notes 4, 14 and 26) | 150,812 | - | 244,112 | 1 |
| Other gains and losses (Notes 4, 12, 13 and 26) | (79,092) | - | (341,898) | (1) |
| Finance costs (Notes 20, 26 and 34) | (97,417) | - | (125,449) | (1) |
| Share of loss of associates (Notes 4 and 12) | <u>(23,408)</u> | <u>-</u> | <u>(21,962)</u> | <u>-</u> |
| Total non-operating income and expenses | <u>(17,006)</u> | <u>-</u> | <u>(189,786)</u> | <u>(1)</u> |
| PROFIT BEFORE INCOME TAX FROM OPERATIONS | 2,641,395 | 9 | 2,255,242 | 10 |
| INCOME TAX EXPENSE (Notes 4 and 27) | <u>619,423</u> | <u>2</u> | <u>434,946</u> | <u>2</u> |
| NET PROFIT FOR THE YEAR | <u>2,021,972</u> | <u>7</u> | <u>1,820,296</u> | <u>8</u> |
| OTHER COMPREHENSIVE (LOSS) INCOME | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Remeasurement of defined benefit plans (Notes 4 and 23) | (165) | - | (110) | - |
| Unrealized (loss) gain on investments in equity instruments at FVTOCI (Notes 4 and 24) | (40,607) | - | 134,136 | 1 |

(Continued)

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2021 | | 2020 | |
|--|---------------------|------------|---------------------|------------|
| | Amount | % | Amount | % |
| Gain on hedging instruments subject to basis adjustments (Notes 4 and 24) | \$ 39,133 | - | \$ 36,949 | - |
| Exchange differences on translation to the presentation currency (Notes 4 and 24) | (494,872) | (2) | (628,753) | (3) |
| Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 24 and 27) | <u>1,896</u> | <u>-</u> | <u>(714)</u> | <u>-</u> |
| | <u>(494,615)</u> | <u>(2)</u> | <u>(458,492)</u> | <u>(2)</u> |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 24) | <u>(99,499)</u> | <u>-</u> | <u>850,581</u> | <u>4</u> |
| Other comprehensive income (loss) for the year, net of income tax | <u>(594,114)</u> | <u>(2)</u> | <u>392,089</u> | <u>2</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>\$ 1,427,858</u> | <u>5</u> | <u>\$ 2,212,385</u> | <u>10</u> |
| NET PROFIT (LOSS) ATTRIBUTABLE TO: | | | | |
| Owners of BizLink | \$ 2,036,138 | 7 | \$ 1,828,336 | 8 |
| Non-controlling interests | <u>(14,166)</u> | <u>-</u> | <u>(8,040)</u> | <u>-</u> |
| | <u>\$ 2,021,972</u> | <u>7</u> | <u>\$ 1,820,296</u> | <u>8</u> |
| TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO: | | | | |
| Owners of BizLink | \$ 1,442,485 | 5 | \$ 2,221,097 | 10 |
| Non-controlling interests | <u>(14,627)</u> | <u>-</u> | <u>(8,712)</u> | <u>-</u> |
| | <u>\$ 1,427,858</u> | <u>5</u> | <u>\$ 2,212,385</u> | <u>10</u> |
| EARNINGS PER SHARE (Note 28) | | | | |
| Basic | <u>\$ 15.22</u> | | <u>\$ 14.01</u> | |
| Diluted | <u>\$ 14.45</u> | | <u>\$ 13.28</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 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

| | Equity Attributable to Owners of BizLink | | | | | | | | | | |
|---|--|---------------------|---------------------|-------------------|---------------------|---|--|---|----------------------|------------------------------|----------------------|
| | | | | | | Other Equity | | | | | |
| | Capital Stock Ordinary Shares | Capital Surplus | Retained Earnings | | | Exchange Differences on Translation of the Financial Statements of Foreign Operations | Gain or Loss on Effective Cash Flow Hedging Instruments | Unrealized Gain (Loss) on Financial Assets at FVTOCI | Total | Non-controlling Interests | Total Equity |
| BALANCE AT JANUARY 1, 2020 | \$ 1,305,174 | \$ 7,320,086 | \$ 627,070 | \$ 646,210 | \$ 3,276,915 | \$ (1,088,878) | \$ 3,207 | \$ 117,746 | \$ 12,207,530 | \$ 48,896 | \$ 12,256,426 |
| Appropriation of the 2019 earnings (Note 24) | | | | | | | | | | | |
| Legal reserve | - | - | 184,399 | - | (184,399) | - | - | - | - | - | - |
| Special reserve | - | - | - | 321,715 | (321,715) | - | - | - | - | - | - |
| Cash dividends distributed by BizLink | - | - | - | - | (1,174,657) | - | - | - | (1,174,657) | - | (1,174,657) |
| Changes in capital surplus from investment in associates and joint ventures accounted for using the equity method (Note 12) | - | - | - | - | (8,958) | - | - | - | (8,958) | - | (8,958) |
| Convertible bonds converted to ordinary shares (Notes 20 and 24) | 520 | 11,174 | - | - | - | - | - | - | 11,694 | - | 11,694 |
| Share-based payment arrangements (Notes 24, 26 and 29) | - | 11,051 | - | - | - | - | - | - | 11,051 | - | 11,051 |
| Disposal of investment in equity instrument designed at fair value through other comprehensive income (Notes 8 and 24) | - | - | - | - | 225,688 | - | - | (225,688) | - | - | - |
| Basis adjustment to gain (loss) on hedging instruments (Note 24) | - | - | - | - | - | - | (30,416) | - | (30,416) | - | (30,416) |
| Net profit (loss) for the year ended December 31, 2020 | - | - | - | - | 1,828,336 | - | - | - | 1,828,336 | (8,040) | 1,820,296 |
| Other comprehensive (loss) income for the year ended December 31, 2020, net of income tax (Note 24) | - | - | - | - | (1) | 222,500 | 36,126 | 134,136 | 392,761 | (672) | 392,089 |
| Total comprehensive income (loss) for the year ended December 31, 2020 | - | - | - | - | 1,828,335 | 222,500 | 36,126 | 134,136 | 2,221,097 | (8,712) | 2,212,385 |
| BALANCE AT DECEMBER 31, 2020 | 1,305,694 | 7,342,311 | 811,469 | 967,925 | 3,641,209 | (866,378) | 8,917 | 26,194 | 13,237,341 | 40,184 | 13,277,525 |
| Appropriation of the 2020 earnings (Note 24) | | | | | | | | | | | |
| Legal reserve | - | - | 204,506 | - | (204,506) | - | - | - | - | - | - |
| Special reserve | - | - | - | (136,658) | 136,658 | - | - | - | - | - | - |
| Cash dividends distributed by BizLink | - | - | - | - | (1,082,724) | - | - | - | (1,082,724) | - | (1,082,724) |
| Changes in capital surplus from investment in associates and joint ventures accounted for using the equity method (Note 12) | - | 7,887 | - | - | - | - | - | - | 7,887 | - | 7,887 |
| Convertible bonds converted to ordinary shares (Notes 20 and 24) | 68,879 | 1,483,363 | - | - | - | - | - | - | 1,552,242 | - | 1,552,242 |
| Share-based payment arrangements (Notes 24, 26 and 29) | - | 13,766 | - | - | - | - | - | - | 13,766 | - | 13,766 |
| Basis adjustment to gain (loss) on hedging instruments (Note 24) | - | - | - | - | - | - | (46,412) | - | (46,412) | - | (46,412) |
| Net profit (loss) for the year ended December 31, 2021 | - | - | - | - | 2,036,138 | - | - | - | 2,036,138 | (14,166) | 2,021,972 |
| Other comprehensive (loss) income for the year ended December 31, 2021, net of income tax (Note 24) | - | - | - | - | (132) | (593,910) | 40,996 | (40,607) | (593,653) | (461) | (594,114) |
| Total comprehensive income (loss) for the year ended December 31, 2021 | - | - | - | - | 2,036,006 | (593,910) | 40,996 | (40,607) | 1,442,485 | (14,627) | 1,427,858 |
| BALANCE AT DECEMBER 31, 2021 | <u>\$ 1,374,573</u> | <u>\$ 8,847,327</u> | <u>\$ 1,015,975</u> | <u>\$ 831,267</u> | <u>\$ 4,526,643</u> | <u>\$ (1,460,288)</u> | <u>\$ 3,501</u> | <u>\$ (14,413)</u> | <u>\$ 15,124,585</u> | <u>\$ 25,557</u> | <u>\$ 15,150,142</u> |

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

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

| | 2021 | 2020 |
|--|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | \$ 2,641,395 | \$ 2,255,242 |
| Adjustments for: | | |
| Depreciation expense | 770,247 | 692,308 |
| Amortization expense | 165,962 | 149,291 |
| Expected credit loss recognized (reversed) on trade receivables | 16,959 | (14,935) |
| Net gain on fair value change of financial assets and liabilities designated as at FVTPL | (96,237) | (177,096) |
| Finance costs | 97,417 | 125,449 |
| Interest income | (32,099) | (55,411) |
| Dividend income | (11,070) | (12,749) |
| Compensation cost of employee share options | 13,766 | 11,051 |
| Share of loss of associates | 23,408 | 21,962 |
| Loss on disposal of property, plant and equipment | 4,739 | 819 |
| Loss on disposal of intangible assets | - | 95 |
| Impairment loss recognized on non-financial assets | 184,497 | 129,179 |
| Net (gain) loss on foreign currency exchange | (49,501) | 63,535 |
| Loss on redemption of convertible bonds | - | 167,869 |
| Gain on lease modification | - | (1,874) |
| Changes in operating assets and liabilities | | |
| Decrease in financial assets mandatorily classified as at FVTPL | 3,224 | 149,018 |
| (Increase) decrease in notes receivable | (4,269) | 26,432 |
| Increase in trade receivables | (1,807,967) | (499,504) |
| (Increase) decrease in other receivables | (474,649) | 21,793 |
| Increase in inventories | (1,985,320) | (787,892) |
| Increase in prepayments | (62,012) | (98,449) |
| Decrease in other current assets | 1,444 | 360 |
| Decrease in financial liabilities held for trading | (13,991) | (29,103) |
| Increase (decrease) in contract liabilities | 14,517 | (6,056) |
| Increase (decrease) in notes payable | 116,525 | (24,866) |
| Increase in trade payables | 1,100,226 | 233,319 |
| (Decrease) increase in trade payables to related parties | (5) | 5 |
| Increase in other payables | 284,770 | 61,943 |
| Increase in other payables to related parties | 48 | 220 |
| Increase (decrease) in deferred revenue | 30,264 | (8,022) |
| Increase in net defined benefit liabilities | 309 | 77 |
| Increase in other current liabilities | 1,231 | 868 |
| Decrease in other operating liabilities | (404) | (2,717) |
| Cash generated from operations | 933,424 | 2,392,161 |
| Interest received | 32,099 | 55,411 |
| Interest paid | (46,630) | (49,318) |
| Income tax paid | (603,429) | (526,727) |
| Net cash generated from operating activities | 315,464 | 1,871,527 |

(Continued)

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

| | 2021 | 2020 |
|--|----------------------------|----------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of financial assets at FVTOCI | \$ (20,000) | \$ (61,494) |
| Proceeds from sale of financial assets at FVTOCI | - | 339,780 |
| Acquisitions of associates accounted for using equity method | - | (36,000) |
| Net cash outflow on acquisition of subsidiaries | - | (1,408,782) |
| Payments for property, plant and equipment | (1,217,180) | (759,861) |
| Proceeds from disposal of property, plant and equipment | 6,430 | 16,071 |
| Payments for intangible assets | (39,952) | (35,458) |
| Increase in refundable deposits | (68,939) | (6,346) |
| Decrease in refundable deposits | 23,691 | 3,429 |
| Increase in other financial assets | (96,051) | (108,029) |
| Decrease in other financial assets | 66,173 | 120,708 |
| Increase in prepayments for equipment | (140,723) | (112,745) |
| Dividends received | <u>11,070</u> | <u>12,749</u> |
| Net cash used in investing activities | <u>(1,475,481)</u> | <u>(2,035,978)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from short-term borrowings | 584,341 | 189,949 |
| Redemption of convertible bonds | - | (2,574,057) |
| Proceeds from long-term borrowings | 112,036 | - |
| Repayments of long-term borrowings | (170,926) | (13,914) |
| Proceeds from guarantee deposits received | 12,937 | 3,011 |
| Refund of guarantee deposits received | (2,377) | - |
| Repayment of the principal portion of lease liabilities | (286,118) | (256,467) |
| Dividends paid to owners of BizLink | <u>(1,082,724)</u> | <u>(1,174,657)</u> |
| Net cash used in financing activities | <u>(832,831)</u> | <u>(3,826,135)</u> |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES | <u>(157,563)</u> | <u>330,457</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (2,150,411) | (3,660,129) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>5,360,003</u> | <u>9,020,132</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>\$ 3,209,592</u> | <u>\$ 5,360,003</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 YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements of BizLink and its subsidiaries, collectively referred to as the “Group”, were approved by BizLink’s board of directors on March 25, 2022.

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

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

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. The IFRSs endorsed by the FSC for application starting from 2022

| New IFRSs | Effective Date Announced by IASB |
|---|-------------------------------------|
| “Annual Improvements to IFRS Standards 2018-2020” | January 1, 2022 (Note 1) |
| Amendments to IFRS 3 “Reference to the Conceptual Framework” | January 1, 2022 (Note 2) |
| Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use” | January 1, 2022 (Note 3) |
| Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract” | January 1, 2022 (Note 4) |

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

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the aforementioned standards or interpretations has been evaluated by the Group and will not cause significant impact to its financial position and financial performance.

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

| New IFRSs | Effective Date Announced by IASB (Note 1) |
|--|--|
| Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture” | To be determined by IASB |
| IFRS 17 “Insurance Contracts” | January 1, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information” | January 1, 2023 |
| Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” | January 1, 2023 |
| Amendments to IAS 1 “Disclosure of Accounting Policies” | January 1, 2023 (Note 2) |
| Amendments to IAS 8 “Definition of Accounting Estimates” | January 1, 2023 (Note 3) |
| Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” | January 1, 2023 (Note 4) |

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

1) 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.

2) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b) The Group chose the accounting policy from options permitted by the standards;
- c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;
- d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
- e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

3) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

4) Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and recognize the cumulative effect of initial application in retained earnings at that date. The Group will apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

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

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

e. Business combinations

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

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

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

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

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

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

f. Foreign currencies

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

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

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

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

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

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

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

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

g. Inventories

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

h. Investment in associates

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

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

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

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

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

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

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

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

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

i. Property, plant and equipment

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

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

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

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

j. Investment properties

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

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

Depreciation is recognized using the straight-line method.

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

k. Goodwill

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

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

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

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

l. Intangible assets

1) Intangible assets acquired separately

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

2) Intangible assets acquired in a business combination

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

3) Derecognition of intangible assets

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

m. Impairment of property, plant and equipment, investment properties, right-of-use asset, and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties, right-of-use asset, and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent

of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

n. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends earned on such financial assets are recognized in other income, and any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 33.

ii. Financial assets at amortized cost

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

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

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

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is more than 365 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

- Financial liabilities at FVTPL

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

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses/any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses. The fair value determination method is described in Note 33.

b) Derecognition of financial liabilities

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

4) Convertible bonds

The component parts of overseas convertible bonds issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

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

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

5) Derivative financial instruments

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

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

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

o. Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk. 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.

p. Revenue recognition

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

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

q. Leases

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

1) The Group as lessor

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

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

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

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

2) The Group as lessee

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

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

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

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

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

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions, and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as other operating income and expenses, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

r. Government grants

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

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

s. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

t. Share-based payment arrangements

Employee share options granted to employee

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

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

u. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group considers the possible impact of the recent global development of the COVID-19 and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Impairment of goodwill on the Speedy Group and home appliances division acquisition

Determining whether goodwill from the acquisition of the Speedy Group and home appliances division is impaired requires an estimation of the value in use of the cash-generating units to which the assets have been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate their present values. When the actual future cash flows are less than expected, or when changes in facts and circumstances give rise to downward revision of future cash flows or an increase in discount rate, a material impairment loss may arise.

As of December 31, 2021 and 2020, the carrying amounts of goodwill are disclosed in Note 16.

6. CASH AND CASH EQUIVALENTS

| | December 31 | |
|---|---------------------|---------------------|
| | 2021 | 2020 |
| Cash on hand | \$ 962 | \$ 1,058 |
| Checking accounts and demand deposits | 2,364,019 | 3,423,656 |
| Cash equivalents (investments with original maturities of 3 months or less) | | |
| Time deposits | 844,611 | 1,928,411 |
| Bank acceptances | - | 6,878 |
| | <u>\$ 3,209,592</u> | <u>\$ 5,360,003</u> |

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

| | December 31 | |
|-----------------|--------------------|-------------|
| | 2021 | 2020 |
| Demand deposits | 0%-2.03% | 0%-2.03% |

7. FINANCIAL INSTRUMENTS AT FVTPL

| | December 31 | |
|---|--------------------|------------------|
| | 2021 | 2020 |
| <u>Financial assets at FVTPL - current</u> | | |
| Financial assets mandatorily at FVTPL | | |
| Derivative financial assets (not under hedge accounting) | | |
| Foreign exchange forward contracts | \$ 25,591 | \$ 39,574 |
| Convertible bond options (Note 20) | 1,845 | 2,269 |
| Non-derivative financial assets | | |
| Foreign listed shares | 1,695 | 1,434 |
| Domestic unlisted preference shares | 48,474 | - |
| | <u>\$ 77,605</u> | <u>\$ 43,277</u> |
| <u>Financial assets at FVTPL - non-current</u> | | |
| Financial assets mandatorily at FVTPL | | |
| Non-derivative financial assets | | |
| Fund beneficiary certificates | <u>\$ 89,320</u> | <u>\$ 17,088</u> |
| <u>Financial liabilities at FVTPL - current</u> | | |
| Financial liabilities held for trading | | |
| Derivative financial liabilities (not under hedge accounting) | | |
| Foreign exchange forward contracts | <u>\$ 288</u> | <u>\$ 51</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>December 31, 2021</u> | | | |
| Sell | USD/RMB | 2022.01-2022.05 | USD78,950/RMB508,663 |
| Sell | EUR/RMB | 2022.01-2022.12 | EUR5,779/RMB43,900 |
| Sell | USD/SGD | 2022.01-2022.02 | USD6,850/SGD9,329 |
| <u>December 31, 2020</u> | | | |
| Sell | USD/RMB | 2021.01-2021.04 | USD79,050/RMB525,204 |
| Sell | EUR/RMB | 2021.01-2021.12 | EUR2,753/RMB22,400 |

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

Investment in Equity Instruments at FVTOCI

| | <u>December 31</u> | |
|---|--------------------|------------|
| | 2021 | 2020 |
| <u>Non-current</u> | | |
| Domestic and foreign equity instruments | | |
| Unlisted shares | \$ 281,242 | \$ 308,606 |

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

In 2020, the Group acquired domestic and foreign unlisted shares and domestic listed shares at US\$600 thousand and \$43,826 thousand, respectively, for medium to long-term strategic purposes; the management designated these investments as at FVTOCI.

In February 2021, the Group acquired domestic unlisted shares at \$20,000 thousand for medium to long-term strategic purposes; the management designated these investments as at FVTOCI.

In 2020, the Group sold domestic listed shares in order to manage credit concentration risk. The stocks sold had a fair value of \$339,780 thousand and its related unrealized valuation gain of \$225,688 thousand was transferred from other equity to retained earnings.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

| | December 31 | |
|--------------------------------------|---------------------|---------------------|
| | 2021 | 2020 |
| <u>Notes receivable</u> | | |
| At amortized cost | | |
| Gross carrying amount | \$ 10,991 | \$ 6,968 |
| Less: Allowance for impairment loss | <u>-</u> | <u>-</u> |
| | <u>\$ 10,991</u> | <u>\$ 6,968</u> |
| Notes receivable - operating | <u>\$ 10,991</u> | <u>\$ 6,968</u> |
| <u>Trade receivables</u> | | |
| At amortized cost | | |
| Gross carrying amount | \$ 6,945,092 | \$ 5,255,871 |
| Less: Allowance for impairment loss | <u>(35,298)</u> | <u>(20,771)</u> |
| | <u>\$ 6,909,794</u> | <u>\$ 5,235,100</u> |
| <u>Other receivables</u> | | |
| Tax refund receivable | \$ 77,949 | \$ 67,363 |
| Advance payments on behalf of others | 463,630 | - |
| Others | <u>17,193</u> | <u>24,932</u> |
| | <u>\$ 558,772</u> | <u>\$ 92,295</u> |

a. Notes receivable

The average period of notes receivable was 152 to 193 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 customer and economic condition of the industry in which the customer operate. As of December 31, 2021 and 2020, the Group evaluated no allowance for impairment loss was needed for notes receivable.

The aging of receivables was as follows:

| | December 31 | |
|-----------------|--------------------|-----------------|
| | 2021 | 2020 |
| Up to 60 days | \$ 6,529 | \$ 5,352 |
| 61 to 90 days | 1,144 | 972 |
| 91 to 120 days | 100 | 60 |
| 121 to 365 days | <u>3,218</u> | <u>584</u> |
| | <u>\$ 10,991</u> | <u>\$ 6,968</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 receipts in advance to 180 days after the end of the month credit policy to their customers on the sale of goods. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk is significantly reduced.

The Group 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 approach considering the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlooks. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

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

December 31, 2021

| | | 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%-4.67% | | 0.00%-10.45% | 0.00%-13.65% | 0.00%-13.33% | 0.00%-22.74% | 100% |
| Gross carrying amount | \$ 6,104,436 | \$ 745,368 | \$ 32,346 | \$ 21,759 | \$ 27,203 | \$ 13,980 | \$ 6,945,092 |
| Loss allowance (Lifetime ECLs) | (7,304) | (9,648) | (522) | (826) | (3,018) | (13,980) | (35,298) |
| Amortized cost | <u>\$ 6,097,132</u> | <u>\$ 735,720</u> | <u>\$ 31,824</u> | <u>\$ 20,933</u> | <u>\$ 24,185</u> | <u>\$ -</u> | <u>\$ 6,909,794</u> |

December 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%-0.14% | | 0.00%-0.46% | 0.00%-9.03% | 0.00%-22.71% | 0.00%-22.04% | 100% |
| Gross carrying amount | \$ 4,600,819 | \$ 576,566 | \$ 34,069 | \$ 8,607 | \$ 19,418 | \$ 16,392 | \$ 5,255,871 |
| Loss allowance (Lifetime ECLs) | (918) | (345) | (638) | (202) | (2,276) | (16,392) | (20,771) |
| Amortized cost | <u>\$ 4,599,901</u> | <u>\$ 576,221</u> | <u>\$ 33,431</u> | <u>\$ 8,405</u> | <u>\$ 17,142</u> | <u>\$ -</u> | <u>\$ 5,235,100</u> |

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

| | For the Year Ended December 31 | |
|---|---------------------------------------|------------------|
| | 2021 | 2020 |
| Balance at January 1 | \$ 20,771 | \$ 42,936 |
| Add: Net remeasurement of loss allowance | 16,959 | - |
| Less: Impairment losses reversed | - | (14,935) |
| Less: Amounts written off | (1,797) | (6,407) |
| Acquisitions through business combination | - | 391 |
| Foreign exchange translation gains and losses | <u>(635)</u> | <u>(1,214)</u> |
| Balance at December 31 | <u>\$ 35,298</u> | <u>\$ 20,771</u> |

c. Other receivables

Other receivables consisted of advance payment for good receivable, tax refund receivables, and others. The Group applied the policy only with traders that have good credit ratings. The Group continued to trace and refer to past default experience of counterparties and analyzed their current financial position in order to evaluate whether there was a significant increase in credit risk or expected credit loss. As of December 31, 2021 and 2020, the Group did not need to recognize expected credit loss on other receivables.

10. INVENTORIES

| | December 31 | |
|--------------------------------|---------------------|---------------------|
| | 2021 | 2020 |
| Raw materials | \$ 3,146,703 | \$ 1,958,536 |
| Work in progress | 458,601 | 330,358 |
| Finished goods and merchandise | <u>2,773,534</u> | <u>2,360,580</u> |
| | <u>\$ 6,378,838</u> | <u>\$ 4,649,474</u> |

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

| | December 31 | |
|--|----------------------|----------------------|
| | 2021 | 2020 |
| Cost of inventories sold | \$ 21,805,143 | \$ 16,639,173 |
| Inventory write-downs | 89,673 | 120,779 |
| Unallocated production overhead (Note) | <u>40,087</u> | <u>67,491</u> |
| | <u>\$ 21,934,903</u> | <u>\$ 16,827,443</u> |

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

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

| Investor | Investee | Nature of Activities | Proportion of Ownership (%) | | Remark |
|-------------------------|--|---|-----------------------------|--------|--|
| | | | December 31 | | |
| | | | 2021 | 2020 | |
| BizLink Holding Inc. | BizLink Technology Inc. | (1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade. | 100.00 | 100.00 | |
| | OW Holding Inc. | Various investment activities. | 93.08 | 93.08 | |
| | BizLink (BVI) Corp. | (1) Wholesale and retail of cable assemblies, connectors, power cords, (2) wholesale and retail of computer peripheral products and electronic materials, (3) international trade, and (4) various investment activities. | 100.00 | 100.00 | |
| | BizLink International Corp. | (1) Wholesale of cable assemblies, connectors and power cords, and (2) international trade. | 100.00 | 100.00 | |
| | Zellwood International Corp. | Various investment activities. | 100.00 | 100.00 | |
| | BizLink Technology (S.E.A.) Sdn. Bhd. | (1) Design, manufacture and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade. | 100.00 | 100.00 | |
| | Adel Enterprises Corp. | (1) Wholesale and retail of cable assemblies, connectors, and power cords, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade. | 100.00 | 100.00 | |
| | BizLink Tech Inc. | (1) Design, manufacture, and sale of cable assemblies, (2) wholesale and retail of computer peripheral products and electronic materials, (3) production of fiberfill moldings, and (4) international business trade. | 100.00 | 100.00 | |
| | Accell Corp. | (1) Wholesale and retail of brand name connectors, cables and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) its own brand name. | 100.00 | 100.00 | |
| | BizLink Technology (Ireland) Ltd. | (1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade. | 100.00 | 100.00 | |
| | BizLink Japan | (1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade. | 100.00 | 100.00 | |
| | BizLink (BVI) Corp. Limited | (1) Wholesale and retail of cable assemblies, connectors, power cords, (2) wholesale and retail of computer peripheral products and electronic materials, (3) international trade, and (4) various investment activities. | 100.00 | 100.00 | |
| | Bizconn Technology Inc. | (1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade. | 100.00 | 100.00 | Bizconn Technology Inc. is not yet in operation. |
| | EA Cable Assemblies (Hong Kong) Co., Limited | Various investment activities. | 100.00 | 100.00 | |
| | EA Cable Assemblies GmbH | (1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade. | - | 100.00 | e |
| | BizLink Technology (Belgium) NV | (1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade. | 100.00 | 100.00 | |
| | BizLink Technology (Slovakia) S.R.O. | (1) Manufacture and assembly of cable harnesses for electrical appliance, and (2) wholesale and retail of cable assemblies and power cords. | 100.00 | 100.00 | |
| | BizLink Technology SRB D.O.O. | (1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords. | 100.00 | 100.00 | b |
| | Speedy Industrial Supplies Pte Ltd | Manufacture and sale of cable assemblies, power cords, PCBA assemblies, sheet metal fabrication and box build assemblies. | 100.00 | 100.00 | a |
| | Grand Infinite Enterprises Limited | Various investment activities | 100.00 | - | d |
| BizLink Technology Inc. | Bobi, LLC | Various leasing activities. | 100.00 | 100.00 | |
| OW Holding Inc. | OptiWorks, Inc. | (1) Wholesale and retail of fiber optical passive components and fiber optical cables, (2) international trade, and (3) various investment activities. | 100.00 | 100.00 | |

(Continued)

| Investor | Investee | Nature of Activities | Proportion of Ownership (%) | | Remark |
|--|---|---|-----------------------------|--------|--------|
| | | | December 31 | | |
| | | | 2021 | 2020 | |
| OptiWorks, Inc. | OptiWorks (Shanghai) Limited | (1) Manufacture, wholesale and retail of fiber optical passive components and fiber optical cables, and (2) international trade. | 100.00 | 100.00 | |
| | OptiWorks (Kunshan) Limited | (1) Production and development of optical communications optoelectronic devices, components and modules, and (2) sale of own products. | 100.00 | 100.00 | |
| BizLink (BVI) Corp. | Hwa Zhan Electronics Corp. (Shen Zhen) | Production and operations of computers and communications cables, connectors and fiber jumpers. | 100.00 | 100.00 | |
| | Jo Yeh Company Limited | (1) Wholesale and retail of connectors, and (2) international trade. | 100.00 | 100.00 | |
| Jo Yeh Company Limited | Foshan Nanhai Jo Yeh Electronic Co., Ltd. | Production and operations of electrical appliances, electronic equipment, and plug-in connectors. | 100.00 | 100.00 | |
| Zellwood International Corp. | Bizconn International Corporation | Various investment activities. | 100.00 | 100.00 | |
| | BizLink (Kun Shan) Co., Ltd. | Design, manufacture and sale of cable assemblies, connectors and power cords. | 100.00 | 100.00 | |
| | Teralux Technology Co., Ltd. | Research, manufacture and retail of optical and optoelectronic device technology | - | - | c |
| Bizconn International Corporation | Bizconn International Corp. (China) | Design, manufacture, sale and assembly of connectors, tooling and cable assemblies. | 100.00 | 100.00 | |
| Adel Enterprise Corp. | BizLink Electronics (Xiamen) Co., Ltd. | Manufacture and assembly of power cords and cables. | 100.00 | 100.00 | |
| | Asia Wick Ltd. | Various investment activities. | 100.00 | 100.00 | |
| Asia Wick Ltd. | TongYing Electronics (Shen Zhen) Ltd. | Manufacture of wire extrusions and cable assemblies. | 100.00 | 100.00 | |
| 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 | |
| BizLink Technology (S.E.A.) Sdn. Bhd. | BizLink Interconnect Technology (India) Private Limited | (1) Design, manufacture, and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade. | 100.00 | 100.00 | |
| | BizLink Technology 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. | - | - | b |
| EA Cable Assemblies (Hong Kong) Co., Limited | BizLink Technology (Chang Zhou) Limited | (1) Manufacture of smart instrumentational sensors, instrumentational connectors and instrumentational functional materials, and (2) Import and export materials, cables, and products mentioned above. | 100.00 | 100.00 | |
| | BizLink Technology (Xiamen) Limited | (1) Manufacture of smart instrumentational sensors, instrumentational connectors, and instrumentational functional materials, and (2) Import and export materials, cables, and products mentioned above. | 100.00 | 100.00 | |
| Speedy Industrial Supplies Pte Ltd. | SIS Speedy Industrial Supplies Sdn. Bhd. | Manufacture and sale of cable assemblies, power cords, PCBA assemblies, sheet metal fabrication and box build assemblies. | 100.00 | 100.00 | a |
| | EA Cable Assemblies GmbH | (1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade. | 100.00 | - | e |
| (Concluded) | | | | | |

(Concluded)

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

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

Note c: Teralux Technology Co., Ltd. was liquidated in December 2020.

Note d: Grand Infinite Enterprises Limited is a subsidiary of the Group established in the British Virgin Islands on May 26, 2021.

Note e: In December 2021, Speedy Industrial Supplies Pte Ltd acquired BizLink's 100% interest in EA Cable Assemblies GmbH. Thus, the stockholding ratio of BizLink in EA Cable Assemblies GmbH decreased to 0%.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

| | December 31 | |
|---|------------------|------------------|
| | 2021 | 2020 |
| Associates that are not individually material | <u>\$ 51,217</u> | <u>\$ 90,527</u> |

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

| Name of Associates | December 31 | |
|-------------------------------|-------------|--------|
| | 2021 | 2020 |
| Siriustek Inc. | 40.00% | 40.00% |
| AquaOptics Corp. | 44.00% | 44.00% |
| ProOptics International Corp. | 27.00% | 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 | December 31 | |
|-------------------------------|-------------|--------|
| | 2021 | 2020 |
| Siriustek Inc. | 40.00% | 40.00% |
| AquaOptics Corp. | 44.00% | 44.00% |
| ProOptics International Corp. | 27.00% | 27.00% |

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

In 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 due to insufficient capital surplus.

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

In August 2021, the preference shares of ProOptics was cancelled, increasing the Group's percentage of ownership from 21.35% to 27.00%. The changes from investments in associates and joint ventures accounted for using equity method increased capital surplus by \$7,887 thousand.

In September 2021, the management of the Group carried out an impairment review and determined the recoverable amount based on the estimated cash flow from the disposal of ProOptics. Based on the assessment, the recoverable amount of the Group's interest in ProOptics which was \$28,547 thousand (classified as level 2 fair value measurement), was less than the carrying amount by \$25,096 thousand and recognized as impairment loss in other gains and losses.

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 the financial statements which have not been audited for the years ended December 31, 2021 and 2020. However, the Group's management believes that there is no material impact on the equity method of accounting or calculation of the share of profit or loss and other comprehensive income from the financial statements that have not been audited.

Aggregate information of associates that are not individually material:

| | For the Year Ended December 31 | |
|---------------------------------------|---------------------------------------|--------------------|
| | 2021 | 2020 |
| The Group's stock of: | | |
| Loss from continuing operations | <u>\$ (23,408)</u> | <u>\$ (21,962)</u> |
| Total comprehensive loss for the year | <u>\$ (23,408)</u> | <u>\$ (21,962)</u> |

13. PROPERTY, PLANT AND EQUIPMENT

| | December 31 | |
|--|---------------------|---------------------|
| | 2021 | 2020 |
| Assets used by the Group | <u>\$ 3,864,308</u> | <u>\$ 3,224,081</u> |
| | | |
| Cost | | |
| Balance at January 1, 2021 | \$ 348,673 | \$ 1,117,548 |
| Additions | 375,650 | 44,775 |
| Disposals | - | (683) |
| Reclassifications (a) | - | 20,873 |
| Effects of foreign currency exchange differences | (4,047) | (21,132) |
| Balance at December 31, 2021 | <u>\$ 720,276</u> | <u>\$ 1,161,381</u> |
| Machinery and Equipment | | |
| Balance at January 1, 2021 | \$ 2,992,119 | \$ 2,992,119 |
| Additions | 290,388 | 290,388 |
| Disposals | (843) | (144,886) |
| Reclassifications (a) | - | 93,907 |
| Effects of foreign currency exchange differences | (628) | (70,677) |
| Balance at December 31, 2021 | <u>\$ 25,191</u> | <u>\$ 3,160,851</u> |
| Transportation | | |
| Balance at January 1, 2021 | \$ 26,282 | \$ 26,282 |
| Additions | 380 | 380 |
| Disposals | (843) | (843) |
| Reclassifications (a) | - | - |
| Effects of foreign currency exchange differences | (51,289) | (853) |
| Balance at December 31, 2021 | <u>\$ 1,161,597</u> | <u>\$ 622,832</u> |
| Other Equipment | | |
| Balance at January 1, 2021 | \$ 1,092,463 | \$ 1,092,463 |
| Additions | 138,422 | 138,422 |
| Disposals | (28,432) | (28,432) |
| Reclassifications (a) | 10,433 | 10,433 |
| Effects of foreign currency exchange differences | (853) | (853) |
| Balance at December 31, 2021 | <u>\$ 1,161,597</u> | <u>\$ 622,832</u> |
| Property under Construction | | |
| Balance at January 1, 2021 | \$ 307,766 | \$ 307,766 |
| Additions | 318,446 | 318,446 |
| Disposals | - | - |
| Reclassifications (a) | - | - |
| Effects of foreign currency exchange differences | (853) | (853) |
| Balance at December 31, 2021 | <u>\$ 622,832</u> | <u>\$ 622,832</u> |
| Total | | |
| Balance at January 1, 2021 | \$ 5,884,851 | \$ 5,884,851 |
| Additions | 1,168,061 | 1,168,061 |
| Disposals | (174,844) | (174,844) |
| Reclassifications (a) | 122,686 | 122,686 |
| Effects of foreign currency exchange differences | (148,626) | (148,626) |
| Balance at December 31, 2021 | <u>\$ 6,852,128</u> | <u>\$ 6,852,128</u> |
| Accumulated depreciation and impairment | | |
| Balance at January 1, 2021 | \$ - | \$ 314,433 |
| Disposals | - | (674) |
| Impairment loss recognized | - | 69,728 |
| Depreciation expense | - | 57,242 |
| Effects of foreign currency exchange differences | - | (3,988) |
| Balance at December 31, 2021 | <u>\$ -</u> | <u>\$ 367,013</u> |
| Machinery and Equipment | | |
| Balance at January 1, 2021 | \$ 1,727,159 | \$ 1,727,159 |
| Disposals | (135,511) | (135,511) |
| Impairment loss recognized | - | 69,728 |
| Depreciation expense | 2,511 | 288,095 |
| Effects of foreign currency exchange differences | (459) | (32,415) |
| Balance at December 31, 2021 | <u>\$ 18,318</u> | <u>\$ 1,917,056</u> |
| Transportation | | |
| Balance at January 1, 2021 | \$ 17,046 | \$ 17,046 |
| Disposals | (780) | (780) |
| Impairment loss recognized | - | - |
| Depreciation expense | 132,581 | 132,581 |
| Effects of foreign currency exchange differences | (22,570) | (22,570) |
| Balance at December 31, 2021 | <u>\$ 685,433</u> | <u>\$ 685,433</u> |
| Other Equipment | | |
| Balance at January 1, 2021 | \$ 602,132 | \$ 602,132 |
| Disposals | (26,710) | (26,710) |
| Impairment loss recognized | - | - |
| Depreciation expense | - | - |
| Effects of foreign currency exchange differences | - | - |
| Balance at December 31, 2021 | <u>\$ -</u> | <u>\$ -</u> |
| Property under Construction | | |
| Balance at January 1, 2021 | \$ - | \$ - |
| Disposals | - | - |
| Impairment loss recognized | - | - |
| Depreciation expense | - | - |
| Effects of foreign currency exchange differences | - | - |
| Balance at December 31, 2021 | <u>\$ -</u> | <u>\$ -</u> |
| Total | | |
| Balance at January 1, 2021 | \$ 2,660,770 | \$ 2,660,770 |
| Disposals | (163,675) | (163,675) |
| Impairment loss recognized | 69,728 | 69,728 |
| Depreciation expense | 480,429 | 480,429 |
| Effects of foreign currency exchange differences | (59,432) | (59,432) |
| Balance at December 31, 2021 | <u>\$ 2,987,820</u> | <u>\$ 2,987,820</u> |
| Carrying amount at December 31, 2021 | <u>\$ 720,276</u> | <u>\$ 794,368</u> |
| Cost | | |
| Balance at January 1, 2020 | \$ 348,715 | \$ 900,452 |
| Additions | 6,067 | 65,032 |
| Disposals | - | (14,538) |
| Reclassifications (b) | - | 133,398 |
| Acquisitions through business combinations | - | 47,137 |
| Effects of foreign currency exchange differences | (6,109) | (13,933) |
| Balance at December 31, 2020 | <u>\$ 348,673</u> | <u>\$ 1,117,548</u> |
| Machinery and Equipment | | |
| Balance at January 1, 2020 | \$ 2,590,726 | \$ 2,590,726 |
| Additions | 1,129 | 255,550 |
| Disposals | (523) | (76,212) |
| Reclassifications (b) | - | 90,485 |
| Acquisitions through business combinations | 4,356 | 97,844 |
| Effects of foreign currency exchange differences | 99 | 33,726 |
| Balance at December 31, 2020 | <u>\$ 26,282</u> | <u>\$ 2,992,119</u> |
| Transportation | | |
| Balance at January 1, 2020 | \$ 21,221 | \$ 21,221 |
| Additions | 1,129 | 1,129 |
| Disposals | (523) | (523) |
| Reclassifications (b) | - | - |
| Acquisitions through business combinations | 80,532 | 80,532 |
| Effects of foreign currency exchange differences | 13,947 | 13,947 |
| Balance at December 31, 2020 | <u>\$ 1,092,463</u> | <u>\$ 1,092,463</u> |
| Other Equipment | | |
| Balance at January 1, 2020 | \$ 760,076 | \$ 760,076 |
| Additions | 245,036 | 245,036 |
| Disposals | (14,764) | (14,764) |
| Reclassifications (b) | 7,636 | 7,636 |
| Acquisitions through business combinations | - | - |
| Effects of foreign currency exchange differences | - | - |
| Balance at December 31, 2020 | <u>\$ 307,766</u> | <u>\$ 307,766</u> |
| Property under Construction | | |
| Balance at January 1, 2020 | \$ 32,170 | \$ 32,170 |
| Additions | 312,046 | 312,046 |
| Disposals | - | - |
| Reclassifications (b) | - | - |
| Acquisitions through business combinations | - | - |
| Effects of foreign currency exchange differences | - | - |
| Balance at December 31, 2020 | <u>\$ 307,766</u> | <u>\$ 307,766</u> |
| Total | | |
| Balance at January 1, 2020 | \$ 4,653,360 | \$ 4,653,360 |
| Additions | 884,860 | 884,860 |
| Disposals | (106,037) | (106,037) |
| Reclassifications (b) | 189,316 | 189,316 |
| Acquisitions through business combinations | 229,869 | 229,869 |
| Effects of foreign currency exchange differences | 33,483 | 33,483 |
| Balance at December 31, 2020 | <u>\$ 5,884,851</u> | <u>\$ 5,884,851</u> |
| Accumulated depreciation and impairment | | |
| Balance at January 1, 2020 | \$ - | \$ 275,573 |
| Disposals | - | (14,029) |
| Reclassifications | - | - |
| Depreciation expense | - | 42,507 |
| Acquisitions through business combinations | - | 10,563 |
| Effects of foreign currency exchange differences | - | (181) |
| Balance at December 31, 2020 | <u>\$ -</u> | <u>\$ 314,433</u> |
| Machinery and Equipment | | |
| Balance at January 1, 2020 | \$ 1,424,301 | \$ 1,424,301 |
| Disposals | (62,026) | (62,026) |
| Reclassifications | 488 | 488 |
| Depreciation expense | 2,579 | 257,763 |
| Acquisitions through business combinations | 2,371 | 82,818 |
| Effects of foreign currency exchange differences | 20 | 23,815 |
| Balance at December 31, 2020 | <u>\$ 17,046</u> | <u>\$ 1,727,159</u> |
| Transportation | | |
| Balance at January 1, 2020 | \$ 12,547 | \$ 12,547 |
| Disposals | (471) | (471) |
| Reclassifications | - | - |
| Depreciation expense | 108,849 | 108,849 |
| Acquisitions through business combinations | 64,157 | 64,157 |
| Effects of foreign currency exchange differences | 7,004 | 7,004 |
| Balance at December 31, 2020 | <u>\$ 602,132</u> | <u>\$ 602,132</u> |
| Other Equipment | | |
| Balance at January 1, 2020 | \$ 435,231 | \$ 435,231 |
| Disposals | (12,621) | (12,621) |
| Reclassifications | (488) | (488) |
| Depreciation expense | - | - |
| Acquisitions through business combinations | - | - |
| Effects of foreign currency exchange differences | - | - |
| Balance at December 31, 2020 | <u>\$ -</u> | <u>\$ -</u> |
| Property under Construction | | |
| Balance at January 1, 2020 | \$ - | \$ - |
| Disposals | - | - |
| Reclassifications | - | - |
| Depreciation expense | - | - |
| Acquisitions through business combinations | - | - |
| Effects of foreign currency exchange differences | - | - |
| Balance at December 31, 2020 | <u>\$ -</u> | <u>\$ -</u> |
| Total | | |
| Balance at January 1, 2020 | \$ 2,147,652 | \$ 2,147,652 |
| Disposals | (89,147) | (89,147) |
| Reclassifications | - | - |
| Depreciation expense | 411,698 | 411,698 |
| Acquisitions through business combinations | 159,909 | 159,909 |
| Effects of foreign currency exchange differences | 30,658 | 30,658 |
| Balance at December 31, 2020 | <u>\$ 2,660,770</u> | <u>\$ 2,660,770</u> |
| Carrying amount at December 31, 2020 | <u>\$ 348,673</u> | <u>\$ 803,115</u> |
| Cost | | |
| Balance at January 1, 2020 | \$ 348,715 | \$ 900,452 |
| Additions | 6,067 | 65,032 |
| Disposals | - | (14,538) |
| Reclassifications (b) | - | 133,398 |
| Acquisitions through business combinations | - | 47,137 |
| Effects of foreign currency exchange differences | (6,109) | (13,933) |
| Balance at December 31, 2020 | <u>\$ 348,673</u> | <u>\$ 1,117,548</u> |
| Machinery and Equipment | | |
| Balance at January 1, 2020 | \$ 2,590,726 | \$ 2,590,726 |
| Additions | 1,129 | 255,550 |
| Disposals | (523) | (76,212) |
| Reclassifications (b) | - | 90,485 |
| Acquisitions through business combinations | 4,356 | 97,844 |
| Effects of foreign currency exchange differences | 99 | 33,726 |
| Balance at December 31, 2020 | <u>\$ 26,282</u> | <u>\$ 2,992,119</u> |
| Transportation | | |
| Balance at January 1, 2020 | \$ 21,221 | \$ 21,221 |
| Additions | 1,129 | 1,129 |
| Disposals | (523) | (523) |
| Reclassifications (b) | - | - |
| Acquisitions through business combinations | 80,532 | 80,532 |
| Effects of foreign currency exchange differences | 13,947 | 13,947 |
| Balance at December 31, 2020 | <u>\$ 1,092,463</u> | <u>\$ 1,092,463</u> |
| Other Equipment | | |
| Balance at January 1, 2020 | \$ 760,076 | \$ 760,076 |
| Additions | 245,036 | 245,036 |
| Disposals | (14,764) | (14,764) |
| Reclassifications (b) | 7,636 | 7,636 |
| Acquisitions through business combinations | - | - |
| Effects of foreign currency exchange differences | - | - |
| Balance at December 31, 2020 | <u>\$ 307,766</u> | <u>\$ 307,766</u> |
| Property under Construction | | |
| Balance at January 1, 2020 | \$ 32,170 | \$ 32,170 |
| Additions | 312,046 | 312,046 |
| Disposals | - | - |
| Reclassifications (b) | - | - |
| Acquisitions through business combinations | - | - |
| Effects of foreign currency exchange differences | - | - |
| Balance at December 31, 2020 | <u>\$ 307,766</u> | <u>\$ 307,766</u> |
| Total | | |
| Balance at January 1, 2020 | \$ 4,653,360 | \$ 4,653,360 |
| Additions | 884,860 | 884,860 |
| Disposals | (106,037) | (106,037) |
| Reclassifications (b) | 189,316 | 189,316 |
| Acquisitions through business combinations | 229,869 | 229,869 |
| Effects of foreign currency exchange differences | 33,483 | 33,483 |
| Balance at December 31, 2020 | <u>\$ 5,884,851</u> | <u>\$ 5,884,851</u> |
| Accumulated depreciation and impairment | | |
| Balance at January 1, 2020 | \$ - | \$ 275,573 |
| Disposals | - | (14,029) |
| Reclassifications | - | - |
| Depreciation expense | - | 42,507 |
| Acquisitions through business combinations | - | 10,563 |
| Effects of foreign currency exchange differences | - | (181) |
| Balance at December 31, 2020 | <u>\$ -</u> | <u>\$ 314,433</u> |
| Machinery and Equipment | | |
| Balance at January 1, 2020 | \$ 1,424,301 | \$ 1,424,301 |
| Disposals | (62,026) | (62,026) |
| Reclassifications | 488 | 488 |
| Depreciation expense | 2,579 | 257,763 |
| Acquisitions through business combinations | 2,371 | 82,818 |
| Effects of foreign currency exchange differences | 20 | 23,815 |
| Balance at December 31, 2020 | <u>\$ 17,046</u> | <u>\$ 1,727,159</u> |
| Transportation | | |
| Balance at January 1, 2020 | \$ 12,547 | \$ 12,547 |
| Disposals | (471) | (471) |
| Reclassifications | - | - |
| Depreciation expense | 108,849 | 108,849 |
| Acquisitions through business combinations | 64,157 | 64,157 |
| Effects of foreign currency exchange differences | 7,004 | 7,004 |
| Balance at December 31, 2020 | <u>\$ 602,132</u> | <u>\$ 602,132</u> |
| Other Equipment | | |
| Balance at January 1, 2020 | \$ 435,231 | \$ 435,231 |
| Disposals | (12,621) | (12,621) |
| Reclassifications | (488) | (488) |
| Depreciation expense | - | - |
| Acquisitions through business combinations | - | - |
| Effects of foreign currency exchange differences | - | - |
| Balance at December 31, 2020 | <u>\$ -</u> | <u>\$ -</u> |
| Property under Construction | | |
| Balance at January 1, 2020 | \$ - | \$ - |
| Disposals | - | - |
| Reclassifications | - | - |
| Depreciation expense | - | - |
| Acquisitions through business combinations | - | - |
| Effects of foreign currency exchange differences | - | - |
| Balance at December 31, 2020 | <u>\$ -</u> | <u>\$ -</u> |
| Total | | |
| Balance at January 1, 2020 | \$ 2,147,652 | \$ 2,147,652 |
| Disposals | (89,147) | (89,147) |
| Reclassifications | - | - |
| Depreciation expense | 411,698 | 411,698 |
| Acquisitions through business combinations | 159,909 | 159,909 |
| Effects of foreign currency exchange differences | 30,658 | 30,658 |
| Balance at December 31, 2020 | <u>\$ 2,660,770</u> | <u>\$ 2,660,770</u> |
| Carrying amount at December 31, 2020 | <u>\$ 348,673</u> | <u>\$ 803,115</u> |

- a. Reclassifications from other non-current assets - prepayments for equipment and inventory to property, plant and equipment amounted to \$109,987 thousand and \$12,699 thousand, respectively.
- b. Reclassifications from other non-current assets - prepayments for equipment and inventory to property, plant and equipment amounted to \$186,324 thousand and \$2,992 thousand, respectively.

The estimated future cash flows expected to arise from the fiber optics segment decreased. The Group carried out a review of the recoverable amount of the fiber optics segment was \$178,409 thousand and determined that the carrying amount exceeded the recoverable amount. The review led to the recognition of an impairment loss of \$69,728 thousand, which was recognized in other gains and losses for the six months ended June 30, 2021. The Group determined the recoverable amounts of the relevant assets on the basis of their value in use. The discount rate used in measuring the value in use was 9.50% per annum.

No impairment loss or reversal of impairment loss was recognized for the year ended December 31, 2020.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets 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 35 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings granted.

14. LEASE ARRANGEMENTS

- a. Right-of-use assets

| | For the Year Ended December 31 | |
|--------------------------|---------------------------------------|-------------------|
| | 2021 | 2020 |
| <u>Carrying amount</u> | | |
| Land | \$ 194,763 | \$ 202,810 |
| Buildings | 987,406 | 542,258 |
| Transportation equipment | 9,831 | 13,282 |
| Other equipment | <u>2,123</u> | <u>4,881</u> |
| | <u>\$ 1,194,123</u> | <u>\$ 763,231</u> |

| | For the Year Ended December 31 | |
|---|---------------------------------------|--------------------|
| | 2021 | 2020 |
| Additions to right-of-use assets | \$ <u>734,551</u> | \$ <u>18,899</u> |
| Depreciation charge for right-of-use assets | | |
| Land | \$ 4,808 | \$ 4,769 |
| Buildings | 270,992 | 260,679 |
| Transportation equipment | 8,214 | 9,105 |
| Other equipment | <u>2,372</u> | <u>2,412</u> |
| | \$ <u>286,386</u> | \$ <u>276,965</u> |
| Income from the subleasing of right-of-use assets (presented in other income) | \$ <u>(11,509)</u> | \$ <u>(12,505)</u> |

b. Lease liabilities

| | December 31 | |
|------------------------|--------------------|-------------------|
| | 2021 | 2020 |
| <u>Carrying amount</u> | | |
| Current | \$ <u>300,155</u> | \$ <u>265,656</u> |
| Non-current | \$ <u>743,193</u> | \$ <u>343,868</u> |

Range of discount rate for lease liabilities was as follows:

| | December 31 | |
|--------------------------|--------------------|-------------|
| | 2021 | 2020 |
| Buildings | 2.69%-9.88% | 2.69%-9.88% |
| Transportation equipment | 2.49%-4.59% | 2.49%-4.59% |
| Other equipment | 2.69%-4.25% | 2.69%-4.25% |

c. Material leasing activities and terms

Because the market conditions were severely affected by COVID-19 in 2020, the Group negotiated with the lessor for rent concessions for building lease. The lessor agreed to provide unconditional 1 to 3 months rent reduction from January 1, 2020 to December 31, 2020. The Group recognized the amount of \$16,968 thousand in profit or loss the impact of rent concessions for the year ended December 31, 2020 (recorded under other income).

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

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

d. Subleases

The sublease transactions are set out below.

Sublease of right-of-use assets

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 year. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

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

| | December 31 | |
|--------|--------------------|------------------|
| | 2021 | 2020 |
| Year 1 | \$ 3,847 | \$ 8,881 |
| Year 2 | 472 | 3,484 |
| Year 3 | <u>-</u> | <u>-</u> |
| | <u>\$ 4,319</u> | <u>\$ 12,365</u> |

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

e. Other lease information

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

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2021 | 2020 |
| Expenses relating to short-term leases | \$ 20,786 | \$ 13,012 |
| Expenses relating to low-value asset leases | \$ 4,057 | \$ 4,921 |
| Total cash outflow for leases | <u>\$ (339,231)</u> | <u>\$ (309,706)</u> |

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

15. INVESTMENT PROPERTIES

| | Freehold Land | Buildings | Total |
|---|----------------------|-------------------|-------------------|
| <u>Cost</u> | | | |
| Balance at January 1, 2021 | \$ 89,725 | \$ 146,349 | \$ 236,074 |
| Effect of foreign currency exchange differences | <u>(1,085)</u> | <u>(2,679)</u> | <u>(3,764)</u> |
| Balance at December 31, 2021 | <u>\$ 88,640</u> | <u>\$ 143,670</u> | <u>\$ 232,310</u> |

(Continued)

| | Freehold Land | Buildings | Total |
|---|----------------------|-------------------|-------------------|
| <u>Accumulated depreciation and impairment</u> | | | |
| Balance at January 1, 2021 | \$ - | \$ 46,486 | \$ 46,486 |
| Depreciation expense | - | 3,432 | 3,432 |
| Effect of foreign currency exchange differences | <u>-</u> | <u>(819)</u> | <u>(819)</u> |
| Balance at December 31, 2021 | <u>\$ -</u> | <u>\$ 49,099</u> | <u>\$ 49,099</u> |
| Carrying amount at December 31, 2021 | <u>\$ 88,640</u> | <u>\$ 94,571</u> | <u>\$ 183,211</u> |
| <u>Cost</u> | | | |
| Balance at January 1, 2020 | \$ 91,758 | \$ 151,373 | \$ 243,131 |
| Effect of foreign currency exchange differences | <u>(2,033)</u> | <u>(5,024)</u> | <u>(7,057)</u> |
| Balance at December 31, 2020 | <u>\$ 89,725</u> | <u>\$ 146,349</u> | <u>\$ 236,074</u> |
| <u>Accumulated depreciation and impairment</u> | | | |
| Balance at January 1, 2020 | \$ - | \$ 44,286 | \$ 44,286 |
| Depreciation expense | - | 3,645 | 3,645 |
| Effect of foreign currency exchange differences | <u>-</u> | <u>(1,445)</u> | <u>(1,445)</u> |
| Balance at December 31, 2020 | <u>\$ -</u> | <u>\$ 46,486</u> | <u>\$ 46,486</u> |
| Carrying amount at December 31, 2020 | <u>\$ 89,725</u> | <u>\$ 99,863</u> | <u>\$ 189,588</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 was as follows:

| | December 31 | |
|--------|--------------------|------------------|
| | 2021 | 2020 |
| Year 1 | \$ 23,585 | \$ 16,554 |
| Year 2 | 22,171 | 1,736 |
| Year 3 | <u>18,168</u> | <u>400</u> |
| | <u>\$ 63,924</u> | <u>\$ 18,690</u> |

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

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

| | |
|---------------------------|-------------|
| Building | |
| Main buildings | 39-55 years |
| Construction appurtenance | 5-10 years |

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

| | December 31 | |
|------------|--------------------|-------------------|
| | 2021 | 2020 |
| Fair value | <u>\$ 309,868</u> | <u>\$ 306,605</u> |

Refer to Note 35 for the carrying amount of investment properties pledged by the Group to secure borrowings granted.

16. GOODWILL

| | For the Year Ended December 31 | |
|--|---------------------------------------|-------------------|
| | 2021 | 2020 |
| <u>Cost</u> | | |
| Balance at January 1 | \$ 730,307 | \$ 375,836 |
| Acquisitions through business combinations (Note 30) | - | 337,295 |
| Disposal subsidiaries | - | (1,961) |
| Effects of foreign currency exchange difference | <u>(58,556)</u> | <u>19,137</u> |
| Balance at December 31 | <u>\$ 671,751</u> | <u>\$ 730,307</u> |
| <u>Accumulated impairment losses</u> | | |
| Balance at January 1 | \$ - | \$ 1,969 |
| Disposal subsidiaries | - | (1,961) |
| Effects of foreign currency exchange difference | <u>-</u> | <u>(8)</u> |
| Balance at December 31 | <u>\$ -</u> | <u>\$ -</u> |
| Carrying amount at January 1 | <u>\$ 730,307</u> | <u>\$ 373,867</u> |
| Carrying amount at December 31 | <u>\$ 671,751</u> | <u>\$ 730,307</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 \$348,606 thousand on December 31, 2021). Any excess of the cost of acquisition and the net fair value of the obtained identifiable assets and liabilities is recognized as goodwill on the acquisition date with provisional prices determined based on the purchase pricing allocation report. The Group will conduct impairment tests on goodwill related to the identified cash generating units regularly in accordance with the recoverable amount based on a discounted cash flow analysis.

In July 2018, the board of directors resolved to acquire Teralux Technology Co., Ltd. and recognized goodwill of RMB461 thousand. Any excess of the cost of acquisition and the net fair value of the obtained identifiable assets and liabilities is recognized as goodwill on the acquisition date with provisional prices determined based on the purchase pricing allocation report. The Group conducted impairment tests on goodwill in 2019 and recognized \$2,030 thousand of impairment loss. As the Group was expected to liquidate the identified cash generating unit, and the recoverable amount based of goodwill evaluated was zero. Impairment loss is recognized in other gains or losses. Since Teralux Technology Co. was liquidated in December 2020, the goodwill has been derecognized.

In February 2020, the board of directors resolved to acquire Speedy Industrial Supplies Pte Ltd and its subsidiary SIS Speedy Industrial Supplies Sdn. Bhd. on April 7, 2020, and recognized goodwill of SGD15,794 thousand (translated into \$323,145 thousand on December 31, 2021). 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 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.

17. OTHER INTANGIBLE ASSETS

| | Patent | Computer Software | Customer Relationships | Core Technology | Total |
|---|------------------|-------------------|------------------------|-------------------|---------------------|
| <u>Cost</u> | | | | | |
| Balance at January 1, 2021 | \$ 60,552 | \$ 376,658 | \$ 663,700 | \$ 551,289 | \$ 1,652,199 |
| Additions | 6,302 | 33,650 | - | - | 39,952 |
| Reclassification (a) | - | 229 | - | - | 229 |
| Disposals | - | (15,732) | - | - | (15,732) |
| Effect of foreign currency exchange differences | (509) | (7,696) | (31,900) | (23,644) | (63,749) |
| Balance at December 31, 2021 | <u>\$ 66,345</u> | <u>\$ 387,109</u> | <u>\$ 631,800</u> | <u>\$ 527,645</u> | <u>\$ 1,612,899</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | |
| Balance at January 1, 2021 | \$ 59,733 | \$ 235,357 | \$ 162,133 | \$ 178,320 | \$ 635,543 |
| Amortization expense | 1,435 | 48,425 | 59,119 | 56,983 | 165,962 |
| Disposals | - | (15,732) | - | - | (15,732) |
| Effect of foreign currency exchange differences | (428) | (5,099) | (7,922) | (6,885) | (20,334) |
| Balance at December 31, 2021 | <u>\$ 60,740</u> | <u>\$ 262,951</u> | <u>\$ 213,330</u> | <u>\$ 228,418</u> | <u>\$ 765,439</u> |
| Carrying amount at December 31, 2021 | <u>\$ 5,605</u> | <u>\$ 124,158</u> | <u>\$ 418,470</u> | <u>\$ 299,227</u> | <u>\$ 847,460</u> |
| <u>Cost</u> | | | | | |
| Balance at January 1, 2020 | \$ 60,323 | \$ 316,583 | \$ 207,304 | \$ 230,959 | \$ 815,169 |
| Additions | - | 35,458 | - | - | 35,458 |
| Acquisitions through business combination (Note 30) | - | 22,906 | 450,304 | 317,844 | 791,054 |
| Reclassification (b) | - | 400 | - | - | 400 |
| Disposals | - | (114) | - | - | (114) |
| Effect of foreign currency exchange differences | 229 | 1,425 | 6,092 | 2,486 | 10,232 |
| Balance at December 31, 2020 | <u>\$ 60,552</u> | <u>\$ 376,658</u> | <u>\$ 663,700</u> | <u>\$ 551,289</u> | <u>\$ 1,652,199</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | |
| Balance at January 1, 2020 | \$ 57,662 | \$ 182,862 | \$ 110,331 | \$ 126,938 | \$ 477,793 |
| Amortization expense | 1,773 | 44,540 | 51,329 | 51,649 | 149,291 |
| Acquisitions through business combination (Note 30) | - | 6,724 | - | - | 6,724 |
| Disposals | - | (19) | - | - | (19) |
| Effect of foreign currency exchange differences | 298 | 1,250 | 473 | (267) | 1,754 |
| Balance at December 31, 2020 | <u>\$ 59,733</u> | <u>\$ 235,357</u> | <u>\$ 162,133</u> | <u>\$ 178,320</u> | <u>\$ 635,543</u> |
| Carrying amount at December 31, 2020 | <u>\$ 819</u> | <u>\$ 141,301</u> | <u>\$ 501,567</u> | <u>\$ 372,969</u> | <u>\$ 1,016,656</u> |

- a. Reclassifications from other non-current assets - prepayments for equipment to other intangible assets amounted to \$229 thousand for the year ended December 31, 2021.
- b. Reclassifications from other non-current assets - prepayments for equipment to other intangible assets amounted to \$400 thousand for the year ended December 31, 2020.

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

| | |
|------------------------|--------------|
| Patent | 5 years |
| Computer software | 2-10 years |
| Customer relationships | 6.5-13 years |
| Core technology | 5.5-13 years |

| | For the Year Ended December 31 | |
|---|---------------------------------------|-------------------|
| | 2021 | 2020 |
| An analysis of amortization by function | | |
| Operating costs | \$ 58,543 | \$ 35,112 |
| Selling and marketing expenses | 59,191 | 69,227 |
| General and administrative expenses | 40,361 | 39,869 |
| Research and development expenses | <u>7,867</u> | <u>5,083</u> |
| | <u>\$ 165,962</u> | <u>\$ 149,291</u> |

18. OTHER ASSETS

| | December 31 | |
|---|--------------------|-------------------|
| | 2021 | 2020 |
| <u>Current</u> | | |
| Prepayments | \$ 367,273 | \$ 314,832 |
| Others | <u>716</u> | <u>2,206</u> |
| | <u>\$ 367,989</u> | <u>\$ 317,038</u> |
| <u>Other financial assets - current</u> | | |
| Time deposit with original maturities of more than 3 months | \$ 16,608 | \$ 28,480 |
| Pledged time deposits (Note 35) | <u>173,961</u> | <u>83,066</u> |
| | <u>\$ 190,569</u> | <u>\$ 111,546</u> |

| | December 31 | |
|---|--------------------|-------------------|
| | 2021 | 2020 |
| <u>Non-current</u> | | |
| Prepayments for equipment | \$ 122,816 | \$ 95,346 |
| Refundable deposits (Note 34) | <u>123,383</u> | <u>79,382</u> |
| | <u>\$ 246,199</u> | <u>\$ 174,728</u> |
| <u>Other financial assets - non-current</u> | | |
| Pledged bank demand and time deposits (Note 35) | <u>\$ 10,559</u> | <u>\$ 64,982</u> |

19. BORROWINGS

a. Short-term borrowings

| | December 31 | |
|-------------------------------------|--------------------|-------------------|
| | 2021 | 2020 |
| <u>Secured borrowings (Note 35)</u> | | |
| Bank loans | \$ 297,000 | \$ 14,240 |
| <u>Unsecured borrowings</u> | | |
| Line of credit borrowings | <u>530,652</u> | <u>245,593</u> |
| | <u>\$ 827,652</u> | <u>\$ 259,833</u> |

The ranges of interest rates on bank loans were 0.66%-3.00% and 0.7%-2.96% per annum as of December 31, 2021 and 2020, respectively.

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

| | December 31 | |
|---|--------------------|-------------------|
| | 2021 | 2020 |
| <u>Secured borrowings (Note 35)</u> | | |
| Bank loans | \$ 372,998 | \$ 440,881 |
| Less: Current portion (due in one year) | <u>(58,334)</u> | <u>(55,719)</u> |
| Long-term borrowings | <u>\$ 314,664</u> | <u>\$ 385,162</u> |

In May 2014, BizLink Technology Inc. acquired long-term secured borrowings of US\$5,800 thousand. The loan was provided with freehold land and buildings as collateral and with the payment terms due in July 2024. The loan was settled in advance in July 2021.

In February 2016, BizLink International Corp. acquired long-term secured borrowings of \$237,980 thousand. The loan was provided with freehold land and buildings as collateral and with the payment terms due in January 2026.

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. Land and buildings purchased are also used as the collateral for the borrowing with the payment terms due in October 2029.

In July 2021, BizLink Technology Inc. acquired long-term secured borrowings of US\$4,000 thousand. The loan was provided with freehold land and buildings as collateral and with the payment terms due in June 2028.

As of December 31, 2021 and 2020, the annual effective interest rate was 1.04%-3.38% and 1.04%-4.19%, respectively, per annum.

20. BONDS PAYABLE

| | December 31 | |
|---------------------------------|--------------------|---------------------|
| | 2021 | 2020 |
| Overseas unsecured bonds | \$ 1,317,568 | \$ 2,836,608 |
| Less: Unamortized bond discount | (13,341) | (97,178) |
| Less: Current portion | <u>(1,304,227)</u> | <u>-</u> |
| | <u>\$ -</u> | <u>\$ 2,739,430</u> |

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

The following items are the primary clauses in the prospectus:

1) Term

From February 1, 2018 to February 1, 2023.

2) Maturity repayment

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

3) Conversion

Conversion period

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

Conversion price and adjustments

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

4) Bondholders' put right

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

5) Redemption

- a) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if more than 90% in principal amount of the bonds has already been converted or redeemed or repurchased and cancelled.
 - b) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if the Group has become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or Republic of China (R.O.C.).
 - c) From two years to the day after the issue date to the maturity date, if the closing price for 20 transaction days of 30 consecutive business days of BizLink's common stock on the TWSE (converted into U.S. dollars at the spot exchange rate) is greater than the early redemption price applicable on the day decided by the convertible ratio exceeds 130%, then BizLink may redeem the bonds in whole or part at the early redemption amount.
- 6) The option and liability portions are accounted for separately, which are respectively included in financial assets at FVTPL - current, bonds payable and capital surplus - options.
- 7) For the year ended 2020, amortization of discounts on bonds payable included in financial costs was \$6,971 thousand.

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

| | |
|---|---------------|
| 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 December 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 share

options of \$140,005 thousand. As of December 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 ordinary shares 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 ordinary shares. The conversion price as of December 31, 2021 was NT\$226.56 per share.

4) Bondholders' put rights

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

5) Redemption

- a) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if more than 90% of the principal amount of the bonds has already been converted or redeemed or repurchased and cancelled.
 - b) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if the Group has become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or the Republic of China (R.O.C.).
 - c) From three years to the day after the issue date to the maturity date, if the closing price for 20 transaction days of 30 consecutive business days of BizLink's common stock on the TWSE (converted into U.S. dollars at the spot exchange rate) is greater than the early redemption price applicable on the day decided by the convertible ratio exceeds 130%, then BizLink may redeem the bonds in whole or part at the early redemption amount.
- 6) The option and liability portions are accounted for separately, which are respectively included in financial assets/liabilities at FVTPL - current, bonds payable and capital surplus - options.
 - 7) For the year ended December 31, 2020, the amount of converted convertible bonds of NT\$12,193 thousand (US\$400 thousand) was reclassified to common stock at NT\$520 thousand and capital surplus - options at NT\$11,673 thousand. Bonds payable discounts, financial assets at FVTPL - current and capital surplus - options on the conversion date in the amounts of NT\$(491) thousand, NT\$(8) thousand and NT\$561 thousand, respectively, were also reclassified to capital surplus - conversion of bonds.
 - 8) For the year ended December 31, 2021, the amount of converted convertible bonds of NT\$1,585,064 thousand (US\$52,000 thousand) was reclassified to common stock at NT\$68,879 thousand and capital surplus - options at NT\$1,516,185 thousand. Bonds payable discounts, financial assets at FVTPL - current and capital surplus - options on the conversion date in the amounts of NT\$(31,284) thousand, NT\$(1,538) thousand and NT\$72,960 thousand, respectively, were also reclassified to capital surplus - conversion of bonds.
 - 9) For the years ended December 31, 2021 and 2020, amortization of discounts on bonds payable included in finance costs was \$50,787 thousand and \$69,160 thousand, respectively.

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

| | |
|--|---------------------|
| Issued price (deducted transaction costs of \$26,558 thousand) | \$ 3,004,442 |
| Equity component | (140,307) |
| Financial liabilities at FVTPL | <u>(11,717)</u> |
| Liability component at issue date | 2,852,418 |
| Amortized interest | 3,660 |
| Effect of foreign exchange rate | <u>(31,166)</u> |
| Liability component as of January 1, 2020 | 2,824,912 |
| Amortized interest | 69,160 |
| Convertible bonds converted into ordinary shares | (11,702) |
| Effect of foreign exchange rate | <u>(142,940)</u> |
| Liability component as of December 31, 2020 | 2,739,430 |
| Amortized interest | 50,787 |
| Convertible bonds converted into ordinary shares | (1,553,780) |
| Effect of foreign exchange rate | <u>67,790</u> |
| Liability component as of December 31, 2021 | <u>\$ 1,304,227</u> |

21. NOTES PAYABLE AND TRADE PAYABLES

| | December 31 | |
|-----------------------|--------------|--------------|
| | 2021 | 2020 |
| <u>Notes payable</u> | | |
| Operating | \$ 376,944 | \$ 269,354 |
| <u>Trade payables</u> | | |
| Operating | \$ 4,492,550 | \$ 3,501,322 |

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

22. OTHER LIABILITIES

| | December 31 | |
|--|---------------------|---------------------|
| | 2021 | 2020 |
| <u>Current</u> | | |
| Other payables | | |
| Salaries or bonuses (includes employees' compensation and remuneration of directors) | \$ 792,644 | \$ 831,558 |
| Welfare funds | 34,368 | 41,704 |
| Payable for taxes | 24,976 | 42,969 |
| Payable for professional fees | 47,639 | 17,690 |
| Payable for shipping | 75,156 | 65,072 |
| Payable for purchases of equipment (Note 31) | 96,654 | 145,773 |
| Payable for investment (Notes 30 and 31) | 8,640 | 8,544 |
| Advance receivables on behalf of others | 192,189 | - |
| Others | 298,860 | 219,275 |
| | <u>\$ 1,571,126</u> | <u>\$ 1,372,585</u> |
| Other liabilities | | |
| Receipts under custody | \$ 2,626 | \$ 2,103 |
| Others | 1,845 | 1,245 |
| | <u>\$ 4,471</u> | <u>\$ 3,348</u> |
| <u>Non-current</u> | | |
| Other liabilities | | |
| Guarantee deposits | \$ 20,897 | \$ 10,420 |
| Deferred revenue - government grants | 32,668 | 2,841 |
| Others | 2,631 | 3,117 |
| | <u>\$ 56,196</u> | <u>\$ 16,378</u> |

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

- 1) The defined benefit plan adopted by BizLink International Corp. In accordance with the Labor Standards Law is operated by the Taiwan government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. BizLink International Corp. contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.
- 2) A subsidiary of the Group, EA Cable Assemblies GmbH applied the pension system regulated by German government. The pension serves as a supplementary system to the legal retirement and pension system in Germany. The employees transfer part of their salary into the pension account of the Group on a voluntary basis, as the Group offers the corresponding retirement welfare plan. Contributions are distributed according to the law.

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

| | December 31 | |
|---|--------------------|------------------|
| | 2021 | 2020 |
| Present value of defined benefit obligation | \$ 20,016 | \$ 19,883 |
| Fair value of plan assets | <u>(9,164)</u> | <u>(9,165)</u> |
| Net defined benefit liabilities | <u>\$ 10,852</u> | <u>\$ 10,718</u> |

Movements in net defined benefit liabilities were as follows:

| | Present Value of the Defined Benefit Obligation | Fair Value of the Plan Assets | Net Defined Benefit Liabilities |
|---|--|--|--|
| Balance at January 1, 2021 | <u>\$ 19,883</u> | <u>\$ (9,165)</u> | <u>\$ 10,718</u> |
| Service cost | | | |
| Current service cost | 678 | - | 678 |
| Net interest expense (income) | <u>128</u> | <u>(62)</u> | <u>66</u> |
| Recognized in profit or loss | <u>806</u> | <u>(62)</u> | <u>744</u> |
| Remeasurement | | | |
| Return on plan assets (excluding amounts included in net interest) | - | (77) | (77) |
| Actuarial loss - changes in demographic assumptions | 268 | - | 268 |
| Actuarial loss - changes in financial assumptions | (104) | - | (104) |
| Actuarial loss - experience adjustments | <u>78</u> | <u>-</u> | <u>78</u> |
| Recognized in other comprehensive income | <u>242</u> | <u>(77)</u> | <u>165</u> |
| Contributions from the employer | <u>-</u> | <u>(243)</u> | <u>(243)</u> |
| Effect of foreign exchange rate | <u>(915)</u> | <u>383</u> | <u>(532)</u> |
| Balance at December 31, 2021 | <u>\$ 20,016</u> | <u>\$ (9,164)</u> | <u>\$ 10,852</u> |
| Balance at January 1, 2020 | <u>\$ 18,893</u> | <u>\$ (8,557)</u> | <u>\$ 10,336</u> |
| Service cost | | | |
| Current service cost | 216 | - | 216 |
| Net interest expense (income) | <u>150</u> | <u>(70)</u> | <u>80</u> |
| Recognized in profit or loss | <u>366</u> | <u>(70)</u> | <u>296</u> |
| Remeasurement | | | |
| Return on plan assets (excluding amounts included in net interest) | - | (174) | (174) |
| Actuarial loss - changes in demographic assumptions | 5 | - | 5 |
| Actuarial gain - changes in financial assumptions | 222 | - | 222 |
| Actuarial loss - experience adjustments | <u>57</u> | <u>-</u> | <u>57</u> |
| Recognized in other comprehensive income | <u>284</u> | <u>(174)</u> | <u>110</u> |
| Contributions from the employer | <u>-</u> | <u>(219)</u> | <u>(219)</u> |
| Effect of foreign exchange rate | <u>340</u> | <u>(145)</u> | <u>195</u> |
| Balance at December 31, 2020 | <u>\$ 19,883</u> | <u>\$ (9,165)</u> | <u>\$ 10,718</u> |

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

- 1) Investment risk: The plan assets are invested in domestic and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

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

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

| | December 31 | |
|--------------------------------------|--------------------|--------------|
| | 2021 | 2020 |
| Discount rate (s) | 0.375%-1.00% | 0.375%-1.00% |
| Expected rate (s) of salary increase | 0%-2.25% | 0%-2.25% |

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

| | December 31 | |
|-------------------------------------|--------------------|-------------|
| | 2021 | 2020 |
| Discount rate(s) | | |
| 0.25% increase | \$ (456) | \$ (474) |
| 0.25% decrease | \$ 515 | \$ 536 |
| Expected rate(s) of salary increase | | |
| 0.25% increase | \$ 206 | \$ 219 |
| 0.25% decrease | \$ (202) | \$ (215) |

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

| | December 31 | |
|--|--------------------|-----------------|
| | 2021 | 2020 |
| The expected contributions to the plan for the next year | \$ 287 | \$ 223 |
| The average duration of the defined benefit obligation | 6.9-13.03 years | 7.6-13.03 years |

24. EQUITY

a. Capital stock

1) Common stock

| | December 31 | |
|---|--------------------|--------------|
| | 2021 | 2020 |
| Number of stocks authorized (in thousands of stocks) | 500,000 | 500,000 |
| Stocks authorized | \$ 5,000,000 | \$ 5,000,000 |
| Number of stocks issued and fully paid (in thousands of stocks) | 137,457 | 130,569 |
| Stocks issued | \$ 1,374,573 | \$ 1,305,694 |

Fully paid common stock, 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 December 31, 2021, all the outstanding shares were converted to ordinary shares.

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

| | Number of Stocks (In Thousands of Stocks) | Capital stock |
|--|--|----------------------------|
| Balance at January 1, 2020 | 130,517 | \$ 1,305,174 |
| Convertible bonds converted to ordinary shares | <u>52</u> | <u>520</u> |
| Balance at December 31, 2020 | 130,569 | 1,305,694 |
| Convertible bonds converted to ordinary shares | <u>6,888</u> | <u>68,879</u> |
| Balance at December 31, 2021 | <u><u>137,457</u></u> | <u><u>\$ 1,374,573</u></u> |

b. Capital surplus

| | December 31 | |
|---|----------------------------|----------------------------|
| | 2021 | 2020 |
| May be used to offset a deficit, distributed as <u>cash dividends, or transferred to capital stock (1)</u> | | |
| Stock premiums | \$ 3,943,843 | \$ 3,943,843 |
| Conversion of bonds premiums | 4,578,567 | 3,022,244 |
| Treasury share transactions | 12,716 | 12,716 |
| Conversion of employee stock options premiums (2) | 68,087 | 68,087 |
| Expired stock option (2) | <u>144,624</u> | <u>144,624</u> |
| | <u><u>\$ 8,747,837</u></u> | <u><u>\$ 7,191,514</u></u> |
| <u>May be used to offset a deficit only</u> | | |
| Share of changes in capital surplus of associates or joint ventures | <u><u>\$ 7,887</u></u> | <u><u>\$ -</u></u> |

(Continued)

| | December 31 | |
|--|--------------------|-------------------|
| | 2021 | 2020 |
| <u>May not be used for any purpose</u> | | |
| Employee share options | \$ 24,817 | \$ 11,051 |
| Stock warrants | <u>66,786</u> | <u>139,746</u> |
| | <u>\$ 91,603</u> | <u>\$ 150,797</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) Such capital surplus arises from when employee share options are exercised or expired, capital surplus - options are transferred to capital surplus - stock premiums or capital surplus - others, respectively: And when the bondholder redeem the convertible bonds, capital surplus - stock warrants are transferred to capital surplus - others.

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

| | Stock Premiums | Treasury Stocks | Conversion of Employee Share Options | Conversion of Bonds | Share Warrants | Employee Share Options | Others - Expired Share Options | Share of Capital Surplus of Associates or Joint | Total |
|--|---------------------|------------------|--------------------------------------|---------------------|------------------|------------------------|--------------------------------|---|---------------------|
| Balance at January 1, 2020 | \$ 3,943,843 | \$ 12,716 | \$ 68,087 | \$ 3,010,509 | \$ 280,312 | \$ - | \$ 4,619 | \$ - | \$ 7,320,086 |
| Redemption of convertible bonds | - | - | - | - | (140,005) | - | 140,005 | - | - |
| Convertible bonds converted to ordinary shares | - | - | - | 11,735 | (561) | - | - | - | 11,174 |
| Employee share options | - | - | - | - | - | 11,051 | - | - | 11,051 |
| Balance at December 31, 2020 | 3,943,843 | 12,716 | 68,087 | 3,022,244 | 139,746 | 11,051 | 144,624 | - | 7,342,311 |
| Employee share options | - | - | - | - | - | 13,766 | - | - | 13,766 |
| Effect of changes in capital surplus of associates acquisition or disposal | - | - | - | - | - | - | - | 7,887 | 7,887 |
| Convertible bonds converted to ordinary shares | - | - | - | 1,556,323 | (72,960) | - | - | - | 1,483,363 |
| Balance at December 31, 2021 | <u>\$ 3,943,843</u> | <u>\$ 12,716</u> | <u>\$ 68,087</u> | <u>\$ 4,578,567</u> | <u>\$ 66,786</u> | <u>\$ 24,817</u> | <u>\$ 144,624</u> | <u>\$ 7,887</u> | <u>\$ 8,847,327</u> |

c. Retained earnings and dividend policy

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

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

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

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

The appropriations of earnings for 2020 and 2019 were as follows:

| | Appropriation of Earnings | |
|---|----------------------------------|--------------|
| | 2020 | 2019 |
| Recognition of legal reserve | \$ 204,506 | \$ 184,399 |
| (Reversal) recognition of special reserve | \$ (136,658) | \$ 321,715 |
| Cash dividends | \$ 1,082,724 | \$ 1,174,657 |
| Cash dividends per share (NT\$) | \$ 8.1 | \$ 9.0 |

The above 2020 and 2019 appropriations for cash dividends had been resolved by the board of directors on March 24, 2021 and March 27, 2020, respectively. The total amount of the cash dividend for 2020 is US\$38,604 thousand (US\$0.29 per share). The actual amount of cash dividend in New Taiwan dollars is calculated based on the established exchange rate as of July 21, 2021. The cash dividends are equivalent to \$1,082,724 thousand (NT\$8.1 per share). The other proposed appropriations of earnings were resolved by the shareholders in their meeting held on July 5, 2021 and June 19, 2020.

The appropriation of earnings for 2021 was proposed by BizLink's board of directors on March 25, 2022. The appropriation and dividends per share were as follows:

| | For the Year Ended December 31, 2021 |
|---------------------------------|---|
| Recognition of legal reserve | \$ 203,601 |
| Recognition of special reserve | \$ 639,933 |
| Cash dividends | \$ 1,385,649 |
| Cash dividends per share (NT\$) | \$ 9.13 |

Except for the cash dividend, other appropriations are subject to resolution in the stockholders' meeting to be held on June 23, 2022. The total amount of the cash dividend is US\$48,560 thousand (US\$0.32 per share), and the exchange rate is temporarily based on the average of the spot buying and selling exchange rate of Bank of Taiwan as of March 22, 2022. Refer to the cash dividend in New Taiwan dollars provided by the stock agency for the actual amount.

d. Other equity items

1) Exchange differences on translation of the financial statements of foreign operations

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2021 | 2020 |
| Balance at January 1 | \$ (866,378) | \$ (1,088,878) |
| Recognized for the year | | |
| Exchange differences on translation of the financial statements of foreign operations | (100,007) | 849,042 |
| Exchange differences on translation to presentation currency | <u>(493,903)</u> | <u>(626,542)</u> |
| Balance at December 31 | <u>\$ (1,460,288)</u> | <u>\$ (866,378)</u> |

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

| | For the Year Ended December 31 | |
|---|---------------------------------------|------------------|
| | 2021 | 2020 |
| Balance at January 1 | \$ 26,194 | \$ 117,746 |
| Recognized for the year | | |
| Unrealized (loss) gain | | |
| Equity instruments | (40,607) | 134,136 |
| Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal | <u>-</u> | <u>(225,688)</u> |
| Balance at December 31 | <u>\$ (14,413)</u> | <u>\$ 26,194</u> |

3) Gain (loss) on hedging instruments

Cash flow hedges

| | For the Year Ended December 31 | |
|--|---------------------------------------|-----------------|
| | 2021 | 2020 |
| Balance at January 1 | \$ 8,917 | \$ 3,207 |
| Recognized for the year | | |
| Gain on changes in fair value of hedging instruments | | |
| Raw material price risk - copper futures contract | 35,615 | 23,087 |
| Foreign currency risk - expected investment contract | - | 13,862 |
| Foreign currency risk - foreign exchange forward contracts | 3,518 | - |
| Transferred to initial carrying amount of hedged items | | |
| Raw material price risk - copper futures contract | (56,512) | (16,554) |
| Foreign currency risk - expected investment contract | - | (13,862) |
| Related income tax | <u>11,963</u> | <u>(823)</u> |
| Balance at December 31 | <u>\$ 3,501</u> | <u>\$ 8,917</u> |

e. Non-controlling interests

| | For the Year Ended December 31 | |
|---|---------------------------------------|------------------|
| | 2021 | 2020 |
| Balance at January 1 | \$ 40,184 | \$ 48,896 |
| Share of loss for the period | (14,166) | (8,040) |
| Other comprehensive income in the period | | |
| Exchange differences on translation of the financial statements of foreign operations | 508 | 1,539 |
| Exchange differences on translation to presentation currency | <u>(969)</u> | <u>(2,211)</u> |
| Balance at December 31 | <u>\$ 25,557</u> | <u>\$ 40,184</u> |

25. REVENUE

| | For the Year Ended December 31 | |
|---------------------------------------|---------------------------------------|----------------------|
| | 2021 | 2020 |
| Revenue from contracts with customers | | |
| Revenue from the sale of goods | <u>\$ 28,564,375</u> | <u>\$ 22,537,767</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 balances

| | December 31, 2021 | December 31, 2020 | January 1, 2020 |
|--|------------------------------|------------------------------|------------------------|
| Notes receivable and trade receivables (Note 9) | <u>\$ 6,920,785</u> | <u>\$ 5,242,068</u> | <u>\$ 4,870,236</u> |
| Contract liabilities - current | | | |
| Sales of goods | <u>\$ 29,494</u> | <u>\$ 15,586</u> | <u>\$ 20,202</u> |

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

| | For the Year Ended December 31 | |
|---|---------------------------------------|------------------|
| | 2021 | 2020 |
| From the beginning contract liabilities | | |
| Sale of goods | <u>\$ 15,586</u> | <u>\$ 20,202</u> |

c. Sales details of customer contracts

Sales details are disclosed in Note 40.

26. NET PROFIT (LOSS) FROM OPERATIONS

a. Interest income

| | For the Year Ended December 31 | |
|--------------------------------------|---------------------------------------|------------------|
| | 2021 | 2020 |
| Bank deposits | \$ 31,205 | \$ 54,159 |
| Other financial assets - current | 857 | 885 |
| Other financial assets - non-current | <u>37</u> | <u>367</u> |
| | <u>\$ 32,099</u> | <u>\$ 55,411</u> |

b. Other income

| | For the Year Ended December 31 | |
|----------------------------------|---------------------------------------|-------------------|
| | 2021 | 2020 |
| Rental income | | |
| Investment properties (Note 15) | | |
| Others | \$ 20,837 | \$ 21,220 |
| Other operating leases (Note 14) | | |
| Others | 11,509 | 12,505 |
| Dividend revenue | | |
| Financial assets at FVTOCI | 11,070 | 12,749 |
| Government grants revenue | 38,187 | 142,429 |
| Others | <u>69,209</u> | <u>55,209</u> |
| | <u>\$ 150,812</u> | <u>\$ 244,112</u> |

c. Other gains and losses

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2021 | 2020 |
| Financial assets and financial liabilities | | |
| Financial assets mandatorily classified as at FVTPL | \$ 110,469 | \$ 197,977 |
| Financial liabilities held for trading | (14,232) | (20,881) |
| Loss on disposal of property, plant and equipment | (4,739) | (819) |
| Loss on disposal of intangible assets | - | (95) |
| Impairment loss on property, plant and equipment | (69,728) | - |
| Impairment loss on investment accounted for using the equity method | (25,096) | (8,400) |
| Loss on redemption of convertible bonds | - | (167,869) |
| Net foreign exchange losses | (31,078) | (344,379) |
| Gain from lease modification | - | 1,874 |
| Others | <u>(44,688)</u> | <u>694</u> |
| | <u>\$ (79,092)</u> | <u>\$ (341,898)</u> |

d. Finance costs

| | For the Year Ended December 31 | |
|-------------------------------|---------------------------------------|---------------------|
| | 2021 | 2020 |
| Interest on bank loans | \$ (18,360) | \$ (14,012) |
| Interest on convertible bonds | (50,787) | (76,131) |
| Interest on lease liabilities | <u>(28,270)</u> | <u>(35,306)</u> |
| | <u>\$ (97,417)</u> | <u>\$ (125,449)</u> |

e. Depreciation and amortization

| | For the Year Ended December 31 | |
|---|---------------------------------------|-------------------|
| | 2021 | 2020 |
| An analysis of depreciation by function | | |
| Operating costs | \$ 528,409 | \$ 473,348 |
| Operating expenses | <u>241,838</u> | <u>218,960</u> |
| | <u>\$ 770,247</u> | <u>\$ 692,308</u> |
| An analysis of amortization by function | | |
| Operating costs | \$ 58,543 | \$ 35,112 |
| Operating expenses | <u>107,419</u> | <u>114,179</u> |
| | <u>\$ 165,962</u> | <u>\$ 149,291</u> |

f. Operating expenses directly related to investment properties

| | For the Year Ended December 31 | |
|---|---------------------------------------|-----------------|
| | 2021 | 2020 |
| Direct operating expenses from properties rental income | <u>\$ 3,432</u> | <u>\$ 3,645</u> |

g. Employee benefits expense

| | For the Year Ended December 31 | |
|--|---------------------------------------|---------------------|
| | 2021 | 2020 |
| Short-term benefits | <u>\$ 5,016,920</u> | <u>\$ 4,067,392</u> |
| Post-employment benefits (Note 23) | | |
| Defined contribution plans | 183,656 | 113,412 |
| Defined benefit plans | <u>744</u> | <u>296</u> |
| | <u>184,400</u> | <u>113,708</u> |
| Stock-based payments | 13,766 | 11,051 |
| Other employee benefits | <u>523,165</u> | <u>329,539</u> |
| Total employee benefits expense | <u>\$ 5,738,251</u> | <u>\$ 4,521,690</u> |
| An analysis of employee benefits expense by function | | |
| Operating costs | \$ 3,610,066 | \$ 2,630,257 |
| Operating expenses | <u>2,128,185</u> | <u>1,891,433</u> |
| | <u>\$ 5,738,251</u> | <u>\$ 4,521,690</u> |

h. Employees' compensation and remuneration of directors

BizLink accrues employees' compensation at the rates of no less than 1% and no higher than 5%, and remuneration to directors at no higher than 3% of net profit before income tax. The employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020, which have been approved by BizLink's board of directors on March 25, 2022 and March 24, 2021, respectively, were as follows:

Accrual rate

| | <u>For the Year Ended December 31</u> | |
|---------------------------|--|-------------|
| | 2021 | 2020 |
| Employees' compensation | 3.20% | 3.64% |
| Remuneration of directors | 0.32% | 0.38% |

Amount

| | <u>For the Year Ended December 31</u> | |
|---------------------------|--|-------------|
| | 2021 | 2020 |
| Employees' compensation | \$ 87,515 | \$ 85,540 |
| Remuneration of directors | 8,823 | 8,971 |

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

The actual amounts of the employees' compensation and remuneration of directors paid for 2020 and 2019 were no different from the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

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.

i. Gain or losses on foreign currency exchange

| | <u>For the Year Ended December 31</u> | |
|-------------------------|--|---------------------|
| | 2021 | 2020 |
| Foreign exchange gains | \$ 13,370,717 | \$ 12,001,963 |
| Foreign exchange losses | <u>(13,401,795)</u> | <u>(12,346,342)</u> |
| | <u>\$ (31,078)</u> | <u>\$ (344,379)</u> |

27. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

| | For the Year Ended December 31 | |
|---|---------------------------------------|-------------------|
| | 2021 | 2020 |
| Current tax | | |
| In respect of the current year | \$ 669,950 | \$ 586,320 |
| Adjustments for prior periods | <u>2,898</u> | <u>(9,491)</u> |
| | <u>672,848</u> | <u>576,829</u> |
| Deferred tax | | |
| In respect of the current year | <u>(53,425)</u> | <u>(141,883)</u> |
| Income tax expense recognized in profit or loss | <u>\$ 619,423</u> | <u>\$ 434,946</u> |

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

| | For the Year Ended December 31 | |
|--|---------------------------------------|---------------------|
| | 2021 | 2020 |
| Profit before tax from operations | <u>\$ 2,641,395</u> | <u>\$ 2,255,242</u> |
| Income tax expense calculated at the statutory rate | \$ 591,633 | \$ 391,433 |
| Nondeductible expenses in determining taxable income | 906 | 7,630 |
| Tax-exempt income | (9,540) | (3,196) |
| Additional income tax under the Alternative Minimum Tax Act | 904 | 809 |
| Unrecognized loss carryforwards/deductible temporary differences | 86,100 | 77,098 |
| Deductible research expense in current period | (53,478) | (29,337) |
| Adjustments to prior years' tax | <u>2,898</u> | <u>(9,491)</u> |
| Income tax expense recognized in profit or loss | <u>\$ 619,423</u> | <u>\$ 434,946</u> |

The applicable tax rate for the years ended December 31, 2021 and 2020 used above are the corporate tax rates in the ROC 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., BizLink Technology (Chang Zhou) Limited, and Tong Ying Electronics (Shen Zhen) Co., Ltd. for the years ended December 31, 2021 and 2020. The six of which used a tax rate of 15%, due to their status as holders of high-tech enterprise certificates. The applicable tax rates for the years ended December 31, 2021 and 2020 used by the subsidiaries in the US are 21% for federal tax and 8.84% for California state tax. The applicable tax rate for the years ended December 31, 2021 and 2020 used by the subsidiaries in Ireland is 12.5% according to local law. The applicable tax rate for the years ended December 31, 2021 and 2020 used by the subsidiaries in Slovakia is 21% according to local law. The applicable tax rate for the years ended December 31, 2021 and 2020 used by subsidiaries in Singapore is 17% according to local law. Tax rates used by other entities in the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax recognized in other comprehensive income

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------|
| | 2021 | 2020 |
| <u>Deferred tax</u> | | |
| In respect of the current year | | |
| Actuarial gains and losses on defined benefit plan | \$ (33) | \$ (109) |
| Cash flow hedges | <u>(1,863)</u> | <u>823</u> |
| Total income tax recognized in other comprehensive income | <u>\$ (1,896)</u> | <u>\$ 714</u> |

c. Current tax assets and liabilities

| | December 31 | |
|-------------------------|--------------------|-------------------|
| | 2021 | 2020 |
| Current tax assets | | |
| Tax refund receivable | <u>\$ 34,943</u> | <u>\$ 40,762</u> |
| Current tax liabilities | | |
| Income tax payable | <u>\$ 192,974</u> | <u>\$ 131,983</u> |

d. Deferred tax assets and liabilities

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

| | For the Year Ended December 31, 2021 | | | | |
|---|---|-------------------------------------|---|-----------------------------|------------------------|
| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Comprehensive Income | Exchange Differences | Closing Balance |
| <u>Deferred tax assets</u> | | | | | |
| Temporary differences | | | | | |
| Property, plant and equipment | \$ 10,862 | \$ (2,864) | \$ - | \$ (153) | \$ 7,845 |
| Right-of-use assets | 5,923 | (730) | - | (27) | 5,166 |
| Payable for annual leave | 29,871 | 4,914 | - | (863) | 33,922 |
| Write-down of inventories | 88,575 | 3,708 | - | (2,426) | 89,857 |
| Defined benefit obligation | 1,193 | (11) | 33 | - | 1,215 |
| Unrealized profit | 81,250 | 8,464 | - | (2,382) | 87,332 |
| Allowance for impaired loss | 6,177 | (4,460) | - | (120) | 1,597 |
| Cash flow hedge | - | - | 5 | - | 5 |
| Others | <u>10,305</u> | <u>3,873</u> | <u>-</u> | <u>(172)</u> | <u>14,006</u> |
| | 234,156 | 12,894 | 38 | (6,143) | 240,945 |
| Loss carryforwards | <u>36,135</u> | <u>18,190</u> | <u>-</u> | <u>(1,220)</u> | <u>53,105</u> |
| | <u>\$ 270,291</u> | <u>\$ 31,084</u> | <u>\$ 38</u> | <u>\$ (7,363)</u> | <u>\$ 294,050</u> |
| <u>Deferred tax liabilities</u> | | | | | |
| Temporary differences | | | | | |
| Property, plant and equipment | \$ 35,339 | \$ 5,509 | \$ - | \$ (1,336) | \$ 39,512 |
| Unappropriated earnings of subsidiaries | 23,069 | (22,687) | - | (382) | - |
| Cash flow hedged | 1,868 | - | (1,858) | (10) | - |
| Others | <u>8,170</u> | <u>(5,163)</u> | <u>-</u> | <u>(55)</u> | <u>2,952</u> |
| | <u>\$ 68,446</u> | <u>\$ (22,341)</u> | <u>\$ (1,858)</u> | <u>\$ (1,783)</u> | <u>\$ 42,464</u> |

For the Year Ended December 31, 2020

| | Opening Balance | Recognized in Profit or Loss | Recognized in Other Comprehen- sive Income | Acquisition through Business Combination (Note 30) | Exchange Differences | Closing Balance |
|--|----------------------------|---|---|---|---------------------------------|----------------------------|
| <u>Deferred tax assets</u> | | | | | | |
| Temporary differences | | | | | | |
| Property, plant and equipment | \$ - | \$ 10,840 | \$ - | \$ - | \$ 22 | \$ 10,862 |
| Right-of-use assets | 842 | 4,972 | - | - | 109 | 5,923 |
| Payable for annual leave | 23,303 | 7,866 | - | - | (1,298) | 29,871 |
| Write-down of inventories | 41,014 | 49,173 | - | - | (1,612) | 88,575 |
| Defined benefit obligation | 1,156 | (72) | 109 | - | - | 1,193 |
| Unrealized profit | 78,229 | 7,196 | - | - | (4,175) | 81,250 |
| Allowance for impaired loss | 5,489 | 999 | - | - | (311) | 6,177 |
| Others | <u>15,492</u> | <u>(5,723)</u> | <u>-</u> | <u>-</u> | <u>536</u> | <u>10,305</u> |
| | 165,525 | 75,251 | 109 | - | (6,729) | 234,156 |
| Loss carryforwards | <u>10,766</u> | <u>26,842</u> | <u>-</u> | <u>-</u> | <u>(1,473)</u> | <u>36,135</u> |
| | <u>\$ 176,291</u> | <u>\$ 102,093</u> | <u>\$ 109</u> | <u>\$ -</u> | <u>\$ (8,202)</u> | <u>\$ 270,291</u> |
| <u>Deferred tax liabilities</u> | | | | | | |
| Temporary differences | | | | | | |
| Property, plant and equipment | \$ 14,264 | \$ 16,507 | \$ - | \$ 5,289 | \$ (721) | \$ 35,339 |
| Unappropriated earnings of subsidiaries | 87,896 | (62,751) | - | - | (2,076) | 23,069 |
| Cash flow hedged | 1,014 | - | 823 | - | 31 | 1,868 |
| Others | <u>3,733</u> | <u>6,454</u> | <u>-</u> | <u>(2,104)</u> | <u>87</u> | <u>8,170</u> |
| | <u>\$ 106,907</u> | <u>\$ (39,790)</u> | <u>\$ 823</u> | <u>\$ 3,185</u> | <u>\$ (2,679)</u> | <u>\$ 68,446</u> |

- e. Unused loss carryforwards and unused investment credits, and deductible temporary differences of deferred tax assets not recognized in the consolidated balance sheets

| | December 31 | |
|--------------------|--------------------|-------------------|
| | 2021 | 2020 |
| Loss carryforwards | | |
| Expiry in 2025 | \$ 3,275 | \$ 3,289 |
| Expiry in 2026 | 5,103 | - |
| Expiry in 2027 | - | 84 |
| Expiry in 2028 | - | 2,155 |
| Expiry in 2030 | - | 22,508 |
| Expiry in 2037 | 55,638 | 57,246 |
| No expiry date | <u>40,715</u> | <u>15,729</u> |
| | <u>\$ 104,731</u> | <u>\$ 101,011</u> |
| Investment credits | <u>\$ 4,631</u> | <u>\$ 9,983</u> |

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

As of December 31, 2021, investment tax credits comprised:

| Tax Credit Source | Remaining Creditable Amount | Expiry Year |
|---------------------------------------|--|--------------------|
| Research and development expenditures | \$ 3,158 | 2022 |
| | <u>1,473</u> | 2023 |
| | <u>\$ 4,631</u> | |

Loss carryforwards as of December 31, 2021 were comprised of:

| Unused Amount | Expiry Year |
|----------------------|--------------------|
| \$ 3,275 | 2025 |
| 5,103 | 2026 |
| 532 | 2035 |
| 55,826 | 2037 |
| <u>93,100</u> | No expiry date |
| <u>\$ 157,836</u> | |

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

As of December 31, 2021 and 2020, the taxable temporary differences associated with investment in subsidiaries and branch for which no deferred tax liabilities have been recognized were \$5,878,249 thousand and \$4,975,500 thousand, respectively.

- h. Income tax assessment

As of December 31, 2021, the Group has no unsettled lawsuit.

28. EARNINGS PER SHARE

| | Unit: NT\$ Per Share | |
|--|---------------------------------------|---------------------|
| | For the Year Ended December 31 | |
| | 2021 | 2020 |
| Basic earnings per share | | |
| Net income | <u>\$ 2,036,138</u> | <u>\$ 1,828,336</u> |
| Weighted average number of ordinary shares in computation of basic earnings (in thousands of shares) | <u>133,751</u> | <u>130,533</u> |
| Basic earnings per share | <u>\$ 15.22</u> | <u>\$ 14.01</u> |

(Continued)

| | For the Year Ended December 31 | |
|---|---------------------------------------|---------------------|
| | 2021 | 2020 |
| Diluted earnings per share | | |
| Net income | \$ 2,036,138 | \$ 1,828,336 |
| Effect of potentially dilutive ordinary shares: | | |
| Interest on convertible bonds (after tax) | 50,787 | 55,517 |
| Gain on valuation of converted bonds | <u>(1,173)</u> | <u>(10,637)</u> |
| Earnings used in the computation of diluted earnings (in thousands of shares) from continuing operation | <u>\$ 2,085,752</u> | <u>\$ 1,873,216</u> |
| Weighted average number of ordinary shares in computation of basic earnings (in thousands of shares) | 133,751 | 130,533 |
| Effect of potentially dilutive ordinary shares | | |
| Convertible bonds | 9,781 | 9,940 |
| Employees' compensation or bonuses issued to employees | 406 | 494 |
| Employee share options | <u>423</u> | <u>88</u> |
| Weighted average number of ordinary shares in computation of diluted earnings (in thousands of shares) | <u>144,361</u> | <u>141,055</u> |
| Diluted earnings per share | <u>\$ 14.45</u> | <u>\$ 13.28</u> |
| | | (Concluded) |

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

Since the second overseas convertible bonds during the year ended December 31, 2020 are anti-dilutive, they are excluded from the computation of diluted earnings per share.

29. SHARE-BASED PAYMENT ARRANGEMENTS

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 ordinary share when exercised. 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 ordinary stocks equity.

Information on outstanding employee share options is as follows:

| | For the Year Ended December 31 | | | |
|--|--|--|--|--|
| | 2021 | | 2020 | |
| | Number of Options (In Thousands of Units) | Weighted- average Exercise Price (\$) | Number of Options (In Thousands of Units) | Weighted- average Exercise Price (\$) |
| Balance at January 1 | 1,170 | \$163.50 | - | \$ - |
| Options granted | - | - | 1,170 | 163.50 |
| Options forfeited | - | - | - | - |
| Options exercised | - | - | - | - |
| Options expired | - | - | - | - |
| Balance at December, 31 | <u>1,170</u> | 151.39 | <u>1,170</u> | 163.50 |
| Options exercisable, end of period | <u>-</u> | | <u>-</u> | |
| Weighted-average fair value of options granted (\$) | <u>\$ -</u> | | <u>\$ 55.74</u> | |

As of December 31, 2021, information about employee share options outstanding was as follows:

| | December 31 | |
|--|--------------------|-------------|
| | 2021 | 2020 |
| Range of exercise price (\$) | \$151.39 | \$163.50 |
| Weighted average remaining contractual life (in years) | 2.95 | 3.95 |

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 (\$) | 163.50 |
| Exercise price (\$) | 163.50 |
| 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 \$13,766 thousand and \$11,051 thousand for the years ended December 31, 2021 and 2020, respectively.

30. BUSINESS COMBINATION

a. Subsidiaries acquired

| Subsidiary | Principal Activity | Date of Acquisition | Proportion of Voting Equity Interests Acquired (%) | Consideration Transferred |
|--|--|---------------------|--|---------------------------|
| Speedy Industrial Supplies Pte Ltd and its subsidiary, SIS Speedy Industrial Supplies Sdn. Bhd | Manufacture and wholesale of cable assemblies, power cords, PCBA assemblies, sheet metal fabrication and box build assemblies. | 2020.4.7 | 100 | <u>\$ 1,564,278</u> |

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

b. Consideration transferred

| | The Speedy Group |
|--------------------------------------|---------------------|
| Cash | \$ 1,463,624 |
| Contingent consideration arrangement | <u>100,654</u> |
| | <u>\$ 1,564,278</u> |

Note: The consideration transferred included SGD68,474 thousand (\$1,463,624 thousand as of April 7, 2020) in cash and a contingent consideration arrangement of SGD4,709 thousand (\$100,654 thousand as of April 7, 2020). According to the contract, the Group will pay at least SGD5,000 thousand to SGD9,000 thousand annually based on the profitability of Speedy Industrial Supplies Pte Ltd in the next two consecutive accounting years.

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

| | The Speedy Group |
|-------------------------------|------------------|
| Current assets | |
| Cash and cash equivalents | \$ 146,418 |
| Trade and other receivables | 183,760 |
| Inventories | 157,661 |
| Other financial assets | 9,020 |
| Prepayments and others | 14,920 |
| Non-current assets | |
| Property, plant and equipment | 69,960 |
| Intangible assets | 784,330 |
| Right-of-use assets | 65,984 |
| | (Continued) |

| | The Speedy Group |
|---------------------------------|-------------------------|
| Current liabilities | |
| Contract liabilities | \$ (2,351) |
| Trade and other payables | (98,581) |
| Lease liabilities - current | (20,007) |
| Current tax liabilities | (35,012) |
| Non-current liabilities | |
| Lease liabilities - non-current | (43,455) |
| Deferred tax liabilities | (3,185) |
| Others | <u>(2,479)</u> |
| | <u>\$ 1,226,983</u> |
| | (Concluded) |

d. Goodwill recognized on acquisitions

| | The Speedy Group |
|--|-------------------------|
| Consideration transferred | \$ 1,564,278 |
| Less: Fair value of identifiable net assets acquired | <u>(1,226,983)</u> |
| Goodwill recognized on acquisitions | <u>\$ 337,295</u> |

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

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

e. Net cash outflow on the acquisition of subsidiaries

| | The Speedy Group |
|---|-------------------------|
| Consideration paid in cash | \$ 1,564,278 |
| Less: Other payables | (8,544) |
| Less: Foreign exchange translation gains and losses | (534) |
| Less: Cash and cash equivalent balances acquired | <u>(146,418)</u> |
| | <u>\$ 1,408,782</u> |

f. Impact of acquisitions on the results of the Group

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

| | The Speedy Group |
|---------|--|
| | From April 7, 2020 to December 31, 2020 |
| Revenue | <u>\$ 716,411</u> |
| Profit | <u>\$ 86,866</u> |

Had these business combinations been in effect at the beginning of the financial year, the Group's revenue would have been \$22,800,112 thousand, and the profit would have been \$1,861,681 thousand for the year ended December 31, 2020. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2020, nor is it intended to be a projection of future results.

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

31. CASH FLOWS INFORMATION

a. Non-cash transactions

For the years ended December 31, 2021 and 2020, the Group entered into the following non-cash investing and financing activities:

- 1) The Group purchased property, plant and equipment, which amounted to \$96,654 thousand and \$145,773 thousand, were unpaid and recognized as other payables-payables for purchase of equipment, respectively.
- 2) In April 2020, the Group acquired the Speedy Group. As of December 31, 2021 and 2020, \$8,640 thousand and \$8,544 thousand were unpaid and recognized as other payables - payables for investment, refer to Note 22.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2020

| | | | Non-cash Changes | | | | | | |
|---|---------------------|-------------------|-------------------|-----------------------------|-----------------------|----------------------------|---|--------------------|---------------------|
| | January 1, 2021 | Cash Flows | New Leases | Change of Variable Payments | Liability Components | Amortized Interest Expense | Effect of Foreign Currency Exchange Differences | Other | December 31, 2021 |
| Short-term borrowings | \$ 259,833 | \$ 584,341 | \$ - | \$ - | \$ - | \$ - | \$ (16,522) | \$ - | \$ 827,652 |
| Long-term borrowings (included current portion due in one year) | 440,881 | (58,890) | - | - | - | - | (8,993) | - | 372,998 |
| Guarantee deposits | 10,420 | 10,560 | - | - | - | - | (83) | - | 20,897 |
| Bonds payable | 2,739,430 | - | - | - | (1,553,780) | 50,787 | 67,790 | - | 1,304,227 |
| Lease liabilities | 609,524 | (286,118) | 734,551 | (976) | - | 28,270 | (13,633) | (28,270) | 1,043,348 |
| | <u>\$ 4,060,088</u> | <u>\$ 249,893</u> | <u>\$ 734,551</u> | <u>\$ (976)</u> | <u>\$ (1,553,780)</u> | <u>\$ 79,057</u> | <u>\$ 28,559</u> | <u>\$ (28,270)</u> | <u>\$ 3,569,122</u> |

For the year ended December 31, 2020

| | January 1, 2020 | Cash Flows | New Leases | Non-cash Changes | | | | Other | December 31, 2020 |
|---|---------------------|-----------------------|------------------|-----------------------------------|-------------------------|----------------------------------|---|-------------------|----------------------|
| | | | | Change of Variable Payments | Liability Components | Amortized Interest Expense | Effect of Foreign Currency Exchange Differences | | |
| Short-term borrowings | \$ 64,500 | \$ 189,949 | \$ - | \$ - | \$ - | \$ - | \$ 5,384 | \$ - | \$ 259,833 |
| Long-term borrowings (included current portion due in one year) | 464,665 | (13,914) | - | - | - | - | (9,870) | - | 440,881 |
| Guarantee deposits | 7,914 | 3,011 | - | - | - | - | (505) | - | 10,420 |
| Bonds payable | 5,202,390 | (2,574,057) | - | - | (11,702) | 76,131 | (120,699) | 167,367 | 2,739,430 |
| Lease liabilities | 859,627 | (256,467) | 18,899 | (83,081) | - | 35,306 | 7,084 | 28,156 | 609,524 |
| | <u>\$ 6,599,096</u> | <u>\$ (2,651,478)</u> | <u>\$ 18,899</u> | <u>\$ (83,081)</u> | <u>\$ (11,702)</u> | <u>\$ 111,437</u> | <u>\$ (118,606)</u> | <u>\$ 195,523</u> | <u>\$ 4,060,088</u> |

32. 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.

33. FINANCIAL INSTRUMENTS

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

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

December 31, 2021

| | Carrying Amount | Fair Value | | | |
|--|--------------------|------------|---------|--------------|--------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| <u>Financial liabilities</u> | | | | | |
| Financial liabilities at amortized cost | | | | | |
| Convertible bonds | \$ 1,304,227 | \$ - | \$ - | \$ 1,339,703 | \$ 1,339,703 |

December 31, 2020

| | Carrying Amount | Fair Value | | | |
|--|--------------------|------------|---------|--------------|--------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| <u>Financial liabilities</u> | | | | | |
| Financial liabilities at amortized cost | | | | | |
| Convertible bonds | \$ 2,739,430 | \$ - | \$ - | \$ 2,920,004 | \$ 2,920,004 |

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

1) Fair value hierarchy

December 31, 2021

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|-----------------|------------------|-------------------|-------------------|
| Financial assets at FVTPL | | | | |
| Foreign exchange forward contracts | \$ - | \$ 25,591 | \$ - | \$ 25,591 |
| Convertible bonds options | - | - | 1,845 | 1,845 |
| Foreign quoted stocks | 1,695 | - | - | 1,695 |
| Domestic unlisted shares | - | - | 48,474 | 48,474 |
| Fund beneficiary certificate | - | - | 89,320 | 89,320 |
| | <u>\$ 1,695</u> | <u>\$ 25,591</u> | <u>\$ 139,639</u> | <u>\$ 166,925</u> |
| Financial assets for hedging | | | | |
| Derivative financial assets | | | | |
| Foreign exchange financial contracts | <u>\$ -</u> | <u>\$ 4,163</u> | <u>\$ -</u> | <u>\$ 4,163</u> |
| Financial assets at FVTOCI | | | | |
| Investments in equity instruments | | | | |
| Domestic and foreign unlisted stocks | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 281,242</u> | <u>\$ 281,242</u> |
| Financial liabilities at FVTPL | | | | |
| Foreign exchange forward contracts | <u>\$ -</u> | <u>\$ 288</u> | <u>\$ -</u> | <u>\$ 288</u> |
| Financial liabilities for hedging | | | | |
| Derivative financial liabilities | | | | |
| Copper futures contracts | \$ 22 | \$ - | \$ - | \$ 22 |
| Foreign exchange financial contracts | - | 687 | - | 687 |
| | <u>\$ 22</u> | <u>\$ 687</u> | <u>\$ -</u> | <u>\$ 709</u> |

December 31, 2020

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|------------------|------------------|-------------------|-------------------|
| Financial assets at FVTPL | | | | |
| Foreign exchange forward contracts | \$ - | \$ 39,574 | \$ - | \$ 39,574 |
| Convertible bonds options | - | - | 2,269 | 2,269 |
| Foreign quoted stocks | 1,434 | - | - | 1,434 |
| Fund beneficiary certificate | - | - | 17,088 | 17,088 |
| | <u>\$ 1,434</u> | <u>\$ 39,574</u> | <u>\$ 19,357</u> | <u>\$ 60,365</u> |
| Financial assets for hedging | | | | |
| Derivative financial assets | | | | |
| Copper futures contracts | <u>\$ 10,641</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,641</u> |
| Financial assets at FVTOCI | | | | |
| Investments in equity instruments | | | | |
| Domestic and foreign unlisted stocks | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 308,606</u> | <u>\$ 308,606</u> |
| Financial liabilities at FVTPL | | | | |
| Foreign exchange forward contracts | <u>\$ -</u> | <u>\$ 51</u> | <u>\$ -</u> | <u>\$ 51</u> |

For the years ended December 31, 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

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

For the year ended December 31, 2021

| | Financial Assets at FVTPL | | | Financial Assets at FVTOCI | |
|---|--|-----------------------|------------------------------------|----------------------------|-------------------|
| | Derivative - Convertible Bonds - Option | Equity Instruments | Fund Beneficiary Certificate | Equity Instruments | Total |
| Financial assets | | | | | |
| Balance at January 1, 2021 | \$ 2,269 | \$ - | \$ 17,088 | \$ 308,606 | \$ 327,963 |
| Purchases | - | 48,832 | 81,742 | 20,000 | 150,574 |
| Recognized in profit or loss (included in other gains and losses) | 1,173 | (358) | (8,307) | - | (7,492) |
| Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI) | - | - | - | (40,607) | (40,607) |
| Capital surplus from convertible bonds | (1,538) | - | - | - | (1,538) |
| Effect of foreign currency exchange differences | <u>(59)</u> | <u>-</u> | <u>(1,203)</u> | <u>(6,757)</u> | <u>(8,019)</u> |
| Balance at December 31, 2021 | <u>\$ 1,845</u> | <u>\$ 48,474</u> | <u>\$ 89,320</u> | <u>\$ 281,242</u> | <u>\$ 420,881</u> |

For the year ended December 31, 2020

| | Financial Assets at FVTPL | | Assets at FVTOCI | |
|---|--|---|-------------------------------|--|
| | Derivative - Convertible Bonds - Option | Fund Beneficiary Certificate | Equity Instruments | Total |
| Financial assets | | | | |
| Balance at January 1, 2020 | \$ 747 | \$ - | \$ 253,609 | \$ 254,356 |
| Purchases | - | 17,731 | 60,028 | 77,759 |
| Recognized in profit or loss (included in other gains and losses) | 1,958 | - | - | 1,958 |
| Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI) | - | - | 6,084 | 6,084 |
| Loss on the redemption of convertible bonds | (502)- | - | - | (502) |
| Capital surplus from convertible bonds | (8) | - | - | (8) |
| Effect of foreign currency exchange differences | <u>74</u> | <u>(643)</u> | <u>(11,115)</u> | <u>(11,041)</u> |
| Balance at December 31, 2020 | <u>\$ 2,269</u> | <u>\$ 17,088</u> | <u>\$ 308,606</u> | <u>\$ 327,963</u> |
| | | | | Derivative - Convertible Bonds - Option |
| 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 December 31, 2020 | | | | <u>\$ -</u> |

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

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

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

| Financial Instruments | Valuation Techniques and Inputs |
|--|---|
| Convertible bond options | The binomial tree evaluation model of convertible bonds: Consideration of the duration, the stock price and volatility of the convertible bond object, conversion price, risk-free rate of interest, risk discount rate, and liquidity risk of the convertible bonds and other factors. |
| Unlisted debt securities and fund beneficiary certificates | 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. |

| | December 31 | |
|------------------------------------|--------------------|---------------|
| | 2021 | 2020 |
| Discount for lack of marketability | 10.00%-30.00% | 10.00%-30.00% |

c. Categories of financial instruments

| | December 31 | |
|---|--------------------|-------------|
| | 2021 | 2020 |
| <u>Financial assets</u> | | |
| Financial assets at FVTPL | | |
| Mandatorily at FVTPL | \$ 166,925 | \$ 60,365 |
| Financial assets at amortized cost (1) | 10,935,711 | 10,882,913 |
| Financial assets for hedging | 4,163 | 10,641 |
| Financial assets at FVTOCI | | |
| Equity instruments | 281,242 | 308,606 |
| <u>Financial liabilities</u> | | |
| Financial liabilities at FVTPL | | |
| Held-for-trading | 288 | 51 |
| Financial liabilities at amortized cost (2) | 8,114,667 | 7,677,819 |
| Financial liabilities for hedging | 709 | - |

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

d. Financial risk management objectives and policies

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

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

Sensitivity analysis

The Group was mainly exposed to the USD.

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

| | USD Impact | |
|----------------|---------------------------------------|-------------|
| | For the Year Ended December 31 | |
| | 2021 | 2020 |
| Profit or loss | \$ 12,946 | \$ 6,572 |

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

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

Hedge accounting

The Group's hedging strategy is to sign forward foreign exchange contracts and acquire cash in foreign currency. The transaction is designated as cash flow hedging. Basic adjustments are made to the initial carrying amounts of non-financial hedged items when the projected foreign currency commitments take place.

The Group designated certain forward foreign exchange contracts and cash in Singapore dollars as hedging instruments. The determination of the hedges is negotiated with the hedged items. Due to changes in the hedged exchange rates, the Group qualitatively evaluates that forward foreign exchange contracts and cash in Singapore dollars will move systematically in the opposite direction of the estimated transaction value with the hedged items.

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 items, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness are expected to emerge from these hedging relationships.

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

December 31, 2021

| Hedge Instrument | Currency | Contract Price | Maturity | Line Item in Balance Sheet | Carrying Amount | |
|--|----------|---------------------|-----------------|--|-----------------|-------------|
| | | | | | Assets | Liabilities |
| Cash flow hedges | | | | | | |
| Forecast investment - foreign exchange forward contracts (i) | USD/EUR | EUR 71,000 thousand | 2022.01-2022.02 | Financial assets/liability for hedging | \$ 4,163 | \$ 687 |

| Hedge Items | Book Value of Other Equity Continuous Application of Hedge Accounting |
|--|--|
| Cash flow hedges | |
| Foreign exchange forward contracts (i) (iii) | <u>\$ 3,518</u> |

For the year ended December 31, 2021

| Other Comprehensive Income Effect | Recognized Income in Other Comprehensive Income |
|--|--|
| Cash flow hedges | |
| Foreign exchange forward contracts (i) (iii) | <u>\$ 3,518</u> |

December 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 | SGD 68,871 thousand | 2020.4.7 | Financial assets for hedging | <u>\$ -</u> | <u>\$ -</u> |

For the year ended December 31, 2020

| Other Comprehensive Income Effect | Recognized Income in Other Comprehensive Income |
|---|--|
| Cash flow hedges | |
| Firm commitments in foreign currency (ii) (iii) | <u>\$ 13,862</u> |

- i. The Group has signed the investment contract in Euro dollars and signed to sell US dollars in exchange for Euro 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. 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.
- iii. For information on other hedging equity adjustments, refer to Note 24.

b) Interest rate risk

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

| | December 31 | |
|----------------------------------|--------------------|--------------|
| | 2021 | 2020 |
| Interest rate risk on fair value | | |
| Financial assets | \$ 942,848 | \$ 2,038,502 |
| Financial liabilities | 3,188,568 | 3,608,787 |
| Interest rate risk on cash flow | | |
| Financial assets | 2,299,749 | 3,407,304 |
| Financial liabilities | 372,998 | 440,881 |

Sensitivity analysis

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

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$19,268 thousand and \$29,664 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 decreased during the current period mainly due to the decrease in the variable rate bank deposits.

c) Other price risk

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

Sensitivity analysis

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

If security price had been 1% higher/lower, pre-tax income for the years ended December 31, 2021 and 2020 would have increased/decreased by \$1,395 thousand and \$185 thousand, respectively due to the increase/decrease of financial assets at FVTPL. Pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by \$2,812 thousand and \$3,086 thousand, respectively due to the increase/decrease of financial assets at FVOCL.

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

Hedge accounting

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

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

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

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

December 31, 2021

| Hedge Instrument | Contract Weight | Maturity | Line Item in Balance Sheet | Carrying Amount Liabilities |
|--|------------------------|-----------------|--|---|
| Cash flow hedges | | | | |
| Copper futures contract | 620 tons | 2022.01-2022.04 | Derivative financial liabilities for hedging | \$ <u>22</u> |
| | | | | |
| | | | | Carrying Amount of Other Equity |
| | | | | Continuous Application of Hedge Accounting |
| Hedged Item | | | | |
| Cash flow hedges | | | | |
| Expected purchases (i) | | | | \$ <u>(17)</u> |
| | | | | |
| | | | | |
| | | | | Recognized Profit (Loss) in Other Comprehensive Income |
| Other Comprehensive Income Effect | | | | |
| Cash flow hedges | | | | |
| Expected purchases (i) (ii) | | | | \$ <u>35,615</u> |

December 31, 2020

| Hedge Instrument | Contract Weight | Maturity | Line Item in Balance Sheet | Carrying Amount Assets |
|---|------------------------|-----------------|---|---|
| Cash flow hedges | | | | |
| Copper futures contract | 725 tons | 2021.01-2021.04 | Derivative financial assets for hedging | <u>\$ 10,641</u> |
| | | | | |
| | | | | Carrying Amount of Other Equity |
| | | | | Continuous Application of Hedge Accounting |
| Hedged Item | | | | |
| Cash flow hedges | | | | |
| Expected purchases (i) | | | | <u>\$ 8,917</u> |
| <u>For the year ended December 31, 2020</u> | | | | |
| | | | | Recognized Profit (Loss) in Other Comprehensive Income |
| Other Comprehensive Income Effect | | | | |
| Cash flow hedges | | | | |
| Expected purchases (i) (ii) | | | | <u>\$ 23,087</u> |

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

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

2) Credit risk

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

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

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

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

The Group's concentration of credit risk of 28% and 31% of total trade receivables as of December 31, 2021 and 2020, respectively, was related to the Group's three major customers.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2021, and 2020. The Group had available unutilized short-term bank loan facilities set out in (c) below.

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

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

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

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

December 31, 2021

| | Less Than 3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|---|-------------------------------|-------------------------------|---------------------|-------------------|
| <u>Non-derivative financial liabilities</u> | | | | |
| Non-interest bearing liabilities | \$ 5,230,887 | \$ 358,006 | \$ 20,897 | \$ - |
| Lease liabilities | 95,996 | 249,454 | 755,339 | 66,706 |
| Variable interest rate | 16,427 | 49,220 | 226,365 | 115,381 |
| Fixed interest rate | <u>532,112</u> | <u>1,665,687</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 5,875,422</u> | <u>\$ 2,322,367</u> | <u>\$ 1,002,601</u> | <u>\$ 182,087</u> |

Additional information about the maturity analysis for lease liabilities:

| | Less than 1 Year | 1-5 Years | 5-10 Years | 10-15 Years | 15-20 Years | 20+ Years |
|-------------------|---------------------|------------|------------|-------------|-------------|-----------|
| Lease liabilities | \$ 345,450 | \$ 755,339 | \$ 66,706 | \$ - | \$ - | \$ - |

December 31, 2020

| | Less Than 3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|---|-----------------------|-----------------------|---------------------|-------------------|
| <u>Non-derivative financial liabilities</u> | | | | |
| Non-interest bearing liabilities | \$ 4,121,031 | \$ 106,224 | \$ 10,420 | \$ - |
| Lease liabilities | 75,943 | 205,399 | 298,926 | 85,633 |
| Variable interest rate | 13,381 | 51,226 | 368,734 | 42,475 |
| Fixed interest rate | <u>136,821</u> | <u>124,653</u> | <u>2,944,683</u> | <u>-</u> |
| | <u>\$ 4,347,176</u> | <u>\$ 487,502</u> | <u>\$ 3,622,763</u> | <u>\$ 128,108</u> |

Additional information about the maturity analysis for lease liabilities:

| | Less than 1 Year | 1-5 Years | 5-10 Years | 10-15 Years | 15-20 Years | 20+ Years |
|-------------------|---------------------|------------|------------|-------------|-------------|-----------|
| Lease liabilities | \$ 281,342 | \$ 298,926 | \$ 85,633 | \$ - | \$ - | \$ - |

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

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

December 31, 2021

| | On Demand or Less Than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|---------------------------------------|--------------------------------------|------------------|-----------------------|-------------|-------------|
| <u>Net settled</u> | | | | | |
| Futures contract - copper | \$ 408 | \$ (1,021) | \$ 591 | \$ - | \$ - |
| Foreign exchange forward contracts | <u>9,917</u> | <u>5,328</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 10,325</u> | <u>\$ 4,307</u> | <u>\$ 591</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>Gross settled</u> | | | | | |
| Foreign exchange forward contracts | | | | | |
| Inflow | \$ 2,276,142 | \$ 281,818 | \$ 221,016 | \$ - | \$ - |
| Outflow | <u>(2,271,279)</u> | <u>(278,977)</u> | <u>(215,186)</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 4,863</u> | <u>\$ 2,841</u> | <u>\$ 5,830</u> | <u>\$ -</u> | <u>\$ -</u> |

December 31, 2020

| | On Demand or Less Than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|---------------------------------------|---|-------------------|-------------------------------|------------------|-----------------|
| <u>Net settled</u> | | | | | |
| Futures contract - copper | \$ 2,226 | \$ 8,358 | \$ 57 | \$ - | \$ - |
| Foreign exchange forward contracts | <u>16,727</u> | <u>17,672</u> | <u>2,225</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 18,953</u> | <u>\$ 26,030</u> | <u>\$ 2,282</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>Gross settled</u> | | | | | |
| Foreign exchange forward contracts | | | | | |
| Inflow | \$ 104,835 | \$ 246,640 | \$ 87,525 | \$ - | \$ - |
| Outflow | <u>(103,393)</u> | <u>(245,191)</u> | <u>(87,517)</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 1,442</u> | <u>\$ 1,449</u> | <u>\$ 8</u> | <u>\$ -</u> | <u>\$ -</u> |

c) Financing facilities

| | <u>December 31</u> | |
|---------------------------------|---------------------|---------------------|
| | 2021 | 2020 |
| Secured bank loan facilities: | | |
| Amount used | \$ 669,998 | \$ 455,121 |
| Amount unused | <u>8,091,600</u> | <u>176,200</u> |
| | <u>\$ 8,761,598</u> | <u>\$ 631,321</u> |
| Unsecured bank loan facilities: | | |
| Amount used | \$ 530,652 | \$ 245,593 |
| Amount unused | <u>7,692,265</u> | <u>3,996,584</u> |
| | <u>\$ 8,222,917</u> | <u>\$ 4,242,177</u> |

34. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and categories

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

b. Sales of goods

| Related Party Category/Name | For the Year Ended December 31 | |
|-------------------------------|--------------------------------|---------------|
| | 2021 | 2020 |
| Associate AquaOptics Corp. | \$ <u>-</u> | \$ <u>252</u> |

The selling prices are not comparable due to same product not sold to third parties for the years ended December 31, 2021 and 2020. The payment term of related parties is the day of delivery and of unrelated parties is from receipts in advance to 180 days.

c. Purchases of goods

| Related Party Category/Name | For the Year Ended December 31 | |
|-------------------------------|--------------------------------|---------------|
| | 2021 | 2020 |
| Associate AquaOptics Corp. | \$ <u>-</u> | \$ <u>447</u> |

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

d. Trade payables to related parties

| Line Item | Related Party Category/Name | December 31 | |
|----------------|--|---------------|---------------|
| | | 2021 | 2020 |
| Trade payables | Associate AquaOptics Corp. | \$ <u>-</u> | \$ <u>5</u> |
| Other payables | Associate Kunshan Xianglian construction Development Limited | \$ <u>261</u> | \$ <u>220</u> |

The outstanding trade payables from related parties are unsecured.

e. Lease arrangements - Group is lessee

| Line Item | Related Party Category/Name | December 31 | |
|-------------------|--|-------------------|-------------------|
| | | 2021 | 2020 |
| Lease liabilities | Substantive related party Kunshan Xianglian Construction Development Limited | \$ <u>238,082</u> | \$ <u>328,646</u> |

| Related Party Category/Name | For the Year Ended December 31 | |
|---|--------------------------------|------------------|
| | 2021 | 2020 |
| <u>Interest expense</u> | | |
| Substantive related party Kunshan Xianglian Construction Development Limited | \$ <u>13,223</u> | \$ <u>17,120</u> |

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

f. Other transactions with related parties

1) Refundable deposits (included in other current assets)

| Related Party Categories/Name | December 31 | |
|--|-------------|-----------|
| | 2021 | 2020 |
| Substantive related party | | |
| Kunshan Xianglian Construction Development Limited | \$ 27,108 | \$ 20,833 |

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

| Related Party Categories/Name | For the Year Ended December 31 | |
|-------------------------------|--------------------------------|----------|
| | 2021 | 2020 |
| Associate | | |
| AquaOptics Corp. | \$ - | \$ 1,034 |

g. Compensation of key management personnel

| | For the Year Ended December 31 | |
|------------------------------|--------------------------------|------------------|
| | 2021 | 2020 |
| Short-term employee benefits | \$ 81,142 | \$ 84,044 |
| Share-based payments | 3,883 | 3,117 |
| | <u>\$ 85,025</u> | <u>\$ 87,161</u> |

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

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

| | December 31 | |
|---|---------------------|-------------------|
| | 2021 | 2020 |
| Pledged deposits (classified as other financial assets - current) | \$ 71,070 | \$ 72,473 |
| Pledged deposits (classified as other financial assets - non-current) | 10,559 | 9,138 |
| Bank deposits (classified as other financial assets - current) | 102,891 | 10,593 |
| Bank deposits (classified as other financial assets - non-current) | - | 55,844 |
| Freehold land (classified as property, plant and equipment) | 665,948 | 292,276 |
| Buildings (classified as property, plant and equipment) | 292,261 | 308,873 |
| Freehold land (classified as investment properties) | 51,120 | 51,120 |
| Buildings (classified as investment properties) | 27,233 | 27,913 |
| Subsidiary (Note) | <u>1,694,837</u> | <u>-</u> |
| | <u>\$ 2,915,919</u> | <u>\$ 828,230</u> |

Note: The Group and its subsidiaries, Speedy Industrial Supplies Pte Ltd and EA Cable Assemblies GmbH, signed a syndicated loan with four financial institutions on December 30, 2021, and agreed to pledge the Group's 100% interest of its subsidiary, Speedy Industrial Supplies Pte Ltd, excluding the 100% interest of SIS Speedy Industrial Supplies Sdn. Bhd held by Speedy Industrial Supplies Pte Ltd.

The Group's subsidiaries, Speedy Industrial Supplies Pte Ltd and EA Cable Assemblies GmbH, acquired 100% interest of LEONI Special Cables (China) Co., Ltd. (renamed as BizLink Special Cables (Changzhou) Co., Ltd. in March 2022), LEONI Elocab Ltd., neumatic cz, s.r.o., LEONI Special Cables GmbH, LEONI elocab GmbH, LEONI protec cable systems GmbH, LEONI Industry Verwaltungs-GmbH, LEONI CIA Cable Systems S.A.S., Silitherm S.r.l., LEONI Systems Spain S.L.U., LEONI Tailor-Made Cable UK Ltd., LEONI Engineering Products & Services, Inc.(renamed BIZLINK ELOCAB LTD., BizLink Industry Czech s.r.o., BizLink Special Cables Germany GmbH, BizLink elocab GmbH, BizLink Robotic Solutions Germany GmbH, BizLink Industry Germany GmbH, BizLink Robotic Solutions France S.A.S., BizLink Silitherm S.r.l., BIZLINK SYSTEMS SPAIN, S.L., BIZLINK TAILOR-MADE CABLE UK LIMITED, BIZLINK ROBOTIC SOLUTIONS USA, INC. between January 2022 and March 2022) and LEONI Industry Slovakia, spol. s.r.o., on January 20, 2022, with an enterprise value of approximately EUR451 million to obtain funds for merger and acquisition.

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2021 and 2020 were as follows:

- a. As of December 31, 2021 and 2020, unrecognized property, plant, and equipment commitments are US\$309,650 thousand and US\$695,179 thousand, respectively.
- b. The Group and its subsidiaries Speedy Industrial Supplies Pte Ltd and EA Cable Assemblies GmbH signed a syndicated loan of EUR255,000 thousand with Mega Bank, Taishin International Bank, Bank SinoPac, and CTBC Bank on December 30, 2021.
- c. The Group signed a loan contract of EUR100,000 thousand with HSBC Bank (Taiwan) Limited and Hongkong and Shanghai Banking Corporation Limited in November 2021.

37. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

- a. The issuance of the fourth time of unsecured overseas convertible bonds with a US\$200 thousand par value at an aggregate principal amount at upper limit of US\$125,000 have been set on January 5, 2022.
- b. The issuance of Global Depository Receipts (GDRs) have been set to issue 12,000 thousand shares of common stocks for a total US\$104,280 thousand on January 5th, 2022.
- c. The Group signed a loan contract of EUR100,000 thousand with HSBC Bank (Taiwan) Limited and Hongkong and Shanghai Banking Corporation Limited in November 2021, and completed the drawdown on January 14, 2022.
- d. The Group and its subsidiaries, Speedy Industrial Supplies Pte Ltd and EA Cable Assemblies GmbH, signed a syndicated loan of EUR255,000 thousand with Mega Bank, Taishin International Bank, Bank SinoPac, and CTBC Bank on December 30, 2021, and completed the drawdown on January 17, 2022.

- e. In order to acquire necessary interests of LEONI Business Group Industrial Solutions, optimize tax planning and the structure of the group, the Company's board of directors approved to invest EUR271,000 thousand in cash to subsidiary, Speedy Industrial Supplies Pte Ltd for investing EUR227,000 thousand in cash to subsidiary, EA Cable Assemblies GmbH. The increased investment mentioned above was completed in January 2022.
- f. The Group's subsidiaries, Speedy Industrial Supplies Pte Ltd and EA Cable Assemblies GmbH, acquired 100% interest of LEONI Special Cables (China) Co., Ltd. (renamed as BizLink Special Cables (Changzhou) Co., Ltd. in March 2022), LEONI Elocab Ltd., neumatic cz, s.r.o., LEONI Special Cables GmbH, LEONI elocab GmbH, LEONI protec cable systems GmbH, LEONI Industry Verwaltungs-GmbH, LEONI CIA Cable Systems S.A.S., Silitherm S.r.l., LEONI Systems Spain S.L.U., LEONI Tailor-Made Cable UK Ltd., LEONI Engineering Products & Services, Inc.(renamed BIZLINK ELOCAB LTD., BizLink Industry Czech s.r.o., BizLink Special Cables Germany GmbH, BizLink elocab GmbH, BizLink Robotic Solutions Germany GmbH, BizLink Industry Germany GmbH, BizLink Robotic Solutions France S.A.S., BizLink Silitherm S.r.l., BIZLINK SYSTEMS SPAIN, S.L., BIZLINK TAILOR-MADE CABLE UK LIMITED, BIZLINK ROBOTIC SOLUTIONS USA, INC. between January 2022 and March 2022) and LEONI Industry Slovakia, spol. s.r.o., on January 20, 2022, with an enterprise value of approximately EUR451 million to obtain funds for merger and acquisition.
- g. The Group's subsidiary regarding BizLink Technology (Xiamen) Limited signed a property purchase agreement for RMB100,056 thousand.
- h. The Group's subsidiaries, Tong Ying Electronics (Shenzhen) Co., Ltd., BizConn International Corp.(China), Xiang Yao Electronics (Shenzhen) Co., Ltd., and Hua Zhan Electronics (Shenzhen) Co., Ltd., started to implement closed-off management on March 14, 2022 due to the lockdown order by the local government for the COVID-19 epidemic prevention measures while following the orders of completing three rounds of PCR test from the National Health Commission on Prevention and Control, and waiting for the return to work to be announced. The Group estimates that the suspended operation did not have a material effect on its financial position.
- i. The Group's subsidiaries, BizLink Technology (Chang Zhou) and BizLink Special Cables (Changzhou) Co., Ltd., started to implement closed-off management on March 19, 2022 due to the lockdown order by the local government for the COVID-19 epidemic prevention measures while following the orders of completing three rounds of PCR test from the National Health Commission on Prevention and Control, and waiting for the return to work to be announced. The Group estimates that the suspended operation did not have a material effect on its financial position.
- j. From January 1, 2022 to March 22, 2022, the amount of convertible bonds converted by the bondholders was US\$23,000 thousand for a total of 3,102 thousand ordinary shares.
- k. As for the demand of capital expenditure and operating turnover due to the expansion of business scale of the subsidiaries, BizLink Technology (Slovakia) s.r.o., BizLink Technology (SEA) Sdn. Bhd., BizLink International Corp., and BizLink (BVI) Corp. Limited, the Group's board of directors approved to increase investment in cash of EUR6,500 thousand, MYR41,980 thousand (US\$10,000 thousand), NT\$420,375 thousand (US\$15,000 thousand), and HK\$78,082 thousand (US\$10,000 thousand), respectively.

38. SIGNIFICANT 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:

| In Thousands of U.S. Dollars and Foreign Currencies | | | |
|---|--------------------|------------------|-----------------|
| December 31, 2021 | | | |
| | Foreign Currencies | Exchange Rate | Carrying Amount |
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 180,443 | 6.3674 (USD:RMB) | \$ 4,994,658 |
| USD | 9,155 | 7.7981 (USD:HKD) | 253,410 |
| USD | 30,044 | 0.8838 (USD:EUR) | 831,617 |
| USD | 29,693 | 4.1705 (USD:MYR) | 821,902 |
| USD | 14,315 | 1.3529 (USD:SGD) | 396,239 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 80,445 | 6.3674 (USD:RMB) | 2,226,716 |
| USD | 1,277 | 7.7981 (USD:HKD) | 35,347 |
| USD | 29,317 | 0.8838 (USD:EUR) | 811,494 |
| USD | 19,624 | 4.1705 (USD:MYR) | 543,192 |
| December 31, 2020 | | | |
| | Foreign Currencies | Exchange Rate | Carrying Amount |
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 141,981 | 6.5232 (USD:RMB) | \$ 4,043,614 |
| USD | 9,088 | 7.7526 (USD:HKD) | 258,826 |
| USD | 27,078 | 0.8132 (USD:EUR) | 771,181 |
| USD | 25,758 | 4.130 (USD:MYR) | 733,587 |
| USD | 8,575 | 1.3210 (USD:SGD) | 244,216 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 48,411 | 6.5232 (USD:RMB) | 1,378,744 |
| USD | 703 | 7.7526 (USD:HKD) | 20,021 |
| USD | 24,579 | 0.8132 (USD:EUR) | 700,009 |
| USD | 23,013 | 4.130 (USD:MYR) | 655,409 |

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange gains (losses) are described in Note 26. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities within the Group.

39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 5)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
- 9) Trading in derivative instruments (Notes 7 and 33)
- 10) Intercompany relationships and significant intercompany transactions (Table 8)

b. Information on investees (Table 9)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 10)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 10):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

- e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

40. SEGMENT INFORMATION

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

- a. Information of reportable segment's gain or loss

| | For the Year Ended December 31, 2021 | | | | |
|---|--------------------------------------|---------------------|---------------------|-------------------|---------------------|
| | Computer Related Products | Fiber Optics | Home Appliances | Others | Total |
| Revenue from external customers | \$ 20,386,026 | \$ 204,793 | \$ 7,889,480 | \$ 84,076 | \$ 28,564,375 |
| Intersegment revenue | <u>29,708,074</u> | <u>97,688</u> | <u>920,234</u> | <u>423,111</u> | <u>31,149,107</u> |
| Segment revenue | <u>\$ 50,094,100</u> | <u>\$ 302,481</u> | <u>\$ 8,809,714</u> | <u>\$ 507,187</u> | <u>59,713,482</u> |
| Eliminations | | | | | <u>(31,149,107)</u> |
| Consolidated revenue | | | | | <u>28,564,375</u> |
| Segment income | <u>\$ 2,009,651</u> | <u>\$ (131,906)</u> | <u>\$ 792,213</u> | <u>\$ 73,468</u> | <u>2,743,426</u> |
| Reportable segment interest income | | | | | 32,099 |
| Reportable segment other income | | | | | 150,812 |
| Reportable segment other gains and losses | | | | | (79,092) |
| Reportable segment compensation of management personnel | | | | | (85,025) |
| Reportable segment finance costs | | | | | (97,417) |
| Share of loss of associates accounted for using the equity method | | | | | <u>(23,408)</u> |
| Reportable segment income before income tax | | | | | <u>\$ 2,641,395</u> |

| | For the Year Ended December 31, 2020 | | | | |
|---|---|---------------------|----------------------------|-------------------|---------------------|
| | Computer Related Products | Fiber Optics | Home Appliances | Others | Total |
| Revenue from external customers | \$ 16,693,774 | \$ 235,080 | \$ 5,557,016 | \$ 51,897 | \$ 22,537,767 |
| Intersegment revenue | <u>24,680,289</u> | <u>235,140</u> | <u>695,659</u> | <u>246,774</u> | <u>25,857,862</u> |
| Segment revenue | <u>\$ 41,374,063</u> | <u>\$ 470,220</u> | <u>\$ 6,252,675</u> | <u>\$ 298,671</u> | <u>48,395,629</u> |
| Eliminations | | | | | <u>(25,857,862)</u> |
| Consolidated revenue | | | | | <u>22,537,767</u> |
| Segment income | <u>\$ 2,149,586</u> | <u>\$ (115,537)</u> | <u>\$ 458,991</u> | <u>\$ 39,149</u> | <u>2,532,189</u> |
| Reportable segment interest income | | | | | 55,411 |
| Reportable segment other income | | | | | 244,112 |
| Reportable segment other gains and losses | | | | | (341,898) |
| Reportable segment compensation of management personnel | | | | | (87,161) |
| Reportable segment finance costs | | | | | (125,449) |
| Share of loss of associates accounted for using the equity method | | | | | <u>(21,962)</u> |
| Reportable segment income before income tax | | | | | <u>\$ 2,255,242</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 assets and liabilities

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

c. Revenue from major products and services

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

| | For the Year Ended December 31 | |
|---------------------------|---------------------------------------|----------------------|
| | 2021 | 2020 |
| Computer related products | \$ 20,386,026 | \$ 16,693,774 |
| Fiber optics | 204,793 | 235,080 |
| Home appliances | 7,889,480 | 5,557,016 |
| Others | <u>84,076</u> | <u>51,897</u> |
| | <u>\$ 28,564,375</u> | <u>\$ 22,537,767</u> |

d. Geographical information

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

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

| | Revenue from External Customers | | Non-current Assets | |
|----------|--|----------------------|---------------------------|---------------------|
| | For the Year Ended December 31 | | December 31 | |
| | 2021 | 2020 | 2021 | 2020 |
| USA | \$ 8,189,840 | \$ 7,093,367 | \$ 829,656 | \$ 916,933 |
| China | 7,486,913 | 5,309,404 | 2,880,762 | 2,227,592 |
| Malaysia | 2,852,635 | 2,053,662 | 286,155 | 287,491 |
| Taiwan | 178,239 | 166,048 | 1,037,368 | 548,456 |
| Others | <u>9,856,748</u> | <u>7,915,286</u> | <u>1,311,919</u> | <u>1,452,794</u> |
| | <u>\$ 28,564,375</u> | <u>\$ 22,537,767</u> | <u>\$ 6,345,860</u> | <u>\$ 5,433,266</u> |

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

e. Information about major customers

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

| | For the Year Ended December 31 | |
|-------------|---------------------------------------|---------------------|
| | 2021 | 2020 |
| Customer A* | <u>\$ 4,709,923</u> | <u>\$ 5,021,654</u> |

* Revenue from sales of computer related products.

TABLE 1

BIZLINK HOLDING INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars and Foreign Currencies)

| 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 | \$ 553,600 | \$ - | \$ - | - | 2 | \$ - | Operating capital financing funds | \$ - | - | - | \$ 6,049,834 | \$ 6,049,834 |
| | | BizLink (BVI) Corp. Limited | Other receivables from related parties | Yes | 553,600 | - | - | - | 2 | - | Operating capital financing funds | - | - | - | 6,049,834 | 6,049,834 |
| | | BizLink (BVI) Corp. Limited | Other receivables from related parties | Yes | 553,600 | 553,600 | 221,440 | - | 2 | - | Operating capital financing funds | - | - | - | 6,049,834 | 6,049,834 |
| | | BizLink (BVI) Corp. Limited | Other receivables from related parties | Yes | 276,800 | 276,800 | 276,800 | - | 2 | - | Operating capital financing funds | - | - | - | 6,049,834 | 6,049,834 |
| | | BizLink (BVI) Corp. Limited | Other receivables from related parties | Yes | 692,000 | 692,000 | - | - | 2 | - | Operating capital financing funds | - | - | - | 6,049,834 | 6,049,834 |
| | | Speedy Industrial Supplies Pte Ltd | Other receivables from related parties | Yes | 3,445,191 | 3,445,191 | - | - | 2 | - | Operating capital financing funds | - | - | - | 6,049,834 | 6,049,834 |
| 1 | BizLink Technology (Ireland) Ltd. | BizLink Technology SRB D.O.O. | Other receivables from related parties | Yes | 109,620 | 109,620 | 109,620 | 0.454 | 2 | - | Operating capital financing funds | - | - | - | 842,778 | 842,778 |
| | | BizLink Technology (Slovakia) S.R.O. | Other receivables from related parties | Yes | 31,320 | 31,320 | 31,320 | 0.454 | 2 | - | Operating capital financing funds | - | - | - | 842,778 | 842,778 |
| 2 | OptiWorks (Shanghai) Limited | OptiWorks (Kunshan) Limited | Other receivables from related parties | Yes | 65,207 | - | - | - | 2 | - | Operating capital financing funds | - | - | - | 87,843 | 87,843 |
| | | OptiWorks (Kunshan) Limited | Other receivables from related parties | Yes | 65,207 | 65,207 | 65,207 | 3.85 | 2 | - | Operating capital financing funds | - | - | - | 87,843 | 87,843 |
| 3 | BizLink (BVI) Corp. | BizLink International Corp. | Other receivables from related parties | Yes | 276,800 | - | - | - | 2 | - | Operating capital financing funds | - | - | - | 164,545 | 164,545 |
| | | BizLink International Corp. | Other receivables from related parties | Yes | 69,200 | - | - | - | 2 | - | Operating capital financing funds | - | - | - | 164,545 | 164,545 |
| | | BizLink International Corp. | Other receivables from related parties | Yes | 69,200 | - | - | - | 2 | - | Operating capital financing funds | - | - | - | 164,545 | 164,545 |
| 4 | BizLink (BVI) Corp. Limited | BizLink International Corp. | Other receivables from related parties | Yes | 55,360 | 55,360 | - | - | 2 | - | Operating capital financing funds | - | - | - | 708,034 | 708,034 |
| 5 | BizLink Technology (Belgium) NV | BizLink Technology (Slovakia) S.R.O. | Other receivables from related parties | Yes | 31,320 | 31,320 | 31,320 | 0.678 | 2 | - | Operating capital financing funds | - | - | - | 765,725 | 767,725 |
| | | BizLink Technology (Slovakia) S.R.O. | Other receivables from related parties | Yes | 31,320 | 31,320 | 31,320 | 0.452 | 2 | - | Operating capital financing funds | - | - | - | 765,725 | 767,725 |
| | | BizLink Technology SRB D.O.O. | Other receivables from related parties | Yes | 62,640 | 62,640 | 62,640 | 0.598 | 2 | - | Operating capital financing funds | - | - | - | 765,725 | 767,725 |
| | | BizLink Technology SRB D.O.O. | Other receivables from related parties | Yes | 62,640 | 62,640 | 62,640 | 0.598 | 2 | - | Operating capital financing funds | - | - | - | 765,725 | 767,725 |
| | | BizLink Technology SRB D.O.O. | Other receivables from related parties | Yes | 46,980 | 46,980 | 46,980 | 0.491 | 2 | - | Operating capital financing funds | - | - | - | 765,725 | 767,725 |
| | | BizLink Technology SRB D.O.O. | Other receivables from related parties | Yes | 37,584 | 37,584 | 37,584 | 0.468 | 2 | - | Operating capital financing funds | - | - | - | 765,725 | 767,725 |
| | | BizLink Technology SRB D.O.O. | Other receivables from related parties | Yes | 9,396 | - | - | - | 2 | - | Operating capital financing funds | - | - | - | 765,725 | 767,725 |
| | | BizLink Technology SRB D.O.O. | Other receivables from related parties | Yes | 9,396 | - | - | - | 2 | - | Operating capital financing funds | - | - | - | 765,725 | 767,725 |
| 6 | BizLink Technology (Slovakia) S.R.O. | BizLink Technology SRB D.O.O. | Other receivables from related parties | Yes | 109,620 | - | - | - | 2 | - | Operating capital financing funds | - | - | - | 366,687 | 366,687 |
| | | BizLink Technology SRB D.O.O. | Other receivables from related parties | Yes | 15,660 | - | - | - | 2 | - | Operating capital financing funds | - | - | - | 366,687 | 366,687 |
| 7 | EA Cable Assemblies GmbH | BizLink Technology (Slovakia) S.R.O. | Other receivables from related parties | Yes | 18,792 | 18,792 | 18,792 | 0.452 | 2 | - | Operating capital financing funds | - | - | - | 61,508 | 61,508 |

(Continued)

- Note 1: “0” for the issuer.
Investees are numbered from “1”.
- Note 2: Number 1 represents business relationship between companies or firms.
Number 2 represents short-term financing is necessary between companies or firms.
- Note 3:

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

b. The individual loan amount and total amount of loans between the foreign companies, which are held directly or indirectly 100% of voting share, and loan between BizLink and foreign companies which are held directly or indirectly 100% of voting share should not exceed the five times of the total asset amount of BizLink.

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

d. 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.

e. For BizLink Technology (Ireland) Ltd., 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.

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

g. For BizLink Technology (Belgium) NV, the individual loan amount and total amount of loans between the foreign subsidiaries which are held directly or indirectly 100% of voting share by BizLink shall not exceed two times of the net value of the lending company and five times of the net value of parent company.

h. For BizLink Technology (Slovakia) S.R.O., the individual loan amount and total amount of loans between the foreign subsidiaries which are held directly or indirectly 100% of voting share by BizLink shall not exceed the net value of the lending company and five times of the net value of parent company.

i. For EA Cable Assemblies GbmH, 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.
- 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\$27.6800, RMB1=NT\$4.347, EUR1=NT\$31.3200 as of December 31, 2021.
- Note 5: The amount was eliminated upon consolidation.

(Concluded)

TABLE 2

BIZLINK HOLDING INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars and Foreign Currencies)

| 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 7) | Outstanding Endorsement/ Guarantee at the End of the Period (Notes 6 and 7) | 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 | \$ 15,124,585 | \$ 110,720 (US\$ 4,000) | \$ 110,720 (US\$ 4,000) | \$ - | \$ - | 0.73 | \$ 15,124,585 | Y | N | N |
| | | BizLink (BVI) Corp. | b | 15,124,585 | 733,797 (US\$ 26,510) | 235,557 (US\$ 8,510) | 160,252 (US\$ 5,789) | - | 1.56 | 15,124,585 | Y | N | N |
| | | BizLink International Corp. | b | 15,124,585 | 1,150,000 | 1,150,000 | 300,000 | - | 7.60 | 15,124,585 | Y | N | N |
| | | BizLink (BVI) Corp. Limited | b | 15,124,585 | 1,682,944 (US\$ 60,800) | 899,600 (US\$ 32,500) | 105,544 (US\$ 3,813) | - | 5.95 | 15,124,585 | Y | N | N |
| | | BizLink (BVI) Corp., BizLink (BVI) Corp. Limited | b | 15,124,585 | 664,320 (US\$ 24,000) | - | - | - | - | 15,124,585 | Y | N | N |
| | | BizLink (BVI) Corp., BizLink International Corp., BizLink (BVI) Corp. Limited | b | 15,124,585 | 913,440 (US\$ 33,000) | - | - | - | - | 15,124,585 | Y | N | N |
| | | BizLink Technology (S.E.A.) Sdn. Bhd. | b | 15,124,585 | 276,800 (US\$ 10,000) | 138,400 (US\$ 5,000) | 124,283 (US\$ 4,490) | - | 0.92 | 15,124,585 | Y | N | N |
| | | BizLink Technology (S.E.A.) Sdn. Bhd. | b | 15,124,585 | 6,637 (MYR 1,000) | 6,637 (MYR 1,000) | - | - | 0.04 | 15,124,585 | Y | N | N |
| | | BizLink Technology (Xiamen) Limited, BizLink Technology (Chang Zhou) Limited | b | 15,124,585 | 717,279 (RMB 165,000) | 717,279 (RMB 165,000) | 375,857 (RMB 86,461) | - | 4.74 | 15,124,585 | Y | N | Y |
| | | BizLink Technology (Xiamen) Limited, BizLink Technology (Chang Zhou) Limited, BizLink Technology (Kun Shan) Limited, Xiang Yao Electronics (Shen Zhen) Co., Ltd. | b | 15,124,585 | 773,792 (RMB 178,000) | - | - | - | - | 15,124,585 | Y | N | Y |
| | | BizLink Technology (Xiamen) Limited, BizLink Technology (Chang Zhou) Limited, BizLink Technology (Kun Shan) Limited, Xiang Yao Electronics (Shen Zhen) Co., Ltd., BizLink Electronics (Xiamen) Co., Ltd. | b | 15,124,585 | 56,513 (RMB 13,000) | 56,513 (RMB 13,000) | 1,445 (RMB 332) | - | 0.37 | 15,124,585 | Y | N | Y |
| | | BizLink Technology (Slovakia) S.R.O. | b | 15,124,585 | 110,720 (US\$ 4,000) | 110,720 (US\$ 4,000) | 110,720 (US\$ 4,000) | - | 0.73 | 15,124,585 | Y | N | N |
| | | BizLink Technology (Slovakia) S.R.O. | b | 15,124,585 | 485,459 (EUR 15,500) | 485,459 (EUR 15,500) | 78,300 (EUR 2,500) | - | 3.21 | 15,124,585 | Y | N | N |
| | | BizLink Technology (Ireland) Ltd. | b | 15,124,585 | 13,840 (US\$ 500) | 13,840 (US\$ 500) | - | - | 0.09 | 15,124,585 | Y | N | N |
| 1 | BizLink Technology Inc. (Note 5) | BizLink Technology Inc. | - | 2,723,102 | 69,200 (US\$ 2,500) | - | - | - | - | 2,723,102 | N | N | N |
| | | BizLink Tech Inc. | b | 2,723,102 | 168,786 (US\$ 6,098) | 168,786 (US\$ 6,098) | 126,159 (US\$ 4,558) | - | 1.12 | 2,723,102 | N | N | N |

(Continued)

| No. (Note 1) | Endorser/Guarantor Provider | Endorsee/Guarantee | | Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3) | Maximum Amount Endorsed/ Guaranteed During the Period (Note 7) | Outstanding Endorsement/ Guarantee at the End of the Period (Notes 6 and 7) | 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) | | | | | | | | | | |
| 2 | BizLink (BVI) Corp. | BizLink Technology SRB D.O.O. | b | \$ 1,234,093 | \$ 62,779 (EUR 2,004) | \$ 62,779 (EUR 2,004) | \$ 62,779 (EUR 2,004) | \$ 75,998 (US\$ 2,746) | 0.42 | \$ 1,234,093 | N | N | N |
| 3 | BizLink (BVI) Corp. Limited | BizLink Holding Inc. | b | 5,310,260 | 553,600 (US\$ 20,000) | 553,600 (US\$ 20,000) | - | - | 3.66 | 5,310,260 | N | Y | N |
| 4 | EA Cable Assemblies GmbH (Notes 4 and 7) | BizLink Holding Inc. | b | 153,770 | 7,986,580 (EUR 255,000) | 7,986,580 (EUR 255,000) | - | - | 52.81 | 153,770 | N | Y | N |
| 5 | Speedy Industrial Supplies Pte Ltd. (Notes 4 and 7) | BizLink Holding Inc. | b | 7,404,282 | 7,986,580 (EUR 255,000) | 7,986,580 (EUR 255,000) | - | - | 52.81 | 7,404,282 | N | Y | N |

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

Note 2: Seven 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 ordinary shares.
- c. An investee company of which over 50% is jointly owned by the BizLink and its subsidiaries.
- d. The parent company holds directly and indirectly more than 50% of the common stock of the subsidiaries.
- e. Guaranteed by the Group according to the construction contract.
- f. All capital contributing stockholders make endorsements or guarantees for their jointly invested company in proportion to their stockholding percentage.
- g. Same trade joint guarantee escrow for engaging in pre-sale house sales contract based on the consumer protection law.

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

- a. 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 and subsidiaries 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 (BVI) Corp. Limited., 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.
- g. For EA Cable Assemblies GmbH., the amount of endorsement provided for a single enterprise shall be limited to five times of the net value, and the amount of endorsement as whole shall be limited to five times of the net value.
- h. For Speedy Industrial Supplies Pte Ltd., the amount of endorsement provided for a single enterprise shall be limited to five times of the net value, and the amount of endorsement as whole shall be limited to five times of the net value.

Note 4: This is a joint endorsement provided by EA Cable Assemblies GmbH. and Speedy Industrial Supplies Pte Ltd. to BizLink Holding Inc.

Note 5: This is an endorsement provided by BizLink Technology Inc. itself regarding the tariff guarantee.

Note 6: The amount was eliminated upon consolidation.

Note 7: 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\$27.6800; MYR1=NT\$6.6377, RMB1=NT\$4.3470 and EUR1=NT\$31.3200 as of December 31, 2021.

Note 8: Ending balance of the endorsement guaranteed by subsidiaries of the Company, Speedy Industrial Supplies Pte Ltd., and EA Cable Assemblies GmbH, has exceeded the limit amount on December 31, 2021. However, in January 2022, the Company implemented cash capital increase of EUR271,000 in Speedy Industrial Supplies Pte Ltd and Speedy Industrial Supplies Pte Ltd, and increased its capital in EA Cable Assemblies of EUR227,000. The exceed of limit mentioned above has been improved.

(Concluded)

TABLE 3

BIZLINK HOLDING INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars and Foreign Currencies, and Shares)

| Holding Company Name | Type and Name of Marketable Securities (Note 1) | Relationship with the Holding Company | Financial Statement Account | December 31, 2021 | | | | 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 | 139,243 | 18.00 | 139,243 | - |
| BizLink Technology Inc. | <u>Stocks</u> | | | | | | | |
| | Wells Fargo & Co. | - | Financial assets at FVTPL - current | 400 | 531 | - | 531 | - |
| | Transocean Ltd. | - | Financial assets at FVTPL - current | 800 | 61 | - | 61 | - |
| | CNOOC Ltd. | - | Financial assets at FVTPL - current | 200 | 674 | - | 674 | - |
| | Walt Disney Co. | - | Financial assets at FVTPL - current | 100 | 429 | - | 429 | - |
| BizLink (BVI) Corp. | <u>Stocks</u> | | | | | | | |
| | Rainbow Star Group Limited (Note 5) | - | Financial assets at FVTOCI - non-current | 20,000 | 28,092 | 26.05 | 28,092 | - |
| | Prime Rich International Co., Ltd | - | Financial assets at FVTOCI - non-current | 600,000 | 26,241 | 6.00 | 26,241 | - |
| | <u>Funds</u> | | | | | | | |
| | WI HARPER FUND IX LP | - | Financial assets at FVTPL - non-current | - | 21,361 | 3.25 | 21,361 | - |
| BizLink International Corp. | Amed Ventures Growthlink Fund, L.P. | - | Financial assets at FVTPL - non-current | - | 56,082 | 48.00 | 56,082 | - |
| | <u>Stocks</u> | | | | | | | |
| | Anqing Innovation Co., Ltd. | - | Financial assets at FVTOCI - non-current | 2,076,000 | 12,230 | 4.50 | 12,230 | - |
| | Usenlight Corp. | - | Financial assets at FVTOCI - non-current | 1,302,000 | 3,793 | 3.40 | 3,763 | - |
| | Centera Photonics Inc. | - | Financial assets at FVTOCI - non-current | 1,000,000 | 4,040 | 3.10 | 4,040 | - |
| | Centera Photonics Inc. | - | Financial assets at FVTPL - current | 1,627,746 | 48,474 | Preferred stock | 48,474 | - |
| | Togowin Technology Co., Ltd. | - | Financial assets at FVTOCI - non-current | 1,172,747 | 39,616 | | 39,616 | - |
| | <u>Funds</u> | | | | | | | |
| | Mesh Cooperative Ventures, Inc. | - | Financial assets at FVTPL - non-current | - | 11,877 | 2.46 | 11,877 | - |
| | <u>Equity investments</u> | | | | | | | |
| Zellwood International Corp. | Amed Venture I, L.P. | - | Financial assets at FVTOCI - non-current | Note 3 | 26,914 | 4.56 | 26,914 | - |
| BizLink (BVI) Corp. Limited | <u>Equity investments</u> | | | | | | | |
| | Datlink Electronic (Shenzhen) Co., Ltd. | - | Financial assets at FVTOCI - non-current | Note 3 | 1,103 | 9.00 | 1,103 | - |

(Continued)

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\$27.6800 as of December 31, 2021.

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

Note 4: Investments in subsidiaries, associates, and joint ventures information (refer to Tables 8 and 9).

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

(Concluded)

TABLE 4

BIZLINK HOLDING INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars and Foreign Currencies, Unless Stated Otherwise)

| Company Name | Type and Name of Marketable Securities | Financial Statement Account | Counterparty | Nature of Relationship | Beginning Balance | | Acquisition | | Disposal | | | | Other Adjustment Items | | Ending Balance | |
|--|--|---|---|------------------------|-------------------|--------------|------------------|-----------------|------------------|--------|-----------------|-------------------------|------------------------|--------|------------------|------------------------|
| | | | | | Number of Shares | Amount | Number of Shares | Amount (Note 3) | Number of Shares | Amount | Carrying Amount | Gain (Loss) on Disposal | Number of Shares | Amount | Number of Shares | Amount (Notes 1 and 2) |
| EA Cable Assemblies (Hong Kong) Co., Limited | Stocks BizLink Technology (Chang Zhou) Limited. | Investments accounted for using equity method | BizLink Technology (Chang Zhou) Limited | Subsidiary | - | \$ 1,513,361 | - | \$ 623,046 | - | \$ - | \$ - | \$ - | - | \$ - | - | \$ 2,022,463 |
| | BizLink Technology (Xiamen) Limited | Investments accounted for using equity method | BizLink Technology (Xiamen) Limited | Subsidiary | - | 951,628 | - | 377,029 | - | - | - | - | - | - | - | 1,155,129 |

Note 1: The differences are due to share of gain or loss of associates and exchange differences on translation of the financial statements of foreign operations.

Note 2: The amount was eliminated upon consolidation.

Note 3: These amounts were capitalized from retained earnings.

TABLE 5

BIZLINK HOLDING INC. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars and Foreign Currencies)

| Company Name | Types of Property | Transaction Date | Transaction Amount (Foreign Currencies in Thousands) | Payment Term | Counterparty | Nature of Relationships | Prior Transaction of Related Counter-party | | | | Price Reference | Purpose of Acquisition | Other Terms |
|---|---------------------|-------------------|--|---|--|-------------------------|--|---------------|---------------|--------|--|------------------------|-------------|
| | | | | | | | Owner | Relationships | Transfer Date | Amount | | | |
| BizLink Technology (Chang Zhou) Limited | Buildings | July 20, 2020 | \$ 758,571 (RMB 181,000) | By the construction progress | Jiangsu Jiangdu Construction Group Co., Ltd. | - | - | - | - | \$ - | N/A (Note 1) | For operational use | - |
| BizLink International Corp. | Land | May 3, 2021 | 375,650 | Within two months, as of December 31, 2021 the transaction amount has been paid off | Industrial Development Bureau, MOEA (IDB) | - | - | - | - | - | N/A (Note 2) | For operational use | - |
| Xiang Yao Electronics (Shen Zhen) Co., Ltd., Bizconn International Corp. (China) and Hwa Zhan Electronics Corp. (Shen Zhen) | Right-of-use assets | November 15, 2021 | 498,952 (RMB 114,623) | Monthly payment according to contract terms | Shenzhen Phoenix Co., Ltd. | - | - | - | - | - | Refer to market conditions and professional valuation agencies for valuation information | For operational use | - |

Note 1: There was a contract with a third party to construct on its land, thus the appraisal report was not required.

Note 2: Transaction with government agencies, thus the appraisal report was not required.

TABLE 6

BIZLINK HOLDING INC. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars and Foreign Currencies)**

| 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 Technology Inc. | BizLink (BVI) Corp. Limited | The same parent company | Sales | \$ 246,848 | 3 | 30-120 days | Markup 5% of purchase price (Note 4) | 30-110 days | \$ 36,056 | 2 | Note 2 |
| BizLink (Kun Shan) Co., Ltd. | BizLink (BVI) Corp. Limited | The same parent company | Sales | 7,257,674 | 87 | 0-120 days | BVI Limited sale price 90%-100% (Note 4) | Net 0-120 days from the end of the month of when invoice is issued | 2,809,965 | 86 | Note 2 |
| BizLink Technology (S.E.A.) Sdn. Bhd. | BizLink (BVI) Corp. Limited | The same parent company | Sales | 1,236,523 | 47 | Prepayment -120 days | Set by agreement of both parties (Note 4) | Net 0-90 days from the end of the month of when invoice is issued | 343,567 | 45 | Note 2 |
| BizLink Electronics (Xiamen) Co., Ltd. | BizLink (BVI) Corp. Limited | The same parent company | Sales | 1,094,896 | 79 | 0-120 days | BVI Limited sale price 100% (Note 4) | Net 0-120 days from the end of the month of when invoice is issued | 546,451 | 85 | Note 2 |
| TongYing Electronics (Shen Zhen) Ltd. | BizLink (Kun Shan) Co., Ltd. | The same parent company | Sales | 180,270 | 36 | 0-120 days | Set by agreement of both parties (Note 4) | Net 0-60 days from the end of the month of when invoice is issued | 91,100 | 54 | Note 2 |
| | Xiang Yao Electronics (Shen Zhen) Co., Ltd. | The same parent company | Sales | 160,211 | 32 | 0-60 days | Set by agreement of both parties (Note 4) | Net 0-60 days from the end of the month of when invoice is issued | 40,196 | 24 | Note 2 |
| BizLink Tech Inc. | BizLink Technology Inc. | The same parent company | Sales | 565,166 | 58 | 30-90 days | No identical item | Net 0-100 days from the end of the month of when invoice is issued | 76,722 | 50 | Note 2 |
| BizLink (BVI) Corp. Limited | BizLink Technology Inc. | The same parent company | Sales | 5,902,636 | 30 | 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 | 1,674,146 | 27 | Note 2 |
| | Hwa Zhan Electronics Corp. (Shen Zhen) | The same parent company | Sales | 131,365 | 1 | 0-365 days | Profit 0%-8% (Note 4) | Net 0-120 days from the end of the month of when invoice is issued | 4,246 | 0 | Note 2 |
| | BizLink (Kun Shan) Co., Ltd. | The same parent company | Sales | 4,176,011 | 21 | 0-180 days | Profit 0%-10% (Note 4) | Net 0-120 days from the end of the month of when invoice is issued | 1,289,613 | 21 | Note 2 |
| | BizLink Technology (S.E.A.) Sdn. Bhd. | The same parent company | Sales | 549,147 | 3 | 0-120 days | Set by agreement of both parties (Note 4) | Net 0-120 days from the end of the month of when invoice is issued | 296,300 | 5 | Note 2 |
| | TongYing Electronics (Shen Zhen) Ltd. | The same parent company | Sales | 172,386 | 1 | 0-365 days | Profit 0% (Note 4) | Net 0-120 days from the end of the month of when invoice is issued | 11,173 | - | Note 2 |
| | BizLink Technology (Ireland) Ltd. | The same parent company | Sales | 2,448,855 | 12 | 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 | 805,883 | 13 | Note 2 |
| | Xiang Yao Electronics (Shen Zhen) Co., Ltd. | The same parent company | Sales | 932,983 | 5 | 90-365 days | Profit 0%-10% (Note 4) | Net 0-120 days from the end of the month of when invoice is issued | 74,438 | 1 | Note 2 |
| Xiang Yao Electronics (Shen Zhen) Co., Ltd. | BizLink (BVI) Corp. Limited | The same parent company | Sales | 3,322,429 | 99 | 1-365 days | Profit 0%-21% (Note 5) | 1-365 days | 658,634 | 98 | Note 2 |
| Bizconn International Corp. (China) | BizLink (BVI) Corp. Limited | The same parent company | Sales | 241,674 | 40 | 0-365 days | BVI Limited sale price 90%-100% (Note 4) | Net 30-120 days from the end of the month of when invoice is issued | 184,886 | 55 | Note 2 |
| BizLink Technology (Xiamen) Limited | BizLink Technology (Belgium) NV | The same parent company | Sales | 303,726 | 16 | 0-60 days | Markup 5% of purchase price (Note 4) | Net 0-90 days from the end of the month of when invoice is issued | 86,688 | 19 | Note 2 |
| BizLink Technology (Chang Zhou) Limited | BizLink Technology (Belgium) NV | The same parent company | Sales | 112,569 | 3 | 0-60 days | Markup 5% of purchase price (Note 4) | 0-60 days | 27,133 | 3 | Note 2 |
| BizLink Technology (Slovakia) S.R.O. | BizLink Technology SRB D.O.O. | The same parent company | Sales | 290,964 | 16 | 0-30 days | Markup 5% of purchase price (Note 4) | 0-60 days | 15,403 | 4 | Note 2 |
| SIS Speedy Industrial Supplies Sdn. Bhd. | Speedy Industrial Supplies Pte Ltd. | The same parent company | Sales | 284,828 | 100 | 30-180 days | Set by agreement of both parties (Note 5) | 30-60 days | 110,763 | 100 | Note 2 |
| Speedy Industrial Supplies Pte Ltd. | SIS Speedy Industrial Supplies Sdn. Bhd. | The same parent company | Sales | 243,383 | 16 | 30-180 days | Set by agreement of both parties (Note 4) | 30-60 days | 85,734 | 27 | Note 2 |

Note 1: The above amounts of asses accounts and liabilities accounts are converted by exchange rate US\$1=27.6800 into NT\$ as of December 31, 2021. The amounts of income accounts are converted by average exchange rate US\$1=28.0088 into NT\$ as of 2021.

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 7**BIZLINK HOLDING INC. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars and Foreign Currencies)**

| 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 (Kun Shan) Co., Ltd. | BizLink (BVI) Corp. Limited | The same parent company | \$ 2,809,965 | 3.25 | \$ - | - | \$ 1,651,860 | \$ - |
| BizLink Technology (S.E.A.) Sdn. Bhd. | BizLink (BVI) Corp. Limited | The same parent company | 343,567 | 2.72 | - | - | 140,775 | - |
| BizLink Electronics (Xiamen) Co., Ltd. | BizLink (BVI) Corp. Limited | The same parent company | 546,451 | 2.63 | - | - | 128,505 | - |
| BizLink (BVI) Corp. Limited | BizLink Technology Inc. | The same parent company | 1,674,146 | 3.29 | - | - | 1,352,919 | - |
| BizLink (BVI) Corp. Limited | BizLink (Kun Shan) Co., Ltd. | The same parent company | 1,289,613 | 3.61 | - | - | 256,686 | - |
| BizLink (BVI) Corp. Limited | BizLink Technology (S.E.A.) Sdn. Bhd. | The same parent company | 296,300 | 1.72 | - | - | - | - |
| BizLink (BVI) Corp. Limited | BizLink Technology (Ireland) Ltd. | The same parent company | 805,883 | 3.26 | - | - | 331,903 | - |
| Xiang Yao Electronics (Shen Zhen) Co., Ltd. | BizLink (BVI) Corp. Limited | The same parent company | 658,634 | 4.54 | - | - | 285,769 | - |
| Bizconn International Corp. (China) | BizLink (BVI) Corp. Limited | The same parent company | 184,886 | 1.60 | - | - | 19,427 | - |
| SIS Speedy Industrial Supplies Sdn. Bhd. | Speedy Industrial Supplies Pte Ltd | The same parent company | 110,763 | 4.05 | - | - | 93,842 | - |
| <u>Other receivables</u> | | | | | | | | |
| BizLink Holding Inc. | BizLink (BVI) Corp. Limited | Subsidiary | 498,240 | Not applicable | - | - | - | - |
| BizLink (Kun Shan) Co., Ltd. | BizLink International Corp. | The same parent company | 102,185 | Not applicable | - | - | - | - |
| BizLink Technology (Ireland) Ltd. | BizLink Technology SRB D.O.O. | The same parent company | 109,620 | Not applicable | - | - | - | - |
| BizLink (BVI) Corp. Limited | BizLink (BVI) Corp. | The same parent company | 185,766 | Not applicable | - | - | - | - |
| BizLink (BVI) Corp. Limited | BizLink (Kun Shan) Co., Ltd. | The same parent company | 872,680 | Not applicable | - | - | - | - |
| EA Cable Assemblies (Hong Kong) Co., Limited | BizLink Holding Inc. | Parent company | 110,720 | Not applicable | - | - | - | - |
| BizLink Technology (Belgium) NV | BizLink Technology SRB D.O.O. | The same parent company | 209,844 | Not applicable | - | - | - | - |

Note 1: Above amounts present in New Taiwan dollars (NT\$). Foreign currency is converted into NT\$; the exchange rate was US\$1=NT\$27.6800 as of December 31, 2021.

Note 2: The amount was eliminated upon consolidation.

Note 3: As of March 23, 2022.

TABLE 8

BIZLINK HOLDING AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars and Foreign Currencies)

| 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 | \$ 110,720 | Profit repatriation | 0.43 |
| | | BizLink (BVI) Corp. | 1 | Endorsements/guarantees | 235,557 | | 0.92 |
| | | BizLink (BVI) Corp. | 1 | Investments accounted for using equity method | 913,440 | | 3.59 |
| | | BizLink International Corp. | 1 | Endorsements/guarantees | 1,150,000 | Capital increase | 4.51 |
| | | BizLink International Corp. | 1 | Investments accounted for using equity method | 295,000 | | 1.16 |
| | | BizLink (Kun Shan) Co., Ltd. | 1 | Endorsements/guarantees | 56,513 | Capital increase | 0.22 |
| | | BizLink Technology (S.E.A.) Sdn. Bhd. | 1 | Endorsements/guarantees | 145,037 | | 0.57 |
| | | BizLink Electronics (Xiamen) Co., Ltd. | 1 | Endorsements/guarantees | 56,513 | | 0.22 |
| | | BizLink Tech Inc. | 1 | Endorsements/guarantees | 110,720 | | 0.43 |
| | | BizLink Tech Inc. | 1 | Investments accounted for using equity method | 166,080 | | 0.65 |
| | | BizLink Technology (Ireland) Ltd. | 1 | Endorsements/guarantees | 13,840 | Profit repatriation | 0.05 |
| | | BizLink (BVI) Corp. Limited | 1 | Endorsements/guarantees | 899,600 | | 3.53 |
| | | BizLink (BVI) Corp. Limited | 1 | Other receivables | 498,240 | | 1.96 |
| | | Xiang Yao Electronics (Shen Zhen) Co., | 1 | Endorsements/guarantees | 56,513 | | 0.22 |
| | | BizLink Technology (Xiamen) Limited | 1 | Endorsements/guarantees | 773,792 | | 3.04 |
| | | BizLink Technology (Chang Zhou) Limited | 1 | Endorsements/guarantees | 773,792 | | 3.04 |
| | | BizLink Technology (Slovakia) S.R.O. | 1 | Endorsements/guarantees | 596,179 | | 2.34 |
| | | Adel Enterprises Corp. | 1 | Investments accounted for using equity method | 166,080 | | 0.65 |
| 1 | BizLink Technology Inc. | BizLink Tech Inc. | 3 | Endorsements/guarantees | 168,786 | Markup 5% of purchase price and payment term 30-120 days | 0.66 |
| | | BizLink (BVI) Corp. Limited | 3 | Sales | 246,848 | | 0.86 |
| | | BizLink (BVI) Corp. Limited | 3 | Trade receivables | 36,056 | Markup 5% of purchase price and payment term 30-120 days | 0.14 |
| | | BizLink Technology (S.E.A.) Sdn. Bhd. | 3 | Other receivables | 46,153 | | 0.18 |
| 2 | OptiWorks (Shanghai) Limited | OptiWorks (Kunshan) Limited | 3 | Other receivables | 65,207 | | 0.26 |
| 3 | OptiWorks (Kunshan) Limited | BizLink (BVI) Corp. Limited | 3 | Sales | 59,712 | Sale price is 100% of BVI Limited sale price and payment term 0-180 days | 0.21 |
| | | BizLink (BVI) Corp. Limited | 3 | Trade receivables | 33,774 | Sale price is 100% of BVI Limited sale price and payment term 0-180 days | 0.13 |

(Continued)

| No. (Note 1) | Investee Company | Counterparty | Relationship (Note 2) | Transaction Details | | | |
|-----------------|---|--|--------------------------|---|-----------|--|---|
| | | | | Financial Statement Account | Amount | Payment Terms | % of Total Sales or Assets (Note 3) |
| 4 | BizLink (BVI) Corp. | BizLink Technology SRB D.O.O. | 3 | Endorsements/guarantees | \$ 62,779 | Profit repatriation | 0.25 |
| | | Hwa Zhan Electronics Corp. (Shen Zhen) | 3 | Investments accounted for using equity method | 257,492 | | 1.01 |
| | | BizLink International Corp. | 3 | Other receivables | 40,797 | | 0.16 |
| 5 | Hwa Zhan Electronics Corp. (Shen Zhen) | BizLink (Kun Shan) Co., Ltd. | 3 | Sales | 52,005 | Set by agreement of both parties and payment term 120 days | 0.18 |
| 6 | BizLink International Corp. | BizLink Holding Inc. | 2 | Other receivables | 41,461 | | 0.16 |
| | | BizLink (BVI) Corp. Limited | 3 | Miscellaneous incomes | 147,193 | | 0.52 |
| | | BizLink (BVI) Corp. Limited | 3 | Other receivables | 84,696 | | 0.33 |
| 7 | Bizconn International Corporation | BizLink (BVI) Corp. | 3 | Other receivables | 39,969 | | 0.16 |
| 8 | BizLink (Kun Shan) Co., Ltd. | BizLink International Corp. | 3 | Other receivables | 102,185 | Sale price is 90%-100% of BVI Limited sale price and payment term 0-120 days Sale price is 90%-100% of BVI Limited sale price and payment term 0-120 days Profit 0% and payment term 120 days Profit 0% and payment term 120 days | 0.40 |
| | | BizLink (BVI) Corp. Limited | 3 | Sales | 7,257,674 | | 25.41 |
| | | BizLink (BVI) Corp. Limited | 3 | Trade receivables | 2,809,965 | | 11.03 |
| | | Xiang Yao Electronics (Shen Zhen) Co., | 3 | Sales | 68,856 | | 0.24 |
| | | Xiang Yao Electronics (Shen Zhen) Co., | 3 | Trade receivables | 35,780 | | 0.14 |
| 9 | Foshan Nanhai Jo Yeh Electronic Co., Ltd. | Jo Yeh Company Limited | 3 | Sales | 34,563 | According to the market price and payment term 60 days | 0.12 |
| | | Xiang Yao Electronics (Shen Zhen) Co., | 3 | Sales | 51,629 | Set by agreement of both parties and payment term 90 days | 0.18 |
| 10 | BizLink Technology (S.E.A.) Sdn. Bhd. | BizLink (Kun Shan) Co., Ltd. | 3 | Miscellaneous incomes | 41,315 | Set by agreement of both parties and prepayment term 120 days Set by agreement of both parties and prepayment term 120 days | 0.14 |
| | | BizLink (BVI) Corp. Limited | 3 | Sales | 1,236,523 | | 4.33 |
| | | BizLink (BVI) Corp. Limited | 3 | Miscellaneous incomes | 47,736 | | 0.17 |
| | | BizLink (BVI) Corp. Limited | 3 | Trade receivables | 343,567 | | 1.35 |
| 11 | Adel Enterprises Corp. | BizLink (BVI) Corp. | 3 | Other receivables | 43,508 | Profit repatriation | 0.17 |
| | | BizLink Electronics (Xiamen) Co., Ltd. | 3 | Investments accounted for using equity method | 186,372 | | 0.73 |
| 12 | BizLink Electronics (Xiamen) Co., Ltd. | BizLink (BVI) Corp. Limited | 3 | Sales | 1,094,896 | Sale price is 100% of BVI Limited sale price and payment term 0-120 days | 3.83 |
| | | BizLink (BVI) Corp. Limited | 3 | Trade receivables | 546,451 | Sale price is 100% of BVI Limited sale price and payment term 0-120 days | 2.14 |

(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 | TongYing Electronics (Shen Zhen) Ltd. | BizLink (Kun Shan) Co., Ltd. | 3 | Sales | \$ 180,270 | Set by agreement of both parties and payment term 0-120 days | 0.63 |
| | | BizLink (Kun Shan) Co., Ltd. | 3 | Trade receivables | 91,100 | Set by agreement of both parties and payment term 0-120 days | 0.36 |
| | | BizLink (BVI) Corp. Limited | 3 | Sales | 39,698 | Sale price is 98%-100% of BVI Limited sale price and payment term 0-90 days | 0.14 |
| | | Xiang Yao Electronics (Shen Zhen) Co., | 3 | Sales | 160,211 | Set by agreement of both parties and payment term 0-60 days | 0.56 |
| | | Xiang Yao Electronics (Shen Zhen) Co., | 3 | Trade receivables | 40,196 | Set by agreement of both parties and payment term 0-60 days | 0.16 |
| | | Xiang Yao Electronics (Shen Zhen) Co., | 3 | Other receivables | 51,932 | | 0.20 |
| 14 | BizLink Tech Inc. | BizLink Technology Inc. | 3 | Sales | 565,166 | Set by agreement of both parties and payment term 30-90 days | 1.98 |
| | | BizLink Technology Inc. | 3 | Trade receivables | 76,722 | Set by agreement of both parties and payment term 30-90 days | 0.30 |
| 15 | BizLink Technology (Ireland) Ltd. | BizLink Technology (Slovakia) S.R.O. | 3 | Other receivables | 31,320 | | 0.12 |
| | | BizLink Technology SRB D.O.O. | 3 | Other receivables | 109,620 | | 0.43 |
| 16 | BizLink (BVI) Corp. Limited | BizLink Holding Inc. | 3 | Endorsements/guarantees | 553,600 | | 2.17 |
| | | BizLink Holding Inc. | 3 | Other receivables | 35,539 | | 0.14 |
| | | BizLink Technology Inc. | 3 | Sales | 5,902,636 | Set by agreement of both parties and payment term 1-365 days | 20.66 |
| | | BizLink Technology Inc. | 3 | Trade receivables | 1,674,146 | Set by agreement of both parties and payment term 1-365 days | 6.57 |
| | | OptiWorks Inc. | 3 | Sales | 58,751 | Sale price is 100% of BVI Limited purchase price and payment term 0-90 days | 0.21 |
| | | BizLink (BVI) Corp. | 3 | Miscellaneous incomes | 112,355 | | 0.39 |
| | | BizLink (BVI) Corp. | 3 | Other receivables | 185,766 | | 0.73 |
| | | Hwa Zhan Electronics Corp. (Shen Zhen) | 3 | Sales | 131,365 | Profit 0%-8% and payment term 0-365 days | 0.46 |
| | | BizLink (Kun Shan) Co., Ltd. | 3 | Sales | 4,176,011 | Profit 0%-10% and payment term 0-180 days | 14.62 |
| | | BizLink (Kun Shan) Co., Ltd. | 3 | Trade receivables | 1,289,613 | Profit 0%-10% and payment term 0-180 days | 5.06 |
| | | BizLink (Kun Shan) Co., Ltd. | 3 | Other receivables | 872,680 | | 3.43 |
| | | BizLink Technology (S.E.A.) Sdn. Bhd. | 3 | Sales | 549,147 | Set by agreement of both parties and payment term 0-120 days | 1.92 |
| | | BizLink Technology (S.E.A.) Sdn. Bhd. | 3 | Trade receivables | 296,300 | Set by agreement of both parties and payment term 0-120 days | 1.16 |
| | | BizLink Technology (S.E.A.) Sdn. Bhd. | 3 | Other receivables | 37,042 | | 0.15 |
| | | BizLink Electronics (Xiamen) Co., Ltd. | 3 | Sales | 47,060 | Profit 0%-2% and payment term 180 days | 0.16 |
| | | TongYing Electronics (Shen Zhen) Ltd. | 3 | Sales | 172,386 | Profit 0% and payment term 0-365 days | 0.60 |
| | | BizLink Tech Inc. | 3 | Sales | 75,760 | Set by agreement of both parties and payment term 0-140 days | 0.27 |
| | | BizLink Tech Inc. | 3 | Other receivables | 60,363 | | 0.24 |

(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) |
| | | Accell Corp. | 3 | Sales | \$ 89,139 | Set by agreement of both parties and payment term 90-365 days | 0.31 |
| | | Accell Corp. | 3 | Other receivables | 73,690 | | 0.29 |
| | | BizLink Technology (Ireland) Ltd. | 3 | Sales | 2,448,855 | Set by agreement of both parties and payment term 0-365 days | 8.57 |
| | | BizLink Technology (Ireland) Ltd. | 3 | Trade receivables | 805,883 | Set by agreement of both parties and payment term 0-365 days | 3.16 |
| | | Xiang Yao Electronics (Shen Zhen) Co., | 3 | Sales | 932,983 | Profit 0%-10% and payment term 90-365 days | 3.27 |
| | | Xiang Yao Electronics (Shen Zhen) Co., | 3 | Trade receivables | 74,438 | Profit 0%-10% and payment term 90-365 days | 0.29 |
| | | Xiang Yao Electronics (Shen Zhen) Co., | 3 | Investments accounted for using equity method | 224,208 | Profit repatriation | 0.88 |
| | | Bizconn International Corp. (China) | 3 | Sales | 49,837 | Profit 0%-6% and payment term 365 days | 0.17 |
| 17 | Xiang Yao Electronics (Shen Zhen) Co., | Hwa Zhan Electronics Corp. (Shen Zhen) | 3 | Sales | 32,806 | Set by agreement of both parties and payment term 90 days | 0.11 |
| | | BizLink (BVI) Corp. Limited | 3 | Sales | 3,322,429 | Profit 0%-21% and payment term 1-365 days | 11.63 |
| | | BizLink (BVI) Corp. Limited | 3 | Trade receivables | 658,634 | Profit 0%-21% and payment term 1-365 days | 2.59 |
| 18 | Bizconn International Corp. (China) | BizLink (Kun Shan) Co., Ltd. | 3 | Sales | 98,575 | Set by agreement of both parties and payment term 90-120 days | 0.35 |
| | | BizLink (Kun Shan) Co., Ltd. | 3 | Trade receivables | 50,726 | Set by agreement of both parties and payment term 90-120 days | 0.20 |
| | | BizLink Electronics (Xiamen) Co., Ltd. | 3 | Sales | 60,443 | Set by agreement of both parties and payment term 120 days | 0.21 |
| | | BizLink Electronics (Xiamen) Co., Ltd. | 3 | Trade receivables | 32,144 | Set by agreement of both parties and payment term 120 days | 0.13 |
| | | BizLink (BVI) Corp. Limited | 3 | Sales | 241,674 | Sale price is 90%-100% of BVI Limited sale price and payment term 0-365 days | 0.85 |
| | | BizLink (BVI) Corp. Limited | 3 | Trade receivables | 184,886 | Sale price is 90%-100% of BVI Limited sale price and payment term 0-365 days | 0.73 |
| | | Xiang Yao Electronics (Shen Zhen) Co., | 3 | Sales | 64,088 | Set by agreement of both parties and payment term 120 days | 0.22 |
| | | Xiang Yao Electronics (Shen Zhen) Co., | 3 | Trade receivables | 32,319 | Set by agreement of both parties and payment term 120 days | 0.13 |
| 19 | EA Cable Assemblies (Hong Kong) Co., Ltd. | BizLink Holding Inc. | 2 | Other receivables | 110,720 | | 0.43 |
| | | BizLink Technology (Xiamen) Limited | 1 | Investments accounted for using equity method | 377,029 | Capitalized from retained earnings | 1.48 |
| | | BizLink Technology (Chang Zhou) Limited | 1 | Investments accounted for using equity method | 623,046 | Capitalized from retained earnings | 2.45 |
| 20 | BizLink Technology (Xiamen) Limited | BizLink Technology (Belgium) NV | 3 | Sales | 303,726 | Markup 5% of purchase price and payment term 0-60 days | 1.06 |
| | | BizLink Technology (Belgium) NV | 3 | Trade receivables | 86,688 | Markup 5% of purchase price and payment term 0-60 days | 0.34 |

(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) |
| 21 | BizLink Technology (Chang Zhou) Limited | BizLink Technology (Xiamen) Limited | 3 | Sales | \$ 89,595 | Markup 5% of purchase price and payment term 0-60 days | 0.31 |
| | | BizLink Technology (Belgium) NV | 3 | Sales | 112,569 | Markup 5% of purchase price and payment term 0-60 days | 0.39 |
| 22 | BizLink Technology (Belgium) NV | BizLink Technology (Slovakia) S.R.O. | 3 | Other receivables | 62,640 | | 0.25 |
| | | BizLink Technology SRB D.O.O. | 3 | Other receivables | 209,844 | | 0.82 |
| 23 | EA Cable Assemblies GmbH | BizLink Holding Inc. | 1 | Endorsements/guarantees | 7,986,580 | | 31.35 |
| 24 | BizLink Technology (Slovakia) S.R.O. | BizLink Technology SRB D.O.O. | 3 | Sales | 290,964 | Markup 5% of purchase price and payment term 0-30 days | 1.02 |
| 25 | BizLink Technology SRB D.O.O. | BizLink Technology (Slovakia) S.R.O. | 3 | Sales | 82,881 | Markup 5% of purchase price and payment term 0-30 days | 0.29 |
| 26 | SIS Speedy Industrial Supplies Sdn. Bhd. | Speedy Industrial Supplies Pte Ltd. | 3 | Sales | 284,828 | Set by agreement of both parties and payment term 30-180 days | 1.00 |
| | | Speedy Industrial Supplies Pte Ltd. | 3 | Trade receivables | 110,763 | Set by agreement of both parties and payment term 30-180 days | 0.43 |
| 27 | Speedy Industrial Supplies Pte Ltd. | BizLink Holding Inc. | 1 | Endorsements/guarantees | 7,986,580 | | 31.35 |
| | | SIS Speedy Industrial Supplies Sdn. Bhd. | 3 | Sales | 243,383 | Set by agreement of both parties and payment term 30-180 days | 0.85 |
| | | SIS Speedy Industrial Supplies Sdn. Bhd. | 3 | Trade receivables | 85,734 | Set by agreement of both parties and payment term 30-180 days | 0.34 |

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

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

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

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

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

Note 4: The above amounts of asset account and liability account are converted by exchange rate US\$1=27.6800 into New Taiwan dollars as of December 31, 2021. The amounts of income accounts are converted by average exchange rate US\$1=28.0088 into New Taiwan dollars as of 2021.

(Concluded)

TABLE 9

BIZLINK HOLDING INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(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 December 31, 2021 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) (Note 2) | Note |
|----------------------|--|---------------------------------|---|--|--|--------------------------|--------|----------------|-----------------------------------|---------------------------------|------------------------|
| | | | | December 31, 2021 | December 31, 2020 | Number of Stock (Shares) | % | Carrying Value | | | |
| BizLink Holding Inc. | 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. | \$ 108,506 (US\$ 3,920) | \$ 108,506 (US\$ 3,920) | 10,000 | 100.00 | \$ 1,357,368 | \$ 249,300 | \$ 247,457 | 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. | 1,384 (US\$ 50) | 1,384 (US\$ 50) | 50,000 | 100.00 | 409,881 | (76,208) | 283,517 | Subsidiary (Note 1) |
| | BizLink International Corp. | Zhonghe Dist., New Taipei City | (1) Wholesale of cable assemblies, connectors and power cords, and (2) international trade. | 365,000 | 70,000 | 365,000 | 100.00 | 382,119 | 27,213 | 27,245 | Subsidiary (Note 1) |
| | Zellwood International Corp. | Tortola, British Virgin Islands | Various investment activities. | 69,200 (US\$ 2,500) | 69,200 (US\$ 2,500) | 2,500,000 | 100.00 | 2,705,675 | 338,054 | 340,618 | 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. | 7,965 (MYR 1,200) | 7,965 (MYR 1,200) | 1,200,000 | 100.00 | 953,323 | 273,862 | 273,862 | 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. | 45,672 (US\$ 1,650) | 45,672 (US\$ 1,650) | 1,650,000 | 100.00 | 996,282 | 347,405 | 334,651 | 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. | 596,504 (US\$ 21,550) | 430,424 (US\$ 15,550) | 546,532 | 100.00 | 367,278 | (97,963) | (103,153) | 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 | (20,934) | (4,923) | (4,923) | Subsidiary (Note 1) |
| | BizLink Technology (Ireland) Ltd. | Dublin 24, Ireland | (1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade. | 8,304 (US\$ 300) | 8,304 (US\$ 300) | 300,000 | 100.00 | 841,308 | 121,303 | 121,829 | 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. | 2,407 (JPY 10,000) | 2,407 (JPY 10,000) | 200 | 100.00 | 4,062 | 180 | 180 | Subsidiary (Note 1) |
| | BizLink (BVI) Corp. Limited | Central, Hong Kong | (1) Wholesale and retail of cable assemblies, connectors, power cords, (2) wholesale and retail of computer peripheral products and electronic materials, (3) international trade, and (4) various investment activities. | 36 (HK\$ 10) | 36 (HK\$ 10) | 10,000 | 100.00 | 1,352,429 | 302,867 | (116,407) | 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. | 994,292 (EUR 24,676) and (US\$ 8,000) | 994,292 (EUR 24,676) and (US\$ 8,000) | 174,322,000 | 100.00 | 3,235,539 | 730,962 | 729,353 | Subsidiary (Note 1) |

(Continued)

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of December 31, 2021 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) (Note 2) | Note |
|---------------------------------------|---|---|--|----------------------------|------------------------|--------------------------|--------|----------------|-----------------------------------|---------------------------------|---------------------------------|
| | | | | December 31, 2021 | December 31, 2020 | Number of Stock (Shares) | % | Carrying Value | | | |
| | EA Cable Assemblies GmbH | Nuremberg, German | (1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade. | \$ - | \$ 20,640 (EUR 659) | - | - | \$ - | \$ 3,643 | \$ 2,961 | Subsidiary (Note 1) |
| | BizLink Technology (Belgium) NV | Hasselt, Belgium | (1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade. | 386,050 (EUR 12,326) | 386,050 (EUR 12,326) | 915 | 100.00 | 601,669 | 70,978 | 70,978 | 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. | 936,186 (EUR 29,891) | 936,186 (EUR 29,891) | (Note 4) | 100.00 | 547,013 | (20,895) | (20,895) | 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. | 223,186 (EUR 7,126) | 223,186 (EUR 7,126) | (Note 4) | 100.00 | 203,111 | 33,442 | 33,442 | Subsidiary (Notes 1 and 5) |
| | OW Holding Inc. | Grand Cayman, Cayman Islands | Various investment activities. | 615,908 (US\$ 22,251) | 615,908 (US\$ 22,251) | 2,105,120 | 93.08 | 343,998 | (204,706) | (190,540) | Subsidiary (Note 1) |
| | Speedy Industrial Supplies Pte. Ltd | 3 Kallang Sector, Singapore | Manufacture and wholesale of cable assemblies, power cords, PCBA assemblies, sheet metal fabrication and box build assemblies. | 1,485,601 (SGD 72,610) | 1,485,601 (SGD 72,610) | 2,000,000 | 100.00 | 1,804,002 | 228,605 | 228,567 | Subsidiary (Notes 1 and 7) |
| | Grand Infinite Enterprises Limited | OMC Chambers, Wickham Cay 1, Road Town, Tortola, British Virgin Islands | Various investment activities. | - | - | - | 100.00 | - | - | - | Subsidiary (Notes 1 and 5) |
| BizLink Technology Inc. | BobI, LLC | CA 94538, USA | Various leasing activities. | 55,360 (US\$ 2,000) | 55,360 (US\$ 2,000) | (Note 4) | 100.00 | 54,952 | 10 | 10 | Sub-sub-sidiary (Note 1) |
| BizLink (BVI) Corp. | Jo Yeh Company Limited | Kowloon, Hong Kong | (1) Wholesale and retail of connectors, and (2) international trade. | 108,367 (US\$ 3,915) | 108,367 (US\$ 3,915) | 10,000 | 100.00 | 133,802 | 2,816 | 2,816 | Sub-sub-sidiary (Note 1) |
| | Siriusstek Inc. | Xinshi Dist., Tainan City | Provide customized LED (light emitting diode) lighting products and solutions. | 20,000 | 20,000 | 2,000,000 | 40.00 | 5,340 | (4,240) | (1,696) | - |
| | ProOptics International Corp | Grand Cayman, Cayman Islands | Design, manufacture and sale of optical film. | 62,418 (US\$ 2,255) | 62,418 (US\$ 2,255) | 2,050,000 | 27.00 | 26,381 | (44,185) | (9,861) | - |
| BizLink International Corp. | AquaOptics Corp. | Zhubei City, Hsinchu County | Design, manufacture and sale of optical system integration | 66,000 | 66,000 | 18,418,640 | 44.00 | 19,496 | (26,933) | (11,851) | - |
| Zellwood International Corp. | Bizconn International Corporation | APIA, SAMOA | Various investment activities. | 46,143 (US\$ 1,667) | 46,143 (US\$ 1,667) | 1,666,667 | 100.00 | 513,580 | 78,821 | 80,392 | Sub-sub-sidiary (Note 1) |
| Adel Enterprises Corp. | Asia Wick Ltd. | Central, Hong Kong | Various investment activities. | - | - | 1,000 | 100.00 | 351,915 | 63,902 | 63,822 | Sub-sub-sidiary (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. | 367 (INR 1,000) | 367 (INR 1,000) | 100,000 | 100.00 | 1,918 | 51 | 51 | Sub-sub-sidiary (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. | 559,136 (US\$ 20,200) | 559,136 (US\$ 20,200) | 2,000 | 100.00 | 357,770 | (204,458) | (204,458) | Sub-sub-sidiary (Note 1) |
| Speedy Industrial Supplies Pte. Ltd | SIS Speedy Industrial Supplies Sdn. Bhd. | Johor, Malaysia | Manufacture and sale of cable assemblies, power cords, PCBA assemblies, sheet metal fabrication and box build assemblies. | 663 (MYR 100) | 663 (MYR 100) | 100,000 | 100.00 | 109,165 | 5,581 | 5,581 | Sub-sub-sidiary (Note 1) |
| | EA Cable Assemblies Supplies | Neuburg an der Donau, Germany | (1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade. | 30,792 (SGD 1,505) | - | 1 | 100.00 | 32,274 | 3,643 | 682 | Sub-sub-sidiary (Notes 1 and 6) |

(Continued)

- 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 9.
- Note 4: This company is a “limited company” without stock issuance.
- Note 5: Grand Infinite Enterprises Limited is a subsidiary of the group established in the British Virgin Islands on May 26, 2021.
- Note 6: In December 2021, Speedy Industrial Supplies Pte. Ltd., acquire 100% interest in EA Cable Assemblies Supplies., Thus, the stockholding ratio of the Speedy Industrial Supplies Pte. Ltd., increased to 100%, and the interest of EA Cable Assemblies Supplies., in the group decreased to 0%.
- Note 7: The Group’s subsidiaries, Speedy Industrial Supplies Pte Ltd and EA Cable Assemblies GmbH, acquired 100% interest of LEONI Special Cables (China) Co., Ltd. (renamed as BizLink Special Cables (Changzhou) Co., Ltd. in March 2022) and LEONI Elocab Ltd., neumatic cz, s.r.o., LEONI Special Cables GmbH, LEONI elocab GmbH, LEONI protec cable systems GmbH, LEONI Industry Verwaltungs-GmbH, LEONI CIA Cable Systems S.A.S., Silitherm S.r.l., LEONI Systems Spain S.L.U., LEONI Tailor-Made Cable UK Ltd., LEONI Engineering Products & Services, Inc. (renamed BIZLINK ELOCAB LTD., BizLink Industry Czech s.r.o., BizLink Special Cables Germany GmbH, BizLink elocab GmbH, BizLink Robotic Solutions Germany GmbH, BizLink Industry Germany GmbH, BizLink Robotic Solutions France S.A.S., BizLink Silitherm S.r.l., BIZLINK SYSTEMS SPAIN, S.L., BIZLINK TAILOR-MADE CABLE UK LIMITED, BIZLINK ROBOTIC SOLUTIONS USA, INC. between January 2022 and March 2022) and LEONI Industry Slovakia, spol. s.r.o., on January 20, 2022, with an enterprise value of approximately EUR451 million to obtain funds for merger and acquisition.

(Concluded)

BIZLINK HOLDING INC. AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021**
(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, 2021 | Remittance of Funds | | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 13) | Carrying Amount as of December 31, 2021 | Accumulated Repatriation of Investment Income as of December 31, 2021 |
|---|---|---|-------------------------------------|--|---------------------|--------|---|---|---|--|--|--|
| | | | | | Outflow | Inflow | | | | | | |
| Bizconn International Corp. (China) | Design, manufacture, sale and assembly of connectors, tooling and cable assemblies. | \$ 76,510 (RMB 17,600) | (2) Note 4 | Note 3 | Note 3 | Note 3 | Note 3 | \$ 79,140 | 100.00 | \$ 79,140 | \$ 476,853 | Note 3 |
| TongYing Electronics (Shen Zhen) Ltd. | Manufacture of wire extrusions and cable assemblies. | 95,611 (HK\$ 26,936) | (2) Note 5 | Note 3 | Note 3 | Note 3 | Note 3 | 64,086 | 100.00 | 64,086 | 377,641 | Note 3 |
| OptiWorks (Shanghai) Limited | (1) Manufacture, wholesale and retail of fiber optical passive components and fiber optical cables, and (2) international trade. | 166,080 (US\$ 6,000) | (2) Note 7 | Note 3 | Note 3 | Note 3 | Note 3 | 783 | 93.08 | 729 | 204,413 | Note 3 |
| OptiWorks (Kunshan) Limited | Production and development of optical communications optoelectronic devices, components and modules, and sale of own products. | 83,040 (US\$ 3,000) | (2) Note 7 | Note 3 | Note 3 | Note 3 | Note 3 | (53,695) | 93.08 | (49,980) | 52,571 | Note 3 |
| Xiang Yao Electronics (Shen Zhen) Co., Ltd. | Design, manufacture and sale of cable assemblies, power cords, and connectors. | 27,680 (US\$ 1,000) | (2) Note 8 | Note 3 | Note 3 | Note 3 | Note 3 | 82,034 | 100.00 | 82,034 | 603,547 | Note 3 |
| Hwa Zhan Electronics Corp. (Shen Zhen) | Production and operations of computers and communications cables, connectors and fiber jumpers. | 8,874 (HK\$ 2,500) | (2) Note 9 | Note 3 | Note 3 | Note 3 | Note 3 | 84,943 | 100.00 | 84,943 | 237,778 | Note 3 |
| BizLink (Kun Shan) Co., Ltd. | Design, manufacture and sale of cable assemblies, connectors and power cords. | 276,800 (US\$ 10,000) | (2) Note 6 | Note 3 | Note 3 | Note 3 | Note 3 | 255,503 | 100.00 | 255,503 | 2,177,976 | Note 3 |
| BizLink Electronics (Xiamen) Co., Ltd. | Manufacture and assembly of power cords and cables. | 15,501 (US\$ 560) | (2) Note 10 | Note 3 | Note 3 | Note 3 | Note 3 | 289,916 | 100.00 | 289,916 | 594,549 | Note 3 |
| Foshan Nanhai Jo Yeh Electronic Co., Ltd. | Production and operations of electrical appliances, electronic equipment, and plug-in connectors. | 55,360 (US\$ 2,000) | (2) Note 11 | Note 3 | Note 3 | Note 3 | Note 3 | 302 | 100.00 | 302 | 118,399 | Note 3 |
| BizLink Technology (Chang Zhou) Limited | (1) Manufacture of smart instrumentational sensors, instrumentational connectors and instrumentational functional materials, (2) sale of own products, import and export business. | 992,268 (US\$ 8,950) and (RMB 171,263) | (2) Note 12 | Note 3 | Note 3 | Note 3 | Note 3 | 520,984 | 100.00 | 521,212 | 2,022,463 | Note 3 |
| BizLink Technology (Xiamen) Limited | (1) Manufacture of smart instrumentational sensors, instrumentational connectors, and instrumentational functional materials, (2) sale of own products, and import and export business. | 468,263 (US\$ 16,917) | (2) Note 12 | Note 3 | Note 3 | Note 3 | Note 3 | 209,067 | 100.00 | 209,123 | 1,155,129 | Note 3 |

(Continued)

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

| Accumulated Outflow Remittance for Investment in Mainland China as of December 31, 2021 | Investment Amount Authorized by Investment Commission, MOEA | Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA |
|---|---|---|
| Note 3 | Note | 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 5.
- 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 5.
- c. The amount of property transactions and the amount of the resultant gains or losses: None.
- d. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
- e. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.
- f. Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

(Concluded)

TABLE 11**BIZLINK HOLDING INC.****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021**

| Name of Major Shareholder | Shares | |
|--|------------------|-----------------------------|
| | Number of Shares | Percentage of Ownership (%) |
| Hwa Tse Liang and InRuKuo Family Trust | 8,624,427 | 6.27 |
| First time in 2021 for the labor pension fund to entrust Cathay Pacific investment account | 8,209,500 | 5.97 |

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, refer to Market Observation Post System.